

PRIME MINISTER

At his meeting with you tomorrow morning Brian would like to discuss law and order and education. Hartley will be coming to the meeting too.

Law and Order

Hartley's note to you in last weekend's Box raised a number of matters which you asked him to pursue (Flag A). His note at Flag B develops some of those themes, and at Flag C, if you wish to look at it, are the guidelines provided by the Lord Chief Justice on rape sentencing. There are a number of other matters which have come up in the last few days which may come up also including anonymity in rape cases, Jury access to information about previous convictions, and Crossbows.

Education

Brian has done a note (Flag D) urging caution on the closing of universities. DES, as you know, are thinking about this at present. They now await the paper from the UGC, expected next month, on the options for living within their resources. One of the options is likely to involve closures. H Committee will need to look at the matter when DES have had a chance to consider the UGC report; DES will be issuing a White Paper on higher education some time early next year.

You may like to have a word with Sir Keith about this when you see him shortly to discuss GCSE.

Mark Addison
Dirty Clerk.

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13 March 1986

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CLOSING UNIVERSITIES

Twice in the last week I have heard it said that the Government will have to close 6 universities (including probably Bangor, City, Keele, Lancaster and Stirling) the announcement being made at the time of the White Paper on Higher Education this spring.

Such an announcement would be a disaster: it would generate fierce political opposition, would not solve the basic problems of the remaining 40 universities, and would run counter to the perceived need for expansion in training.

Opposition to closures

We can count on the following groups to lobby their MPs aggressively:

- a. existing students at the 6 universities, former students of those institutions who will feel their degrees are being devalued, and the National Union of Students;
- b. university teachers;
- c. parents of existing, former and potential students of the institutions to be closed; and

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- d. local worthies who sit on university courts and councils, and local businesses which fund scholarships, research grants and appointments.

The problems will remain

Closing 6 universities at this time will achieve one objective - reduced funding. But the key problems with universities remain. Their central defect is that they are producer, not consumer driven institutions. They are run in the interests of staff who have unspecific but tenured contracts. They are not run in the interests of students who, as consumers, face a classic cartel in which all universities charge the same minimum fees for UK students.

If 6 of their number were closed and level funding extended to the other 40, those remaining would take it as a signal of business as usual and soon settle back to their cosy pre-1980 ways.

More than that, there would be a furious debate over the criteria which the DES or UGC used in choosing the unfortunate institutions. Two likely candidates would be:

Size

All those mentioned are small. The UGC will quote home target figures (ie those receiving government grants) not total student numbers to show they are closing only small

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universities. But this takes no account of the universities' success in attracting students funded in other ways. As the table shows, there are differences - compare the first and last columns. As can be seen, Lancaster has nearly 5,000 students, and even Bangor - the smallest - has nearly 3,000.

<u>UGC</u>	<u>Target Home</u>	<u>Actual</u>		
	<u>Students</u> <u>1984-5</u>	<u>Full-time</u> <u>1983-4</u>	<u>Part-time</u>	<u>Total</u>
Bangor	2,415	2,673	200	2,873
City	2,030	2,798	536	3,334
Keele	2,240	2,729	404	3,133
Lancaster	3,970	4,438	450	4,888
Stirling	2,100	2,470	350	2,820

Quality

Quality will be judged on "A" Level results, research, and employability of graduates. The last could be tricky. A survey of employers carried out by DEmp in 1983-84 found that companies prefer to recruit from technological universities rather than those doing degrees in engineering sciences - mainly because graduates from the former were more practical and useful. Closing such universities would not be attractive if such criticisms were to surface. Most of the universities closed would be technological.

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Alternative proposals

Broadly speaking, the Secretary of state has three ways in which he can achieve the target of a 2% reduction in real funding for the next 5 years:

1. Close 6 universities.
2. Cut each university's budget proportionately.
3. Cut funds to the system, but give incentives to those institutions which attract private funds.

The second alternative is more attractive than the first. But best of all, why not get the Secretary of State to develop the third? Many schemes could be developed which involved an overall budget cut, but in some of which funds are transferred from the more to the less enterprising institutions. If, as a result of this, certain institutions were to seek mergers, so be it.

If all institutions were squeezed, more likely is that they would be forced to re-examine their strengths and weaknesses and close departments. After some years, we would have a variety of "universities" some of which would be highly specialised but excellent institutions. In terms of selling the White Paper, this is a preferable route.

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Recommendations

Write to the Secretary of State expressing surprise at the possible closure of 6 universities, and invite him to submit alternative proposals which force universities to put their own house in order by closing departments, rather than transform the DES into a Ministry of Educational Planning picking winners.

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