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PREM 19/1778



Departmental responsibility for National Standards

GOVERNMENT

and International Trade.

MACHINERY.

In Attached Folder: DTI Booklet "Quality Counts"

November 1981.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>21-4-82</del>							
<del>22-7-82</del>							
<del>11-5-82</del>							
<del>13-5-82</del>							
<del>14-5-82</del>							
24-5-82							
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27-7-82							
<del>28-7-82</del>							
<del>30-9-82</del>							
21-10-82							
<del>22-10-82</del>							
<del>28-11-82</del>							
<del>18-4-83</del>							
20-4-83							
<del>24-83</del>							
<del>27-10-80</del>							
22-10-82							







## Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

QUALITY COUNTS: Developments in quality and standards since the 1982 White Paper "Standards, Quality and International Competitiveness". Published by Department of Trade and Industry, October 1986. Printed in the UK by Collier Searle Sales Limited, London NW10

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Signed

J. Gray

Date

19/9/2014

**PREM Records Team**





Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215

GTN 215

(Switchboard) 01-215 7877

Prime Minister ↑  
Worth a glance

R23

JES  
23/10

22 October 1986

Quality and standards should be a priority for everyone interested in making - and selling - more competitive products. I am pleased to be able to send you a report just published by my Department on the progress which has been made over the last four years in quality, standards and related areas. Entitled 'Quality Counts', it shows how Government and industry have been working together to re-establish Britain's reputation for reliable, well-designed and well-made products.

In 1982, the Government issued the White Paper "Standards, Quality and International Competitiveness", setting out the action it planned to take to help improve the competitiveness of British industry. This involved encouraging the adoption of a 'total quality' approach by companies, and setting the right framework of standards, certification and accreditation to support industry's efforts.

Quality counts a good deal for the customer. If companies want to keep their customers and attract new ones, it is up to everyone in the business to make sure that the quality of their company's products and services meets customers' expectations.

This is the central message of 'Quality Counts'. Some of you who receive this booklet will have already adopted a 'total quality' approach and I am delighted that this is the case. But the message that quality counts will need repeating until everyone in British industry realises its importance.

We would also like to hear your views on how our present system of quality and standards can be improved. If you have any comments, or if you would like further copies of this booklet, please contact my Department's Standards & Quality Policy Unit at the following address: Room 122, 89, Eccleston Square, London SW1V 1PT.

PAUL CHANNON

17  
19 **86**  
BOARD OF TRADE  
BICENTENARY



cc BGA ✓

DWD



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
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Secretary of State for Trade and Industry

22 October 1986

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
Treasury Chambers  
Parliament Street  
London  
SW1P 3AQ

Send copy

Nigel Lawson

**QUALITY COUNTS**

The 1982 White Paper, "Standards, Quality and International Competitiveness" (Cmnd 8621) made a number of recommendations on how Government could improve the competitiveness of British industry and commerce by encouraging the adoption of modern quality techniques, and by setting the right framework of standards, certification and accreditation to support industry's quality efforts.

in attached folder

My Department has today published the enclosed booklet, "Quality Counts", as a follow-up to the 1982 White Paper. The booklet shows what Government has done since 1982 to encourage quality, and how we are improving standards by a more committed input to the work of the British Standards Institution and by greater use of standards and third party certification in purchasing and regulatory activities. It also identifies areas where more needs to be done and invites comments and suggestions for further action.

I hope that all colleagues in Departments which are involved in the purchasing of goods and services, or have regulatory responsibilities which affect industry, will make sure that their Departments have understood the positive influence we can have on the competitiveness of UK industry by encouraging the right approach to quality and standards.

JG3ABS

17  
19 **86**  
BOARD OF TRADE  
BICENTENARY





I am copying this letter, with a copy of Quality Counts, to the Prime Minister, Geoffrey Howe, Douglas Hurd, Peter Walker, George Younger, Nicholas Edwards, Norman Fowler, Norman Tebbit, Tom King, Michael Jopling, Nicholas Ridley, David Young, Kenneth Baker, Malcolm Rifkind, John Moore, and Bryan Nicholson at the MSC.

*Yours,*

*Paul*

PAUL CHANNON

JG3ABS





10 DOWNING STREET

3

Prime Minister

You approved this  
message. Please would you  
sign at bottom?

MUS 22/4

CP/GK

Please send to John -  
Whitlocky ~~to Trade~~  
with my comp's

MUS 25/4



FIVE 200



10 DOWNING STREET

THE PRIME MINISTER

Quality of design, production and marketing wins markets. Only satisfied customers will repeat orders and make British goods and services their first choice.

Responsibility for achieving competitive quality rests squarely with top management. But everyone involved in industry must recognise that quality is their business too.

The National Quality Campaign makes quality a national objective. The Government is contributing to this by offering practical help to firms, developing training and encouraging certification. The Government will also promote quality through its own purchasing decisions.

I believe the drive for quality will appeal to the good sense of the British people. Pride in quality must become the hallmark of British enterprise. I hope the National Quality Campaign will receive the most enthusiastic and widespread support.

*Margaret Thatcher*

April 1983

*SW*





KUE

RM

B/C Press

10 DOWNING STREET

*From the Private Secretary*

20 April, 1983

NATIONAL QUALITY CAMPAIGN

The Prime Minister has approved the draft message of support for the National Quality Campaign, in the form attached to your Secretary of State's minute of 19 April,

I am sending a copy of this letter to John Kerr (HM Treasury), Jonathan Spencer (Department of Industry) and Rosamund Dunn (HM Treasury).

M. C. SCHOLAR

J. Rhodes, Esq.,  
Department of Trade

do





PRIME MINISTER

NATIONAL QUALITY CAMPAIGN

Prime Minister

Agree this message?

Yes ✓ Mrs 19/4

2 pps

On 27 April I will be launching our National Quality Campaign to encourage and help top management to concentrate on raising quality levels in their companies. We see this as crucial if we are to win ground in the British and overseas markets. We are taking quality to mean the highest degree of customer satisfaction through the integration of design, production and marketing; this is the route to expansion of profits and jobs in both manufacturing and service industries. I minuted you on 18 April outlining the action we have already taken.

We shall be releasing messages of support for the campaign from a broad range of industrial organisations. I hope that although my Department is in the lead, the campaign will take the form of industry itself reviewing and improving its own performance. We shall be in a position to demonstrate that a very broad range of industry is giving support.

It would obviously be of very great help if we could release a message from you at the launch of the campaign on 27 April and I do hope you can agree to this and I enclose a suggested draft for you to consider.

I am copying this letter to Geoffrey Howe, Patrick Jenkin and to Barney Hayhoe.

Department of Trade  
1 Victoria Street  
London, SW1H 0ET

A.C.  
LORD COCKFIELD

19th April 1983





## NATIONAL QUALITY CAMPAIGN

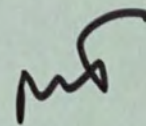
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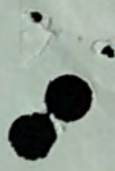
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MARGARET THATCHER



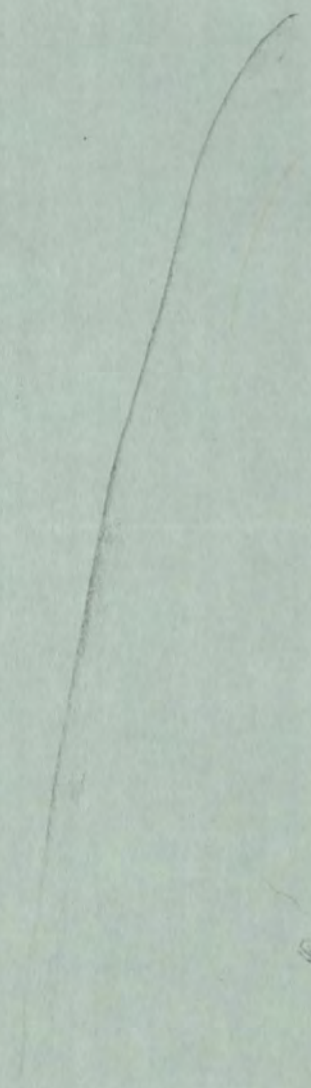


Govt Mach  
Nov 8, National  
Standards & International  
Trade

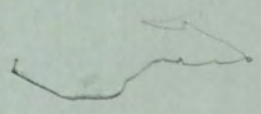


19 APR 1987

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1057  
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RESTRICTED

2  
Prime Minister

To note

MUS 20/4

PRIME MINISTER

STANDARDS, QUALITY AND INTERNATIONAL TRADE

1 I undertook in my minute of 22 July to review at about this time progress on implementing the White Paper on Standards, Quality and International Competitiveness.

