



Education

10 DOWNING STREET

THE PRIME MINISTER

11 September 1979

Dear John

Thank you for taking the trouble to write to me on 23 August with your observations on the public handling of the higher education question.

Information about what is in mind in terms of student numbers has certainly dribbled out in an unsatisfactory fashion. The Chairman of the University Grants Commission wrote to all Vice-Chancellors and Principals of Universities on 15 August. The crucial sentence in his letter read:

"In this situation, the Committee advises universities so to arrange their admissions procedures that the number of home undergraduates admitted in October 1980 can if necessary be restricted to 94 per cent of the number being admitted in October 1979; universities should not for the present make firm offers which would be likely to result in that 94 per cent figure being exceeded."

As you say, this was an interim holding position. Final dispositions cannot be made until we have taken the wider public expenditure decisions on which this depends.

Although some of the reporting of this letter last month was unhelpful and ill-informed, there has been a fair amount of useful comment more recently. I have seen one or two pieces

/recognising

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recognising that there is an unevenness of quality in the universities, and recommending that any cuts should not necessarily be spread evenly.. The general public reaction has not been hostile to the thought of some tightening of opportunities at this level.

As you suggest, we are looking at ways of ensuring the best use of available funds, and no-one is making assumptions that the money could not be used more productively in some areas. But I have to take issue with your comment that many more students could be admitted at zero marginal cost, if only because of the effect on claims for maintenance grants. As you point out, a switch to student loans would not help on this front in the short term.

I hope this reassures you that we are thinking along the lines you suggest. I am grateful to you for setting out your thoughts for me. I try to keep a close eye on the handling of publicity on all potentially controversial questions like this, and it is helpful for me to have informed private comment when things do seem to have gone wrong.

signed

MT



10 DOWNING STREET

PRIME MINISTER

You wanted to send a personal reply to Lord Vaisey's observations on the handling of publicity about higher education constraints.

I passed the queries on without revealing their source to DES - Lord Vaizey's letter is at A and mine at B. The DES response is at C. I attach a draft reply.

A handwritten signature in blue ink, appearing to be 'M. D.' or similar initials.

7 September 1979



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Mike Pattison Esq
10 Downing Street
London SW1

6 September 1979

Dear Mike

Thank you for your letter of 29 August about the recent publicity surrounding future university student numbers.

In the first place I should make it clear that neither we nor the UGC have made any announcements about future student numbers. Indeed the events have to be seen against the decision not to make any general announcement about public expenditure in advance of the White Paper. Nevertheless it was agreed that contact should be maintained with bodies with responsibility for expenditure to the extent that they needed to know the way the Government's mind was moving. We accordingly let the Chairman of the UGC know that so far as 1980/81 was concerned universities could not expect a level of funding higher than that set at budget time for 1979/80. At the same time we invited him to give us the Committee's most realistic assessment of the number of students which universities would be likely to admit in 1980/81. We expect, in fact, to have much discussion with the Committee about the relationship between the level of UGC funding and the total number of university students which those funds can sustain; and any presumption that a reduction in funding would mean a pro rata reduction in admissions is totally premature.

It goes without saying however that expenditure decisions are liable to make some difference to the admissions policies of universities. Accordingly on 15 August the Chairman of the University Grants Committee, after taking advice informally from those members of the Committee who were available, issued a letter to all Vice-Chancellors and
... Principals of universities, of which I enclose a copy. Admissions this year ie in October 1979 are still geared to a policy of some growth in total numbers and the letter to the universities was, as you will see, simply a prudent warning to them not to commit themselves too far in offering places for Autumn 1980 - a process that will soon begin - until the Government's expenditure plans are known. I draw

your attention particularly to the cautious wording of the last sentence. The Department regards this as a holding operation until decisions have been taken about the savings required of the universities in the period up to 1983/84. When these are fully known we can consider the implications for student numbers.

