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PRIME MINISTER

EDUCATION REFORM BILL: CONSIDERATION OF THE
LORDS' AMENDMENTS

Kenneth Baker, in his minute at Flag A, makes recommendations for the handling of the Lords Amendments to this Bill. Brian Griffiths, in his minute at Flag B, argues that you should oppose Kenneth Baker's recommendations in respect of the "majority vote" for the grant maintained schools and for universities' funding. I have no comment on the universities' funding point, but you should be aware of what Kenneth Baker told me on the telephone this evening regarding the grant maintained schools point.

He said that it was with the utmost reluctance that he suggested to you the complicated system of dual ballots described in his minute. But that approach had certain advantages in the difficult situation in which we now were:

- (i) it ensured that the second, and crucial, vote would be by simple majority, i.e. the original version in the Bill;
- (ii) there was a real prospect, provided the Lords' Whips worked very hard, of securing the passage of such an amendment. The Bishop of London had undertaken to him to come back from the Lambeth Conference to vote for this approach. Such cross bench support, in addition to that of Lord Halsbury the proponent of the dual ballot approach, would be invaluable in securing a majority

Kenneth Baker fears that insistence on our original approach of a simple majority vote would result in the Lords again throwing it out and we will be into ping pong. In those circumstances, the timetable for Royal Assent for the Bill by the Summer Recess would be in jeopardy; and the eventual

CONFIDENTIAL

- 2 -

settlement could be worse than the dual ballot approach which he proposes.

Kenneth is very keen that you should agree his dual ballot approach. He admits it is complicated, but he believes that it secures the Government's essential objective without putting unnecessary obstacles in the way of opting out. Kenneth would want you, at Cabinet tomorrow, to make it clear in firm terms that the Lords Whips should ensure a good turn out in the Government Lobbies when the dual ballot amendment is taken.

What are your views on the two substantial matters referred to in Kenneth Baker's minute:

- ballot procedures for grant maintained schools;

and

Am prepared to go along with this

- university funding?

- agreed if we can sell it to Jim Beloff. The Universities should be accountable for the way they spend their money.

N.L.W.

N. L. WICKS

13 July 1988

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File

From the Principal Private Secretary

14 July 1988

Dear Tom,

EDUCATION REFORM BILL: CONSIDERATION OF THE LORDS' AMENDMENTS

The Prime Minister has seen your Secretary of State's minute of 13 July about the handling in the Commons next week of the Lords' amendments to this Bill.

As the Prime Minister told your Secretary of State this morning, she agrees with his recommendations regarding the opting-out procedure for grant maintained schools and regarding the powers of the Universities Funding Council. As your Secretary of State knows, her agreement on the universities funding issue is subject to a particular point of which he is aware.

Your Secretary of State's minute was not copied to E(EP) Ministers who may well have an interest in some of the issues it raises. The Secretary of State for the Environment may, for example, wish to be aware of what your Secretary of State has in mind regarding ballots in view of any consequences for ballot procedures in relation to Housing Action Trusts. The Chief Secretary too will be interested in what is proposed regarding the Universities Funding Council. Could I ask that your Secretary of State should clear his lines with those Ministers, as is necessary and appropriate.

*Yours truly
Nigel Wicks*

N. L. WICKS

Tom Jeffery, Esq.,
Department of Education and Science.

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