2 In November I signed a Memorandum of Understanding (MoU) with the BSI, largely to strengthen our ability to influence standards-making in the direction of our new policy. We have used the MoU to get the BSI to take a critical look at how its internal procedures can be streamlined. We have also negotiated arrangements for assisting the BSI to engage consultants to draft new standards and to speed up their production. In addition, the Department of Industry has agreed to support R & D necessary for the production of new or improved standards.

3 The MoU excluded medical products. However, the Department of Health and Social Security, NHS professionals, the industry and the BSI staff are to discuss restructuring within the BSI to allow policy issues raised by the White Paper to be tackled across the whole standards-making field for medical products.

4 Manufacturers' and users' interest in quality assurance received a powerful stimulus on 31 January when my Department published a register of over 5,000 firms which have been assessed to BS 5750 - the standard for quality systems - or equivalent standards. The main contribution to the register has come from the Ministry of Defence. The DHSS has launched a similar scheme for registering firms meeting its requirements (basically those of BS 5750) for good manufacturing practice. The first list of quality-assessed manufacturers was issued to the NHS in March. Agreement was recently reached with trade associations on extending the scheme (initially limited to sterile products) to other product areas. For its part, the Department of Industry is about

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to announce two schemes to assist the spread of quality assurance. The first will be aimed at small and medium-sized firms willing to engage consultants to advise them on quality assurance; the second at firms implementing quality assurance procedures.

5 The White Paper underlined the potential trading advantages of certification. I am establishing a scheme to provide pump-priming support for new or extended certification schemes. The National Economic Development Council's new standards 'task force' is to help stimulate applications. Certification has already received a major boost in that the Property Services Agency (PSA) has now recognised over 80 certification and quality assurance schemes (so far schemes operated by the BSI and the British Board of Agreement) for building products. It hopes to extend this number.

6 Gerard Vaughan has written to colleagues seeking their agreement to arrangements for the voluntary national accreditation of certification schemes and I plan to announce a decision in principle by the end of the month. This should increase their authority and acceptability, particularly overseas.

7 On 27 April, I shall launch a National Quality Campaign to increase awareness among senior managers in industry of the importance of quality and standards to profitability and competitiveness. The first major event will be a national conference organised by the NEDC for 11 May. To ensure that training and education will be available to meet the demand generated by the campaign, I have set in hand a survey to identify any shortcomings in existing facilities.

8 In addition, as you will know, E(PU) Committee recently reviewed how public purchasing could be used to strengthen our standards policy. It asked Kenneth Baker, in consultation with me, to devise a co-ordinated approach to persuade public purchasers to use standards rather than in-house specifications.





9 On the regulatory front, the Department of the Environment's Housing and Building Control Bill, now in the Lords, includes provision for the Building Regulations to be supported by approved British Standards, BS Codes of Practice and Agreement Certificates. The Department launched a major consultation exercise on the new system of standards-supported Building Regulations at the end of March.

10 E(EA) Committee recently agreed in principle to my proposals for a new general safety duty on suppliers and importers which would link acceptable levels of safety to the performance of British industry, particularly as expressed through standards. There would be a power to approve standards as meeting the duty. This would mirror the German safety legislation which MISC 14 identified as the core of their highly effective standards system. I aim to publish my proposals in a White Paper as soon as possible.

11 The same meeting of E(EA) Committee supported the broad approach of my proposals for port controls on the safety of imported consumer goods. Initially controls would probably enforce safety regulations, but could be extended to cover features covered by approved standards under the proposed general duty. Officials are now looking at the operational details and costs of the controls, before we take our final decision.

12 The Health and Safety Commission (HSC) published in the latter half of 1982 two consultative documents designed to buttress the Health and Safety Executive's use of standards - "Reference to Standards in Safety at Work" and "Future Policy on Approvals and Certification". It expects to publish in the early summer a definitive policy statement on the future use of standards in the health and safety field. In addition, for the first time the HSC has used its powers formally to approve standards or codes which have not be drafted in-home by the HSE. Three British Standards





RESTRICTED

were approved in February and the HSC has now recommended that the Secretary of State for Employment approve a further British Standard. Other British Standards are in the pipeline for approval.

13 Last October I was able to report that a good start had been made on implementing the White Paper proposals. I think the above survey shows that, with the support of colleagues and the HSC, momentum is being maintained.

14 I am copying this minute to members of MISC 14, Michael Heseltine, Norman Fowler, and to Sir Robert Armstrong.

Department of Trade  
1 Victoria Street  
London, SW1H 0ET

A.C.  
LORD COCKFIELD

18<sup>th</sup> April 1983

RESTRICTED



Govt Mach.  
New S. National  
Standards and  
International Trade

18 APR 1955

PRINTED  
BY  
LONDON





CP/M 31/4/1/83  
MS 24/12



MS

Prime Minister

To note at his stage  
Await Trade, Industry

(2)

Treasury views?

Prime Minister

MS 19/11

I have read Arthur Cockfield's letter of October 20 on Standards and have been involved in many of the discussions that has led to the much improved position he reports. The will now appears to exist for a major advance by Government in recognising what can be achieved by a constructive partnership with industry over improving the quality of Britain's goods. But the implementation will be difficult.

The very act of raising standards imposes a cost on industry which has to invest to meet customer requirement. Many companies cannot afford such investment and we will undoubtedly face complaints from those who will argue that we have pushed them out of business.

May I suggest that what is now needed is a reinforced and well published Government - aided programme to help British industry to catch up. A policy of carrot and stick in the form of higher standards and grant aid seems to me to meet many of our policy objective - stimulating capital investment, helping industry, making Britain more competitive and combating unemployment. I also believe we will move far faster and with less obstruction and criticism if we adopted such an approach.

(Copied to Trade, Industry,  
Treasury)

MSH

Spoke to DoE

no comments - no reaction

to this minute.

So p.a.

M H

18 November 1982

MS 4/1/83



Govt. Mach:  
Standards



11/81

The Government of India have been advised by the Director of Standards that the following standards are required for the manufacture of the following articles:

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Gov. MACH

(2)

Prime Minister

X is worth noting.

MUS 10/11



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

John Rhodes Esq.  
PS/Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
London SW1

8 November 1982

*M*

Dear John,

STANDARDS: MEETING EDC/SWP CHAIRMEN ON 19 OCTOBER

--- You may like to see the enclosed copy of the minutes of the Chancellor's meeting with EDC/SWP Chairmen on 19 October. As you are aware, the Chancellor is always very keen that points made by the Chairmen are considered carefully by officials and followed up where appropriate.

One of the main points that was discussed at the meeting concerns standards. You will see that a number of the Chairmen talked about industry's anxiety for greater speed in devising a more effective policy on standards, and a greater emphasis on industrial rather than consumer needs. The Chancellor was particularly interested in these remarks, and thought that your Secretary of State would like to know about them. He expressed the hope that the Department of Trade would place the maximum possible emphasis on them in the work they are doing.

I am copying this letter to Michael Scholar in No. 10, Jonathan Spencer in the Department of Industry, and David Edmonds in the Department of the Environment.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA





NOTE OF A MEETING HELD IN No.12 DOWNING STREET ON TUESDAY, 19 OCTOBER  
AT 5.45 P.M.

