

010



DIP note re response  
15/7

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000  
FROM THE SECRETARY OF STATE

*Would have been better to have someone like Robin Uss in the chair. The present proposal does not give rise to much confidence*

12 July 1985

Dear Andrew,

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

The report of Sir Alex Jarratt's steering committee on efficiency studies in the universities recommended amongst other things that the Government should commission an examination of the role, structure, and staffing of the UGC. The Green Paper on higher education (Cmnd 9524) published in May announced the Government's acceptance of this recommendation and said that the form and terms of reference of the review would be announced shortly (paragraph 8.5).

This letter seeks the agreement of the Prime Minister and the Secretary of State's colleagues to an early announcement of the terms of reference and chairman of the review committee. Membership of the committee can be announced later in the month after further consultation with the Chairman and the Secretary of State's Cabinet colleagues. Sir Keith proposes that the review should be carried out by a small committee (no more than 8, including the chairman), but with the committee probably commissioning management consultants for detailed studies of the UGC's internal structure, functioning and staffing.

The committee would be appointed jointly by the Secretary of State for Northern Ireland and the Secretary of State for Education and Science as the two members of the Cabinet with university responsibilities. The terms of reference would be:

"To review, within the context of expected developments in higher education, the University Grants Committee's constitutional position and role in relation to the

/Government

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

Government and to the universities, its membership, its internal structure and working methods, and its secretariat."

The Secretary of State has it in mind to supplement the terms of reference with a more detailed letter of guidance to the committee, which would be published. (This was the course followed with the Lindop Committee on Academic Validation in Public Sector Higher Education, whose report was published in April as Cmnd 9501.) The letter would make it clear that the review should consider the role of the UGC in relation to the general economic background and, in particular, in guiding universities in relation to perceived industrial and commercial needs. We shall of course be consulting other Departments on the terms of such a letter.

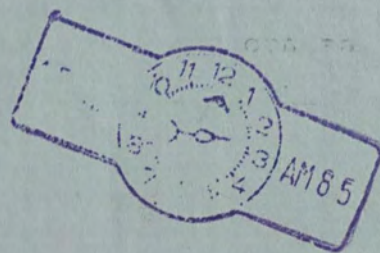
The Secretary of State would like to appoint Lord Croham as chairman of the committee. Lord Croham has indicated his willingness to accept the appointment if it is offered. Now that he is leaving the chairmanship of BNOC he will be able to devote the necessary time to the task and from David Hancock's discussions with him it is clear that he would approach it with enthusiasm.

If the Prime Minister is content with the appointment of Lord Croham, and with the proposed terms of reference, these will be announced as soon as possible. The Secretary of State would then consult his colleagues and Lord Croham about the membership of the committee with a view to announcing that before the summer recess, to allow the committee to start work in the early autumn.

I am copying this letter to the Private Secretaries of the Chancellor of the Exchequer, of the Secretaries of State for Energy, Scotland, Wales, Social Services, Trade and Industry, and Northern Ireland, of the Chancellor of the Duchy of Lancaster and of the Secretary of the Cabinet.

*Yours sincerely*  
*R L Smith*

R L SMITH  
Private Secretary



MR TURNBULL

15 July 1985

REVIEW OF UNIVERSITY GRANTS COMMITTEE

A review of the UGC is urgently needed. If there has to be such a body at all, then it should at least be efficiently run - which is certainly not the case at present.

The terms of reference proposed by DES seem unexceptionable.

The selection of Lord Croham as Chairman seems unlikely to produce startling results. We would prefer a more youthful and energetic figure, such as John Ashworth. But all may be well if the other members of the Committee are vigorous, and if they are not burdened by assessors representing departmental vested interests.

We recommend that the Prime Minister should ask DES to identify the candidates for membership, and to outline the arrangements for assessors, before agreeing to the appointment of Lord Croham.

