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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 February 1988

Dear Tom,

**EDUCATION REFORM BILL:
CHARGING FOR SCHOOL ACTIVITIES AND POWERS
OF THE FUNDING COUNCILS TO REQUIRE REPAYMENTS**

The Prime Minister has seen your Secretary of State's two letters of 10 February and the Paymaster General's responses of 12 February. She is content with your Secretary of State's proposals, and for the details of the charging arrangements to be settled on the basis suggested by the Paymaster General.

I am copying this letter to the Private Secretaries to members of E(EP) and Trevor Woolley (Cabinet Office).

Yours,
P.G.
PAUL GRAY

Tom Jeffery, Esq.,
Department of Education and Science

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ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

The Rt Hon Peter Brooke MP
Paymaster General
HM Treasury
Parliament Street
LONDON SW1

10 February 1988

Jim Peter,

At the meeting of E(EP) on 3 February I was asked to consider further two aspects of my proposals on charges.

The first, on which I was invited to consult you in particular, was the requirement for schools to establish appropriate remission arrangements for all activities for which a charge is made. There was concern that this might give some parents a right to demand free 'extras' for their children, and it was suggested that we should give schools the power but not the duty to establish remission schemes.

I had never intended to prescribe the nature and scope of remission arrangements, except in the very special circumstances of board and lodging. But so far as we can ascertain, in all cases where charges are now made schools are prepared to remit charges in individual cases. My proposals are designed to ensure that schools will have a remissions policy. Its scope and operation will be at their discretion, and I intend to issue guidance once the Bill becomes law, making clear that it will be sufficient for the head teacher to use his discretion in identifying deserving cases, within guidelines agreed by his governing body. I do not believe that discretionary arrangements of this kind will encourage unreasonable claims from parents.

Secondly, I should like to use this letter to make clear how we shall be dealing with the need, identified in E(EP), to limit free instrumental music tuition to that required for GCSE, A levels and other general examinations. We have asked that the Bill should provide a power to make Regulations defining which public examinations are not to count for the purpose of free tuition, with the express purpose of making clear that graded examinations in performance, the Royal Academy examinations and so on do not count.

I need to proceed fairly quickly to announce the new charges policy, to give the maximum advance notice before the new clauses are tabled. Unless you or copy recipients demur, I therefore intend to make the announcement by means of a Written Answer next week.

I am copying this letter to all members of E(EP) and to Sir Robin Butler.

Thomas
Kenneth

SRWBGY

PRIME MINISTER

EDUCATION REFORM BILL: FOLLOW UP TO E(EP)

Two issues were left for further consideration following the E(EP) meeting on 3 February:

(i) the terms and conditions on which repayment of funds should be sought from higher education bodies;

(ii) some of the details for charging for school activities.

Mr. Baker has now written two separate letters dated 10 February (attached) to the Paymaster General setting out his proposals. The Paymaster General has indicated he is content (again, two separate letters both dated 12 February) subject to some minor glosses and further consultation between officials on the charging issue.

Are you content for Mr. Baker to proceed on the bases proposed?

Yes

PRCB.

(PAUL GRAY)

12 February 1988



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP
 Secretary of State
 Department of Education & Science
 Elizabeth House
 York Road
 LONDON SE1 7PH

12 February 1988

Dear Kenneth,

CHARGING FOR SCHOOL ACTIVITIES

Thank you for your letter of 10 February. *pat flap*

2. I am grateful for the further background in that letter to your thinking about **remission arrangements**. In particular, it is helpful that you have made clear that decisions about remission of charges other than for board and lodging, including whether to remit those charges at all, will be entirely at the discretion of individual schools. Against that background, I believe that both our concerns would be met by providing in the Bill for an express power for schools to remit such charges, in whole or in part, "in accordance with" - or some such phrase - their policy on remission. This would avoid the bald requirement which you had proposed in E(EP)(88)1 for schools to have a policy on remission, and I hope you will be able to agree to it. Our officials will need to discuss precise drafting and, in due course, the terms of your proposed guidance to schools on the exercise of their discretion.

3. Your proposal to proceed by defining in Regulations those **public examinations** which would not count for the purpose of free instrumental music tuition seems sensible. But it will obviously be important to ensure that that list is comprehensive. Again, I suggest that our officials should discuss this, together with the guidance on charging for tuition in small groups for Royal Academy examinations etc.