Present:-

Chancellor of the Exchequer  
Mr. Traynor  
Mr. Mortimer

Secretary of State for the Environment  
Mr. Routh

Minister of State for Industry  
Mr. Wright

Mr. Chandler )  
Mr. McGregor ) NEDO

Mr. D. Alan-Jones - Electronic Capital Equipment SWP

Mr. E. Booth - Heavy Electrical Machinery SWP

Mr. G.C. Brunton - Civil Engineering EDC

Sir Henry Chilver - Electronics EDC

Mr. T. Tuchfeld - Industrial Electrical Equipment SWP

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REGULAR MEETING WITH EDC/SWP CHAIRMEN

The Chancellor welcomed the Chairmen, saying that Ministers were glad to have an opportunity to discuss how the SWP/EDC system was working and whether it provided an effective framework for getting messages from industry through to the Government.

2. Mr. Brunton said that one of the chief values of the SWP/EDC system was that it provided an opportunity for groups with common interests to come together, thus acting very much as an NEDC resource. He cited the way in which the Civil Engineering sector had worked together in the case of airports. The formation of SWPs had enabled industry to take a much more strategic view of the problems it faced. Nevertheless, he believed that plenty of expertise within Government and the nationalised industries remained to be unlocked, particularly in





relation to the UK's export effort. Mr. Brunton also raised the subject of planning delays. He felt that this was an area in which the Government was accepting the present unsatisfactory situation too readily.

3. The Chancellor said that the Government was very concerned at the capital shortfall on local authority expenditure, as the Prime Minister had indicated in her meeting with the Group of Eight the previous week. The Secretary of State for the Environment explained that local authority Treasurers were now facing what was for them a completely new situation. They were acquiring substantial capital receipts, but instead of investing them in capital programmes, were choosing to hold large sums on deposit and using the interest income to finance current expenditure. Moreover, the authorities were now less ready to embark on large capital projects in view of their implications for manpower and future current expenditure. Nevertheless he agreed that the current position was deeply disappointing. As far as planning delays were concerned, the Secretary of State said that on the published evidence, a material improvement had been achieved which had earned the CBI's praise. He questioned whether the situation in the UK was worse than overseas. He suspected that delays occurred abroad before construction work had started on site. However, problems clearly still existed but he believed that many of the difficulties experienced in the UK could be attributed to our archaic professional system. Mr. Brunton said that the facts of the situation were not clear. He suggested that a task force might investigate the position but undertook to pursue this proposal separately with the Secretary of State.

4. Mr. Tuchfeld pointed out that there was no widely representative trade association in his sector. The SWP thus filled a gap in drawing together industry's interests. He referred to the need for British firms to present a common front externally, on the Japanese pattern, however vigorously they might compete domestically. He also stressed how necessary it was that the principles of public purchasing policy, which were fully accepted at the prime contractor level, should cascade down to sub-contractors. MOD contracts seemed to be





the chief offenders in this respect but problems had also arisen to a lesser extent on DOE contracts. In his experience, manufacturers were unwilling to quote specific examples of contractors flouting the code, lest they be regarded as levelling accusations at potential future customers. Nevertheless, genuine difficulties existed. He enquired whether it would be possible to disseminate the public purchasing principles more widely.

5. The Chancellor pointed out that it was not possible to issue a written directive on public purchasing, since this would contravene our EC and GATT obligations, but he acknowledged that the present informal procedures were clearly unsatisfactory. Mr. Alan-Jones commented that the quality of statistics in this area was poor. Moreover, practices seemed to differ amongst different departments. Even within the NHS there appeared to be no central policy on public purchasing and a lack of co-ordination amongst the various Area Health Authorities. Sir Henry Chilver endorsed this plea for greater co-ordination. Mr. Alan-Jones thought it should not be impossible to devise a set of general guidelines and the Chancellor agreed that there would be some value in re-examining the position. Mr. Chandler suggested it might be best to move product group by product group but Sir Henry Chilver stressed that there was also a need to establish a general set of principles. Mr. Brunton accepted that the marketing effort of British industry was often inadequate. This suggested that purchasers should take the initiative in pressing their suppliers to provide the right goods at the right time.

6. Mr. Booth said that the heavy electrical machinery sector was now being sustained entirely by exports but in the current climate it could not get further business without Government help. Thus Government sponsorship of large export contracts was crucial to the future survival of the industry. The Chancellor pointed out that some element of Government support had been incorporated in almost every significant export order for this sector. The Secretary of State for the Environment added that Sir Archie Lamb's initiative had certainly had some effect but he acknowledged it had been small. Exporters had to deal with the vested interest of contractors and





their consultants and the Government had no power to force these groups into taking rational action at the international levels.

7. Sir Henry Chilver referred to the importance of bringing British standards into line with those overseas. He acknowledged the efforts the Department of Trade were making in this area but he felt that the present allocation of Departmental responsibility was misconceived. He believed that responsibility for standards should rest with those Government Departments concerned with production and manufacture. Mr. Tuchfeld and Mr. Booth endorsed that view. Other governments were only too prepared to bend the rules, but the UK, under the tutelage of the Department of Trade, remained firmly committed to the principle of free trade. Mr. Chandler added that NEDO also hoped that a close connection could be maintained between the interests of industry and trade in this area. Mr. McGregor pointed out that standards could be either an effective marketing tool or act as a non-tariff barrier. It was necessary to decide which approach was in the best interests of industry. Where a decision was taken to abandon a British standard which had no marketing value, industry should be given time to adapt. He commended the DIN approach.

8. The Secretary of State for the Environment referred to the CBI's presentation to the NEDC which had shown that up to 1½ million of those currently unemployed could attribute the loss of their jobs to import penetration. He thought it important for UK industry to re-establish its position in the products of the future such as leisure goods and consumer durables. Mr. Alan-Jones commented that Mr. Clive Sinclair had demonstrated what could be done and Mr. Chandler added that food and drink machinery provided another success story. Sir Henry Chilver commented that, in contrast to earlier experience, British industry was now losing markets at the top rather than the bottom end of the product range. Thought needed to be given to ways in which the UK might regain a firm hold in the market for sophisticated products. The Chancellor also voiced his concern about import penetration, pointing in particular to the high level of imports associated with purchases and the Small Engineering Firms Investment Scheme.





9. In conclusion, the Chancellor stressed the value to the Government of meetings such as these. He urged that the Chairmen should not hesitate to contact Departments directly if they encountered any difficulties. He mentioned in particular the problems which Mr. Tuchfeld had experienced over the import statistics for electric motors. He suggested that Mr. Tuchfeld should talk to Customs and Excise direct.

10. The meeting closed at 6.45 p.m.

*MOM*

MISS M. O'MARA  
29 October 1982

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Distribution:-

Ministers and Officials present  
PS/Secretary of State for Industry  
Mr. Chandler (NEDO)  
Chief Secretary  
Minister of State (R)  
Sir Douglas Wass  
Mr. Quinlan  
Mr. Lovell  
Mr. Traynor  
Mr. Mortimer



JU93



PRIME MINISTER

Prime Minister

(2)

To note  
MS 9/11

mt

DEPARTMENTAL RESPONSIBILITY FOR STANDARDS

I was interested to read Lord Cockfield's report to you dated 20 October on the progress he is making on the implementation of his White Paper "Standards, Quality and International Competitiveness".

2 I understand, from your Private Secretary's letter of 22 October, that you are happy now to leave Departmental responsibility for Standards with the Department of Trade.

3 I had already come to the conclusion that no useful purpose would be served in transferring Departmental responsibility at this point as this could disrupt or delay the good progress which the Department of Trade is making on the implementation of the White Paper's proposals. I appreciate that this is not in accordance with ACARD's recommendation but when viewed in the light of the substantial progress being made on their other recommendations I am sure this will not present a significant problem.

4 Lord Cockfield's report makes particular reference to the possibility of relating public purchasing requirements to standards (on page 3) and (in the last paragraph) to the





development of a system for the voluntary national accreditation of certification schemes, together with guidelines for the use of a possible National Mark. We are investigating what measures we can take to encourage the greater use of national standards in public purchasing, and my Department has undertaken the necessary work on accreditation and the possible National Mark. We will be making proposals when our consultations with industry have been completed.

6 I am copying this minute to members of MISC 14, and to Sir Robert Armstrong.

PJ

P J

8 November 1982

Department of Industry  
Ashdown House  
123 Victoria Street



Govt Mach., Nov '81  
Standards.



