



cc D/I
CHO

HS

10 DOWNING STREET

From the Private Secretary

27 October 1980

The Prime Minister has considered your Secretary of State's further submission of 21 October on the Computer Board. She has also noted the comments from the Secretary of State for Industry and the Lord President of the Council.

The Prime Minister has noted the potential for "Buy British" offered by the Computer Board in the face of the new GATT agreement. She recognises that this is a powerful argument. Provided your Secretary of State is prepared to give an undertaking that the Board will operate a firm "Buy British" policy, she is ready to agree that the Board should continue in existence.

I am sending copies of this letter to Ian Ellison (Department of Industry) and Jim Buckley (Civil Service Department).

M. A. PATTISON

Peter Shaw, Esq.,
Department of Education and Science.

DSG

cma



Govt
ELIZABETH HOUSE,
YORK ROAD, *Mael*
LONDON SE1 7PH
01-928 9222

FROM THE SECRETARY OF STATE

Mr M Pattison
10 Downing Street
LONDON
SW1

3/ October 1980

Dear Mike

MAP 4/x1

Thank you for your letter of 27 October. My Secretary of State can give the undertaking requested by the Prime Minister that the Board will operate a firm 'Buy British' policy.

I am copying this letter to Ian Ellison (Department of Industry) and Jim Buckley (Civil Service Department).

Yours sincerely

Pete Shaw

P A SHAW
Private Secretary

FILE

MR. BUCKLEY
LORD PRESIDENT'S OFFICE

Non-Departmental Public Bodies

Nick Sanders wrote to you on 6 October, recording the Prime Minister's response to the Lord President's minute of 3 October.

I hope that the outstanding issue of the Computer Board is now resolved. I should be grateful if you could let me know what arrangements are being made to make announcements on IDS and the Computer Board. Once these are out of the way, the Prime Minister will make arrangements to answer a Question along the lines proposed by the Lord President.

M A PATTISON

30 October 1980

CS



10 DOWNING STREET

NJS

Now that IOS + Computer Board seem resolved, we need PM's approval for hd 5 proposed arranged PP. PM would answer after the IOS + Computer Board decisions have been announced.

MP
28/10
X.

MIKE

Let's put it to her when the 2 announcements have been made. Can you let me know when MS 29/10 that is?



Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

From the Private Secretary

24 October 1980

Tim Lankester Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1

Dear Tim,

THE COMPUTER BOARD

You asked for urgent advice on the minute of 21 October from the Secretary of State for Education and Science to the Prime Minister about his proposal to retain the Computer Board.

As you will know from Mr Carlisle's minute of 3 October, he sought the Lord President's views on the proposal before writing to the Prime Minister. The Lord President thought the case for retaining the Board was persuasive and noted that the financial and manpower savings to be achieved from merging it with the UGC would be no greater than those the Secretary of State will make if the Board is kept in being.

An additional factor - not mentioned in the earlier correspondence with the Lord President or in Mr Carlisle's first minute to the Prime Minister - is the one about buying British, made in paragraph 8 of the Secretary of State's minute of 21 October. The head of the Central Computer and Telecommunications Agency here confirms that the arrangements will work as described and that the Computer Board would, therefore, be able to pursue a policy of positive discrimination in favour of British firms. This is surely a fresh and significant consideration.

If the Prime Minister agrees that the Board should be retained then no amendment would be needed on that account to the Written Answer on the mopping up exercise. The figure of 439 in the draft answer was included on the basis that the Computer Board would, like the Institute of Development Studies, be reprieved. Paragraph 7 of the Lord President's minute of 3 October on the mopping exercise suggested that, if the Prime Minister agreed to the reprieve, a statement on the body should be made before the Prime Minister makes her own.

I am sending copies of this letter to Peter Shaw (Education and Science) and Ian Ellison (Industry).

*Yours sincerely,
Jim Buckley*

J BUCKLEY

24 OCT 1958



CONFIDENTIAL

PRIME MINISTER

The Computer Board

Mr Carlisle's original submission, asking you to reprove the Computer Board, was less than convincing.

