

PRIME MINISTER

DES briefing for tomorrow's meeting, with the Cabinet Office handling brief, is attached.

A list of industrialists attending is at Flag M, and a note from the Policy Unit at Flag N.

You will be turning to the industrialists after you have opened the meeting. DES have primed Sir Robert Clayton (GEC and Chairman of the Information Technology Skills Agency) and then Sir Francis Tombs (Rolls Royce) to expect to be approached first.

You will remember that Keith Joseph is tomorrow publishing a Green Paper on higher education. One of its principal themes is the scope for increasing the contributions that HE makes to industry and the economy generally, both through the output of skilled manpower and through research and other links. But the timing of this meeting and the publication of the Green Paper are essentially coincidental, though both are addressing the same general issue.

It would be helpful to have a steer from you before the meeting on the draft Press Notice, at Flag D under a covering minute from Bernard Ingham.

Mark Addison

20 May

PRIME MINISTER'S MEETING WITH INDUSTRIALISTS: 21 MAY

HE GREEN PAPER

Background - Secretary of State's statement to the House of Commons

Line to Take

1. Keith Joseph is publishing a Green Paper on the development of Higher Education in the 1990's this afternoon (21 May).
2. One of its principal themes is the scope for increasing the contribution that HE can make to industry and to the economy generally - both through the output of skilled manpower and through research and other links.

DRAFT PARLIAMENTARY STATEMENT BY THE SECRETARY OF STATE FOR
EDUCATION AND SCIENCE, 21 MAY 1985

THE DEVELOPMENT OF HIGHER EDUCATION INTO THE 1990s

1. With permission Mr Speaker I wish to make a statement about the Green Paper published today on the future development of higher education. Copies of the Green Paper are available in the Vote Office. The Green Paper covers the United Kingdom as a whole and I am therefore speaking with the agreement of my right hon Friends the Secretaries of State for Scotland, Wales and Northern Ireland.
2. The purposes of the Green Paper are to present the Government's thinking on future development of higher education, to set the scene for the next decade, and to invite the views both of those involved in higher education and of the taxpayers and ratepayers who finance so much of the cost.
3. The Paper has been prepared in the light of advice on future strategy from the University Grants Committee and from the National Advisory Body for Public Sector Higher Education in England, published last September. In Scotland a review of strategy and of planning and funding arrangements for higher education is being undertaken by the Scottish Tertiary Education Advisory Council. The application in Scotland of the policies addressed in the Paper will be considered in the light of the Council's advice, which will be available later this year.

4. As well as reaffirming the view of the aims and purposes of higher education defined in the Robbins Report in 1963, the Government believes that it is vital for our higher education to contribute more effectively to the improvement of the performance of the economy. This is not because the Government places a low value on the general cultural benefits of education and research or on study of the humanities. The reason is simply that, unless the country's economic performance improves, we shall be even less able than now to afford many of the things we value most - including education for pleasure and general culture and the financing of scholarship and research as an end in itself. The Green Paper therefore emphasises the need for higher education to become more responsive to changing industrial and commercial circumstances, and the importance of close links between higher education on the one hand and business, the professions and the public services on the other.

5. Since 1963 successive governments have endorsed the so-called "Robbins principle" that "courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so". The UGC and the NAB have advised that qualification for higher education should be interpreted broadly and that the test should not be paper qualifications but "ability to benefit". So long as the taxpayer continues to bear most of the cost of higher education, however, the benefit has to be sufficient to justify the cost. Subject to that, the Government accepts that the criteria for entry to higher education - which will, as at present, remain under the control of institutions themselves - should place more emphasis on intellectual competence, motivation and maturity, and less on formal qualifications. These criteria should be applied as rigorously to those with paper qualifications as to those without. The Government does not expect this change of emphasis significantly to affect the numbers of students for whom higher education should be provided. A consultative paper on student support arrangements will be published shortly, as part of the review of such arrangements which I announced on 5 December last.

6. As with its policies for schools, in higher education too the Government is committed to raising standards and the pursuit of value for money. In both these areas important reports have recently been published, and are under active consideration.

7. The Report of the Committee of Enquiry into Academic Validation in Public Sector Higher Education, chaired by Sir Norman Lindop and published in April, deals with the approval, and monitoring of standards, of degree level courses in polytechnics and colleges. It recommends substantial changes in the arrangements of universities which validate public sector courses and of the Council for National Academic Awards. One proposal is that some institutions in the public sector should in future take full responsibility for their own academic standards and award their own degrees. The Government has invited comments on the Report and will consider these before coming to decisions.

8. The Report of a Steering Committee chaired by Sir Alex Jarratt, based on efficiency studies undertaken in six universities, has proposed significant changes in universities' planning and management structures. The present arrangements were developed in a period of increasing resources. Now that resources are no longer expanding, changes are needed if universities are to be able to spend to best advantage the public funding likely to be available. The Jarratt Report will also be relevant to the rest of higher education where other efficiency studies are in hand.

9. In research, the Government wishes to ensure that the available resources are used to the greatest possible advantage, which requires more selectivity and planning. The University Grants Committee is developing and promoting new selective allocation and planning arrangements. It is also important that commerce, industry and the public services should take full advantage of what

higher education has to offer through research, technology transfer, business start-up facilities and consultancy services. The Green Paper stresses the need for higher education to pay more attention to the development of such services.

10. The Green Paper recognises that continuing education should be a growth area in higher education, whether for vocational or non-vocational purposes. The Government and local authorities have an important role in stimulating such provision and the Government contributes directly to the development of in-career vocational education through the Professional, Industrial and Commercial Updating Programme. But the cost should not fall principally on the tax- and ratepayer. Employers ^{urged to} are ~~are~~ recognise more fully their need, in their own interest to encourage and to pay for the development and updating of their staff, while adults in work can be expected to contribute substantially to the cost of courses that they take for career advancement or for personal satisfaction.

11. The Jarratt Report recommends a review of the role, structure, and staffing of the University Grants Committee. The Government has accepted this recommendation, and I shall announce the terms of reference and form of the review as soon as possible.

12. The Government's Expenditure Plans published last January indicate the sums that the Government plans to make available for higher education up to the end of the present planning period. Beyond this there are the same difficulties about providing projections of future funding for higher education as there are for other public expenditure programmes. The Government accepts that it must give the best indications of longer term policies for higher education that it can, but planning also requires institutions to manage their commitments and the funds available to them so as to be able to pursue their objectives effectively in circumstances of change and uncertainty. Present projections of student demand

suggest that there will be a substantial fall in student numbers in the 1990s and planning for the changes that will be necessary must begin shortly.

13. The Government will review its policies for higher education in the light of the responses to the Green Paper, and hopes to be able to make a further statement of intentions in the course of 1986.

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