



10 DOWNING STREET

From the Private Secretary

7 February, 1985

THE SWITCH TO ENGINEERING AND TECHNOLOGY IN THE UNIVERSITIES

On 28 November 1984 the Ministerial Sub-Committee on Economic Affairs discussed proposals from the Secretary of State for Education and Science for securing an increase in the output of graduates in disciplines relevant to the needs of information technology, especially electronic engineering and computer sciences. Your Department was represented at the meeting by the Parliamentary Under Secretary of State.

The Department of Education and Science proposals would have involved expenditure of £101 million over the three years 1985/86 to 1987/88. The Sub-Committee agreed on the need for urgent action to deal with the shortfall of graduates in these disciplines but did not consider that additional resources should be made available from the contingency reserve.

Since then work has been going on to see how the problem might be solved within existing public expenditure provisions. The Secretary of State for Education and Science has scaled down his proposals to a programme amounting to £42 million over the three years. This would allow the creation of about 600 more first degree graduates from 1989/90 (with up to 200 more in 1987/88 and 400 more in 1988/89) and an additional 500 more post-graduates a year from 1986/87 (with 250 more in 1985/86).

/ He has

h

He has also persuaded the Chairman of the University Grants Committee to secure the UGC's agreement to finding £12 million of the £42 million from their existing provision. This has left some £30 million to be found from other departments. A number of Ministers with economic responsibilities (the Secretaries of State for Trade and Industry, Employment, Scotland and Wales) have already offered to transfer sums from their programmes ranging from £½ million to £5 million a year over the period, despite the fact that this will require them to revise their existing expenditure plans, provided that other Departments are prepared to make similar sacrifices. The total required is within sight.

The Prime Minister has therefore asked me to enquire whether your Secretary of State would be prepared to offer a contribution from his programme: she has in mind a figure of £1 million a year over the three years 1985/86 to 1987/88 or something approaching that. The Prime Minister has asked me to point out that she did not press your Secretary of State the other day when seeking contributions from Departments' research budgets to enable the United Kingdom to participate in the new space programme. She knows, however, that Mr. Walker shares her concern about making the universities more responsive to national economic needs and removing the technological constraints to faster economic growth. The Prime Minister very much hopes, that your Secretary of State will feel able to join with other Ministers in priming the pump in this way.

In order to ensure that the first additional intakes can be admitted this autumn, an announcement of the programme will need to be made soon. The Prime Minister would therefore be

/ grateful

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grateful if your Secretary of State could let her have an answer by 14 February.

DAVID BARCLAY

John Neilson, Esq.,
Department of Energy

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Mr Butler

This was Mr Gregson's idea,
and the PM definitely agreed.

But I have some
misgivings - may we
please have a word?

Dub
7/2

JKRAT R



10 DOWNING STREET

(For reference only)

THE PRIME MINISTER

Personal Minute

No.

SECRETARY OF STATE FOR ENERGY

THE SWITCH TO ENGINEERING AND TECHNOLOGY IN THE UNIVERSITIES

On 28 November 1984 the Ministerial Sub-Committee on Economic Affairs discussed proposals from the Secretary of State for Education and Science for securing an increase in the output of graduates in disciplines relevant to the needs of information technology, especially electronic engineering and computer sciences. ^{If the DES proposals would} These would have involved expenditure of £101 million over the three years 1985/86 to 1987/88. The Sub-Committee agreed on the need for urgent action to deal with the shortfall of graduates in these disciplines but did not consider that additional resources should be made available from the ^{contingency} reserve.

Your Department was represented at the meeting by the Parliamentary Under *Secretary of State for Education and Science* Since then work has been going on to see how the problem might be solved within existing public expenditure provisions. *The Secretary* Keith Joseph has scaled down his proposals to a programme amounting to £42 million over the three years. This would allow the creation of about 600 more first degree graduates from 1989/90 (with up to 200 more in 1987/88 and 400 more in 1988/89) and an additional 500 more post-graduates a year from 1986/87 (with 250 more in 1985/86). He has also persuaded the Chairman of the University Grants Committee to secure the UGC's agreement to finding £12 million of the £42 million from their existing provision. This has left some £30 million to be found from other departments.