As regards the publicity itself, we do not know the source from which the Guardian secured information about the UGC Chairman's letter. The BBC having had news of the impending article in the Guardian, telephoned Dr Boyson at his home at 7.30 am on the 21 August. During the day Dr Boyson, briefed by officials, talked to journalists and gave interviews on BBC Radio and TV, and you will have seen the articles and letters in the Press. The story has now more or less run its course, though no doubt a certain amount of comment and discussion will continue. Although some of this is confused and sometimes plainly tendentious, there has been a good deal of useful and informed comment eg Auriol Stevens' article in The Observer, the Guardian Leader of 22 August, and an article in 'Nature'. The latter for example argues the need to recognise that quality is not uniform in the universities and if there have to be cuts they should not fall evenly everywhere. The comment does not betray any special alarm on the part of members of the public at the prospect of cuts in university expenditure. This will not be lost on the universities when the decisions which Ministers must take in the next few weeks are announced.

Finally, on the specific points mentioned in your letter these can and no doubt will be dealt with in the discussions we shall be having with the UGC. It would not, I think, be contested by the UGC that there is scope for cutting expenditure up to a certain point without reducing opportunities for higher education - the question is where that point lies and how much reduction would be entailed by cutting beyond that point. For example, two-year degree courses were introduced in the aftermath of war for mature ex-service students and are, of course, offered by the University College of Buckingham. We also intend to discuss with the UGC whether, and if so how, any reduction in student numbers could distinguish between subjects. Finally I am afraid that many more students could not be admitted at zero marginal costs, if only because of the consequential awards expenditure which is no inconsiderable part of the cost of higher education - for example, the standard maintenance grant for students in London in the coming academic year is £1485. As the Prime Minister recognises a switch to a student loan system would not help in this regard in the short term.

As regards the general question of the handling of publicity, higher education is only one part of the education service and the Department will have to deal with the whole service when the Government makes known its expenditure plans later this year; and would expect to conform with any general publicity policy agreed upon at the time.

*John sees
P J Hunter*

P J HUNTER
Private Secretary



UNIVERSITY GRANTS COMMITTEE
14 Park Crescent London W1N 4DH

Telephone 01-636 7799 ext

TO ALL VICE CHANCELLORS AND
PRINCIPALS

Your reference Letter reference 13/79

Our reference 44/52/018

Date 15 August 1979

Dear

I am sure that you have been following very closely the press reports of the Government's consideration of public expenditure for 1980/81 onwards and will wish to know as soon as possible its effect for the university system in general and your own university in particular.

Although no Government decisions on precise levels of expenditure are likely until the Autumn the Committee has concluded that it is inevitable that the target of 308,000 students in 1981/2 and the indicated figures of grant associated with it will be superseded. It follows, therefore, that the student targets for individual universities and the allocations for 1980/81 and 1981/82 announced in Sir Frederick Dainton's letter of 5 July 1978 and mine of 3 May 1979 will also have to be reconsidered. During the coming months the Committee will be undertaking a review of allocations and student numbers to 1983/84 in the light of Government decisions on public expenditure. I will write to you about the planning of this review as soon as possible after the September meeting of the Committee, at which it will be considered.

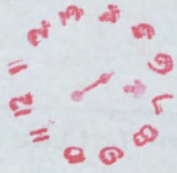
Universities will need to make various key decisions related to 1980/81, for example on student admissions, very soon, probably before Government decisions are announced, and certainly well in advance of the Committee's own review of the period to 1983/84. In this situation, the Committee advises universities so to arrange their admissions procedures that the number of home undergraduates admitted in October 1980 can if necessary be restricted to 94 per cent of the number being admitted in October 1979; universities should not for the present make firm offers which would be likely to result in that 94 per cent figure being exceeded.

Yours sincerely,

Edward Parkes

Edward Parkes

-6 SEP 1979



I am sure that you have been following very closely the news reports of the Government's constitutional public expenditure for 1980-81 and will wish to know as soon as possible the effect of the university system in general and your own university in particular.

Although the Government's decision on public levels of expenditure are likely to affect the amount the Commission has considered that is available for the higher education sector in 1980-81 and the indicated level of expenditure will be considered. In the light of this, the Commission has decided to postpone the publication of its report on the higher education sector for 1980-81 and 1981-82 until the Commission has had time to consider the Government's decision on public expenditure. During the period the Commission will be undertaking a review of education and student support in 1980-81 in the light of government decisions on public expenditure. I will write to you about the planning of this review as soon as possible after the summer vacation of the Commission, so that it will be considered.

