



PRIME MINISTER

A CITY ARTS COLLEGES

I have been offered sponsorship of £1m towards establishing, probably in the London area, a secondary school which has all the characteristics of a CTC except that the main emphasis would be on the performing arts instead of on technology and science. This will be similar to some of the Magnet Schools in American cities which provide such a curriculum.

This is a most imaginative response to the CTC concept; and negotiations with Richard Branson and other prospective sponsors are sufficiently promising to exploit this opportunity by amending Clause 94 of the Education Reform Bill.

I am therefore proposing to accept an amendment at Report stage in the House of Lords which defines a new category of school: a City Arts College or CAC; and which provides the basis for a funding agreement with its promoters.

The CAC involves a helpful enlargement of the CTC concept but would not mean an addition to the agreed programme. If you agree with this proposal, it would be my intention to meet both the capital and current costs of the CAC within planned levels of expenditure for the CTC programme, and on the same conditions as those which I have agreed with the Chief Secretary in respect of CTCs. These conditions are that the private sector should contribute at least £1m or 20% of the total towards capital costs (whichever is greater); that the Department's share of the capital assets of the CTC body, in proportion to its initial grant, must be repaid if per capita grant is terminated; and that I should nominate at least one member of the Board of Governors.

CONFIDENTIAL

CEB

CF - done with

Per chair / BG is

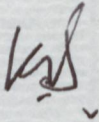
going to committee

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CONFIDENTIAL

The response from the business community to the CTC concept has been enormously encouraging and I remain confident of establishing a network of 20 CTCs. Like CTCs, a City Arts College would be expected to provide a balanced curriculum, including technology and science, for pupils up to the age of 16 making use of micro-electronics and computers, especially in music and drama, and a full range of sixth form studies.

I am sending copies of this letter to the Chief Secretary and other members of E(EP).

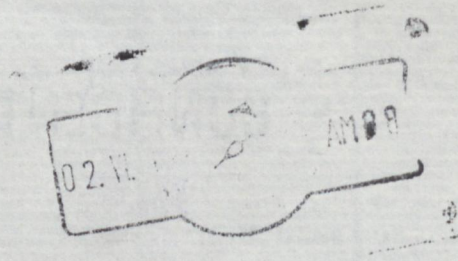


KB
Department of Education and Science

2 June 1988

CONFIDENTIAL

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EDUCATION Policy pt 19

VGA

INTERNATIONAL



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 June 1988

Dear Chris,

A CITY ARTS COLLEGE

The Prime Minister has seen your Secretary of State's minute of 2 June and the Chief Secretary's minute of 9 June.

The Prime Minister has commented that it does not seem right to establish a CTC-type school with the main emphasis on the performing arts on the basis of private sector sponsorship of only £1 million and the remaining costs coming from Government grants. She has further commented that, if the private sector was prepared totally to finance the establishment of such a school, that might be another matter.

I am copying this letter to the Private Secretaries to members of E(EP) and to Trevor Woolley (Cabinet Office).

Yes,

Paul

PAUL GRAY

Chris de Grouchy, Esq.,
Department of Education and Science.

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FROM: CHIEF SECRETARY
DATE: 9 June 1988

PRIME MINISTER

A CITY ARTS COLLEGE

Kenneth Baker has sent me a copy of his letter to you of 2 June, suggesting that the CTC scheme be amended to embrace the creation of a secondary school with its main emphasis on the performing arts rather than on science and technology.

2 While I would not wish to question the educational merits of establishing a school along the lines proposed in Kenneth's letter, I must express some concern about this further drift away from the original intentions of the CTC scheme which were to produce more school children with skills in science and technology for which, as you are well aware, industry still has a significant and unsatisfied demand.

