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cc MASTER 86T

10 DOWNING STREET

From the Private Secretary

17 May 1984

Dear Elizabeth,

EDUCATION IN LIVERPOOL

The Prime Minister chaired a further meeting this morning to discuss education in Liverpool. Those present, in addition to your Secretary of State, were the Lord President, the Lord Privy Seal, the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Social Services, the Secretary of State for the Environment, the Chief Secretary, the Attorney General, Sir Robert Armstrong and Mr Buckley.

The meeting had before it your Secretary of State's minute to the Prime Minister of 15 May.

Your Secretary of State said that in a very difficult situation his preference remained acceptance of the City Council's plans, with modifications intended to preserve some single sex provision. On further consideration, he now proposed to retain two different single sex schools: Holly Lodge Girls School and Derby Boys. These were among the most popular county schools and their reduction would go a modest way further to meeting parental aspirations.

The Prime Minister said that she had now seen the City Council's proposals in more detail, and they were even worse than she had feared. For example, Quarry Bank school was to be merged with Aigburth Vale, thereby producing much too large a school of 2,100 pupils. Admittedly this was to be reduced over five years to 1,000 pupils, but the net effect would then be to replace two popular schools with one, with a non-viable sixth form. Moreover, the Council proposed to preserve Speke School, one of the very worst, and indeed to amalgamate it with the relatively popular Hillfoot Hey, thereby dragging it down too. The school at Netherley, another unsatisfactory one, was to be arbitrarily increased.

Your Secretary of State agreed that this and other elements of the plan were deeply distasteful. But it was no longer legally possible for him to reach decisions on

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individual elements of the proposals put to him - he now had to consider the plan as a whole. In doing so, he as Secretary of State had to bear in mind how unsatisfactory was the present position, in which a dwindling supply of teachers was being spread over far too many schools.

In discussion, it was argued that the Council's plan did not cover the whole picture. There were a number of good Catholic schools in the City, which between them took 38 per cent of the school population. Church of England schools took a further 7 per cent, and if Holly Lodge and West Derby were preserved, they could cater for a further proportion. Taking account also of the independent schools which were available, and which took an active part in the Assisted Places Scheme, the majority of children in the City had access to satisfactory schools.

In discussion of what might happen if Commissioners had to be appointed to take over the Council's functions, different views were expressed on the extent to which they might be capable of putting forward revised proposals for secondary education. On the one hand, it should be possible to appoint one or two Commissioners capable of taking rational decisions on educational grounds. On the other hand, the Commissioners would have other priorities, and there was a lengthy process of consultation to be gone through which it would be difficult to complete during their term of office. The Government would be most unwise to put itself in the position where it could be criticised for appointing Commissioners to carry out educational policies which it preferred to those of the elected local authority.

The Secretary of State for the Environment reported that he had met representatives of the Conservative Group the previous day. They had made clear that they would prefer no change in the present arrangements to a plan being put forward by the City Council. They objected to it on educational grounds, and in particular because it meant diminishing the influence of the best schools and increasing the influence of the worst. They had asked for a meeting with the Prime Minister before a final decision was taken. As against this, the Secretary of State shared the doubts which had been expressed about the ability of Commissioners to put forward any different plan. The one thing that could be said for the Council's scheme was that it retained schools in the outer housing areas, where few if any other community facilities existed.

The Home Secretary said that the Council's plan would be very much more palatable if it could be modified to provide four rather than two single sex schools. It was important to establish whether such a modification would definitely mean the Secretary of State exceeding his powers,

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or whether it would simply mean going to their limit. The law in this field was notoriously uncertain. The Attorney General said that he had seen the advice provided by the Department of Education and Science lawyers and his informal view was that it was correct. It had been established that a modification had to be such that it ensured "the continued existence of what in substance was the original entity". He thought it unlikely that modifications which would affect one in five pupils, and threaten the viability of some of the schools which the Council proposed to retain, could pass this test.

The Chancellor of the Exchequer said that if the Council's plan were to be rejected by the Secretary of State, he would be profoundly disturbed on financial and political grounds. The Government was insisting that local authorities should make economies, and had indeed itself introduced very controversial legislation to secure this objective. Ministers would be in a very difficult position if local authorities were able to say that proposals for achieving savings had been rejected by the Government. They might draw the conclusion that they had only to put forward proposals which ran counter to the Government's philosophy in order to avoid having to make savings. They might also argue with some justice that the Government was not only asking for economies but saying where they should be made.

The Lord President associated himself with the views expressed by the Chancellor of the Exchequer, adding that if it were legally possible to preserve four single sex schools then it would be right to do so.

Summing up the discussion, the Prime Minister said that on educational grounds alone there was little doubt that the City Council's proposals should be rejected. Nevertheless, several Ministers had important reservations about this course on wider grounds. Your Secretary of State should urgently seek the formal advice of the Law Officers on the extent of his power to modify the Council's proposals. She would arrange for further collective consideration of the position in the light of that advice.

I am copying this letter to the Private Secretaries to those Ministers who attended the meeting, to Richard Mottram (Ministry of Defence), Callum McCarthy (Department of Trade and Industry) and also to Richard Hatfield and Mr Buckley (Cabinet Office).

Yours ever,

David

(David Barclay)

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Department of Education and Science