University will have to make various key decisions related to the review of public expenditure, very soon. It will be necessary to consider the implications of the Commission's report on the higher education sector for 1980-81 and 1981-82. The Commission will be undertaking a review of education and student support in 1980-81 in the light of government decisions on public expenditure. I will write to you about the planning of this review as soon as possible after the summer vacation of the Commission, so that it will be considered.

Yours sincerely,

[Signature]

[Name]



Education HS

10 DOWNING STREET

From the Private Secretary

29 August 1979

BF 6-9-79

As I mentioned to you on the telephone, it has recently been suggested to the Prime Minister that publicity about reductions in planned expenditure on higher education has not been well handled.

It is argued that there is ample scope for cuts without reductions in opportunities for admission. In previous periods, I understand that such measures as two-year honours degree courses have been adopted.

The Prime Minister has also noted that the student targets announced by the University Grants Commission on 3 May have been interpreted as a 6% cut, when the announcement spoke of making only 94% offers until details had been worked out. These are far from identical propositions. Some of the recent publicity from DES has, for instance, stressed the importance of physics, at a time when it appears that many physics departments are having to encourage overseas students to apply for places in the UK to fill existing opportunities.

Against this background, the Prime Minister has heard it suggested that alternative approaches could allow many more students to be taken in with zero marginal costs. At the same time, whilst there is much to be said for student loans in the long term, the public expenditure savings from such a transfer would not begin to come through for several years.

The Prime Minister is much concerned about the correct public presentation of reductions in the planned growth of expenditure. She has some sympathy with the arguments put to her about these particular examples, in a field where she has considerable experience. I would be grateful if you could let me have comments on these specific points, and on the general question of how you are trying to handle publicity on higher education in this context. The Prime Minister will want to consider how she should respond when such arguments are repeated to her.

M. A. PATTISON

SB.

Philip Hunter, Esq.,
Department of Education and Science.

29 August 1979

The Prime Minister has asked me to thank you for your letter of 23 August. You will not be surprised to hear that she does not dissent from what you have said, and she will be writing to you about all this shortly.

M.A. PATTISON

The Lord Vaizey



10 DOWNING STREET

PRIME MINISTER

This letter from Lord Vaizey argues that the publicity about reductions in forecasted spending on higher education has been mishandled. Would you like me to turn Lord Vaizey's points into questions which I can put to DES in your name?

Would you like to send a brief acknowledgement to Lord Vaizey - draft attached.

We shall have to
reply in detail.

28 August 1979

He is quite
right - it has
been mis-handled

Private



23 August 1979

Dear Margaret,

welcome back - and many congratulations on everything!

May I offer some (unsolicited) advice on the higher education question? As you know, there is ample scope for cuts, with no reductions in opportunities for admission. That was S. Williams' policy. And when you and I were at university, extraordinary numbers were packed in with few extra resources. (I believe, for example, that both Bill Pile and Ken Berrill took 2-year Honours courses - and the birth bulge is no less an emergency than the demobilisation at the end of the war).

By accident or design, however, the UGC has dug a trap and poor Rhodes has fallen in to it. Parkes announced the student targets on May 3 - 2 days before the new government - and his new letter has been (deliberately?) misinterpreted as a 6% cut. What the letter says is "only make 94% offers till we have worked out the details" - which is quite another thing! And then Rhodes enters in with a lot of dither about the importance of physics (when the country has hundreds of half-filled laboratories, with physics professors desperately fishing for



oversee students to fill them). The result is a fearful hulloabaloo.

Surely all this is unnecessary? A little
ear-rotting and masses more students could be
got in with zero marginal cost. And while I'm
in favor of student loans (not least because they
avoid means-testing), the savings in public expenditure
don't show till at least 4 years after their
introduction - at the earliest, therefore, 1985.

This is an example of an unnecessary public
relations fiasco with no real benefit in resource
saving and an unnecessary antagonising of a
natural Conservative constituency - all the polls show
students & lecturers are (in the majority) your supporters.
Bring Parker back & make him sing the right tune.
With every good wish

Yours ever

Mr Varley

Universities what Boyson is up to

LAST WEEK'S furore over Government plans to cut the number of students entering universities next year was misplaced but instructive. There are no such plans. Indeed, the Government has as yet no discernible policy on higher education. None the less, the apparent threat served to highlight the problems facing higher education—and gave Dr Rhodes Boyson a no doubt welcome opportunity to fly some personal kites.