We now have three more pieces of paper, Mr Carlisle's (A), Sir Keith Joseph's (B) and Lord Soames' (C).

These introduce one important new factor. There are new GATT rules about national preference in buying. The University Grants Committee (as well as the Central Computer and Telecommunications Agency) is specified in the agreement. The Computer Board for universities is not listed. Under the present arrangements, the Board advises DES, which makes the purchases. The GATT agreement would not directly affect the way in which such purchases are made. But if the Board were merged with UGC, the UGC would expect to become the purchaser itself, and the arrangements would therefore be caught up under the new agreement.

I have checked this argument with the Department of Trade experts involved in the GATT negotiations. They judge that there is a real advantage to us in keeping a separate computer board, because it is not listed in the GATT agreement.

The other arguments on this case have been predictable, as you said. But this one is important. Do you wish to agree a reprove?

*Provised the SDS in
response to your an
understand that the
Board will buy British. [which
is the ground of his latest submission]
you do keep it.*

24 October, 1980



Carl Mackinay

PRIME MINISTER

REVIEW OF QUANGOS: THE COMPUTER BOARD

I am sorry that my minute of 3 October did not succeed in convincing you that the Computer Board should continue in its present existence.

2. Both Rhodes Boyson and I have considered this question personally and with care; and we have had the benefit of Keith Joseph's advice. His representations and those of other influential bodies such as the CBI which all pointed to the same conclusion prevailed over my initial strong predisposition not to re-open the question of the Computer Board's future. I am now convinced that to disturb the existing position would not be in the national interest - either from the point of view of the universities and the Research Councils, or from that of the links which the Board has forged with British industry.

3. The Board was set up 14 years ago on the recommendation of a committee chaired by Lord Flowers (then Sir Brian Flowers) because of widespread criticism of major inadequacies in the provision of computing facilities in our universities. Up to that time resources for university computers had been the responsibility of the UGC. The need perceived at that time was for a permanent, independent body to assess requirements, establish a co-ordinated range of interlinked facilities and to ensure effective co-operation between the different institutions. These needs are every bit as great today as they were then.

4. In the university and Research Council field, computers are different from other forms of equipment in that they can be shared simultaneously by many users who may be widely dispersed in different institutions. If this is to be possible, all significant computing equipment in university and Research Council establishments must be capable of interconnection; and the distribution of equipment and software, together with a communications network linking them, must be planned and managed by a single, highly expert body. The Board has demonstrated that its membership of computer specialists supported by a very small expert secretariat can discharge these functions admirably. Its modest cost has without question been saved many times over by the way in which it has avoided wasteful duplication and the purchase of incompatible equipment. Without its policy for developing planned networks of complementary computers, the powerful facilities which universities and Research Councils need for their research would be inordinately expensive - if they could be provided at all.

5. The Board has also greatly helped the British computer industry in ways which go far beyond merely "buying British". I believe that it has shown that it is uniquely well placed to bring the experimental and developmental capacity of the universities and industry together to exploit new concepts in information technology and microelectronics. To develop this point, I can do no better than let you consider what Keith Joseph urged on me. A copy of his letter of 4 August is attached.

6. You ask what consideration has been given to amalgamating the Board with other agencies. The Board's success is closely associated with the fact that it exercises three complementary functions: the development of policy, procurement and management.

But there is no department of state, nor government agency, that exercises these three functions and at the same time has the necessary knowledge, experience and sensitivity required to deal effectively with universities. Nor do I believe that any of the Research Councils would be able to command the essential degree of confidence required to discharge these functions effectively.

7. The only serious alternative to the Board would be the UGC. Quite apart from the fact that it was the UGC's inadequacy in coping with the special requirements of computer provision which led to the setting up of the Board in the first place, there are the objections which I set out in my previous minute. Of these I attach particular importance to extending to the polytechnic sphere the benefits which the Board has provided for the universities and Research Councils. To move the Board now into the UGC ambit would pre-empt this important and desirable function.

