CABINET

DENOMINATIONAL SCHOOLS: FINANCIAL ASSISTANCE

MEMORANDUM BY THE MINISTER OF EDUCATION

Introduction

At their meeting on 10th May (C.M. (51) 35th Conclusions, Minute 6) the Cabinet invited me to submit to them my proposals for giving more financial aid to the denominational schools. I have discussed these proposals with the Chancellor of the Exchequer, who will put his own point of view orally to the Cabinet.

2. The Roman Catholics have never accepted the 1944 settlement in the same way as the other denominations. Since, for reasons of conscience, they are unwilling that any of their schools should become "controlled" (in which event they would be relieved of the entire cost of maintenance) they have, as a condition of securing, and preserving, assisted status for their schools, to find half the cost of any necessary alterations and of repairs to the exterior. They regard this as an unfair burden, more particularly since costs have risen far more than was expected in 1944. They also regard it as inequitable that they should have to meet the entire cost of entirely new schools, except in so far as these replace one or more existing Roman Catholic school or cater for pupils "displaced" from other Roman Catholic schools (see paragraph 7 below).

3. The Church of England, though exercised about the financial implications of assisted status (about a third of their schools have opted, or are likely to opt, for this alternative), are even more disturbed by the extent to which their controlled schools, and especially the smaller village schools, are threatened with extinction. I have done what I can by administrative action to meet the denominations' legitimate claims. It is clear, however, that no substantial relief can be provided without amending legislation.

5. I should not regard it as practicable to make fundamental alterations in the 1944 settlement. Moreover, any alteration of the existing law, if it is to be of any real help to the denominations, must mean departing to some extent from the underlying principle of the settlement, namely that grant should not be paid on the provision of new denominational schools where that means an addition to the existing provision, to depart far from that principle would seriously impair the chances of obtaining the agreement of the other interests concerned and increase the risk of controversy.

6. For these reasons I could not endorse the proposals which have recently been canvassed by certain members of the Party. There are, however, two changes in the law which I think would help the denominations. The first is an amendment of Section 104 of the Education Act, 1944, which would benefit mainly the Roman Catholics, the second, an amendment of Section 1 of the Education Act, 1946, which would assist the Church of England.

* A controlled school is a voluntary school in which the Local Education Authority is responsible for the cost of structural improvements and the upkeep of the premises and, subject to the reservation of certain rights to the managers or governors, for the appointment of teachers. The staple religious instruction is in accordance with an agreed syllabus. Denominational instruction may be given on not more than two periods a week to those children whose parents ask for it.  
* An aided school is a voluntary school in which the managers appoint the teachers and are responsible for half the cost of structural improvements and of external repairs. The staple religious instruction is denominational.
7. Proposed amendment of Section 104 of the Education Act, 1944.—This Section now enables me to pay half the cost of a new aided school which is required for displaced pupils or half of that part of the cost which is attributable to such pupils: provided that

(a) the number of displaced pupils is “substantial” in relation to the size of the new school, and

(b) the pupils are displaced from some other aided school, or schools, either as a result of reorganisation or because the number of pupils educated there is substantially reduced.

It is this last alternative condition which now bears hardly on the Roman Catholics, since, owing to the necessary limitations on school building and the general growth of the school population, it is rarely possible for existing schools to be substantially reduced in size even where there is a movement of population, e.g., from the centre of a town to a new housing estate.

8. The Roman Catholics would, undoubtedly, like the definition of displaced pupils to be widened so as to include any pupils for whom education would, in the Minister’s opinion, have been available for them in consequence of their parents having ceased to reside in the area served by it. Originally drafted, but there are, as it would cover any case of change of residence on the part of parents for whatever cause;

(b) it would mean that any individual child who had ever been in a Roman Catholic school could be counted for calculating grant. There would be serious administrative difficulties in identifying individual pupils or small groups of them for purposes of grant under the Section.

In any case, I am clear that an extension of the Act in this sense would involve a big breach in the underlying principle of the “settlement” and I think that any concession must be limited both as regards the circumstances of the parents’ change of residence and also as regards the minimum number of pupils required to qualify for grant under the Section.

9. I propose, therefore, that a new category of displaced pupils should be added to the two already provided by Section 104 of the Act. This category would consist of pupils who have attended or would, in the Minister’s opinion, have attended an existing aided or special agreement school if that school had not ceased to be available for them in consequence of their having ceased to reside in the area served by that school as a result of action taken, or proposed to be taken, under the enactments relating to housing or town and country planning. It would be a condition of grant that the number of displaced pupils should be substantial (i.e., at least one class, or 30 in the case of secondary schools and 40 in the case of primary schools).

10. I also have in mind an amendment of Section 104 (2) (b), which would enable me to pay grant in those not infrequent cases, where an existing building is purchased as the premises, or as the nucleus of the premises, of a new school. At present, displaced pupils’ grant is payable only in respect of expenditure on the construction of the school.

11. Proposed amendment of Section 1 of the Education Act, 1946.—I also propose to extend the scope of Section 1 of the 1946 Education Act* to enable Local Education Authorities not only to enlarge existing controlled schools but also to provide new controlled schools where the accommodation is wholly or mainly required for pupils for whom accommodation would have been provided in some other voluntary school if that other school had not been discontinued or had not otherwise ceased to be available for the purpose.