The University Grants Committee has simply warned the country's 45 universities to be cautious when making firm offers for next autumn. The chairman, Dr Edward Parkes, has advised them not to commit themselves to more than 94 per cent of this year's entry.

Dr Parkes's letter should prevent universities making firm offers they might later have to withdraw. It should also give the committee some room for manoeuvre when it comes to distributing what money it does get from the Government. This would allow it to encourage a shift in priorities that it (or the Government) may wish to see.

All the indications are that money (in real terms) allocated to the universities next year will be kept pretty strictly to the level they received this year. This means no increase at a time when wages are rising faster than inflation and when the number of young people suitably qualified for university courses is rising because of the birth-rate bulge of the early 1960s.

This does not necessarily mean that it will be harder to get a place on a degree course. Projections for the number of students—and therefore for the cost of universities—over the next five years have constantly had to be revised down by the Education Department.

There is clear evidence that a growing proportion of suitably qualified young people is taking jobs instead of con-

tinuing to study. Indeed, Dr Rhodes Boyson, the junior Minister responsible for higher education, was faced with just this reaction when out stomping his constituency last week. 'They say they want to go out to work,' he told me. 'I've never come across that before.'

The Government has no power to dictate how many students universities take. Attempts to enforce a quota for overseas students have demonstrated just how ineffective Government exhortations can be, when it comes to handling Britain's traditionally autonomous universities. Frustration of the quota ruling is at least in part responsible for the present disagreeable policy of pricing overseas students out of the market to make room for Bri-

tish students without increasing numbers and to save money.

What the Government can control is the amount of money given to the UGC. The committee in turn can carve up the cake more or less as it sees fit. Only in medicine and veterinary science are there any strict limits on the number of places for a particular subject. Beyond that, each university deploys its own resources. If it chooses to increase the teaching load of its staff rather than cut student numbers in all or any subject, it can do so.

The only other way the Government could limit numbers would be to change the regulations controlling the availability of student grants; these cost the country some £350 million a year. In accordance with the principle recommended by the Robbins Report in 1963, anyone who is suitably qualified can get a mandatory grant, if he or she gets a place on a degree course or certain other designated advanced courses.

AURIOL STEVENS
looks into the implications of the Government's plans for 'utilitarian' higher education.

'Soft-option' subjects

Two E grades at A-level or the equivalent are the prescribed standard. Many people, among them university teachers, think this is too low. Some 1,600 out of the 74,000 students who went to university last year had only two or three E grades.

Such students tend to be concentrated in under-subscribed courses. The enthusiasm that greeted the apparent intention to cut university entry last week might suggest that cutting out these students and these courses would be a benefit: a healthy pruning of wastrels and 'soft-option' arts subjects.

However, it just happens that the under-subscribed courses are usually in science, maths and technical subjects, and young people graduating in these subjects find it much easier to get jobs than arts and social science graduates do.

Figures for university graduate employment published by the Central Services Unit in Manchester in July show a fall in unemployment among new university graduates from 5.6 per cent in 1977 to 4.7 per cent in 1978. The survey also showed the highest ever percentage of new graduates going straight into jobs last year, although

the total number of new graduates had increased by 3,000 to 63,056.

Arts and social science graduates are the most likely to take further training after their first degree, bringing their whole higher education time up to the four years that is normal in all other Western countries. Scientists are more likely to go straight into jobs.

Last week Dr Boyson himself drew attention to the shortage of science teachers. Without qualified teachers the number of students in these subjects taking up higher education is not likely to increase rapidly, whatever the market demand. It is difficult, therefore, to see how either the Government, the UGC or the local authorities which support the polytechnics and colleges could afford to be too fierce about closing under-subscribed courses.

The pattern for non-university graduates is similar. The country's 130 polytechnics and the colleges of higher education do not generally enjoy the same prestige as the universities and do not, on the whole, attract students as well qualified in terms of A-level grades. As a result, unemployment among graduates with degrees from the non-university colleges is nearly double that for university graduates. But, just to complicate matters, graduates from sandwich courses in these colleges—a combination of on-the-job training and academic study—which are closely tailored to the needs of employers, have a lower rate of unemployment than university graduates have as a group.