NOV 1981



COMMERCIAL





CONFIDENTIAL

MR. SCHOLAR

You sent Richard Hatfield a copy of your letter of 22nd October about responsibility for Standards.

2. This was (as perusal of the previous papers would have shown) a matter on which I had advised the Prime Minister earlier in the year; and I should have preferred to be able to do so again now, before she was asked to consider the Secretary of State for Trade's minute of 20th October.

3. No great harm has been done, since I should have advised the Prime Minister to decide as she has done. But other Departments are interested, and it would have been preferable if I could have been given a little time to consult and advise before the Prime Minister took her decision.

RA

Robert Armstrong

1st November, 1982

CONFIDENTIAL



Govt Mach. Nov 81, Standards



COMMISSIONER

11



cc HMT DOE

BES WO

SO DHSS

D/Ind CO

DIM Govt. Mach.

da

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

22 October 1982

Dear John.

Standards

The Prime Minister was grateful for your Secretary of State's report dated 20 October on the progress which the Department of Trade has made towards devising and implementing a more effective policy on Standards.

The Prime Minister has commented that she is happy now to leave Departmental responsibility for Standards with the Department of Trade.

I am sending a copy of this letter to the Private Secretaries to the Members of MISC 14 and to Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

John Rhodes, Esq.,  
Department of Trade.

CONFIDENTIAL

da





Govt Mail

NBPM

Mus 22/10

*From the Secretary of State*

The Rt Hon Patrick Jenkin MP  
Secretary of State for Industry  
Ashdown House  
123 Victoria Street  
London SW1

21 October 1982

Dear Patrick,

STANDARDS

Thank you for your letter of 13 September about funding the costs of the White Paper proposals.

I recently agreed with Leon Brittan my Department's PES allocation for the survey years and within these totals I am able to fund the initiative referred to in my minute of 22 April to the Prime Minister. My Department will, therefore, now be taking these forward as a matter of priority. I do however very much appreciate your offer of help.

One particular area in which the White Paper commits us to do more is helping small firms to introduce quality assurance systems. It was agreed that the Department of Industry would encourage firms to submit suitable projects. I am sure we agree that it is important to act on this commitment quickly. On the activities indicated in the second and third paragraphs of your letter, our officials are already in touch on how best to take these forward.

I am sure you will agree that the most important thing is that initiatives from whatever source should be properly coordinated. As you and other colleagues may recall, we recently set up interdepartmental machinery for this purpose.

I am copying this letter to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

Yours,  
Arthur

LORD COCKFIELD



Govt Mach, Nov '81, Standard

2. OCT 1982

10 11 12 1  
9 8 7 2  
6 5 4 3





THE PRIME MINISTER

STANDARDS

I report below on the progress we have made towards devising and implementing a more effective policy on Standards.

This is a matter on which you said at our meeting on 22 April you would take a decision on Departmental responsibility this month.

responsibilities should remain with Trade for a trial period until the beginning of October."

Over the past five months major changes in our approach based on the recommendations endorsed by MISC 14 have been set in train. This new initiative has been universally well received. The major event has been the publication of the White Paper on Standards, Quality and International Competitiveness (Cmd 8621) on 29 July, setting out a comprehensive programme for a change in the thrust of standards policy. The publication of the White Paper immediately after my initial policy announcement on 7 <sup>June</sup> July, has underlined the urgency and seriousness with which we are treating standards. We have invited comments by 1 November but it is already apparent that the impact of our proposals amongst those whom we need to influence has been both considerable and favourable. The White Paper has been received enthusiastically by the CBI, NEDC and the BSI. Significantly the Director of DIN, the German standards body, has described it as the most important statement on standards and quality by any Government over the past decade. One of the proposals in the White Paper was for a detailed Memorandum of Understanding between the Government and the BSI, modelled on what the Germans have done. I am planning to sign this Memorandum of Understanding next month.

A major reason for having such an agreement is to provide us with a lever to improve standards-writing. The BSI will now have actively to seek better representation from industry, particularly

CONFIDENTIAL

①

Prime Minister

each of  
shall I ask those

who were at your April meeting (Chancellor,

Mr Jenkin, Robt Armstrong (John Sparrow) to let you  
have their personal <sup>and confidential</sup> assessment of Trade's conduct  
of standards since April?

MCS 20/10

What you

said was

that these

responsibilities

MCS





CONFIDENTIAL

purchasers who can ensure that standards reflect the market quality requirements; and they have been put on notice that standards must be sufficiently clear and specific for contractual and regulatory purposes. The BSI have accepted this and are reviewing how best to effect necessary improvements.

We also have to set our own house in order. My Department will shortly issue revised guidelines for Government representatives on standards committees to ensure the White Paper policy is translated into action. With the BSI's help and using the new official machinery, we shall be monitoring closely the effectiveness of Government representatives.

Having improved the standards, we must use them ourselves, if they are to command respect in world markets. Manufacturers and purchasers may respond to exhortations, but the real impact will come if we ourselves make full use of two potentially much more effective tools, namely the use of standards for regulatory purposes and public purchasing.

The Health and Safety Commission's attitude is vitally important to the success of the policy in the field of regulation. Its initial response to my proposals has been very positive. For example, it is now prepared to issue information on its considerable informal use of standards and to refer more extensively to standards in its guidance material. It intends to work with the BSI and other bodies to ensure the standards it needs are available, and to participate in standards-making on the basis that the standards produced will be used for regulatory purposes. It is looking at the scope for laying greater emphasis on a product's initial integrity as demonstrated by compliance with standards. I am grateful for Norman Tebbit's support. Other regulatory bodies are being pressed to follow the HSC's example.

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CONFIDENTIAL





CONFIDENTIAL

My objective is that in future regulatory bodies should express technical requirements as far as possible by reference to British Standards. I proposed in my minute to you of 22 July to review progress on this in the Spring. To ensure that no opportunity to use appropriate standards is lost, it would help us to monitor the progress made if bodies intending to issue technical regulations notified this, and the form in which the requirements will be specified, through the new official machinery. I am arranging for this to be examined in the official committee.

I am also anxious that we examine new and simpler legislative means of recognising standards. Michael Heseltine has set an example with his proposals that he should simply be able to designate standards as "approved documents" for building control purposes. In reviewing the Consumer Safety Act 1978 my own Department is considering the case for introducing a general safety duty based on a new concept of "sound and modern practice" which could be defined by reference to standards, thus mirroring the German system. I intend to publish my proposals for this by Christmas.

The industrial efficiency arguments for relating public purchasing requirements to standards are well established. The tendency of some public purchasers to write their own parochial specifications is wasteful and weakens the national standards-making process. Purchasing Departments within Government have agreed to make greater use of national standards in their purchasing requirements. Ensuring that they do, and encouraging other public purchasers to do the same, is a task which the Department of Industry has taken on. Public purchasing has a vital role to play under my initiative and no doubt Patrick Jenkin will be bringing forward his proposals for tackling this aspect in the near future.

Standards are not an end in themselves. They are a means of improving quality, which is what sells goods in world markets today. My Department is well ahead with plans for an extensive quality awareness campaign, covering also the standards-related areas of quality assurance and certification.





CONFIDENTIAL

A peak will be the World Quality Congress which the United Kingdom is hosting in mid-1984. I propose to announce the campaign when the Memorandum of Understanding is signed in November and to launch it in the New Year. It would give the campaign a major boost if you were prepared to show your personal interest in and support for the initiative, perhaps by speaking at an appropriate occasion or by hosting a reception.

Quality assurance will be given a fillip when my Department publishes the first edition of its register of quality assessed firms at the turn of the year. The register will give relevant details of some 7,000 firms which have been assessed to BS 5750 - the standard for quality systems - or its direct equivalent by one or other of the public authorities and also by independent bodies such as the BSI.

Our competitors have exploited product certification schemes to export their products. The United Kingdom has few schemes and I want to promote more. We are working on this and our proposals have been well received at an initial meeting with industry.

We asked the Department of Industry to develop possible arrangements for a voluntary national accreditation scheme (and an associated mark) which would aim to increase the authority and acceptability of individual certification schemes. Accreditation would be of assistance in negotiating reciprocal recognition with similar schemes in other countries. We shall be consulting industry just as soon as the Department of Industry proposals are ready. I suggest that responsibility for this work should be looked at in the light of your decision on responsibility for standards work generally.