Ministers ~~to change before~~ ~~advisors~~ with economic responsibilities

A number of ~~colleagues with economic responsibilities~~ (the Secretaries of State for Trade and Industry, Employment, Scotland and Wales) have already offered to transfer sums from their programmes ranging from £½ million to £5 million a year over the period, despite the fact that this will require them to revise their existing expenditure plans, provided that other ~~colleagues~~ *Departments* are prepared to make similar sacrifices. We are now within sight of the total required *is*

The PM has asked me to write to you enquire whether your SotS
I am therefore ~~now writing to ask whether you would offer a~~ *would be prepared to offer a* contribution from your programme: *from his* *She has in mind a figure* of £1 million a year over the three years 1985/86 to 1987/88 or something approaching that. *The PM has asked me to find out that she did not press your Secretary of State* I did not press you the other day when we were asking *the other day when asking* colleagues for contributions from their *Departments* research budgets to enable the United Kingdom to participate in the new space programme. *Mr Walker* She knows however, that *you* shares my *concern* about *to about* making the universities more responsive to national economic needs and removing the technological constraints to faster economic growth. *The PM* I very much hope, therefore, that you *SotS* will feel able to join with other *Ministers* colleagues in priming the pump in this way.

In order to ensure that the first additional intakes can be admitted this autumn, an announcement of the programme will need to be made soon. *The Prime Minister would* I should ~~therefore~~ be grateful ~~to know~~ if *your* whether you are able to help within a week from now. *your* Secretary of State could let her have an answer by 14th February.



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GC/CF

I have signed
the top copy

JWRATR

Prime Minister

Dmb
8/2

P.01487

MR BARCLAY

Draft attached for private
secretary signature.
Content?

L. 71 collect

Dmb
7/2

THE SWITCH TO ENGINEERING AND TECHNOLOGY IN THE UNIVERSITIES

As promised at last night's meeting I attach the draft of a letter for the Prime Minister to send to the Secretary of State for Energy.

2. I have deliberately not referred to the meeting and have refrained from copying the letter to other Ministers since it would be counter-productive to give the impression of ganging up against the Secretary of State for Energy. I have also left the arithmetic about the existing contributions and the shortfall deliberately obscure so as to minimise the scope for debating points about other people's offers.

3. Since Mr Walker's general line is that far too much weight is placed on keeping within the precise public expenditure totals, he will probably reply that any shortfall should be found by the Treasury, notwithstanding the view E(A) took about this (in his absence) on 28 November. Nevertheless we owe it to the other contributing Ministers to make the attempt.

PLG

P L GREGSON

7 February 1985

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DRAFT LETTER FROM THE PRIME MINISTER TO THE SECRETARY OF STATE
FOR ENERGY

THE SWITCH TO ENGINEERING AND TECHNOLOGY IN THE UNIVERSITIES

On 28 November 1984 the Ministerial Sub-Committee on Economic Affairs discussed proposals from the Secretary of State for Education and Science for securing an increase in the output of graduates in disciplines relevant to the needs of information technology, especially electronic engineering and computer sciences. These would have involved expenditure of £101 million over the three years 1985/86 to 1987/88. The Sub-Committee agreed on the need for urgent action to deal with the shortfall of graduates in these disciplines but did not consider that additional resources should be made available from the reserve.

Since then work has been going on to see how the problem might be solved within existing public expenditure provisions. Keith Joseph has scaled down his proposals to a programme amounting to £42 million over the 3 years. This would allow the creation of about 600 more first degree graduates from 1989-90 (with up to 200 more in 1987-88 and 400 more in 1988-89) and an additional 500 more post-graduates a year from 1986-87 (with 250 more in 1985-86). He has also persuaded the Chairman of the University Grants Committee to secure the UGC's agreement to finding £12 million of the £42 million from their existing provision. This has left some £30 million to be found from other departments.

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A number of colleagues with economic responsibilities (the Secretaries of State for Trade and Industry, Employment, Scotland and Wales) have already offered to transfer sums from their programmes ranging from £½ million to £5 million a year over the period, despite the fact that this will require them to revise their existing expenditure plans, provided that other colleagues are prepared to make similar sacrifices. We are now within sight of the total required.

I am therefore now writing to ask whether you would offer a contribution from your programme - say of £1 million a year over the three years 1985/86 to 1987/88 or something approaching that. I did not press you the other day when we were asking colleagues for contributions from their research budgets to enable the United Kingdom to participate in the new space programme. I know however that you share my concern about making the universities more responsive to national economic needs and removing the technological constraints to faster economic growth. I very much hope therefore that you will feel able to join with other colleagues in priming the pump in this way.

In order to ensure that the first additional intakes can be admitted this autumn, an announcement of the programme will need to be made soon. I should therefore be grateful to know whether you are able to help within a week from now.

Sci + Tech
Budget