

CONFIDENTIAL



PRIME MINISTER

*has*  
I have now seen a copy of your Private Secretary's letter of 10 June commenting on my proposal to provide in the Education Reform Bill for the establishment of a City Arts College.

You will now have seen David Young's letter of 14 June. I entirely endorse what he says about the importance of the entertainment and leisure industries in the economy and about the growing number of opportunities for employment in these sectors.

If the idea is taken further, the focus of the curriculum for a City Arts College would strengthen the links between technology and the arts, for example in broadcasting, video recording, sound recording and the theatre. It could bridge the gap not only in the ways mentioned by David but also through the use of technology in music and industrial design. In other words the applications of technology would be an important feature of the curriculum of any City Arts College.

The prospects of attracting private sector support for a City Arts College are very good. I am quite confident that Richard Branson will raise a great deal more than £1m. I am also sure that the idea would be very attractive to our supporters. Norman St John Fawsley wishes to move the necessary amendment to the Education Bill and I would like to give him every encouragement.

The detailed arrangements for funding and the curriculum still have to be settled but I do not want to lose the opportunity of amending the Education Bill in such a way as to provide the legal basis for agreements between the Department and prospective sponsors. I entirely accept that grants to a CAC would have to be met from planned expenditure on the CTC programme.

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I hope that I can have your agreement to proceed on this basis.

Copies of this minute go to David Young, John Major and other members of E(EP).

*KB*

KB

Department of Education and Science

15 June 1988

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EDUCATION : Policy PT19





PRIME MINISTER

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15 June 1988

CTCs : City Arts College

Establishing a CTC to produce actors, singers and performers for which there is no obvious market would be totally contrary to our original intention.

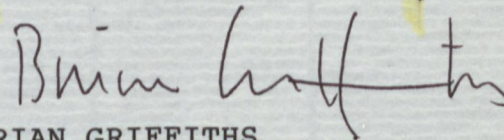
The request however to set up a City Arts College has come from Richard Branson and the entertainment and leisure industries. Their demand for qualified technical staff is considerable. They are an expanding area of our economy and there is export potential as well.

There is no reason CTCs should have a bias to manufacturing. I believe the Secretary of State is right to encourage CTCs which would support the service sector of our economy. But an amendment to the Bill should not be the basis for changing in a fundamental way the scheme as it now exists.

Recommendation

If the proposal for the new City Arts College is as the Secretary of State argues, namely a response to the leisure and entertainment industries, then surely it should be able to be fitted within the present structure.

Why not ask the Secretary of State for a fresh proposal which amends the Curriculum slightly but which does not require an amendment to the Bill?

  
BRIAN GRIFFITHS



PRIME MINISTER

PROPOSAL FOR A CITY ARTS COLLEGE

Kenneth Baker minuted you on 2 June proposing that the City Technology College programme should be extended to cover the concept of a City Arts College. You were not persuaded that such a project should be supported by special levels of Government funding (see your comments on my note of 9 June) and I recorded your views in my letter of 10 June.

This reaction has caused great dismay in the DES; and elsewhere. You now have four further pleas to support the proposal: (i) Lord Young's letter of 14 June (Flag A); (ii) Mr. Baker's further minute of 15 June (Flag B); (iii) Cyril Taylor's letter of 10 June (Flag C); (I gather he also spoke to you last night, and his office are pressing for an appointment to see you); (iv) Brian Griffith's' further minute of 15 June (Flag D).

Mr. Baker's 15 June minute does not add any major new points, but seeks to distance the idea from the education of more performing artistes and stresses the technological aspects. He also expresses his confidence that Richard Branson will be able to raise "a great deal more than £1 million", but does not quantify this.

He concludes by once again seeking agreement to amending the Education Bill to facilitate the creation of a City Arts College.

There are perhaps four options:

- (1) Accept Mr. Baker's proposal in the light of the further arguments, stressing the understanding that grants to a CAC would be met within existing planned expenditure for CTCs.
- (2) Resist a CAC unless private sector sponsors find 100



per cent of the costs of establishing a CAC.

*Agreed*

- (3) Agree to the enabling power being written into the Education Bill, but insist that no individual CACs could be established unless a given percentage of the cost of establishment - say 50 per cent or 75 per cent (compared with an emerging average for CTCs of 20 per cent) - are made by private sector sponsors.
- (4) Brian's suggestion for a fresh proposal which does not require an amendment to the Bill.

Issues for Decision

- (a) Which approach would you like to adopt? (2)
- (b) Given the diary pressures, can we assume you do not want to see Cyril Taylor?

I will let you have a reply to Cyril Taylor in the light of your decisions.

*MT*

*AGCB*

PAUL GRAY

15 June 1988

PAMABE



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*File SH*  
*CCBG*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

16 June 1988

*Dear Chris,*

**CITY ARTS COLLEGE**

The Prime Minister was grateful for your Secretary of State's minute of 15 June. She has also seen the letter of 14 June from the Secretary of State for Trade and Industry.

The Prime Minister continues to have doubts about treating a City Arts College on the same basis as the City Technology Colleges. She does not therefore consider that an amendment to the Education Bill should be brought forward unless it is clear that private sector sponsors are prepared to find 100 per cent of the cost of establishing a City Arts College.

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

*Yours,  
Paul*

**PAUL GRAY**

Chris de Grouchy, Esq.,  
Department of Education and Science

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*SH*



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the department for Enterprise

ca/BG

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The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

The Rt Hon Kenneth Baker MP  
Secretary of State for Education  
and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON

SEL 7PH

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5422  
Our ref PSLAZX  
Your ref  
Date 14 June 1988

*Kenneth*

*at flap*

I was please to see, from your minute of 2 June to the Prime Minister, that Richard Branson and others want to promote a City Arts College.

I agree with you that this is an imaginative - indeed exciting - response to the CTC concept. It is essential that young people receive vocational training to prepare them to take their place in the modern economy. And a significant part of the modern economy is entertainment based. One has only to think of broadcasting, videos, compact discs and the rest to realise that we are talking about large numbers - and I suspect growing numbers - of jobs.

It is also interesting to note the way that the performing arts have become very technological. Lighting and computer effects are now very complex, requiring their operators to be highly skilled.

We must also not forget that Britain's pre-eminence in the performing arts is recognised throughout the world. This triggers a great deal of tourism - in itself another major employer - and also creates a positive impression of the British amongst young people overseas. These benefits, for a major exporting nation, are not to be under-estimated.

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the department for Enterprise

I appreciate that there is concern about the cost to the public sector. But I understand that this proposal will not add to the overall cost of the CTC programme. I therefore think that the cost is acceptable.

Finally, I was pleased to see that Richard Branson is leading the private sector team. He is young and enterprising and it is good that he is thinking about training and education. I think we should support him.

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

*J. S.*  
*David*

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EDUCATION: General Policy  
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