



Evan Pol 2
Prime Minister **6**

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

5 November 1982

R Butler Esq
Principal Private Secretary
10 Downing Street
London SW1

Dear Robin,

On 2 November the Cabinet invited my Secretary of State to discuss urgently with the Chief Secretary how the package on student grants and "new blood" in 1983-84 was to be financed (CC(82)46th Conclusions, Minute 2).

2 The Secretary of State, who is out of London today, has asked me to let you know that he has agreed the following with the Chief Secretary. The Cabinet's decisions on student grants (no change in the minimum maintenance award, indexing of the parental contribution scale, some savings on travel expenses and an increase of 4% in the basic grant) will yield net savings of £3.2m, £6.8m less than the cost of the "new blood" programme in universities. The Chief Secretary has agreed to add half this sum, £3.4m, to the education and science programme and the Secretary of State will find the other half from savings elsewhere in his programme.

3 The Secretary of State is answering a Written Question on Monday about expenditure on education and science next year. The relevant passages on student grants and "new blood" read:

"In the autumn of 1983, the main rates of grant will be increased by 4% and the parental contribution scale will be adjusted upwards by 8% in line with earnings in the past year, thus limiting the increase in cash contributions from individual parents. Revised arrangements will be introduced for meeting students' additional travelling costs, which will no longer be paid on the basis of separate specific claims."

A separate announcement will be made about an additional allocation of some £10m which is to be made available to allow for a start in the autumn of 1983 on a programme

SECRET

SECRET

of recruitment by the universities of additional young researchers and lecturers, as well as for the provision of courses in new technologies primarily to improve the supply of qualified manpower in information technology. Part of this sum will be allocated by the Research Councils."

4 I am sending copies of this letter to the Private Secretaries to other members of the Cabinet and to Sir Robert Armstrong.

Yours ever,

Inogen Wilde

MRS I WILDE
Private Secretary

SECRET

Eron RA Public Exp 1417

BB
BB
BB
BB
BB
BB
BB
BB
BB
BB

5 NOV 1962