

PRIME MINISTER

LIVERPOOL

I have reflected further on the decision which we need to take on Liverpool's statutory proposals for the reorganisation of its county secondary schools. Our discussion on 14 May narrowed down the options effectively to these:

- i. seek to persuade Liverpool to produce a scheme phasing out surplus school places in a way which is closer to the wishes of parents;
- ii. examine the scope for more extensive modification of Liverpool's proposals so that more single-sex schools with a proven record of success are retained.

2. It is a pre-requisite of the first option that the proposals are rejected. Until I have formally rejected their proposals, the City Council will continue to insist on the merits of their solution and demand a decision. The first step in the process of persuasion is to explain to Liverpool why I have had to reject their proposals and to indicate the broad directions in which I would wish Liverpool to go in considering fresh proposals.

3. But I remain of the view that we have no chance of Liverpool coming forward in the future with a substantially better scheme. The best that we might hope for is some presentational modification. The Labour majority will not change its basic design for which they have the backing of the teachers and which did not prevent them from increasing their majority on 3 May; and they will be acting within the law. To obtain a package that is closer to our own educational philosophy depends on an effectively cooperating Conservative/Liberal majority, now a very distant prospect.

4. So the first option means deferring indefinitely the prospect of securing financial savings. It would be clear that we had blocked off this route to savings in Liverpool's education service. The savings, though small initially, are substantial, amounting eventually to some 2% of Liverpool's total expenditure on education.

5. The first option also gives the children of Liverpool a still rawer deal than they are now getting.

- (1) The present county secondary schools are beginning to fail to provide a sufficient range of options for O level. Furthermore, the O level results at even the popular schools are not impressive - only two schools achieve an average pass rate of 2 subjects per candidate or better;
- (2) the picture for A level is similar. All but one or two schools - far from proliferating options - are having to curtail the choice of subjects and operate with very small uneconomic teaching groups. A level results at none of the schools reach the national expectation of a 70% pass rate. The FE system in Liverpool could not take over the A level responsibilities of the schools. Cooperation between schools and with FE is not easy to obtain in practice. A prerequisite is some degree of rationalisation of the secondary schools;
- (3) the continued fall in secondary pupil numbers - a further 22% by 1990 - will make these educational problems much worse. Some of the least effective schools will be further weakened and some of those which are just managing to cope, including some of those currently popular with parents, will begin to fail more noticeably. We cannot rely on schools closing themselves; although the least popular will become enfeebled, political pressures - as with the Croxteth saga - will prevent them vanishing.

6. I do not consider it likely, under the first option, that a Commission, whether including some educational expertise or not,

would wish to, or could easily, bring forward a more acceptable plan. Any scheme in Liverpool which means closing schools will get a hostile reaction from parents, as the Liberals found when they secured my support and approval for the closure of Croxteth, a half-empty and apparently unpopular school on a large housing estate. A Commission would find it difficult to consult adequately against a background of non-cooperation, particularly from the unions and, if it saw itself as performing a short term task, would probably not want the burden of preparing a new plan which yielded only small savings in the short term.

7. As regards the second option - a modification of the present proposals going beyond what I have suggested - the Courts have held that a change is more than a modification if the resulting proposal is in substance different from the original proposal. The essential design of the proposal must remain intact so as not to impose on the authority proposals not in substance their own or to invalidate the consultation which took place on the proposal. Where the proposals are interrelated, the Courts would also look at the effect of a change on the proposals as a whole.

8. There is no doubt that Liverpool's proposals fall to be treated as a single package of interrelated proposals. They relate to the provision of county secondary education throughout the Authority's area, proposing the establishment of a uniform system of 11-18 comprehensive schools and abandoning single sex provision. The area is geographically homogeneous and pupils commonly move across the whole area for secondary education. Against this background, the choices are these:

- i. A modification to secure the retention of 2 single-sex schools is within my powers: it would constitute an exception to the way it is proposed to provide county secondary schools in the area but it would not sufficiently breach the general scheme. Exempting Anfield Boys and Stanley Park Girls, as I have proposed, would affect 10% of the total number of pupils affected by the scheme; it would require some modest changes to the arrangements for

coordinating sixth form provision; and would enable the admission arrangements to the other schools in the scheme broadly to function as proposed.

ii. On reflection, it seems to me that these are probably not the best pair of schools to retain. I picked them because they are most easily accessible from any part of the city. But it would be preferable to choose Holly Lodge Girls and West Derby Boys. These are both among the most popular schools; their examination successes at GCE O and A level are at the top of the Liverpool league; and Holly Lodge in particular attracted substantial parental objections to the closure proposal. At present these two schools cater for almost 12% of the total number of pupils affected by the scheme. Their retention would go a modest way further to meet parental aspirations.

iii. A modification designed to retain as many as 4 single-sex schools would have far more pronounced effects. Most significantly, it adds 1800 places or 10% to county secondary school provision, none of which is needed: with that amount of surplus capacity in the system many of the remaining schools in the scheme (particularly on the housing estates) could not recruit to anywhere near the size envisaged by the proposals. In other words they would be different schools to those envisaged by the proposals: some would be so much smaller as not to be viable 11-18 schools. The effect of such a modification would thus be to change the proposals in such a way as to enable parents to argue that, had they known, they would have wanted to object to the scheme as modified, and the authority to argue that they had proposed something substantially different. Such a substantial modification, affecting 1 in 5 pupils in the county sector, might also require detailed further changes to arrangements for post-16 cooperation and could render inoperable the present arrangements for secondary school admissions based on feeder primary schools.

9. On the legal advice available to me I have had to conclude that while I might envisage retaining two different single-sex schools, I could not with any reasonable degree of safety go for a modification retaining 4 such schools. In my judgement it would be unwise to chance my arm in the hope that matters would not end up in Court or that, if they did, a judgement might against the odds come down in the Government's favour. Apart from the political embarrassment of being taken to Court by this particular Council of all Councils and then losing on grounds that I had exceeded my powers, I do not believe that a government committed to upholding the law ought to pursue a course which it knows to be almost certainly beyond the limit of its powers.

10. Liverpool's county secondary schools are failing and will get worse until some positive and radical action is taken. That view is shared by all parties in Liverpool. I cannot impose my own solution. The combination of political circumstances which might lead to a scheme closer to what we would ideally like is too remote to be worth considering further. The educational and financial waste of a system of half-empty schools offends against our policies. Much to my distaste, I am forced back to the option of a modified approval. As I explained at our meeting, I should have to announce such a decision this week leaving the Authority sufficient time to consider the implications for the scheme as a whole of retaining two single-sex schools. The Holly Lodge/West Derby modification safeguards two of the strongest and most popular schools in the City and is as far as I could go legally by way of modification.

11. 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, Sir Robert Armstrong and Mr Buckley (Cabinet Office).

KJ.

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