*OL*

OLIVER LETWIN

Prime Minister ①

- (i) Content with terms of reference?
- (ii) Content with Chairman? or
- (iii) Prefer to delay decision on Chairman until you see candidates for assessors?

AT  
15/7

CONFIDENTIAL



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10 DOWNING STREET

From the Private Secretary

16 July 1985

Dear Rob,

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

The Prime Minister has seen your letter to me of 12 July and was content with the proposed terms of reference of the Committee to review the role, structure and staffing of the UGC. Before a decision is taken on the Chairman, she would like to know who your Secretary of State has in mind for the other Members of the Committee. She wants to be sure that, as a whole, it will be a group which is likely to approach the task energetically.

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I am copying this letter to Rachel Lomax (H M Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office), and Richard Hatfield (Cabinet Office).

Yours sincerely  
Andrew Turnbull

ANDREW TURNBULL

R L Smith, Esq  
Department of Education and Science

CONFIDENTIAL



CCPO

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

19 July 1985

*Dear Andrew,*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

*File with A7*

Thank you for your letter of 16 July. Sir Keith Joseph is grateful for the Prime Minister's agreement to the terms of reference of the UGC review. He hopes that it will be possible to announce the terms of reference and the name of the chairman before the House rises.

Sir Keith has not yet been able to consult any of his colleagues about the members of the committee, although there have been some consultations between officials. But as members of the committee Sir Keith has in mind the following:

Lord Butterworth  
(Deputy Chairman)

Ex Vice-Chancellor of Warwick University and recently a member of the Jarratt Committee on university efficiency

Mrs Mary Baker

Director of Barclays Bank and Thames TV (wife of Mr Kenneth Baker MP)

Mr Ian Beesley

The Prime Minister's Efficiency Unit - Mr Beesley has already established himself in this field through his work on the Jarratt Committee on university efficiency, and Sir Keith is particularly grateful to Sir Robin Ibbs for agreeing to let him undertake this further task.

Sir Austin Bide

Chairman of Glaxo and of BL. Sir Austin has already done excellent work for us as Chairman of the Open University Visiting Committee.

Dr Peter Clarke

Ex Principal of the Robert Gordon's Institute of Technology in Aberdeen and Chairman of the Scottish Vocational Education Council (SCOTVEC).

Mr P T Matthews

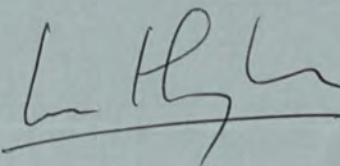
Ex Vice-Chancellor of Bath University, which is probably one of the most cost-effective universities in the country, and a distinguished physicist (FRS and a former Professor of Theoretical Physics at Imperial College).

Mr John Smith

Secretary of Imperial College London, where he has been Chief Administrator under Lord Flowers of one of our most successful institutions.

Sir Keith hopes that the Prime Minister and his colleagues will agree that this is a good team to support Lord Croham, and will now agree to his appointment. You may like to note that the Secretary of State deliberately decided not to include any serving academics because they were likely to be too close to the immediate concerns of their institutions, nor any trade union representatives.

I am copying this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

*Yours sincerely,*  


I M HUGHES  
Private Secretary

Policy: Education PLS







10 DOWNING STREET

Prime Minister ①

Agree this committee tender  
Lord Croham provided a  
max executing industrialist  
than Sir Austin Bide can  
be found?

AF

1917

Yes

Sir Max Alexander?

mf.

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10 DOWNING STREET

*From the Private Secretary*

22 July 1985

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

The Prime Minister has seen your letter to me of 19 July and is content with the composition of the Committee under Lord Croham. She wonders, however, whether an alternative to Sir Austin Bide might be found. She has suggested Sir Alex Alexander.