I am copying this minute to Members of MISC 14 and to Sir Robert Armstrong.

Department of Trade  
1 Victoria Street  
London, SW1H 0ET

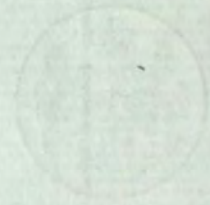
*Arthur Cockfield*  
LORD COCKFIELD

20 October 1982

CONFIDENTIAL



Govt Mach : Departmental responsibility for Standards  
Nov 81



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2 0 OCT 1982

DEPARTMENT OF STANDARDS




CP

PI of the October  
date - my last  
letter on this file  
21/10.

Ms 14/10





**Mr. Whitmore**  
**Mr. Alexander**  
**Mr. Lankester**  
**Mr. Sanders**  
**Mr. Pattison**  
**Mr. Peterson**  
**Miss Stephens**





JU726

Secretary of State for Industry

NBPM MS 14/9 Govt Mach  
DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

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

13 September 1982

The Rt Hon Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
London SW1

Dear Arthur,

STANDARDS, QUALITY AND INTERNATIONAL TRADE

I note that in his letter to you of 28 July 1982 Sir Geoffrey Howe suggests you consult colleagues regarding sharing the costs of some of the initiatives proposed in the White Paper.

2 Several of these proposals directly relate to the enhancement of industrial efficiency and my Department already has the machinery to take them further within existing provisions under the Science and Technology Act. I have particularly in mind the Metrology and Standards Requirements Board - on which your Department has official representation - whose remit encompasses both standards and quality assurance matters and is actively considering a range of support measures relevant to the White Paper with a view to implementing them later this year.

As you know, this Board already funds technical work in support of BSI through my Department's Research Establishments, and is also active in the certification field through its support of the British Calibration Service and the National Testing Laboratories Accreditation Scheme, NATLAS.

The important proposals regarding the funding of certification bodies and their accreditation do not obviously fall within the scope of the Science & Technology Act, but provision may be available under Section 8 of the Industry Act. If you wish, my officials will look into this possibility.

I am copying this letter to the recipients of Geoffrey Howe's letter of 28 July.

You are  
Patel



Govt Mach, Nov '81, Standards  
and International Trade



RESTRICTED



Govt Mach  
Prime Minister (2)

hus 29/7

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

28 July 1982

The Rt Hon Lord Cockfield  
Secretary of State for Trade

STANDARDS QUALITY AND INTERNATIONAL TRADE

Thank you for sending me a copy of your minute of 22 July to the Prime Minister.

I very much welcome the positive line taken in your proposed White Paper. My only comments relate to your financial proposals. I note that you see no possibility of meeting the additional expenditure from within your existing provision. As one of the primary objectives of the present initiative is industrial efficiency, I would be grateful if you would investigate sharing the costs with Patrick Jenkin and other interested colleagues. Leon Brittan could not agree to a commitment to find new money and I must accordingly reserve his position.

We see no objection to the reference in square brackets standing as drafted, since it merely commits the Government to giving consideration of support from public funds (though I should prefer to omit "well" in the first sentence in square brackets).

I am copying this letter to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

GEOFFREY HOWE

RESTRICTED



29 JUL 1982

11 12 13  
14 15 16  
17 18 19  
20 21 22  
23 24 25  
26 27 28





10 DOWNING STREET

Michael.

The s/s Trade's letter  
of 22/7/82 (penultimate para on  
page 2) requested comments by  
"First thing on 27/7/82." Trade  
telephoned on two occasions asking whether  
we were commenting. After the second  
call, in your continued absence I  
found the papers and informed Trade  
as per my note. (I checked with  
Willie before doing so).  
Gus 26/7.





10 DOWNING STREET

Michael.

Gus

I didn't want you to do that: I wanted to hold back the PM's comments

Trade delegation

MUS 27/7

re: the

attached. I informed them that the

PM had no comment.

Gus

27/7

Did you say "subject to colleagues" ??



RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

27 July 1982

From The Minister of State

Rt Hon Douglas Hurd CBE MP

NRBM

MUS 28/7

Dear Arthur,

Thank you for copying to Francis Pym your minute of 22 July to the Prime Minister on Standards, Quality and International Trade. I have no substantive comment on the principles guiding the White Paper, with which we agree. with mus

I also agree with you that there should be no mention of port controls in the White Paper. There is no point in needlessly antagonising the Commission of the European Community, particularly while a draft directive on frontier facilitation is under discussion. One of its articles calls for inspection to take place whenever possible at a centralised point rather than at a point of entry. This could pose a problem for us as a maritime state, but the directive as a whole is in the interests of our road hauliers. It would save waiting time at EC land borders.

As the White Paper stands, there seems no reason for the Commission to take against it, particularly as I am assured that foreign companies have adequate access to the British Standards Institution's Kite-mark. If so, there is no likelihood of complaint that the purchasing policy of the Department of the Environment (paragraph 5.9 of the paper) could constitute a non-tariff barrier to trade. I gather that your Department will send a copy of the White Paper to the Commission.

Yours,  
Douglas

The Rt Hon The Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
LONDON SW1H 0ET

RESTRICTED



28 JUNE 1962

9 8 7 6 5  
ON JUN 22 1962  
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Govt Mach

JU542



Secretary of State for Industry

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

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

27 July 1982

Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
London SW1

NBPM

MUS 27/7

Dear Arthur,

STANDARDS, QUALITY AND INTERNATIONAL TRADE

*dated 27/7/82 - with me*

Thank you for sending me a copy of your note to the Prime Minister with the draft White Paper on Standards, Quality and International Trade.

I agree entirely that the success of the policy depends upon it being manifestly clear to industry that Government is committed to making the policy work; and that we are seen to be making it work. I must therefore express some disappointment that there should be the slightest hesitation about providing the relatively small amounts of cash needed to promote the policy, particularly the funding in support of certification and quality assurance schemes. I think the wording at paragraph 5.8 must stay; it is the least we can say and I would hope we could strengthen it by being able to announce a scheme shortly since we have already received applications for support. I am glad to see a firm statement (paragraph 1.8) about the travel scheme for overseas delegates to international Standards meetings since I understand this matter has been under discussion for some months now and has attracted much attention from industry. Unless we can demonstrate our willingness to commit resources to the policy, Industry may justifiably doubt our interest.

This thought bears also on your observation that the policy should be broadly acceptable to industry. I think this is correct but we should anticipate pockets of resistance, particularly among users of industrial equipment, if the difficulties of the Health and Safety Executive in securing industrialists' agreement to the recognition of 10 British Standards as Approved Codes under the Health and Safety Act





are any guide. I think we must anticipate some criticism and be ready to campaign hard to sell the policy at every available opportunity. A good starting point will be NEDC on 4 August. I had the opportunity to speak on the subject at the British Standards Society on 15 June and I trust your officials will be examining the opportunities for further speaking engagements.

I am copying this to the Prime Minister, Members of the Cabinet and Sir Robert Armstrong.

Your ever  
faithful



Gov Mach



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

The Rt Hon Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
London  
SW1H OET

NBRM

MS 26/7

26 July 1982

Thank you for letting me see a copy of the draft White Paper on BSI Standards which you intend to publish on 29 July. This deals with manufacturing standards, and I have no comment on it.

Since I received a copy of your letter of 25 June to Michael Heseltine, my Department has reviewed the practices of regulatory bodies connected with food and agriculture. It does not appear that I have within my responsibilities any regulatory bodies making informal use of standards. The Marketing Boards do however set mandatory quality standards.

My Department contributes to the development of BSI Standards through participation in a large number of its committees. It also makes use of these standards in negotiating international standards both in the Community and elsewhere. In the administration of the Agriculture and Horticulture Grant Scheme 1980 BSI standards are one of the yardsticks for eligibility, and ADAS advice includes their use.

