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NEW PROGRAMME WILL INCREASE ENGINEERING AND TECHNOLOGY PLACES IN HIGHER EDUCATION

The Government is to make an extra £43m available over the next three years to pay for more students in higher education to study engineering and technology, Education Secretary Sir Keith Joseph told the House of Commons today.

Sir Keith said the programme marked a substantial response to requests from industry for an increased output of engineering and technology graduates.

The new programme is ^{a major} [substantial] addition to the earlier initiative, announced in December 1982, for a programme over three years to provide about 5,000 extra places in information technology (IT) related subjects, at a cost of £37m.

Discussions are going on with the University Grants Committee and others to decide which institutions should benefit from the new programme. An announcement on the allocation of extra places for the next academic year ^{will be made} [is expected] soon.

In a written reply to a Question from Mr , MP for , who asked if he would take steps to increase the output of engineering and technology graduates and if he would make a statement, Sir Keith said:

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"My Right Hon. Friend the Chancellor of the Exchequer has today announced that the Government is to make available an additional £43m over the next three years for the provision within higher education institutions of places in engineering and technology.

"I am discussing with the University Grants Committee (UGC) and others which institutions should benefit from this programme, and I hope to be able to announce soon those institutions which will admit additional students during 1985/86. Further announcements about later years will follow.

"This programme marks a substantial response to requests from industry for an increased output of graduates in engineering and technology. An important criterion in determining provision under this programme will therefore be its perceived industrial worth.

"We shall be looking to industry to demonstrate the value it attaches to provision under the programme by offering concrete support in various ways and we shall be discussing further with employers' representatives how this can be assured.

"This programme is a major addition to the initiative I announced in December 1982, for a programme

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over three years to provide some 5,000 additional places in IT-related subjects, at a cost of £37m.

"The final intake under that programme will be in the 1985-86 academic year, and I have recently asked the UGC to ensure that the additional numbers thereafter will be maintained.

"The combined effect of these two programmes will be to provide a substantial further stimulus to the output of engineers and technologists and hence to the economy."

NOTES TO EDITORS

1. This new programme follows the advice of the Engineering Council which has advocated an increase in the resources provided for the education of engineers - see, for example, the Council's Policy Statement on Resources for Engineering Education published in February 1984.

2. Also relevant is the report of the IT Skills Shortages Committee, chaired by Mr John Butcher MP, Parliamentary Under Secretary of State at the Department of Trade and Industry. The committee concluded - in its first report dealing with the supply of graduates with IT skills - that, while the extent of any skills shortage was difficult to gauge, industry could undoub-

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tedly absorb additional graduates so qualified. The report quotes the Alvey Directorate estimate of a shortfall of 1,500 graduates now (April 1984) and of 5,000 by 1988.

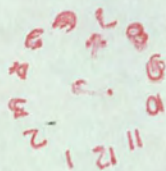
3. Since the programme marks in large part a response to requests from industry, an important consideration in selecting participating institutions will be that the courses should be of demonstrable value to industry. Advice on this is being sought from members of the Information Technology Skills Agency (ITSA), recently established under the aegis of the Confederation of British Industry's Education Foundation. It will also be expected that industry will offer positive support for the programme and account will be taken of this in determining provision under the programme.

4. In order to enable an increase in student intakes under the programme during the coming academic year, there will be two phases. The first will comprise a small number of courses which can admit students immediately, without prior building work. Each, selected by the UGC after consultation with the ITSA, will be expected to demonstrate high academic quality and assured industrial support. It is hoped to announce these shortly. The main phase of the programme will consist of courses which require building work in order to admit students. These will also be expected to demonstrate high academic quality and industrial relevance. This phase may include some institutions not within the responsibility of the UGC.

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not within the responsibility of the UGC.

ECON POL: Budget A13



14 MAR 1985

cc Philip Wyn Owen

Mark



Revised draft letter as
promised. I will provide
copies of the press notice on Monday.

With the Private Secretary's Compliments

I will also confirm finally the
list of those to be invited.

Elizabeth 15/3

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DRAFT LETTER FOR THE PRIME MINISTER'S SIGNATURE TO
INDUSTRIALISTS

RANAHV

You will ^{know} ~~be aware~~ of the concern voiced in many quarters and especially by business about the need to increase the output of graduate engineers and technologists. Attention has been drawn to this, in particular, by the Engineering Council and in the first report of the Committee on IT Skills Shortages under the chairmanship of John Butcher at the Department of Trade and Industry.

2. The Government has been considering these representations very carefully and you will have heard that ~~the Government has~~ ^{we have} announced today our intention to ~~assign~~ ^{redeploy} some ~~extra~~ resources for this purpose. I enclose a copy of the DES press notice. We envisage a special programme costing about £43 million over the 3 years 1985-86 to 1987-88. I am sure ^{you} ~~that~~ you ~~will appreciate~~ ^{will} ~~would~~ be worthwhile only if it received ^s sufficient industrial co-operation and support of the kind offered by the industrial members of John Butcher's committee. The first phase of the programme affecting student intakes in October 1985 will be launched soon - details should be announced next month. Future phases, and the success of the programme generally, will depend crucially on the willingness of industry to play an active part.

3. I would like to discuss this new initiative with you (and with the others on the enclosed list). I particularly wish to learn how far industry would contribute to such a programme by providing:

- (i) more help with equipment;
- (ii) more help with teaching staff - this is vitally important because it is doubtful whether our HE institutions will be able to recruit qualified staff in sufficient numbers;
- (iii) more placements for students on sandwich courses;
- (iv) active help with the design of relevant courses;
- (v) a readiness to offer worthwhile initial jobs and subsequent careers to the graduates.

I and my colleagues would also be very interested to hear your views

4. ~~Ministers will also wish to hear views~~ on the following questions:

- (a) Which type of graduate is likely to be in greatest demand - for example, should we give priority to electronic engineering or to software engineering or aim for a broader spread? And is the demand principally for university graduates or does industry find graduates from the better polytechnics equally (or perhaps more useful) for many purposes?
- (b) How should co-operation between industry and the chosen HE institutions be organised? Should it be organised centrally, for example, through the IT Skills Agency, ^{the Scottish Development Agency,} Government Departments and the UGC; or would it be better for each participating company to "adopt" one or more participating institutions?
- (c) Would industry be willing to sponsor more students? This is likely to be a very effective way of influencing the career choices of pupils at school and encouraging more young people to study maths, physics and technology.

5. Finally, if there were time, I should like to take the opportunity to seek your views on what more could be done - and I know a lot is being done already - to change the attitudes of parents, teachers and pupils towards careers in business.

6. I hope you will be able to meet me, Keith Joseph and other colleagues on Tuesday 21 May at 10am in No 10 Downing St. Would you please let my office know if you can come?