



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Prime Minister

Consistent with Treasury,
Policy Unit figures except
for X which Treasury
regard as an adjustment to
baseline.

AT 17/10

F E R Butler Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

17 October 1983

Dear Robin

1983 SURVEY

The Secretary of State thinks that the Prime Minister may find it helpful to have the attached table of figures before she meets the Secretary of State and Chief Secretary later today. The correspondence enclosed with the Secretary of State's letter of 11 October is also relevant.

I am sending a copy of this letter and of the table to John Gieve, Treasury.

Yours,

Elizabeth

MISS C E HODKINSON
Private Secretary

CONFIDENTIAL

£m cash

ANNEX

Education and Science

1984-85 1985-86 1986-87

Baseline (excluding local authority current expenditure) 3,258 3,388 3,489

A Agreed additions

1. Student grants (extra numbers)	40 ✓	50 ✓	45 ✓
2. Science (international only - remainder to be discussed)	6 ✓	8 ✓	7 ✓

Total A	46	58	52
---------	----	----	----

B Agreed reductions

3. Voluntary and direct grant colleges	5	5	5
4. Open University	-	2	5
5. Student grants (reduced level, stiffer means test etc.)	20	40	50
6. 3 per cent pay factor *	23	24	25

Total B	48	71	85
---------	----	----	----

C Disputed additions

7. Universities - current (net of "efficiency savings")	18 ✓	16 ✓	18 ✓
8. Universities - capital	12 ✓	12 ✓	12 ✓
9. Local authority capital	50 ✓	50 ✓	50 ✓

Total C	80	78	80
---------	----	----	----

D Disputed reduction

10. Universities - current	-	-	75
----------------------------	---	---	----

*Reduction in cash following replacement of 5 per cent pay factor by 3 per cent.

Treasury treat this as outside bilaterals.

CONFIDENTIAL