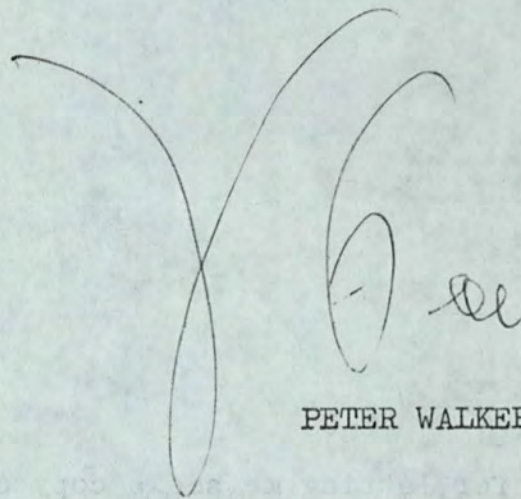
You will be aware of the new marketing body "Food from Britain" plans for which I announced on 7 June. This will in the course of next year replace the Central Council for Agricultural and Horticultural Co-operation which monitors the quality standards of co-operatives. The new body will also be concerned with the establishment and maintenance of quality standards. I do not think that

/BSI standards will be ...



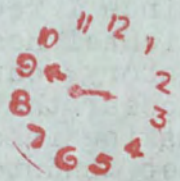
BSI standards will be widely applicable to the role of the new body but I will suggest that it takes them into account wherever possible, and I will certainly support your initiative whenever the opportunity arises.

✓ I am copying this to Members of the Cabinet and to Sir Robert Armstrong.



PETER WALKER

26 JUL 1982







PRIME MINISTER

RESTRICTED

Prime Minister ①

Agree, subject to colleagues

- particularly, DoI and CPRS -  
to publication of this White

Paper?

MUS 23/7

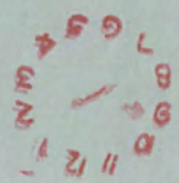
STANDARDS, QUALITY AND INTERNATIONAL TRADE

I propose to issue before the end of the month (I have in mind 29 July) a White Paper on Standards. This will set out how we propose to enhance the status of standards and quality assurance in the UK and make them a more effective tool for strengthening the international competitiveness of British industry.

The policy underlying the White Paper (draft attached) was endorsed by MISC 14 in early May and there are no major issues that require collective decision. Most of the White Paper proposals are in line with the consensus which has emerged from the various consultative exercises over the past decade on what needs to be done to make our standards system as effective an instrument of trade policy as those of our competitors such as West Germany; they should therefore be broadly acceptable to industry. Consequently, I now see little point in yet another consultative exercise as originally envisaged. What is needed is a programme for action and this is why I am now proposing to issue not a consultative document but a White Paper, albeit one with a few 'green edges' where we are breaking new ground.

The White Paper will bring about the widespread changes we are seeking in industry's attitudes towards standards only if the Government's own determination to make greater use of standards is not in doubt. The White Paper says much about our good intentions in this regard but industry will be looking for concrete evidence. The recent ACARD report - Facing International Competition - made much the same point. I hope therefore that colleagues with purchasing and regulatory responsibilities will ensure that the Government's initiative is taken up energetically within their areas. I propose that we review progress made next Spring although I appreciate that it will take much longer than that before the policy will have had its full impact.





22 JUL 1982





The financial implications of the White Paper are relatively modest (some £2.5m per year). Of this the Department has already included £0.5m in its PES submission for the travel fund for delegates to international standards meetings and I hope that it will be possible to reach an accommodation with the Chief Secretary of the Treasury to whom this minute is copied, which will allow this assistance to continue. However, I see no possibility of accommodating the remaining £2m within my Department's very small PES programme. I must look to Treasury help, therefore, if these initiatives are to go forward. One item to which I attach a good deal of importance is the encouragement and fostering of independent certification schemes and these would account for £1m of the £2m mentioned. I hope the Chief Secretary and other colleagues will be able to agree that the reference in square brackets in paragraph 5.8 can stand as drafted.

Colleagues also attached considerable importance to the development of more effective means of preventing unsafe goods from reaching UK markets, including port controls. We take this point very seriously. Nevertheless in my view, it would be a serious mistake to refer to port controls in the White Paper because of the likely international reaction. We should be likely to earn the Commission's hostility for the whole standards initiative. Accordingly, I propose to consult colleagues separately on this aspect, once the studies I have put in hand are completed.

The proposed timetable for publishing the White Paper is extremely tight. I should therefore be grateful to have any comments by first thing on Tuesday 27 July.

I am sending copies of this minute to members of the Cabinet and to Sir Robert Armstrong.

LORD COCKFIELD

(Approved by the Secretary of State and signed in his absence)



STANDARDS, QUALITY AND INTERNATIONAL COMPETITIVENESS

1 THE IMPORTANCE OF STANDARDS IN WORLD MARKETS

1.1 The Government's determination to enhance the status of standards and quality assurance in the United Kingdom, in order to increase the efficiency of British industry and thereby strengthen its international competitiveness, was announced by the Secretary of State for Trade in the House of Lords on 7 June 1982. (\*) The purpose of this White Paper is to explain in more detail the Government's proposals and the background to them. (f)

1.2 Success in world markets increasingly depends on a supplier's ability to satisfy customers on non-price factors, as well as price. Quality, which embraces the fitness of a product to meet throughout its life the customer's expectations (including good design, reliability, ease of maintenance, safety, energy consumption, environmental considerations - some of which may flow from regulatory requirements) is often the first consideration in purchasing decisions.

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(\*) House of Lords Hansard Volume 431 Column 93

(f) A number of specialised terms are used in this White Paper. These are defined in the glossary of terms at Annex C.



1.3 Recognised national and international standards, which reflect the requirements of world markets and not just the particular conditions of the home market, can help firms design, make and sell products with the quality features the customer wants and using sound and up-to-date technologies. Consistent compliance with these standards can be ensured through the use of quality assurance systems. The products can be tested to the standards and, particularly when compliance is backed up by certification, they will be more easily sold in both domestic and world markets.

1.4 Price competitiveness, of course, remains very important. Increased efficiency resulting from the application of new technologies in the developed world and further industrialisation in low-cost countries will intensify competition. Perhaps even more than some of its chief competitors, the United Kingdom must act to keep its prices keen.

1.5 Reducing the multiplicity of procurement specifications and relating the requirements instead to standards promotes industrial efficiency. It helps build a strong domestic base of more economic production runs, reduces unit costs and promotes consistent product quality; and thereby increases competitiveness. Similarly, quality assurance, by helping to minimise production wastage, cuts costs and increases profitability and productivity.

1.6 The experience of other countries shows that strong standards systems capable of securing the industrial and trade benefits identified above do not emerge spontaneously; they involve not only a legal structure but aspects of organisation and attitude which evolve over a long period. Nor is it just a question of reproducing here the legal and institutional arrangements that



have shown themselves successful in other countries. What is needed is to give strength and coherence to the existing national standards system. This requires the full support of manufacturers and purchasers in the private and public sectors and all those in central and local government who are responsible for drawing up technical regulations and specifications.

1.7 Further, the present corpus of British Standards is of variable quality. In some areas of application, British Standards lead the field; at the other extreme, others are obsolescent. They are not always sufficiently clear and specific for regulatory use. The Government believes, therefore, that a change of approach by British industry to standards and their use is required. Extra effort and better resources must be devoted to the development of relevant clear standards reflecting sound technical practice and commercial considerations. The Government's objective is not to promote British Standards regardless of their quality but to encourage reliance on standards which hold sway in world markets. This may mean that a larger number of British Standards should be derived from foreign or international standards. This would be consistent with the United Kingdom's international obligations to use internationally recognised standards wherever possible and with the United Kingdom's commitment to harmonising standards within the European Community in support of the programme for the elimination of technical barriers to trade under article 100 of the Treaty of Rome. Already, in some sectors (for example, vehicles) standards are largely international.

1.8 The Government attaches great importance to full participation by British experts in international standards work. In order to encourage this participation, the Department of Trade intends to continue a scheme of



selective assistance for certain British delegates to attend international standards meetings when the present scheme financed by the British Overseas Trade Board expires at the end of this year.

