



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Mr David Barclay
No 10 Downing Street
SW1

28 February 1985

Dear David,

At the Prime Minister's meeting on 6/February, Ministers agreed to a programme to increase the output of engineering and technology graduates. We understand from your recent conversation with Andrew Sargent in David Hancock's office that the Prime Minister would be prepared to meet an invited group of industrialists in order to secure the greatest possible industrial backing for this programme.

I attach to this letter a list drawn up by DTI of those who might be invited to this function. The list includes all the firms that have publicly indicated willingness to subscribe to the IT Skills Agency (the actual members of which have yet to be announced by the CBI). Also on the list are the current Chairman and the Chairman-elect of the Engineering Council and Sir Robert Clayton who will head the new IT Skills Agency.

It would be best for the meeting to take place just before the announcement of the programme. This is currently planned, subject to the Prime Minister's agreement, for March 19th - either as part of, or in parallel with, the Budget statement. So a date in the preceding week would be ideal.

The Prime Minister's chief objective at the meeting should be to secure commitment to greater assistance to the chosen higher education institutions. The full suggested compass of the meeting is described in the attached draft letter of invitation to industrialists.

In addition to Sir Keith Joseph, you will also wish the Prime Minister to be supported by the Secretaries of State for Trade and Industry and for Employment and the Minister without Portfolio. I am copying this letter to their Private Secretaries and also to Rachel Lomax in the Chancellor of the Exchequer's Office.

Yours,
Elizabeth

MISS C E HODKINSON
Private Secretary

DRAFT LETTER FOR THE PRIME MINISTER'S SIGNATURE TO
INDUSTRIALISTS

You will be aware of the concern voiced in many quarters and especially by business about the need to increase the output of graduate engineers and technologists. Attention has been drawn to this, in particular by the Engineering Council and in the first report of the Committee on IT Skills Shortages under the chairmanship of John Butcher at the Department of Trade and Industry.

2. The Government have been considering these representations very carefully. Our first concern was to explore the scope for a redeployment of resources within the higher education system. The cost of science and technology courses is relatively high and we are now satisfied that it would be right to assign some extra resources to this purpose. We envisage a special programme costing about £40 million over the 3 years 1985-86 to 1987-88. Such a programme would only be worthwhile if we could be assured of sufficient industrial co-operation and support of the kind offered by the industrial members of John Butcher's committee.

3. I would like to discuss this with you (and with the others listed on the sheet attached). I particularly wish to enquire whether industry would contribute to such a programme by providing:

- (i) more help with equipment;
- (ii) more help with teaching staff - this is vitally important because it is doubtful whether our HE institutions will be able to recruit qualified staff in sufficient numbers.
- (iii) more placements for students on sandwich courses;
- (iv) active help with the design of relevant courses;

- (v) a readiness to offer worthwhile initial jobs and subsequent careers to the graduates.

4. Ministers will also wish to hear views on the following questions:

- (a) how selective should the forthcoming programme be? Should the extra resources be concentrated on the strongest universities plus the proposed new Institute of Information Technology at Milton Keynes; or should they be more widely spread? In particular, would industry prefer an expansion of capacity in some of our best polytechnics? (The argument is sometimes heard that polytechnics like Hatfield produce a more useful product than many of our Universities.)
- (b) How should co-operation between industry and the chosen HE institutions be organised? Should it be organised centrally, for example, through the IT Skills Agency, Government Departments and the UGC; or would it be better for each participating company to "adopt" one or more participating institutions?
- (c) Would industry be willing to sponsor more students? This we believe is likely to be a very effective way of influencing the career choices of pupils at school and encouraging more young people to study maths, physics and technology.

5. Finally, if there were time, I should like to take the opportunity to seek your views on what more could be done - and I know a lot is being done already - to change the attitudes of parents, teachers and pupils towards careers in business.

6. I hope you will be able to meet me, Keith Joseph and other colleagues at ___o'clock on ___ March at No. 10 Downing St. Would you please let my office know if you can come?