4. I am copying this letter to the Prime Minister, other members of E(EP) and to Sir Robin Butler.

James

Pm

PETER BROOKE

EDUCATION: Gen Polig 1917

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The Rt Hon Peter Brooke MP
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10 February 1988

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EDUCATION REFORM BILL: POWERS OF THE FUNDING COUNCILS TO REQUIRE REPAYMENTS

We discussed various possible Government amendments to the higher education provisions in the Education Reform Bill in E(EP) last week. One of my proposals was to drop clause 94(2) which provides that:-

"(2) The terms and conditions on which either of the Funding Councils make any payments may include in particular conditions -

- (a) requiring the repayment, in whole or in part, of sums paid by the Council if any other condition is not complied with; and
- (b) requiring the payment of interest in respect of any period during which a sum due to the Council in accordance with any other condition remains unpaid."

I proposed that the Councils should instead rely on their implicit ability to dock future payments to secure essentially the same effect. That was not agreed. The minutes record that the Committee was:-

"firmly of the view that it would be wrong for an institution receiving grant to be able to break with impunity the conditions attached to it. They were not convinced that a power to reduce future payments would in all circumstances be as effective as a power to require repayment. This proposal should therefore be considered further by the Secretary of State, in consultation with the Paymaster General, with a view to ensuring that any conditions attached to payment of grant would be fully effective. A possible solution would be to give the Funding Councils discretion either to require repayment or to reduce future payments."

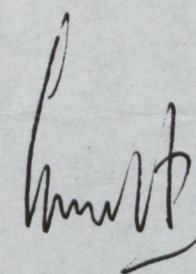
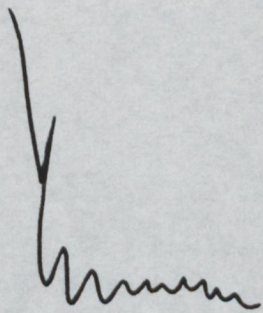
I remain of the view that the provision needs at least some amendment and I therefore propose two changes both consistent with the general line taken by E(EP):

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- a. by making clear that the Councils would have discretion over whether to seek repayment of funds in the event of non-compliance with conditions. Essentially that would then mean replacing the word "requiring" at the beginning of the two sub-paragraphs reproduced above with something like "empowering the Funding Councils to require". Repayment would still be an option, but it would not be automatic. This would also improve the present drafting by enabling the Funding Council to consider whether the particular non-compliance (which might be only technical or demonstrably unavoidable) merited such a sanction. If the Council decided to proceed, it would also have the option of using its implicit powers to reduce future grant payments to achieve generally the same effect with what might, in particular cases, be a desirably lower profile; and
- b. by making it clear that any repayment would be only of funds in respect of which a particular condition had not been met. As presently drafted, the provision could be seen as allowing the Councils to require repayment of funds quite unconnected to a particular condition. That is clearly not the intention.

I need to respond to a number of hostile amendments to clause 94(2) in the Commons Standing Committee next Tuesday (16 February). I should like to be able to say then that I will consider Government amendments on the lines described above, although I would not introduce these until Report Stage. I should be grateful for confirmation by midday on Monday 15 February that you would be content for me to proceed in this way.

I am copying this letter to members of E(EP) and to Sir Robin Butler.



SRWBGY

PRIME MINISTER

EDUCATION REFORM BILL: FOLLOW UP TO E(EP)

Two issues were left for further consideration following the E(EP) meeting on 3 February:

(i) the terms and conditions on which repayment of funds should be sought from higher education bodies;

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Are you content for Mr. Baker to proceed on the bases proposed?

Yes

PRCB.

(PAUL GRAY)

12 February 1988

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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP
Secretary of State
Department of Education & Science
Elizabeth House
York Road
LONDON SE1 7PH

12 February 1988

Dear Kenneth,

EDUCATION REFORM BILL: POWERS OF THE FUNDING COUNCILS TO REQUIRE REPAYMENTS

Thank you for your letter of 10 February. I agree that the amendments which you now propose are within the scope of what was agreed in E(EP), and I am content with them.

I am copying this letter to members of E(EP) and to Sir Robin Butler.

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[Signature]

Pm

PETER BROOKE

EDUCATION: Gen Policy
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