1.9 There have been a number of reports in the past in the standards field, most but not all commissioned by Government. These have often recognised the potential major contribution of the public sector to industrial efficiency by relating its purchasing requirements to standards and greater use of quality assurance schemes. Others have looked at the scope for reducing the proliferation of specifications and certification schemes to improve competitiveness. For one reason or another these previous reports have not brought about the widespread changes in attitudes that are necessary. The international trading environment in which firms must compete has since changed considerably. The Government believes that the time is now right for a new initiative. The recent report - "Facing International Competition"(\*) - by the Advisory Council for Applied Research and Development (ACARD) adds strong and independent support to the Government's proposals.

1.10 The principal ways in which Government action can enhance the status of standards as an instrument of improving efficiency and the international competitiveness of British firms are:

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(\*) "Facing International Competition", HMSO London, July 1982. The ACARD report examines how the standards, quality and regulatory systems of our competitors influence the international competitiveness of their manufacturing firms and considers what changes are necessary in the United Kingdom to secure similar advantages for British manufacturers.



- (i) closer cooperation between the Government and BSI to develop British Standards which are of the required quality, command respect in world markets and are suitable for regulatory purposes and/or for public purchasing;
- (ii) commitment from the Government to make greater use of standards where appropriate in its regulatory functions and to explore new ways of recognising standards;
- (iii) a much greater emphasis in public purchasing on linking requirements to existing standards rather than technical specifications particular to the purchasers;
- (iv) the encouragement of certification schemes, including possibly the introduction of unified arrangements to accredit such schemes and of an associated national mark.

1.11 No single aspect of these proposals is sufficient to bring about the changes that are necessary. Nor will immediate progress on all four create overnight a more competitive British industry. Many of the changes in practices and attitudes which are required will inevitably take some years to materialise fully. However, the Government is convinced that, if this country is to compete more successfully in world markets, such changes are necessary and the earliest possible start should be made on giving effect to the proposals in this White Paper. There will be resource implications for both public and private sectors, particularly in developing acceptable standards, quality assurance schemes and new certification schemes. For its



part, the Government is prepared to give its full support to further the proposals outlined in this White Paper.



AN UNDERSTANDING WITH THE BRITISH STANDARDS INSTITUTION

2.1 If standards-making and related activities are to contribute more effectively to industrial and trade policy objectives, there must be close coordination between the Government and the British Standards Institution (BSI) as the national standards authority. Government representation on BSI's Board already includes the Department of Trade, the Ministry of Defence, the Department of the Environment and the Department of Industry. However, both the Government and BSI consider that, if the status of standards in this country is to be enhanced significantly, there is a further need for a more formal and detailed understanding between them on their roles and obligations under the standards system. Consequently, the Government and BSI have agreed to draw up a memorandum of understanding. A proposed text, which has been discussed with the Board of BSI, is at Annex A.

2.2 Under the proposed terms of the understanding, BSI will modify and improve some of the features of standards-making in the United Kingdom in ways which will strengthen its contribution to industrial and trade policy goals. In reviewing over time the existing corpus of British Standards and when drafting new standards, BSI and its committees will seek to ensure that where appropriate these are suitable for regulatory purposes, purchasing contracts and certification and quality assurance procedures.

2.3 For its part, the Government will refrain from drawing up its own technical requirements and specifications, whether for regulatory purposes or purchasing, where it considers it is appropriate to do so and suitable British Standards are available. Where they are not, the memorandum of



understanding will provide arrangements, except in certain specialised areas, for the development of suitable British Standards to an agreed timetable.

2.4 The Government will encourage other public purchasing authorities (such as local authorities and nationalised industries) to participate fully in standards-making and to rely on standards in their purchasing decisions and activities. Similarly, other regulatory bodies will be encouraged to follow the Government's example by making greater use of standards in their activities.

2.5 Other aspects which the understanding will cover include the financing of BSI and standards-making in the United Kingdom and the relationship between the Government and BSI and their respective roles in international standards-making activities.

2.6 The Government considers that BSI is now managed and organised in such a way that it is well able to fulfil its part of this initiative. However the Government believes that positive action is needed also to persuade industrial interests, particularly purchasers, that they should be appropriately represented in the standards-making process; and that having participated in it they should themselves use the standards produced and be willing to see them used for regulatory purposes where appropriate. The greater commercial significance, which a greater recognition of standards will bring, and the Government's example, should lead to further improvements in industrial and other representation on BSI Technical Committees. The proposed memorandum of understanding therefore sets out how the Government and BSI will seek to improve participation in the standards-making process.



- (a) BSI will seek a balance of all interests in its work and their full participation in producing British Standards which not only reflect sound technical practice but also the commercial needs of both manufacturers and purchasers. The Government intends therefore to continue to work closely with BSI on improving the composition of BSI Technical Committees, using the framework of the standard known as BS O Part 2 which specifically covers this issue. (\*)
- (b) The Government recognises that for its part it must further improve its representation on BSI Technical Committees. The Department of Trade has recently further improved the policy guidance to Government representatives. (f) In particular each Government representative will in future say with regard to a standard in the preparation of which he has participated whether and to what extent the standard is likely to be acceptable to his Department for regulatory or purchasing purposes.

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(\*) BS O 'A Standard for Standards' (revised end 1981) contains three parts. The first covers the principles of standardisation; the second, BSI and its committee procedures; and the third, the drafting and presentation of British Standards.

(f) "Guidelines for Government Representatives on Standards Committees" - published by the Department of Trade (revised 1981).



3 GIVING ADDITIONAL STATUS TO STANDARDS BY REGULATORY MEANS

3.1 British Standards are developed by a voluntary consensus process. There is no requirement on those who participate in their preparation to use them. Generally, their status reflects the accuracy with which they meet the technical requirements of the market place and hence their usefulness to manufacturers and purchasers, who may voluntarily decide to adopt them. The eventual status of standards thus largely depends on the skill of those who formulate them. Section 2 of this White Paper has described the Government's proposals for improving participation in the standards-making process.

3.2 Standards are given additional status directly if they are used for regulatory purposes. The legislation under which a regulatory body operates normally provides various ways by which it can specify how compliance with the requirements of the legislation may be achieved. The regulatory body may (but in no case is obliged to) define its technical requirements by reference to British Standards. Standards can be made mandatory. In such a case compliance with specified standards is prescribed as the only way of meeting the requirements of the legislation. Standards may also be referred to on a "deemed to satisfy" basis. In this case compliance with a specified standard or the relevant part of it would be one way of achieving full or partial compliance with the requirements of the legislation. It is left open, however, for it to be demonstrated that goods not complying with the standard meet the requirements in other ways. Standards may also be referred to by less formal means, for example, in guidance or other documents. In many



cases the fact that a product complies with a standard specified in this way constitutes a prima facie defence in court. Standards may also be used informally by enforcement officers in interpreting duties imposed by legislation.

3.3 The degree to which a regulatory body is prepared to recognise compliance with a particular British Standard as a sufficient and necessary condition of meeting the requirements of the statute will help determine the status which that standard enjoys. Further, the more standards which are recognised for regulatory purposes, the more the status of the whole corpus of standards will be enhanced.

3.4 Other benefits flow from using standards for regulatory purposes. Standards can help regulatory bodies clarify their technical requirements and provide them with an economical means of expressing these. This can help industry to comply and so simplify the process of enforcement. Industrial costs may also be reduced if regulatory and commercial requirements of a technical nature can be aligned through the medium of a standard.

3.5 The Government's objective is therefore that in future regulatory bodies should, wherever it is necessary to express technical requirements in regulations, do this as far as possible by reference to British Standards which also reflect market requirements. Moreover, where regulatory bodies use standards less formally this and the standards used should be made known as widely as possible.



3.6 In the course of time and, if pursued over a wide enough field, action under this approach would enhance considerably the status of standards. Manufacturers and purchasers would have a powerful incentive to expand the standards system and ensure that existing standards were in good order. The Government recognises that regulatory bodies already make considerable use of standards in their activities and that increased formal recognition of standards assumes that the standards to be so recognised are of a clarity which makes them suitable if necessary for reference in legal proceedings and that they fully reflect good technical practice and are up to date. Nevertheless, the Government believes that more needs to be done and it has therefore considered what further action might be taken under existing legislation to further its objective; and what complementary changes might be introduced in two pieces of legislation of central importance to this area which are currently under review - namely the Consumer Safety Act 1978 and the Building Regulations, made under Section 61 of the Public Health Act 1936 as amended by Section 61 of the Health and Safety at Work etc Act 1974.

