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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

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Sear Tim

I enclose, as requested, a summary of my Secretary of State's minute to the Prime Minister of 5 November on Wider Parental Choice.

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N J CORNWELL Private Secretary

7.5. I am copying this letter and the Summary to David Watts (Lord Chancellor's Separtment)

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SUMMARY BY SIR KEITH JOSEPH OF HIS MINUTE TO THE PRIME MINISTER OF 5 NOVEMBER ON WIDER PARENTAL CHOICE

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Objectives: to increase individual sense of responsibility by giving parents more effective choice of school and therefore to raise standards (paragraph 1).

Present framework: decisions on what goes on in schools nearly totally decentralised to LEAs and schools. The providers largely decide what is provided. Parental choice is limited in practice.
The vast majority of parents seem to put up with what they have more or less contentedly (paragraph 2).

Within present framework: efforts being made by government to raise standards by (a) various measures to improve the calibre and efficiency of teachers, for example by improving initial and in-service training; (b) pressing LEAs and schools to improve the curriculum and teaching perceptions coupled with an improved examination system; (c) seeking a more suitable curriculum for the non-academic 40%; and (d) publishing HMI reports on schools and colleges.

Not enough is possible within present framework, even as improved by the limited scheme of specific grant which I have in mind (paragraphs 3 and 4).

Logical change would be to vouchers giving every parent freedom to spend at any (approved-for-curriculum etc) school what is now on average spent per child and making each school wholly depend upon the cash equivalent of the vouchers parents choose to "spend" there, topped up (perhaps within limits) by parents from their own pockets.

This would involve schools - including Church schools - no longer being maintained by local authorities as at present. It is highly unlikely that so drastic a cut in LA/LEA functions would be acceptable to the Party or to Parliament - and, even if it were, very difficult questions arise (paragraphs 5-8). A "Danish" or "Dutch" scheme cannot readily be applied to the English situation (paragraph 9).

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So I propose a less radical option - with 2 limbs - to be tried in a few pilot schemes.

- Limb I (a) greater scope to go private: all parents, subject to a means test, receive a voucher of a uniform value, which they can "spend" for or towards the fees for a day pupil at a new or existing approved-for-curriculum etc independent school with freedom for the parent to top up subject to a ceiling on fees and with government guarantees for an initial period for the capital cost of starting or expanding independent schools. There are public expenditure, manpower and other issues to be resolved (paragraphs 10 (1) (a) and 15-25).
- Limb II (b) greater scope to choose within the maintained sector:

 invite LEAs to submit schemes to increase parental choice
 by spending money to achieve more rapid expansion

 (within limits) of popular schools and on the condition
 that bad schools are correspondingly reduced. There are
 public expenditure, manpower and practical issues to
 be resolved (paragraphs 10 (1) (b) and 26-33).

Both limbs aim to raise standards in less good maintained schools. The second limb increases choice within the maintained sector to balance the increased scope given by the first limb to shop for a place in existing or new independent schools.

There are important unavoidable constraints - of geography, of money and of the limits of feasible expansion of popular schools (paragraph 14).

The apparent "dead-weight" cost of providing vouchers for those (5%) who would be anyway at independent schools can be cut to one-third or even one-tenth as shown in Annex A and paragraph 20.

But capital expenditure guarantees would be needed (paragraph 21) and there would need to be more HMIs (22). Pilot projects are highly desirable. Therefore problems of location and cost, and uncertainties about securing volunteers (paragraphs 34-43 and Annex B).

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Legislation would be needed both for pilot schemes and, if it were so decided, for going national (paragraph 44-45). Paragraphs 46-49 set out some general considerations on whether the schemes will increase responsibility and whether they will raise standards. Paragraph 50 raises an awkward presentational issue of nomenclature.

Paragraph 51 sets out the conclusion I seek - legislation now or early in the next Parliament for the pilot projects.