There are indications that the message of the market is not lost on potential students. The overall proportion of young people with A-levels who apply for higher education has been falling anyway until this year. But within the total the demand for university places has been stronger than for courses at polytechnics and colleges.

Applications for this autumn through the Universities Central Council for Admissions are more than 6 per cent up on last year's and applications from girls are up 11 per cent. Applications for science and technology-based subjects, for computer studies, accountancy and law have all been growing fast.

Figures for polytechnics and colleges are still not available; they are still recruiting. Last year's figures, however, showed an overall fall in the number of full-time degree students, but a rise of 6 per cent in the number on sandwich courses.

Some detail is added to this picture by a study just completed of admissions to Warwick University, Lanchester Polytechnic and a college of education in 1976. All three of them are in Coventry.

The study, which will be published in full in *Higher*

Education Review next month, indicates that the 'technic' and college students are less well qualified than A-level passers, but are more likely to be studying science and technology and are more career-oriented than the university students are. The university had a higher proportion of arts and social science students and a higher proportion of students who said they were going to university for social reasons and because they were not ready to settle on a career.

'I haven't got a gun'

The question now must be how far—if at all—the Government will seek to change the balance between the universities and higher education run by local authorities.

Dr Boyson was at pains to say last week, in the wake of the storm caused when Dr Parkes's letter became public, that all Boyson himself intended for now was to raise questions. Among those he did raise were: the possibility of partially replacing some student grants with loans; the scrutiny of uneconomic courses; job prospects for graduates and per capita costs of higher education compared with those in other countries.

'I am not holding a gun in anyone's back,' he said. 'I haven't got a gun and I don't want one. All I can do is put

bright lights on various fronts.'

Some people may regret that Dr Boyson has no gun. In practice, the effect of holding down spending in the face of the increasing numbers of 18-year-olds will mean stagnation in higher education. The first reaction will be to stop filling academic vacancies. This has already happened in some places. Economies will depend at least in part on how fast professors and lecturers resign or die, and what subjects they teach. Redundancies are neither easy nor cheap to negotiate. Hiring new people even in subjects that are deemed desirable or are in demand will be difficult. It will also be difficult to expand courses that break new ground outside the traditional academic mould and might better serve the economy and the needs of those people who opt for work at 16 or 18, but would like to study further at, say, 25.

Ruthless shooting of dilettantes and lame academic horses could no doubt make room for this essential flexibility. However, manpower planning in higher education—or elsewhere—is a dangerous and difficult game for governments to engage in. The lead time is long, the mechanisms for change vague, and it will never be possible to define precisely what sort of training best fits 18-year-olds for 40 years of working life.

What the Government can and should do is look at the structure of the 'non-univer-

sity part of higher education to see how finance, planning and admissions might be improved.

The polytechnics, colleges and the Council for National Academic Awards which approves their degrees have done an excellent job in the last decade in introducing flexibility, new types of courses for new types of students. Forced as they have been to hustle at the bottom end of the market, they have often pushed the universities into paying more regard to demands from the marketplace than their academic traditions might otherwise have predisposed them to do.

If this country is embarking on a period of utilitarian higher education rather than learning for its own sake—and the signs are that it is—the polytechnics and colleges may need more protection from the Government than market forces would apparently warrant. The Government holds the balance between the two sectors by virtue of its direct control of the University Grants Committee grant. But Mrs Thatcher's Government does not like interfering with the market.

Furthermore, the universities, as they have amply demonstrated in the past week even in the middle of the summer vacation, are a redoubtable vested interest. The most likely outcome, and the best the local authority sector can hope for, is that the squeeze will be applied equally to both sectors.

MORN: STAR 25.8.79

Students: no second chance

Cuts in student places in higher education will not only deprive many qualified 18-year-olds of an opportunity to study but are bound to reduce opportunities for "second chance" students, college lecturers have warned the government.

The stern warning comes from the National Association of Teachers in Further and Higher Education which accuses the government of abandoning the Robbins principle of higher education planning.

The Robbins principle says that higher education should be afforded to those qualified and seeking places

R. News 24.8.79

My right to learn — by a schoolboy

I MUST protest about the Government's cut of six per cent in the university intake.

