

PRIME MINISTER

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Ms 2/11

THE DAVID YOUNG PROPOSAL

1 Because I believe that choice benefits the customer, I very much favour the David Young initiative.

2 I set out below some comments on it. I have not so far sought advice in my Department on the basis required for a proper consideration of this proposal.

3 But good as I believe the results could be, the success of this proposal depends on how we can galvanise what is a providers' oligopoly:- 97 local education authorities in England, plus the churches and other voluntary bodies and the independent schools. A new type of provider is proposed to compete with the existing ones - the direct agent of a Crown body: the institutions will be "Crown Colleges".

The Likely Reaction of the World of Education

4 This Government in general and I in particular are seen as destroyers of educational quality: no matter how often we explain that effectiveness in education cannot be measured by money spent, that motivation of the child, support at home, the skill and character of teachers and head teachers and the curriculum provided can be more important than money, spokesmen of education and those who heed them clamour that more money is needed than we are planning to provide.

5 We are moreover - and I in particular - already heavily criticised for abdicating responsibility for the over 16s in favour of the MSC. This further MSC initiative will be taken as an outrage: LEAs and schools will say that many of them are eager to provide technical education if only they were given the money. In fact some LEAs - notably Coventry - have got their schools to do it, sometimes with the help of MSC money.

6 Rather different considerations apply pre-16 and post-16. Technical education is generally quite efficiently available post-16 in FE colleges. The real question is what new is to be offered pre-16 (which is not to

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say that, if one introduced a new type of institution pre-16, it should not take youngsters through to 18).

7 In fact maintained schools today are seen - not I believe unfairly - as catering reasonably effectively for those with academic potential but as offering ill preparation in terms of character, attitudes and skill for work and for living.

Technical Curriculum Initiatives at DES

8 From early days here I judged the generally academic nature of the secondary school curriculum unsuitable for about 40% of the children.

9 My recent announcement that we sought a more suitable curriculum for this 40% has been widely welcomed: the provision of an extra £2m per annum for selective development projects for this purpose has attracted bids from no less than 60% of the LEAs. Out of this initiative strong technical streams should emerge in more of our comprehensives, and gradually a more suitable curriculum will no doubt evolve.

10 My pursuit of new arrangements for full-time prevocational courses in schools or colleges for the first year post-16 is also a step towards technical education for those below 'A' level standard.

The First Problem is Financial

11 No part of what I have said so far reduces the case for the initiative proposed by David Young. But there is a problem. If the MSC is given public money per pupil greater than that available to the LEAs there will be intensified outrage; and we risk losing the galvanising effect because the schools will not be able to reproduce the conditions which make the Crown Colleges successful. Crown College places will cost much more than LEA school places - rough figures in the Annex.

12 So to put the schools into the same league on resources as the Crown College could be very expensive. With an extra £200-300m a year (plus some capital expenditure) - assuming an extra £500 per pupil in the last 2 compulsory years - one would have enough to do so for a

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significant proportion - perhaps a half - of secondary schools, but not for all.

13 David Young suggests that about half the cost of Crown Colleges would have fallen on the Education budget. I could not agree to such a transfer. His initiative may attract new students post-16; Crown College unit costs are higher; and most of the school and FE places which become vacant could probably not be taken out of use and their full cost saved.

14 I strongly believe that a move towards a technical curriculum is needed. I welcome the David Young initiative. I believe that the intensified odium which it will arouse in the world of education is unavoidable if no extra finance is made available to allow LEAs to compete with the MSC. A paper on an important element of educational policy - wider parental choice via vouchers and open enrolment - will reach you shortly. It will be necessary to weigh that proposal's claims on public expenditure (perhaps £10m rising to £50m for pilot projects in the first 5 years, with much larger sums if a national scheme is adopted) alongside those of David Young's initiative and the consequences for the existing State system. Such extra spending is, I believe, needed on grounds of freedom of choice and quality of education.

15 I repeat that if we release MSC - as I am in favour of doing - and do not equip the LEAs to compete, we shall harvest some very real resentment on top of the resentment that will unavoidably be caused by allowing the MSC to poach further on what the world of education regards - wrongly in my view but very sincerely - as theirs.

A More Acceptable Way of Action

16 We could partly disarm resentment by announcing a pilot technical education programme, half within the education system with specific grant (for which I would need a new power) to LEA schools from among those already working on these lines and who bid for the opportunity and half from the MSC.

