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DEPARTMENT OF EDUCATION AND SCIENCE  
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 FROM THE SECRETARY OF STATE

*AT to ...*

P Wyn Owen Esq  
 Assistant Private Secretary  
 Chancellor of the Exchequer  
 Parliament Street  
 LONDON SW1P 3AG

14 March 1985

*Dear Phillip,*

**BUDGET DAY PRESS RELEASES: THE SWITCH**

Further to my letter of 12 March, I attach a draft of the first of our two press notices - on the switch in HE towards engineering.

I would be glad to know that the Treasury and other interested departments are content with the text. In order to meet your deadline for supplying copies of the final printed version, any amendments will need to be registered with me by 10am tomorrow.

I am copying this to the private secretaries to the Secretaries of State for Energy, Scotland, Wales, Employment, Trade & Industry, and the Minister Without Portfolio, and to Andrew Turnbull (No 10) and Richard Hatfield (Cabinet Office).

Prime Minister.

*Yours,*

*Elizabeth*

MISS C E HODKINSON  
 Private Secretary

*By Monday.*

The "switch" is to be announced in the Budget speech, and attached is the text of the Press Notice DES plan to issue later that day, to accompany a written reply. It is worth noting that the concept of a "switch" has now effectively gone. The extra resources for engineering and technology are being found from written existing resources, but not from a clearly identifiable non-vocational budget.

*Yes -*

Content with the draft press notice?

MEA 14/3

*mt.*

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NEW PROGRAMME WILL INCREASE ENGINEERING AND TECHNOLOGY  
PLACES IN HIGHER EDUCATION

The Government is to make an extra £43m available over the next three years to pay for more students in higher education to study engineering and technology, Education Secretary Sir Keith Joseph told the House of Commons today.

Sir Keith said the programme marked a substantial response to requests from industry for an increased output of engineering and technology graduates.

The new programme is <sup>a major</sup> [substantial] addition to the earlier initiative, announced in December 1982, for a programme over three years to provide about 5,000 extra places in information technology (IT) related subjects, at a cost of £37m.

Discussions are going on with the University Grants Committee and others to decide which institutions should benefit from the new programme. An announcement on the allocation of extra places for the next academic year [is <sup>will be made</sup> expected] soon.

In a written reply to a Question from Mr , MP for , who asked if he would take steps to increase the output of engineering and technology graduates and if he would make a statement, Sir Keith said:

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"My Right Hon. Friend the Chancellor of the Exchequer has today announced that the Government is to make available an additional £43m over the next three years for the provision within higher education institutions of places in engineering and technology.

"I am discussing with the University Grants Committee (UGC) and others which institutions should benefit from this programme, and I hope to be able to announce soon those institutions which will admit additional students during 1985/86. Further announcements about later years will follow.

"This programme marks a substantial response to requests from industry for an increased output of graduates in engineering and technology. An important criterion in determining provision under this programme will therefore be its perceived industrial worth.

"We shall be looking to industry to demonstrate the value it attaches to provision under the programme by offering concrete support in various ways and we shall be discussing further with employers' representatives how this can be assured.

"This programme is a major addition to the initiative I announced in December 1982, for a programme

over three years to provide some 5,000 additional places in IT-related subjects, at a cost of £37m.

"The final intake under that programme will be in the 1985-86 academic year, and I have recently asked the UGC to ensure that the additional numbers thereafter will be maintained.

"The combined effect of these two programmes will be to provide a substantial further stimulus to the output of engineers and technologists and hence to the economy."

#### NOTES TO EDITORS

1. This new programme follows the advice of the Engineering Council which has advocated an increase in the resources provided for the education of engineers - see, for example, the Council's Policy Statement on Resources for Engineering Education published in February 1984.

2. Also relevant is the report of the IT Skills Shortages Committee, chaired by Mr John Butcher MP, Parliamentary Under Secretary of State at the Department of Trade and Industry. The committee concluded - in its first report dealing with the supply of graduates with IT skills - that, while the extent of any skills shortage was difficult to gauge, industry could undoub-

tedly absorb additional graduates so qualified. The report quotes the Alvey Directorate estimate of a shortfall of 1,500 graduates now (April 1984) and of 5,000 by 1988.

3. Since the programme marks in large part a response to requests from industry, an important consideration in selecting participating institutions will be that the courses should be of demonstrable value to industry. Advice on this is being sought from members of the Information Technology Skills Agency (ITSA), recently established under the aegis of the Confederation of British Industry's Education Foundation. It will also be expected that industry will offer positive support for the programme and account will be taken of this in determining provision under the programme.

4. In order to enable an increase in student intakes under the programme during the coming academic year, there will be two phases. The first will comprise a small number of courses which can admit students immediately, without prior building work. Each, selected by the UGC after consultation with the ITSA, will be expected to demonstrate high academic quality and assured industrial support. It is hoped to announce these shortly. The main phase of the programme will consist of courses which require building work in order to admit students. These will also be expected to demonstrate high academic quality and industrial relevance. This phase may include some institutions not within the responsibility of the UGC.