I am copying this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

**(ANDREW TURNBULL)**

Ian Hughes, Esq.,  
Department of Education and Science

SPW



NDPM  
 AS 25/7  
 CC-PO

## DEPARTMENT OF HEALTH &amp; SOCIAL SECURITY

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

I M Hughes Esq  
 Private Secretary to  
 The Rt Hon Sir Keith Joseph MP  
 Secretary of State for Education and Science  
 Department of Education and Science  
 Elizabeth House  
 York Road  
 LONDON  
 SE1 7PH

24 July 1985

Dear Ian,

## REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

My Secretary of State has seen your letter to Andrew Turnbull of 19 July about the composition of the Committee to review the UGC. While content with the terms of reference and the proposed Chairman of the review, he feels strongly that the membership should include someone with an understanding of the close inter-relationships between medical schools and the NHS.

University medical faculties are large and expensive institutions which pose special problems for academic funding and administration. The teaching of medicine involves tuition of up-to-date practical skills for which close links between medical faculties and NHS teaching hospitals are essential. As part of these arrangements clinical academics under honorary contract to the NHS contribute to patient services while NHS consultants, correspondingly, teach in universities. Consequently changes in UGC provision have consequences for NHS services - as the Social Services Committee has noted critically in its 1981 and 1985 reports. Furthermore, while Health Ministers set overall targets for the number of doctors that the medical schools should train, it is for the UGC and DES to set targets for individual universities. Thus there are close common interests and concerns between universities and the NHS.

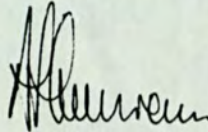
We think that the importance and the complexity of these inter-relationships are such that it would be helpful to include on the Committee someone with experience and understanding of these issues.

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 with  
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E.R.

An individual who we would suggest might fit the bill is Sir Peter Froggatt, who is currently Vice-Chancellor of Queen's University, Belfast, and was previously Professor of Epidemiology and Dean of the Medical Faculty at that University. Sir Peter is also a member of the Supervisory Group which advises Northern Ireland Ministers on health matters. Sir Peter is due to retire from Vice-Chancellorship next year and seems to us the most suitable for the post. If, however, it was felt that his being a serving academic at present was a serious obstacle, we would be ready to suggest other names.

I am sending copies of this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's office), Richard Hatfield (Cabinet Office) and Andrew Turnbull (10 Downing Street).



A Laurance  
Private Secretary

Police,  
Education. PES



**CONFIDENTIAL**  
From: THE PRIVATE SECRETARY

NBS 17  
AT 25/7  
cc OK



NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

R L Smith Esq  
Private Secretary to the  
Rt Hon Sir Keith Joseph Bt MP  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1

25 July 1985

*Dear Rob*

*Education file  
with AT.*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

My Secretary of State is content with the proposed membership of the University Grants Committee review team as set out in Ian Hughes' letter of 19 July. He notes that none of the members appears to have any connection with, or experience of, the Northern Ireland higher education scene. While he does not wish to press for the inclusion of a member with this particular qualification, he is confident that Sir Keith Joseph will appreciate the need to take into account the Northern Ireland dimension and to ensure that the Department of Education for Northern Ireland is kept closely in touch with the work of the review team.

I am copying this letter to Andrew Turnbull (No 10), Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Tony Lawrence (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

*Yours ever  
Jim*

J A DANIELL

ssd

**CONFIDENTIAL**

Education: General Policy Pt 5





NBPM AD 25/7  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

R L Smith Esq  
Private Secretary to the  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
London  
SE1 7PH

25 July 1985

Dear Rob,

REVIEW OF THE UGC

Thank you for copying to me your letter of 12 July to Andrew\*Turnbull about the terms of reference and chairmanship of the committee which is to undertake the review of the University Grants Committee.

The Secretary of State is content with the proposed terms of reference and with the appointment of Lord Croham as chairman. He also agrees that the committee should be a small one, but considers it important that there should be a Scottish member and that the Scottish Education Department should receive the relevant papers.