8. There is, in addition, a consideration which I have not so far mentioned: it concerns the new constraints on buying British which will result from the new GATT rules when they come into operation next January. These will apply with full force to the UGC (and also incidentally to the Central Computer and Telecommunications Agency) because it has been listed in the agreement. The Computer Board however has not. This means that so long as the Board remains a separate, independent body it should be possible to continue to operate a policy of positive discrimination in favour of our computer industry. Transfer of its functions to the UGC, however, would bring all university computer procurement within the severe constraints of the new GATT code.

9. These then are the considerations which have led me firmly to conclude that the Computer Board should be preserved as a separate entity - in the interests of both education and industry. I hope you will agree.

10. I am copying this to Keith Joseph and Christopher Soames.

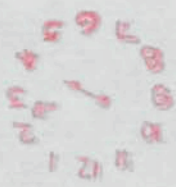
M.C.

MARK CARLISLE
21 October 1980



[Faint, illegible text, likely bleed-through from the reverse side of the page.]

[Handwritten mark, possibly a checkmark or flourish.]



21 OCT 1980

SECRETARY OF STATE
TO SEE *EC*

letter 20/8

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

Secretary of State for Industry

4 August 1980

Rt Hon Mark Carlisle QC MP
Secretary of State for Education
and Science
Department of Education and Science
Elizabeth House
York Road
London SE1

Dear Mark,

Thank you for your letter of 30 July about the future of the Computer Board.

2 When he wrote on 30 October last to Rhodes Boyson, Adam Butler recorded the high regard in which the Computer Board's work has been held by the Department of Industry and by UK computer suppliers. From what I have been told about the Board by our Departmental assessor I can certainly endorse the points made in that letter, but I would also like to emphasise two other aspects of the Board's activities which might be lost if its current independence from the UGC were curtailed.

3 The first is that in its expertise and its encouragement of good practice it represents one of the best public sector examples of applying effectively what we know think of as information technology- the exploitation of computing and its convergence with communications. I believe the Government needs to build on this kind of expertise and give it due prominence if it is to encourage and sustain a coherent national effort in information technology. It was chiefly for this reason that officials in the Industrial Policy Group recommended that the Board should be retained in its present form and should not lose its separate existence.

4 The second is that the Board seems to exemplify just the approach to enlightened public procurement which the Government is now seeking to promote, especially in high technology. I understand that it has consistently kept industry informed of its future requirements, set high but realistic specifications for all suppliers, sought to promote standardisation and encouraged UK companies in particular, both through actual orders and through

/a ...



a regular dialogue with the secretariat. I think it is generally accepted that in the process it has been able to obtain for the university users a wide range of high quality equipment and software for a very reasonable cost. I was interested to know the account of this aspect of the Board's work which its Secretary gave at our recent seminar on public procurement, since it seemed to chime so well with the way we hope to encourage others to operate.

5 I can certainly see that it would be very difficult for the University Grants Committee, with its different tradition and priorities, to take over this kind of activity without at best some loss of impetus and continuity. Computing and communications are among the most important of our industries for the future and I would expect the Computer Board's contribution to underpinning and promoting those industries to grow in importance over the next four years. I believe it would therefore be right for you to give a good deal of weight to these aspects of the Board's activity in reaching your final decision.

4 am
Karl

CONFIDENTIAL



cc 100
60
HMT, CSO
WPO
2774

10 DOWNING STREET

From the Private Secretary

6 October 1980

Review of Quangos: The Computer Board

The Prime Minister has seen your Secretary of State's minute of 3 October. She is not convinced, on the basis of the arguments put forward in that minute, that the case for continuing with the existing arrangements has been proved.

She has asked for more details of the work which the Computer Board does; she would also like to know how its role fits in with that of the other Government agencies concerned with computer policy and procurement and whether consideration has been given to amalgamating the Board with any of them.

I should therefore be grateful if you could arrange for us to have as soon as possible a statement of the case for the continued existence of the Board, together with a fuller account of the disadvantages of integration of the Board with the UGC or any other body.

I am sending copies of this letter to Ian Ellison (Department of Industry), Jim Buckley (Lord President's Office), Terry Mathews (Chief Secretary's Office, HMT) and David Wright (Cabinet Office).

MS

Peter Shaw, Esq.,
Department of Education and Science.

