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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Mark Addison Esq
Private Secretary
10 Downing Street
LONDON SW1

5 June 1985

Dear Mark,

You asked for a draft reply for the Prime Minister to the letter of 15 May from David Baldwin, managing director of Hewlett-Packard. The Prime Minister may wish to reply as follows.

"Thank you for your letter of May 15. I was pleased to see ~~from this~~ how much Hewlett Packard has already begun to contribute to engineering and technology departments in universities and polytechnics.

At the meeting I had with you and your colleagues from industry last week, I explained that the Government had allocated a substantial sum to this programme - at a time of general restraint in public expenditure - and that we were consequently pleased to learn that industrialists were likewise prepared to find the resources to provide additional assistance to the institutions to be funded under this programme. ~~Such further concrete assistance~~ *help support* from industry will be critical to the success of the programme.

As you say, many firms, such as your own, already contribute splendidly for higher education. But, if we are to expand training places as we intend ~~and the public funding for which we have already announced~~, we ~~do~~ *will* need assistance - whether through donation of equipment, help with the design of courses, loaning of staff as visiting lecturers, sandwich placements, sponsored studentships, or other means. ~~After all, the success of this programme is so important to industry itself and to the nation."~~

Yours ever,
Ian Hughes

IAN HUGHES
Private Secretary

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IAN HUGHES
Private Secretary

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David A. Baldwin
Managing Director

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

15 May 1985

Dear Prime Minister,

My purpose in writing to you prior to the meeting on the 21st May is to provide you with a synopsis on Hewlett-Packard's position and a summary of our responses to the various points raised in your letter.

As you may know, Hewlett-Packard has been extremely active in the debate surrounding the IT Skills Shortage issue in the United Kingdom. I am particularly pleased that the Government has responded to the various representations in such a positive manner and look forward to actively participating in the discussions relating to this new initiative.

Our position can be summarized thus:-

The IT Skills Shortage issue is of major concern since it directly impacts upon current and future international competitiveness of Britain across both the industrial and commercial sectors of the economy.

There is a clear and proven need to increase the output of graduate engineers and technologists from both Universities and Polytechnics. In addition, because of the all pervasive nature of IT, the UK must address the problem of educating society to the applications of IT, ranging from continuing to emphasise the computer literacy of children at school, to establishing retraining programmes for workers in the more mature industries.

In view of the gravity of the situation and in order to achieve significant progress, we believe that a national consensus is required which could be focussed through a Cabinet level appointment. This post would be the position from which IT initiatives could be co-ordinated so that excessive fragmentation can be avoided.

To address the particular points raised in your letter of the 19th March, we are pleased to present the following information:-

- (i) We at Hewlett-Packard believe we can make the most effective contribution in the area of IT education by assisting Universities and Polytechnics through donations of equipment.

I am pleased to announce that Hewlett-Packard Limited will be donating £1.5M worth of advanced measurement and computation equipment commencing later this year. This represents a substantial increase over last year, and, consistent with continuing growth in our activities, we hope to maintain this level in succeeding years.

This equipment will be donated to Universities and Polytechnics which we believe will result in an increase in both output and quality of engineers and technologists.

- (ii) We already have an active programme of help to teaching staff established at a number of Universities and Polytechnics where our employees lecture. We also provide funding for lectureships, and encourage the interaction of University and Polytechnic staff with industry through consultancy arrangements
- (iii) Our current programme for sandwich courses and industrial placements accommodates 120 students and is anticipated to grow substantially over the next three years.
- (iv) We currently act as course design consultants to a number of higher educational establishments. In addition, we have designed a 4-month conversion course for engineers to become software designers. We are making this course available to higher education establishments in this country.
- (v) We will continue to offer worthwhile careers to graduates and our present plans are to recruit 1000 graduates over the next three years - a large percentage of these will come direct from Universities and Polytechnics.

With reference to the questions raised in your letter, we offer the following observations:-

- (a) It is our experience that graduates from University and Polytechnic courses are equally suited to our needs but the real issue is the quality of the particular department.

We draw applicants from all disciplines in pure and applied sciences. It is in these areas that we anticipate a shortfall and we strongly emphasise the need for either more investment in science and engineering related subjects or for a more substantial switch from the arts and social sciences.

- (b) The question of organisation of co-operative links between government/academia/industry is fundamental to the UK's ability to tackle the broad problem of industrial competitiveness. That is why our recommendation of a new Cabinet level position is, in our opinion, essential.

- (c) It is our belief that the career choice of pupils is moulded by a complex interaction of attitudes of parents, teachers and society. This leads us to conclude that the Government has the primary role to play - supported by business. We already have involvement with careers teachers, we work with schools in giving career guidance lectures and over the last few years have noted a significant increase in the interest in science and technology subjects. Regrettably, their new-found interest is currently often frustrated by the lack of course places.

Ultimately, expectations have to be fulfilled through recognition in terms of status and salary. Herein lies the case for differential rewards for teachers and lecturers in science related subjects, consistent with an improvement in the status and rewards for the entire science and engineering community.

We hope you find this synopsis of Hewlett-Packard's response to the points raised in your letter useful and proof of our commitment to be supportive of your initiative.

I look forward to meeting you and your colleagues next Tuesday.

Yours sincerely
David Alderson

Science + Tech Budget

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