* Under the Education Act, 1944, the Local Education Authority were made responsible for the site and buildings of an existing voluntary controlled school, but had no power to carry out a substantial enlargement of the school. The amendment in Section 1 of the Education Act, 1946, which enabled them under certain conditions to enlarge existing controlled schools, was designed to meet the ease where it is more economical or educationally efficient to enlarge a controlled school than to build a new county school or continue to maintain a number of small controlled schools.
7. Proposed amendment of Section 104 of the Education Act, 1944.—This Section now enables me to pay half the cost of a new aided school which is required for displaced pupils or half of that part of the cost which is attributable to such pupils: provided that

(a) the number of displaced pupils is “substantial” in relation to the size of the new school, and

(b) the pupils are displaced from some other aided school, or schools, either as a result of reorganisation or because the number of pupils educated there is substantially reduced.

It is this last alternative condition which now bears hardly on the Roman Catholics, since, owing to the necessary limitations on school building and the general growth of the school population, it is rarely possible for existing schools to be substantially reduced in size even where there is a movement of population, e.g., from the centre of a town to a new housing estate.

8. The Roman Catholics would, undoubtedly, like the definition of displaced pupils to be widened so as to include any pupils for whom education would, in the opinion of the Minister, have been provided in some other aided or special agreement school if that school had not ceased to reside in the area served by it. This was the form in which the 1944 Act was originally drafted, but there are, as it seems to me, two objections to the suggestion, viz.:

(a) it would cover any case of change of residence on the part of parents for whatever cause;

(b) it would mean that any individual child who had ever been in a Roman Catholic school could be counted for calculating grant. There would be serious administrative difficulties in identifying individual pupils or small groups of them for purposes of grant under the Section.

In any case, I am clear that an extension of the Act in this sense would involve a big breach in the underlying principle of the “settlement” (see paragraph 5) and I think that any concession must be limited both as regards the circumstances of the parents’ change of residence and also as regards the minimum number of pupils required to qualify for grant on the new school.

9. I propose, therefore, that a new category of displaced pupils should be added to the two already provided by Section 104 of the Act. This category would consist of pupils who have attended or would, in the Minister’s opinion, have attended an existing aided or special agreement school if that school had not ceased to be available for them in consequence of their having ceased to reside in the area served by that school as a result of action taken, or proposed to be taken, under the enactments relating to housing or town and country planning. It would be a condition of grant that the number of displaced pupils should be substantial (i.e., at least one class, or 30 in the case of secondary schools and 40 in the case of primary schools).

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12. A private member's amendment to this effect was withdrawn when the 1946 Act was before the House, but it would be welcomed by the Church of England—who would benefit little, if at all, by the amendment of Section 104—and by a number of County Local Education Authorities. In rural areas there are large numbers of small controlled Church of England schools which will ultimately have to be re-built because they fall so far short of modern requirements. Under the present law these schools can be replaced by new controlled schools of the same size; but if it is proposed to replace two or more by a single school, which may be desirable both on educational and on economic grounds, the new school, under the present law, can only be a county school or an aided school. The latter alternative is not likely to be practicable from the Church's point of view. Nor would it be palatable to the Free Churches. On the other hand to build a new county school would mean depriving the Church of England of its rights in regard to religious instruction and the appointment of managers. These difficulties would be overcome if Local Education Authorities were enabled to provide a new controlled school in these circumstances.

13. Concurrently with these extra benefits to voluntary schools I propose to take general powers to secure the continuity of any voluntary school towards which substantial contributions from public funds are made. This is a normal condition of grant in other fields and it was no doubt an oversight that the point was not fully covered in previous legislation.

14. Miscellaneous Amendments.—I should like to take the opportunity of amending legislation to make a number of minor and uncontroversial changes in the law which experience has shown to be desirable. These would include some of the changes recommended by the Local Government Man-power Committee. None is of sufficient importance to call for specific notice in the present memorandum.

15. Cost to the Exchequer.—It is difficult to estimate the financial implications of these proposals with any precision. The only item which would add appreciably to the liability of the Exchequer is the amendment to Section 104. I should expect that an amendment to Section 104 of the kind I have indicated might result in an ultimate increase in Exchequer grant to Managers or Governors of aided schools of not more than £4 or £5 million. There would also be a potential commitment of up to the same amount by way of Exchequer loan under Section 105 of the Act, though in practice the amount borrowed would probably be considerably less than the amount paid in grant, since many bodies of Managers have accumulated some resources of their own, and others can borrow privately on favourable terms. These sums would, however, be totals covering a period of many years. The annual cost to the Exchequer over the next few years would not, so far as I can foresee, be likely to amount to more than £125,000–£150,000 by way of grant and loan combined.

16. The other amendments, including the extension of Section 1 of the 1946 Act, are unlikely to increase the charge on the Exchequer to any considerable extent.

17. Consultation with the Churches and other Bodies.—Before agreeing that Parliamentary time should be made available for a measure of the kind I have described—though I do not contemplate legislation in the present session—my colleagues would no doubt wish to be assured that it would not provoke serious controversy. I cannot give them a firm answer on this until I have had talks with the various interests concerned, including the Opposition. My purpose at present is merely to seek authority to undertake such consultation on a confidential basis. If the results are favourable I would then submit my proposals for legislation in further detail.

G. T.

Ministry of Education, W. 1, 18th July, 1951.
The attached paper will be considered under Item 3 of the agenda for the meeting of the Cabinet to be held on Thursday, 19th July, 1951, at 10.0 a.m.

Cabinet Office, S.W.1,
18th July, 1951.