The Secretary of State accepts that the committee should be appointed jointly by your Secretary of State and the Secretary of State for Northern Ireland. However, as you will be aware, he is likely to be directly concerned about the future of the UGC if - as may well be the case - the Scottish Tertiary Education Advisory Council makes recommendations relating to the arrangements for the administration and funding of the Scottish universities in its review of strategy for higher education in Scotland.

The Secretary of State therefore considers that it would be appropriate to include in the letter of guidance which it is proposed to send to the committee a request that it should have regard to the STEAC recommendations insofar as they might affect the UGC, and the Scottish universities. He would also like the announcement of the committee's remit to include a reference to the fact that the STEAC dimension is to be drawn to the committee's attention. Forms of words can be settled at official level.

I am copying this letter to Andrew Turnbull (No 10), the Private Secretaries of the Chancellor of the Exchequer; of the Secretaries of State for Energy, Wales, Social Services, Trade and Industry, and Northern Ireland; of the Chancellor of the Duchy of Lancaster; and of the Secretary of the Cabinet.

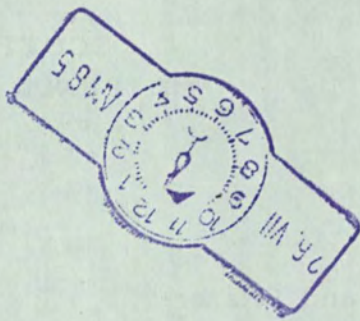
Yours sincerely,  
John S. Graham

J S GRAHAM  
Private Secretary



EDUCATION: Busy

P. 5





*Prime Minister*  
 Content to allow KV to  
 appoint Bide and possibly  
 another industrialist?

*cc*

*AT*  
*25/7*

DEPARTMENT OF EDUCATION AND SCIENCE  
 ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
 TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Margaret Thatcher MP  
 Prime Minister  
 10 Downing Street  
 London SW1

*Yes no*

*24* July 1985

*Dear Margaret,*

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

I refer to your Private Secretary's letter of 22 July. I am grateful for your agreement to go ahead with the task of setting up the Committee. The appointment of Lord Croham and the terms of reference will be announced by Written PQ tomorrow.

You queried the choice of Austin Bide as one of the industrial members. I would be embarrassed to have to omit him because I have already approached him. It is not at all easy to find top industrialists who can spare the time for this sort of enquiry - indeed we were lucky to catch Douglas Croham himself before he had accepted any other commitments following the running down of BNOG.

I first asked Alex Jarratt and Adrian Cadbury - both of whom were on the Jarratt Enquiry - if they could spare the time. Both said no. Robin Ibbs made it clear that the pressures on his time ruled out his personal participation and he asked me to include Ian Beesley to represent his interests which I was of course very ready to do.

I then learned from Austin Bide that he was giving up the Chairmanship of Glaxo and would have some time to spare. As Austin Bide has been extremely helpful to the Department in connection with the Open University, where we have had a series of problems both financial and managerial, I asked him if he could help with the UGC Enquiry. He said yes and I am quite clear that, if I had not spoken to him then, he would have accepted other commitments which would have prevented our getting the benefit of his advice.

I should be perfectly content to add another industrialist to the membership in addition to Austin Bide and Mary Baker, and I shall now consider some names, including Alex Alexander.

Yonson,

Kurtz,

Austin Bide showed drive and skill in his Open University activities, delivering some real changes in attitude and behavior.



file SPW

re Appointments

10 DOWNING STREET

*From the Private Secretary*

29 July 1985

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

The Prime Minister has seen your Secretary of State's letter of 24 July. In the light of this, she is content that Sir Austin Bide should be a member of the Committee.