I have just taken 'O' level GCE exams and found that difficult enough in itself, partly due to the caretakers' strike—which resulted in unfinished courses—and also due to the fact that certain syllabuses did not comply with what we had studied.

I am now still awaiting results by post, far later than I had been led to believe, with now only a week or so until the autumn term. To top this the Government has cut the number of university entrants.

People of my age should at least have a chance to establish careers for themselves and not be crushed by thoughtless Government measures.—ROBERT KELLY (17), Ilford, Essex.

Dr Boyson's provocative challenge

No-one likes cuts in higher education — but if they must come, let them be selective

There was an uneasy feeling around in the British higher education community at the time of the first Conservative budget (in June) that such belt-tightening as was called for (it included the unwelcome increase in VAT) was not the end of the matter. The Government was taking its time brooding about education and science, and was not really expected to show its hand before the Autumn. Now at least one aspect of the forthcoming white paper on education has been made clear, namely that there will be a cut of up to 6% in student intake into universities in 1980. The University Grants Committee, on the recommendation of the Department of Education and Science, has alerted universities not to make 1980 commitments beyond 94% of their 1979 levels.

Dr Rhodes Boyson, the UK Minister in charge of higher and further education, has defended the proposed cuts on the grounds that Britain now has "the most expensive higher education system in the world". This seems hard to justify in the face of recently published figures which in fact show that Britain's spending on education is the third-lowest sum per capita in the Common Market (*Euroforum*; 13 July 79). In 1975 an average of £144 was spent on education per head of population compared with figures of £277 in Denmark, £239 in Holland and £209 in Belgium. Only Ireland and Italy came lower on the list.

It is clear that Dr Rhodes Boyson, minister in charge of higher and further education, is flexing his muscles to do what politicians have traditionally shrunk away from — interfere in the sacred area of a university's autonomy to teach what subjects it wishes. He is reported to have said that he would defend keeping alive all subjects currently being taught, but "in some universities, not all". It is clear that Dr Boyson would seek to impose the least restraint on mathematicians and "hard scientists" whom he regards as in short supply, but he adds ominously that "there is no shortage in certain arts subjects", and he has apparently asked officials at the Department of Education and Science to report on subject areas which have large graduate unemployment. This, of course, makes the assumption that the present-day predilections of employers should control the future of British universities.

However it is important to see these cuts in their detailed perspective — and the number of potential university students change substantially year by year. Recently the

percentage of eighteen-year-olds who have been both able and willing to pursue a university course has remained fairly static. On the other hand, the baby boom of the late 1950s and early 1960s has raised the numbers of those in the eighteen-year-old bracket by a few percent each year. These numbers will continue to grow into the early 1980s, but thereafter will show a progressive decline until by the mid-1990s there will have been a drop of 25% on the peak value in the early 1980s.

It has been a matter of discussion for some time whether universities should be restricted in their intake for the next few years in order to 'tunnel' through the peak, whether they should be allowed to expand up to the early 1980s but then be forced to contract with declining numbers seeking admission, or whether they should be allowed to expand but then encouraged to maintain peak numbers by more vigorous recruitment programmes or by extending opportunities for continuing education, or education at a later stage in life. The last Labour government seemed to be moving towards the last option, whereas the present Conservative government looks as if it is intent on 'tunnelling'. By so doing they will of course begin to close out options on continuing education.

One further piece of perspective must be added. Following the Robbins Report, there was an enormous expansion of university places in the 1960s to meet the Robbins principle that all students who wished to go to university and who were qualified should be allowed to do so. New universities sprung up and hired staff in vast numbers, thus giving the priorities of the mid-1960s enormous emphasis in the university system. There have been continuing discreet mutterings among academics about the quality of some of the departments formed and about the low standards of entry that apply in some places. So although the university community as a whole will throw up its hands in horror at Dr Boyson trespassing on their territory and daring to declare certain preferences, some thoughtful people will be quietly curious to see whether a politician will be able to pull off what has needed to be done for some time but which academics could never bring themselves to do — to recognise that the quality is not uniform throughout the British university system and to make an effort to ensure that if there have to be cuts, they do not fall uniformly everywhere.