

ACTION

CONFIDENTIAL

Education
file No

10 DOWNING STREET

From the Private Secretary

22 January 1982

The Prime Minister was grateful to your Secretary of State for bringing in the Chairman of the University Grants Committee for a discussion on 21 January.

As you know, the Prime Minister wanted to take the opportunity to report to your Secretary of State and Dr. Parkes what she had seen when she visited the University of Salford on 15 January. She did so without in any way intending to challenge the judgement of the UGC. Dr. Parkes took the opportunity to explain to her the broad criteria which the UGC had applied in allocating available funds between universities, and he was also able to provide some specific information relating to the universities facing the largest cuts in funding. There was also some discussion of the relationship between university funding and polytechnic funding. Overall, the Prime Minister accepted and respected the basis of the UGC's decisions, while taking note of Dr. Parkes' concern that some of the universities which had suffered slightly less than the worst cutbacks were showing the least adequate response to the new situation. Dr. Parkes also told the Prime Minister that the universities had warmly welcomed the Government's decision to stick to the announced allocations for 1982/83.

One particular point for further work emerged from the discussion. The Prime Minister was concerned that the UGC's powerful case for their decisions was going by default. She pointed out that Ministers did not feel able to comment in detail on the basis for the allocation, because Ministers stood firmly by the view that they should not compromise the Committee's independent judgement. Dr. Parkes, on the other hand, explained that the UGC were inhibited by their Civil Service status, and had traditionally avoided any public comment for fear of embarrassing Ministers. In the course of discussion, the Prime Minister said that she very much favoured a new approach in these matters. It should now be appropriate for the UGC to make public its broad approach to the allocation decisions. She recognised that there were risks in this, and that the media might well seize upon any statement made on behalf of the UGC to see whether such a statement could be shown to be in any way inconsistent with Ministerial statements. She was in principle prepared to run this risk, and Ministers would rely on the Committee to exercise careful judgement in choosing platforms for public presentation.

/Your Secretary of

CONFIDENTIAL

CONFIDENTIAL

Your Secretary of State confirmed that he agreed in principle with this approach. He said that he would like to give a little further thought to the issues within the Department. He undertook to come back to the Prime Minister shortly, setting out terms in which he might advise the UGC that they were free to go public. This would then enable the Prime Minister to reply to him putting her authority behind such a new approach.

Once your Secretary of State is back from his visit to the United States, perhaps you could let us know the timescale within which you expect him to come back to the Prime Minister on these matters.

M. A. PATTISON

Mrs. Imogen Wilde,
Department of Education and Science.

CONFIDENTIAL

1/10