How Widely Will the Colleges Catch on?

17 There is a problem of securing parental support for Crown Colleges. The paper refers to "all abilities". What is crucial is the attitude

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of employers. Parents heed what they think employers want. Employers say that they want broadly rather than vocationally educated young people, well motivated, co-operative, adaptable, and with self-discipline. They seem to value 'O' levels. If the Crown Colleges came to be regarded as inferior in general education, they would fail.

18 Moreover, the age range proposed reaches beyond the compulsory education period. Parents may well say that:

- a If the child decides to leave at 16 he or she should have had the chance to take 'O' levels or CSE; and that
- b if the child stays on voluntarily from 16 to 18 he or she might as well seek 'O' and perhaps 'A' levels rather than, or in addition, to BEC, TEC or CGLI.

Some TEC and BEC qualifications at the approximate level of 'A' level permit entry to some higher education institutions. But other higher education institutions insist on 'A' levels plus certain 'O' levels.

19 The Crown Colleges would have to compete with the present apparently more flexible options of seeking 'O' levels and CSEs at school and then TEC, BEC or CGLI at further education colleges.

20 The Annex draws attention to considerations to be satisfied by the new colleges.

Conclusion

21 I repeat my support of David Young's initiative. But placing it outside the present education system creates difficulties which must be overcome if it is to achieve its galvanising purpose. In paragraphs 12 and 16 I have suggested alternative ways forward.

22 I am copying this minute and the note attached to Geoffrey Howe and Norman Tebbit.

KJ
November 1982

CROWN COLLEGES

1 The proposed colleges would span the last 2 years of compulsory full-time education (which are normally spent at a school) and the 2 years post-16 (which those in full-time education now normally spend either at a school or at a FE college). Different legal and practical considerations apply to these two tranches.

2 Since the MSC is a Crown body, the proposed colleges would not be subject to the provisions of the Education Acts which govern schools or other educational establishments. For example, they would not be subject to inspection by HMI or to regulations made by the Secretary of State in respect of schools.

3 But when the Crown is exempt from a statute, the Government normally acts in the spirit of the statute in relation to the exempted area. Arguably the Crown colleges would voluntarily submit themselves to inspection by HMI and would require a level of competence and qualifications in their teaching staff which, duly allowing for the colleges' special character, was consistent with the corresponding requirements for schools or colleges in the State sector. Crown Colleges would have great freedom to offer what might attract parents. But because they would be provided and financed by the State, people would expect the State to try to secure certain standards, for example in relation to teacher qualifications. Inspection by HMI is post hoc, and thus not a guarantee of initial standards.

4 It would also be necessary to ensure that the Crown Colleges enabled the parent to meet his statutory duty to ensure that his child of compulsory school age received efficient full-time education suitable to his age, ability and aptitude. A LEA which, whether for political or educational reasons, took the view that a Crown College's curriculum was inadequate for this purpose might start school attendance order proceedings against the parents, and the adequacy of the curriculum could then become the subject of legal proceedings.

5 Not only are the functions of the MSC performed on behalf of the Crown, but also its legal relationship with the Secretary of State (for Employment) is a very close one. It is under a statutory duty to ensure that its activities are in accordance with proposals submitted to the

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Secretary of State and approved by him, with or without modifications. And the Secretary of State is empowered at any time to give the MSC such directions as he thinks fit with respect to its functions. This relationship is so close that Crown Colleges would almost certainly be regarded as central government institutions and PQs could easily be drafted in terms which would result in the Secretary of State in effect becoming answerable in Parliament for Crown Colleges.

6 Crown Colleges would be selective. The selection arrangements would need to be fair and seen to be so. It would not be easy to achieve this, given the desired outcome over the whole ability range, and the significance of the location of each college, coupled with the absence of special financial support for poorer students.

7 The average cost per secondary pupil aged 11-16 in the State schools is now about £1,100 a year. The average cost of a full-time student doing technical studies in a FE college is of the order of £2,500 a year. The cost per pupil aged 14-16 of introducing the Crown College curriculum would work out at somewhere between these 2 figures. The cost per older student in a Crown College could be higher than the average corresponding cost per student in a FE college, because the Crown College is to cater for a wider range, as well as for smaller numbers, of technical students than the average FE college.

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