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MO 2/2/8

15th March 1985

Handwritten signature: Ian Brown

Handwritten initials/signature.

*Prime Minister²
For information. This comes too late
to be included in tomorrow's announcement,
but will feature when more details of
the programme are given next month.
MKA 18/3*

SKILL SHORTAGES

Thank you for your letter of 4th March about the scheme which you and other colleagues have put together to increase the number of engineering and technology university places.

As you may be aware, my Department already makes a substantial contribution in this field. We sponsor some 150 undergraduate and 10 post-graduate courses for MOD employees and a further 200 students who are not committed to join the MOD. The majority of these students are in engineering and technology disciplines. We also maintain a professor and supporting academic staff in naval engineering at the University of London. In addition to this support on the civilian side, the MOD funds a variety of undergraduate and post-graduate schemes for Service personnel, many of whom later in their careers transfer to industry and thus contribute to the national stock of engineering skills. More widely, following a recent and separate inter-Departmental initiative to maintain the strength of the national science base, I have agreed to build up the level of direct funding from my budget of defence-related research at the universities to £15 million per annum over the next 3 years. We will also be cooperating with the universities in the joint design and use of major and specialised facilities. Both of these can be assumed to release resources in the universities which could be allocated to undergraduate places.

The Rt Hon Norman Tebbit MP



I am also prepared, in the spirit of the scheme you describe in your letter, to provide, by means of re-allocating resources within my Department, up to an additional £1 million per annum over the next 3 years to permit a substantial increase in the number of university students directly sponsored by the Ministry of Defence in science, technology and engineering disciplines. My officials are working up the details of this expansion and they will be in touch with your officials and Keith Joseph's as the work progresses. I shall be looking for imaginative ways of attracting the right response - but meanwhile I would be happy for this step that I am taking to be included in the announcement of the inter-Departmental scheme.

I am copying this letter to the Prime Minister and the other recipients of your own.

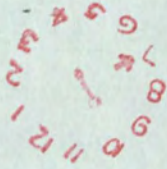
A handwritten signature in dark ink, consisting of a stylized 'M' followed by a vertical line and a horizontal stroke, resembling 'MH'.

Michael Heseltine

SCIENCE

Budget

PEZ



18 JAN 1981