

PRIME MINISTER

WIDER PARENTAL CHOICE

Keith now offers two schemes to the small Ministerial committee. I'll call them the DES Scheme and the Advisers' Scheme, because that's what they are.

The DES Scheme (Annex A plus Annex B) is virtually a re-run of the scheme originally proposed to MISC 91. Limb One offers vouchers to parents choosing the independent sector. Limb Two offers government grant to LEAs which expand popular schools by means of open enrolment. The only addition (paragraph 5) is an Annual Meeting at which the LEA, governors and head would be required to give an account of their stewardship to the parents.

Taken separately, these ideas are very worthwhile. But, as MISC 91 agreed, they don't hang together as a fair or politically acceptable scheme. The vast majority of parents who would remain in the state sector would receive little noticeable benefit. Labour could still say "The Tories are subsidising private schools with your money and leaving the state schools to rot". And there is not much increase in accountability of schools to parents.

Advisers' Scheme (Annex A plus Annex C). Our scheme keeps much the same voucher system for the independent sector (Annex A).

But for the state sector, we propose (Annex C) a far stronger measure of decentralisation of power to schools and parents. Under our scheme, virtually every maintained school would have at least as much independence as the present voluntary-aided schools.

As with the original MISC 91 scheme, the Government would offer a financial inducement to LEAs to join the scheme. Thus the scheme - like most significant reforms in British education - would be gradual and piecemeal.

Maintained-voucher schools would become self-managing charitable trusts. Only a minority of the governors would be appointed by LEAs. The schools would hire and fire the teachers and do their own accounts.

The LEA would retain a discretionary fund and considerable powers in order to carry out its duties under the 1944 Act to "secure that there shall be available for their area sufficient schools . . ."

But the LEA would own and manage only special schools and any maintained-voucher school that had got into financial difficulties.

In paragraph 9, Keith's officials raise their doubts. Our answers are as follows.

1. Would enough LEAs volunteer? Quite a number of LEAs expressed serious interest in the MISC 91 scheme. Others are already beginning to experiment with schools as decentralised budget centres. Naturally, the first volunteers would probably be Tory (Kent, Solihull, Birmingham etc) but if "power to the parents" was seen to improve schools, others would follow fast. As for the churches, we would naturally negotiate to make sure that our proposed arrangements were agreeable to them.
2. How do you reconcile the independence of the voucher system with the continuing duties of the LEA? This would be no more difficult than it has been with the voluntary-aided schools for 30 years. British universities too are robustly, sometimes cussedly, independent. Yet they are largely, often totally dependent upon public money.
3. Won't vouchers actually restrict parental choice by taking away the right of appeal? Increasing parental control over schools is the most direct way of improving parental choice of schools. Our 1980 Act can only be a modest addition to parental choice, so long as the schools are predominantly controlled by the LEA.
4. The new system will be unstable. The allegation that LEAs might zigzag in and out of the scheme at each change of political control applies just as much to the present system.

Are we to say that we can never correct Labour's mistakes for fear that they will alter them back again? This is the socialist ratchet with a vengeance.

In any case, we can attach a five- or ten-year contract to the bargain between the LEA and the school. Short of fresh primary legislation, the LEA could legally be bound to the bargain.

Where would we find enough governors of the right quality in inner cities? This typical paternalist argument would imply that working-class areas are incapable of running anything from a district council to a darts club. It should also be pointed out that we say a majority of the governors should be elected by the parents not from among the parents. It would be open to the parents to choose the local bank manager, vicar, youth club leader, British Legion secretary or, indeed, anyone else they fancied from within or outside the catchment area.

6. Does not all this involve substantial changes to the 1944 Act and the political and religious settlement which underlies it? Yes, the letter of the law would need changing, but we would be reviving the spirit of the 1944 Act which has been deceitfully eroded by the politicisation of education and by the gradual nationalising of Church schools. ILEA, for example, is now beginning to squeeze out Church and single-sex schools. Under the voucher scheme, the parents would prevent this.

The 1944 Act gave the LEA a duty to respect parental wishes, a duty to provide variety of instruction and training, and a power to pay for children to attend independent schools; it also specified the appointment of governors in county as well as in voluntary schools. All these vital provisions have been allowed to rust over the years; the Advisers' Scheme would shine them up again.

Further Action (Keith Joseph's paragraph 10)

- (i) We suggest that Limb One (the independent schools Limb described in Annex A) should be endorsed. And that the DES should resolve with the Treasury the question of whether the voucher should be taxed or means-tested and at what level. We should leave open the possibility of applying the scheme nationally as well as in areas where the LEA was willing to operate it.
- (ii) We suggest that the Advisers' Scheme (Annex C) should be worked up for submission to MISC 91 by the end of April. The work might be undertaken by a joint group from the DES, the Treasury, DoE, Employment and the Special Advisers. The group might be chaired by David Hancock or, if the Cabinet Office is preferred, by Peter Gregson.