3 The more important concern, from my point of view, is the effect that this proposal will have on the future of the CTC programme as a whole. As Kenneth's letter hinted, the original hope of private money contributing all, or a substantial part, of the capital cost of the colleges established under the scheme now seems to be unattainable in practice. Indeed, in none of the schemes so far submitted has the private contribution amounted to even 50 per cent of the cost involved. It was because of this, that I agreed with Kenneth, at the end of last year, five conditions which would govern the future of the CTC programme. These are:

- (i) that total capital and current expenditure on CTCs would be contained within the provision already agreed;

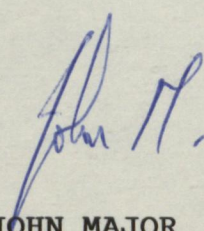
CONFIDENTIAL

- (ii) that any future schemes would require a minimum contribution by sponsors of £1 million or 20 per cent of the total capital cost (whichever is the greater) and that any subsequent increase from initial estimates would be matched by a pro rata increase in the size of the private sponsor's contribution;
- (iii) that capital grants to CTCs would be repaid if per capita grant were terminated and that DES would receive a pro rata share of profits from any subsequent disposal of the CTC;
- (iv) that CTCs would be required to operate in accordance with a scheme of government approved by the Secretary of State for Education who would have the right to appoint at least one, and ideally two, members of the Board of Management; and
- (v) that the Treasury would need to be consulted about each scheme before final commitments were entered into with the sponsor.

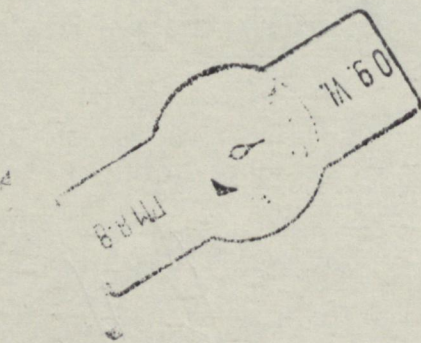
4 It is very clear, therefore, that if we decide to go ahead with a City Arts College on the basis of a contribution of only £1 million from the private sector then a significantly greater level of private sponsorship is going to be needed for subsequent colleges if a network of 20 CTCs is to be established within the current framework.

5 Subject to this proviso I would not wish to oppose Kenneth's proposal for a City Arts College.

6 I am sending copies of this letter to Kenneth Baker and to the other members of E(EP).


JOHN MAJOR

Education: Policy M 19



PRIME MINISTER

CITY ARTS COLLEGE

Kenneth Baker's minute of 2 June (Flag A) seeks agreement to extending the concept of City Technology Colleges also to embrace City Arts Colleges. This follows an offer of sponsorship of £1 million towards such a secondary school in the London area.

The Chief Secretary's minute of 9 June (Flag B) questions this extension of the CTC concept, but is prepared for it to go ahead as long as the earlier agreed conditions for CTCs are observed and it is recognised that proceeding with a contribution of only £1 million for this City Arts College would imply the need for significantly increased private sponsorship in the remaining network of twenty CTCs. He points to the fact that the levels of sponsorship for CTCs so far have fallen significantly below the original aspirations.

Brian Griffiths' note (Flag C) supports Kenneth Baker's idea; and suggests that the necessary widening amendment to the Education Bill should not just cover Arts Colleges but also schools with other desirable education emphases.

Are you content to agree Kenneth Baker's proposal subject to the Chief Secretary's conditions? If so, do you want the amendment widened to cover other types of school as suggested by Brian Griffiths?

PLCG

Paul Gray

9 June 1988

DG2CTE

*Emphasis on the
Performance also does
not seem right for specific
grants (which this would require). We are
not short of such people. If they
wish to finance ~~not~~
totally that is another matter not*

PRIME MINISTER

3 June 1988

A City Arts College

The proposal from Kenneth Baker that the CTC concept be extended to a City Arts College is an excellent one and deserves to be accepted.

As the concept of CTCs is a way of introducing Magnet Schools in the UK, it is very important that the amendment to the Education Bill does not just permit only one other possibility to CTCs. The clause should be redrafted to make it possible for sponsors to fund schools with other desirable education emphases.

Brian Griffiths

BRIAN GRIFFITHS