

British Aerospace

PUBLIC LIMITED COMPANY

From the Chairman,
SIR AUSTIN PEARCE, CBE

100 Pall Mall
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Rt Hon Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London, S.W.1.

11th September, 1985.

SS/000919/S

To Mr P. Thompson on 17/9/85.

See Prime Minister

There are some aspects of university activities which rightly concern the Government. On September 1st I was appointed Pro Chancellor of the University of Surrey, and in the run up to that appointment I have enquired into the activities of the University, and have been impressed by what Surrey has done over the years to foster excellent links with industry and commerce, and what it is currently doing to increase these even more. In view of your May meeting I felt you would be interested in what Surrey is doing. Four examples will serve as illustrations:

*att.
C/F?*

- (1) Research and Contract Income: Over the past five years Surrey's income from non-UGC funds has risen enormously. In the year 1984/85 the University has brought in grants and contracts totalling £6m compared with under £1m in 1978/79. Of this £2m has come from research councils and the remainder from industry and other sources. The substantial income from industry is clear evidence of the relevance of Surrey's work to the British economy and places Surrey in the top six universities in the UK when one relates research income as a proportion of Government grants and fees. (The University's recurrent grant from the UGC in 1984/85 was £12m.)
- (2) Surrey's Department of Electronic & Electrical Engineering has, as you announced at the December 1983 Conference to mark the end of Information Technology Year, a Chair in Information Systems Engineering sponsored by Racal. It also has another Chair funded entirely by STC. In addition, there are in the Department no less than five research fellowships funded by industry. In view of its good quality student intake, its research record, and its strong industrial links, it is perhaps not surprising that the Department has received substantial support in the recently announced "shift" to science and engineering.

- (3) As I have already implied, a feature of all Surrey's activities is their relevance to the needs of industry and commerce. At undergraduate level the University has pioneered four-year undergraduate courses in which students spend their third year in supervised professional training in industry and commerce. Far from being confined to engineering disciplines, this approach is adopted in nearly all undergraduate courses including the physical and biological sciences, and the vocationally-orientated humanities and social sciences.

A direct consequence of the quality and relevance of Surrey's courses, combined with this integrated professional training, is the very high employability of its graduates. In 1984, 67% of Surrey's first-degree graduates obtained permanent employment in the UK compared to the national average of 56%; 36% of Surrey's graduates that year obtained employment in Engineering and Manufacturing industries compared to the national average of 25%.

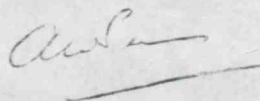
- (4) The University has been active in developing its site to accommodate research activities financed by industry, and a hotel is also being built which will resolve the problem of accommodation for professional short courses. Currently there is over £30m of construction work going on, none of which is financed from Government sources.

Since 1981 the University has survived a reduction of 25% in the annual grant made by the UGC, and has had to reduce the number of its home students. It is disappointing and somewhat demoralising that it has now been told by the UGC to plan for a further financial reduction of 2% per annum in real terms for the foreseeable future.

Within the UK university system as a whole there are no doubt inefficiencies, and there are institutions which are not as responsive as they might be to the needs of society. In its wish to improve the situation, I fear that Government may become preoccupied with the weaknesses of some and blind to the strengths of other British universities. In my experience there is a lot of truth in the statement that one legislates for the bad actors and as a result punishes the good.

In describing the position at Surrey, I am not claiming that this University is unique in having fostered such close links with industry and commerce. My investigations have, however, opened my eyes to some of the good things being done there, and I am writing to you because I believe you will be encouraged by what I have learned of the activities in just one university. Could I also suggest that if at any time in the Spring of '86 you are visiting Guildford, a short visit to the University would demonstrate its commercial interests and initiatives, and I would be pleased to arrange such a visit if your diary permits.

Yours sincerely,

A handwritten signature, likely "Alan", written in cursive and underlined.

cc: Rt Hon Sir Keith Joseph, Secretary of State for
Education & Science.

Science + Tech Prg

Budget



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Mark Addison Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1A 2AZ

30 September 1985

*Dear Mark,**OK
Pse
with T.G.*

Thank you for your letter of 16 September seeking a draft reply to Sir Austin Pearce's letter to the Prime Minister of 11 September.

Sir Austin's letter is a *puff* for, and an invitation to the Prime Minister to visit, the University of Surrey.

Sir Keith Joseph has very much welcomed the Prime Minister's willingness to encourage university-industry relations by her meetings with industrialists and her visits to universities and would be glad if she were able to find the time to visit Surrey. But the invitation is couched in wholly general terms - "if at any time in the Spring of '86 you are visiting Guildford" - and we have assumed that the Prime Minister would be more willing to respond to a specific invitation for an occasion that would create the possibility of some publicity, rather than simply a visit for its own sake. A draft reply along those lines is enclosed.

Yours ever,

IAN HUGHES
Private Secretary

DRAFT LETTER FROM THE PRIME MINISTER TO SIR AUSTIN PEARCE

Thank you for your letter of 11 September about the University of Surrey. I am ~~very~~ pleased that you have been prepared to find the time to become Pro-Chancellor of the University. It is very important for the sake of both industry and higher education that industrialists and business men at all levels, including the most senior, should be prepared to invest time and effort into helping to ensure that we have the higher education system that the country needs and are making the most of the strengths of all our universities and colleges. I know from my own visits to other universities, such as Salford and Warwick, that an enormous amount of innovative and worthwhile work is going on at present. Your letter demonstrates ~~foreibly~~ ^{forcefully} what has already been achieved at Surrey. As Pro-Chancellor you will be well placed to help business and industry to appreciate even more what the University has to offer.

- (24)
2. I have no plans to visit the Guildford area at present, but if a specific occasion arises at which it would be possible for me to emphasise the importance of links between higher education and industry I should be glad to consider an invitation.

N/T 9R

Request from Tessa:

NB Send copy of report F?

Please look for
letter from

SIR AUSTIN PEARCE
(Brit. Aerospace) dated

11 Sept. re invitn.
to PM to visit
Surrey University, 285
26/9



RECEIVED 17 SEP

10 DOWNING STREET

From the Private Secretary

16 September 1985

*Previous papers on
SS/919/5
sent to me by Hope
on 17/9/85.*

Dee Ian

Jenny ^{*Victor*} *Pl. deal*
VC to Mr ^{*JC*}
Saville; copy ^{*1819*}
for SPS. reg 17/c

I enclose a copy of a letter the Prime Minister has received from Sir Austin Pearce, *Plenze* Chairman of British Aerospace.

I should be grateful for a suitable draft reply which the Prime Minister might send to Sir Austin to reach me by 30 September *also liaise with Mr. Kelly* please. I am copying this letter and enclosure *on* to Michael Gilbertson (Department of Trade *223* and Industry) and Sir Robin Nicholson (Cabinet *7758* Office).

SSPS/1039 PM. *Zer*
Mark Addison

(Mark Addison)

Ian Hughes, Esq.,
Department of Education and Science