

PRIME MINISTER

LIVERPOOL

1. I now have to reach a decision on a controversial set of proposals from Liverpool to close all its existing 25 county secondary schools and to establish 17 new co-educational neighbourhood 11-18 comprehensive schools (including one based on the Croxteth Independent School) each of 1050 places and each coordinating its sixth form work with its nearest neighbour. In view of the wider context in which this decision will be seen, I thought that I should let you know what I propose.

2. It is common ground in Liverpool that a failure over many years to act to reduce the volume of surplus school places is having serious educational as well as financial consequences. The essential features of the position are these:

i. The number of pupils in county secondary schools has fallen by almost 7000 or 25% in the last 5 years. By 1990 it will have fallen by a further 5000 pupils. If nothing were done, nearly half the available county secondary school places would be unoccupied by 1990.

ii. This places an unnecessary and avoidable burden on Liverpool's ratepayers. In 1983-84 Liverpool budgeted to spend 8% above its GRE for all services but 16% above its education GRE. That overspend is very largely due to its excessive expenditure on unused school places (46% above the metropolitan district average) and on school transport (more than double the metropolitan district average). Liverpool freely subsidises parents who choose a school in another part of the city.



iii. It also has marked effects on the quality of education provision. Over half the schools now have under 750 pupils on roll and numbers continue to fall. As a result many schools are now failing to offer an appropriate range of courses in years 4 and 5 or in the sixth form for the full ability range taught by appropriately qualified teachers.

3. Liverpool's proposals respond to the need for a City-wide solution and offer the prospect of very substantial revenue savings, initially small but rising to £2.5m annually when the scheme is fully implemented. They have however raised widespread opposition from parents strongly supported by the Conservative party in the City.

4. In my view the wider interest points strongly towards approval of the proposals. We have to recognise that short of a remarkable turnabout in electoral fortunes, the only proposals that we shall get from Liverpool in the foreseeable future are those now before me. Alternative schemes, although widely canvassed by those who object to what is now proposed, have no realistic chance of securing a majority in the City Council. The Liberal and Conservative Groups were in disagreement about what to do when they had power and remain far apart. Simply to maintain the status quo will bring about a further decay in an already educationally defective school system. And it would remove the only realistic opportunity available to make sensible savings on the education budget.

5. The difficulty of rejecting the proposals is compounded by the possibility of having to put in Commissioners following financial collapse. It would be unrealistic to expect a Commission, given its other more immediate preoccupations, to attach an early priority to formulating its own proposals for schools rationalisation. It would indeed be a heavy extra task for them to formulate, consult on and propose a scheme which would be nearer to our educational preference. We could not prevent them from re-submitting the Labour scheme, which is at least ready-made. Moreover, to reject the proposals now before me would remove one of the more promising areas of economy - the easier for them to tackle because originated by a Labour Majority.



6. But I recognise that approval of a far from satisfactory scheme will be heavily criticised locally not least by our own Party who have campaignned energetically against it. They will argue that:

i. the scheme eliminates the choice of single-sex education within the county school sector in flat contradiction to our own policy;

ii. it is designed to destroy the most popular schools in the City in order to preserve and fill the least successful schools on the outer housing estates and in the Inner City. Thus, for example, 7 of the most popular schools at present catering for 44 forms of entry a year will be reduced under the scheme to 18 forms of entry. All but one of these schools will lose its separate identity or be closed completely - though some of the mergers of the respected schools are to be with other respected schools;

iii. by bringing the overall capacity of the system into line with the expected annual intake and by introducing admission arrangements based on neighbourhood catchment areas, the scheme will force many parents who can now exercise choice back into the estate schools from which they are seeking to escape.

7. I have much sympathy with these arguments which the Conservative Group have again put most forcibly to me as recently as 30 April. I believe that I can go part of the way to meeting them by using the powers of modification which the 1980 Education Act gives me to preserve some single-sex provision. This would have two effects:

i. it would permit me to keep a degree of choice for single-sex education amounting to 12 forms of entry out of a total of 108 forms of entry. To go further would on legal advice involve stretching my powers beyond the limit of what Parliament envisaged;



ii. by putting back an extra school into the system, it would provide a cushion of surplus capacity and so loosen up the proposed arrangements for admission as to ensure some measure of additional choice across the City.

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There is some risk that consulting Liverpool as I am legally obliged to do on such a modification to their proposals would lead them to withdraw the whole scheme. But my judgement is that they are more likely to acquiesce in this change in the interests of seeing the major part of what they propose accepted.

8. The choice is invidious and distasteful. But we can be certain about one thing. For every year that nothing is done to reorganise Liverpool's county secondary schools, those schools will get worse and their pupils will suffer more even than they do now. And falling school rolls continues to eat away at the quality of schools and the effectiveness of the teaching force. At present within the county sector of Liverpool none of the schools, whether popular or not, are performing well: popularity is an uncertain guide to quality when there are so many surplus places and subsidised transport to distant parts of the city. Approval of the proposals before me, modified as I propose, will guarantee a stable and enduring system with some prospect of producing a climate within which improvement can take place.

9. I need to announce my decision early next week. The need to consult the LEA formally on a modification and to allow them reasonable time to respond means that I must now proceed very quickly. Liverpool made it clear to me when I met them at the end of April that they could not begin to implement their scheme from this September unless they received final approval before the end of May. Even so, Liverpool will be hard put to complete adequate arrangements: to delay beyond then would pose severe problems for teachers, parents and pupils. Unless you consider that it would be useful for us to discuss this aspect of the Liverpool situation at an early meeting, I therefore propose to write to the Liverpool LEA on Tuesday announcing that I am ready to approve the statutory proposals before me and consulting them formally about a modification to preserve some single-sex education in the county school sector.



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10. I am copying this minute to Leon Brittan, Nigel Lawson, Michael Heseltine, Norman Fowler, Norman Tebbit, Peter Rees, Michael Havers, Patrick Jenkin, John Biffen, Lord Whitelaw, and to Sir Robert Armstrong.

RJ

11 MAY 1984

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