**(ANDREW TURNBULL)**

Rob Smith, Esq.



cyst

**CONFIDENTIAL**

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6BY

31 July 1985

*Norman*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

I have seen your Private Secretary's letter to mine of 26 July about the composition of the committee to review the University Grants Committee. Of course I share your concern that the committee should understand and take full account where appropriate of the relationships between the universities and the NHS. But the review will be concerned first with the constitutional position and role of the University Grants Committee in relation to the Government and to the universities, and secondly with questions of the Committee's internal structure and working methods. It will be concerned with the sort of body the UGC ought to be, and the way it should work; it will not be concerned with the level of funding of the universities or the internal workings of the universities themselves. I therefore think it unlikely that considerations of medical education or of the universities/NHS interface will loom large in the committee's work. But even if they were to do so, I would not have thought it right so to set up the committee that there would be a danger of it placing undue reliance on one member for its thinking on this subject. Rather than put onto the committee what, whatever our intentions to the contrary, are likely to be seen as representatives of sectional interests, I should prefer to have a much more generally based committee, and to be sure that they could look to your Department and to the universities and medical schools themselves for explanation and discussion of these issues.

I therefore hope that you will not wish to press for the appointment of a "medical" member of the committee. I know that Douglas Croham himself is anxious that the membership of the committee should not be further expanded, but I am seeing him this week and will happily ensure that your concerns are fully reflected

Continued...

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both in my discussion with him then, and in the formal, published letter of guidance to the committee about which this Department will shortly be consulting other Departments, including yours.

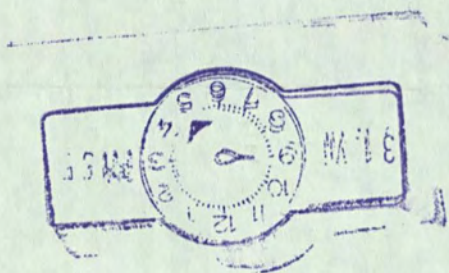
I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Energy, Scotland, Wales, Trade and Industry, and Northern Ireland, to the Chancellor of the Duchy of Lancaster and to the Secretary of the Cabinet.

Yours ever.

Kear

Policy: Education

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NDM 15 1/8  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

I M Hughes Esq  
Private Secretary to the  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

| August 1985

Dear Ian,

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

Thank you for copying to me your letter of 19 July to Andrew Turnbull about membership of the Committee under Lord Croham, which is to carry out a review of the UGC. My Secretary of State is content with the proposed membership and is pleased that you have included Dr Peter Clarke.

I am copying this letter to Andrew Turnbull (No. 10) Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office and Richard Hatfield (Cabinet Office).

Yours sincerely,  
John Graham

J S GRAHAM  
Private Secretary



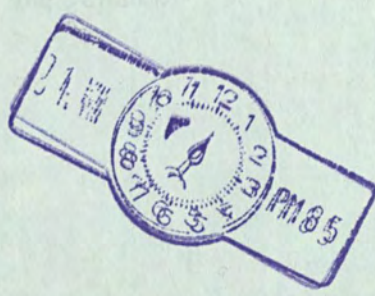
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TO: DIRECTOR, CENTRAL INTELLIGENCE AGENCY  
FROM: [Illegible]  
SUBJECT: [Illegible]

DEPARTMENT OF STATE

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cc

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon Sir Keith Joseph Bt MP  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

9 August 1985

NBM

*Dear Secretary of State*

REVIEW OF UNIVERSITY GRANTS COMMITTEE

Thank you for your letter of 31 July.

I have carefully considered what you say about the purpose of the review and the need to keep the review Committee reasonably small and free of sectional interests. I am grateful for your assurance that our concerns about the importance of the relationship between the NHS and universities will be fully reflected in the formal guidance to the Committee as well as being drawn to Douglas Croham's attention. I look forward to seeing a draft of the guidance. It is also important that my officials are consulted at an early stage when the Committee begins to consider matters of interest to us. On the basis of your assurances on these points, I am content not to press for inclusion of a medical member of the team.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Energy, Scotland, Wales, Trade and Industry and Northern Ireland, to the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

*Yours sincerely*

*for*

NORMAN FOWLER

*(Approved by the Secretary of State and signed in his absence)*

CONFIDENTIAL

Policy on Education Expenditure: Education

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