

PRIME MINISTER

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H Paper : Specific Grant for Education

The attached paper by Sir Keith Joseph for H proposes a new specific grant for education to influence LEA spending at the margin. Under Sir Keith's proposal it might amount to about half a per cent of education spending or £50 million for 1983/84; this would of course be subject to discussion with the Treasury if policy approval were given. Sir Keith does not see such a grant as increasing education expenditure; instead he wishes to use it to ensure that at the margin the Government's priorities take precedence over those of individual authorities. Examples which he gives as areas in which the new grant might be useful include curricula development in mathematics, and giving a more practical slant to 16+ education for the non-academic. The new power would of course require primary legislation.

You will recall of course that the DES argued strongly for greater block granting of education expenditure during your recent visits to DES. Sir Keith argues that the considerations advanced by MISC 79 against such a block grant would not apply to the limited power of specific grant proposed in his paper.

25 January 1983

PRIME MINISTER

H Committee

H Committee discussed two major subjects at its meeting on 31 January.

1. Specific grants for education

You will recall seeing the Education Secretary's paper proposing a new block grant amounting to perhaps 0.5% of overall education expenditure to enable him better to influence local authorities' spending decisions. H Committee approved these proposals in principle subject to negotiations about the level of the grant and the rate at which it should be paid to local authorities. Subject to those negotiations the Committee authorised the Secretary of State to begin preparations for the necessary legislation. As you pointed out in response to the previous paper however, all this is secondary to the resolution of the rates question. The timescale envisaged would mean however that Sir Keith's proposals could not be implemented for some considerable time.

2. Housing and Building Control Bill

You have seen Mr. King's paper proposing amendments to the Bill which were resisted by the business managers at H. I have passed on your views that the "right to repair" and the proposed powers against onerous restrictive ~~conventions~~ covenants should be incorporated in the Bill.

JK

✓ Housing: Housing Policy Pt 4