

CONFIDENTIAL

PRIME MINISTER

15 November 1990

EDUCATION AND COMMUNITY CHARGE

Mr Heseltine claims that one way of easing the community charge burden is to take education spending away from local authorities and back to the centre.

This involves two quite separate issues:

(i) Central funding and the level of the community charge

Changing the present arrangements would have virtually no impact on the level of the community charge unless education grant is left with local authorities for them to use on other things.

It is important that this point is got across because it shows a confusion in his thinking. Today's Sun headline (attached) is an utter nonsense.

(ii) Education Quality and Standards

The real test of any change in Education policy should be what is best for the children not the mix of local and central government finance.

CONFIDENTIAL

The Heseltine proposal would result in a major upheaval and disruption for all education authorities. It would leave them with severely diminished powers which would have to pass to a regional DES structure, akin to the Health Service, but which at present does not exist.

In the short term it would have no beneficial impact at all on quality and standards. Probably the reverse because of all the disruption. Before advocating it one needs to be very sure that a DES regional structure could be created and relied upon to produce a better service to schools than is promised at present.

In any case, we have a better approach. It is not to have a nationalised and centralised education service. Instead it is to create different kinds of school to meet different needs and create genuine control of schools by governors and parents.

*Brian Griffiths*

BRIAN GRIFFITHS

*John Mills*

JOHN MILLS