TWR

CONFIDENTIAL

PRIME MINISTER

Mark Carlisle wants to withdraw from one of the quango-killing proposals in the Pliatzky Report.

His minute below sets out the case for retaining the Computer Board in reduced form. He has persuaded the Lord President of his case.

It is very difficult for us to offer independent judgement from here on individual cases. Ministers easily find arguments for preserving bodies in their domain, but you perhaps have little option other than to rely on their judgement against the background of the Government's overall determination to cut back on such bodies.

Accept Mr. Carlisle's conclusion?

MP

Miles Have you really need
the minute?

3 October 1980

It is an example of

'Yes Minister, but, ---'

It's been rolled.

*Should we force Computer
Section in (S)? Why do we
need two. no*



PRIME MINISTER

REVIEW OF QUANGOS: THE COMPUTER BOARD

The integration of the Computer Board for the Universities and Research Councils with the University Grants Committee was mentioned in Sir Leo Pliatzky's report and it was one of the bodies covered in your announcement last January. I am now writing to say that, after further consultations and detailed study of the proposal, I am convinced that we should not proceed with it.

2. There are, I think, three aspects to the matter: the policy arguments for and against integration; our general policy on Quangos; and the possible savings, which were earlier quantified in the range £10,000 - £80,000. Let me start with the last of these.

3. We are already in the process of reducing the number of staff in the Computer Board's secretariat: in money terms this will yield savings near the higher of the figures that were quoted. The University Grants Committee have considered carefully whether, through transfer of the Board's functions to them, any further reductions might be achieved, but have concluded that this is not realistic. The job done by the Board would have to be done in essentially the same way within the UGC, and there could be no further savings. Since UGC staff count towards Civil Service totals, there would be no gain either in terms of smaller numbers of Civil Servants.

4. On the policy front, the most important disadvantage of going ahead is that it would jeopardise the relationship which the Board has developed over a considerable period of time with British industry - partly as a major purchaser of equipment, partly as a partner in development, and partly as an adviser about computing needs and facilities. On this account Keith Joseph has urged most strongly that the Board should be retained as a separate body. He mentioned particularly its importance in the developing field of information technology and he cited the Board as exemplifying the approach to enlightened public procurement which we are now seeking to promote. Neither he nor I believe that the University Grants Committee, with its different traditions and priorities, could fulfil these functions anything like as well. There is indeed a danger that the UGC would direct computer funds to other university activities. I have grounds for fearing that they would do so - contrary to the national interest.

5. A further and I believe important objection to transfer is that it would diminish the prospects of extending to polytechnics and other institutions in the maintained sector the excellent results which the Board has achieved for universities in terms of a well-planned network of co-ordinated and shared facilities. The benefits

from transbinary co-operation in the computer field could be considerable, and it would be a pity to set back the prospects for this kind of development.

6. Having now had the opportunity to give further consideration to this proposal it is hard in fact to see any arguments of educational or computer procurement policy in favour of transfer. The UGC itself has doubts about the prospect of accepting additional functions which are very different from - and much more interventionist than - any which they exercise at present. They recognise, as we all must, that the role of the Board is broader than simply to provide a service to the Universities and Research Councils.

7. The representations I have received have all been hostile to transfer. Besides the arguments put forward by the Board itself and those of Keith Joseph which I have mentioned, I have had expressions of concern from a number of Vice-Chancellors and heads of other educational establishments, the CBI and several firms, Lord Avebury and the President of the British Computing Society.

8. Against all this, there is the Government's undertaking to reduce, so far as possible, the number of Quangos. But it has always been recognised that the Quango exercise can proceed only by careful examination of each case. In the present case, to merge the Computer Board into the UGC would be not only unwelcome to those most closely involved but also very damaging. In my judgement, therefore, after careful consideration, I am convinced that any suggestion of making this transfer should be abandoned.

9. I have already put these arguments to Christopher Soames who has said that he considers them persuasive. I hope that you too will agree.

10. I am copying this to Keith Joseph, Christopher Soames and John Biffen.

M.C.

MARK CARLISLE

3 October 1980