#### Mandatory standards

3.7 The Government considers that widening the present field in which specific technical requirements are imposed by mandatory references to standards merely to underpin this initiative would be unwarranted. However, it recognises that there will continue to be cases when mandatory technical requirements are necessary and that reference to standards in this context does help to underpin the status of standards generally.



Recognising standards on a "deemed to satisfy" basis

3.8 Where, for example, legislation contains a general requirement that goods must either be safe (Section 6, Health and Safety at Work etc Act 1974), or that unsafe goods may not be placed on the market or put into use, provision may be made for recognising standards on a "deemed to satisfy" basis. The advantage of recognising standards in this way is that it gives those who comply with the standards greater certainty of where they stand, particularly in legal proceedings whilst permitting compliance by other routes and thus providing for technological innovation. It also simplifies enforcement.

Approved standards

3.9 Some legislation, including the Health and Safety at Work etc Act 1974 and the Consumer Safety Act 1978, provides for standards and similar specifications to be approved by a Secretary of State. Subject to the need for consultation specified in the relevant Act, such approvals can be given rapidly. However, compliance with approved standards may not provide an absolute defence in the courts depending on the parent legislation. The Department of the Environment has proposed to move to this approach for building control purposes.<sup>(\*)</sup> So far its proposals have given rise to no objections and, if successful, would help strengthen the standards system in the United Kingdom.

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(\*) "The Future of Building Control in England and Wales" (Cmd 8179) and the Department of the Environment's consultative letters of 27 May 1982.



3.10 The Government considers that greater use of "deemed to satisfy" standards and "approved" standards will strengthen and reinforce the status of standards in this country and therefore proposes to extend the use of both approaches.

Approved bodies

3.11 The Secretary of State for the Environment has also proposed powers to recognise "approved bodies". Relevant documents (for example, standards) issued by such bodies would become approved for the purposes of the Building Regulations, without necessarily requiring individual recognition by the Secretary of State. It seems likely that BSI and the Agreement Board (\*) would be candidates to become approved bodies though further consideration will be given to the arrangements to ensure consistency between the various standards and the Building Regulations themselves.

Public consultation procedures

3.12 At present there exist complex and often protracted consultation procedures which must be undertaken before a standard can be given legal status. These costly and time-consuming processes duplicate to a large extent the consultation procedures which BSI undertakes before it adopts a

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(\*) The Agreement Board is sponsored by the Department of the Environment and operates a national scheme for assessment and certification, by an "Agreement Certificate", of innovative building products for which British Standards have not yet been written.



standard. The Government believes that there is scope to run consultative procedures simultaneously in a number of areas and has therefore asked BSI and the regulatory bodies concerned to consider with it possible arrangements.

Informal use of standards

3.13 Regulatory bodies also use standards administratively. The Health and Safety Executive (HSE)(\*), for example, is often asked by manufacturers to clarify its safety requirements in the design of equipment and plant. HSE does this in a number of ways. It is currently participating in some 350 BSI Technical Committees. Through numerous joint industry bodies it is promoting the adoption and use of safety standards or elements of standards of a less formal kind. Over 100 standards are already referred to in non-statutory guidance material and, as a matter of record, HSE has not prosecuted for breach of statutory duty as regards safe design in any case where the design has been to a British Standard. More significantly, HSE inspectors use hundreds of product standards (mainly but not necessarily British Standards) informally in providing guidelines on factory visits and as yardsticks against which to measure the design of equipment.

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(\*) The Health and Safety Executive is the executive arm of the Health and Safety Commission established by the Health and Safety at Work etc Act 1974 to carry out the duties imposed by that Act.



3.14 The Government considers that if HSE's use of these standards were more widely known and recognised by manufacturers, the status of the standards would be correspondingly enhanced. This would be further strengthened if the HSE emphasised its general reliance on such standards. The Health and Safety Commission's (HSC) initial reaction is that it would be prepared to issue information to manufacturers on the use it makes and intends to make of standards; and to detail standards of particular relevance to health and safety at work; and, where appropriate, in the case of standards outside the British Standards system, to publish the standards themselves. It intends also to refer more extensively to relevant standards in future guidance material. Finally, it intends to review its priorities for the development of new standards or the updating of existing ones and to follow these up in discussions with interested bodies, including BSI.

3.15 Although HSE is by far the largest user of standards on an informal basis, it is the Government's aim to extend the practices described above to other regulatory bodies. Regulatory Departments are considering publishing lists of those standards which they use informally.

3.16 As a further stimulus to the general enhancement of standards, and bearing in mind the proposed understanding with BSI, the Government has asked the HSC to consider whether it could make public an intention that where the HSE had participated without serious reservation in the formulation of standards, these would henceforth be a point of reference in its enforcement policies and would be liable to be proposed for formal recognition under Section 16 of the Health and Safety at Work etc Act 1974. The Government has also suggested that in cases where, for cogent reasons, HSE found it difficult to recognise particular standards, HSE should be prepared to make



known those reasons. The HSC's initial reaction is positive. It would be prepared to participate in BSI Technical Committees on the basis that it expects to be able to make use of the resulting standards in carrying out its statutory duties and to regard these as indicative of its safety requirements. The HSC also accepts that there is a need to make clear publicly the basis on which it will in future consider approving standards under Section 16 of the Act and it intends to proceed with this as quickly as the need for consultation with interested parties will allow. The Government considers that this approach should be extended to other regulatory areas where standards are used in this informal way.

A new concept of "sound and modern practice"

3.17 As part of its review of the Consumer Safety Act 1978, the Department of Trade is considering the case for a new general concept such as "sound and modern practice" (that is, rules of technology agreed by experts in the field to be the correct response to specific technical problems). The Act at present empowers the Secretary of State to make regulations and orders to prevent unsafe goods being supplied; it imposes no general duty on manufacturers not to market unsafe goods. It might be possible to amend the Act so as to impose such a duty on suppliers using the criterion of "sound and modern practice". The corollary would be that standards would not be approved for the purpose of the general duty unless they embodied "sound and modern practice". The legal and enforcement implications of such an approach are being considered carefully.



Initial Integrity

3.18 Standards provide one way of assuring the initial integrity of equipment used in industry (ie that the design and construction of a product are such that the product is safe and without risks to health when supplied). HSE is devoting resources to ensure the initial integrity of plant and articles for use at work. The Government recognises that only a small proportion of industrial accidents result directly from poorly designed equipment as opposed to the various other hazards that exist in industry. Nevertheless, there may be further scope for changes in administrative practice to give emphasis to a product's initial integrity as demonstrated by compliance with standards.

3.19 It is for consideration whether some redefinition of the duty in these respects under Section 6 of the Health and Safety at Work etc Act 1974 is required. The courts have not so far interpreted Section 6 to mean unambiguously that articles should be designed to be safe so far as is reasonably foreseeable and practicable, so that the prevention of unsafe plant at the supply stage has been rendered difficult to enforce.

3.20 It may be necessary to develop a readily available means of attesting that a product which may not meet a standard nevertheless is manufactured in accordance with sound and modern practice. Otherwise there is a risk that as compliance with standards becomes more widely required in this country, technological progress may be impeded. The specification of particular persons competent to make these judgements might be a suitable device. The "competent person" is already used in connection with health and safety legislation; though not in reference to standards but to the regular checking



of safety in use of certain plant. The HSE is considering whether there may be scope for extending the areas of activity of "competent persons" in the examination of plant and systems prior to their use.

Preventing the supply of unsafe products

3.21 Power to prohibit the supply of "unsafe" products is often identified as a significant feature of some standards legislation overseas. Such powers already exist under the Consumer Safety Act 1978, though as part of its review of the Act, the Department of Trade is considering how the powers might be made more effective. However, there are few equivalent provisions under other legislation - none for construction products and effectively none for equipment used in factories. The Health and Safety at Work etc Act 1974 provides powers but only in extreme cases to prevent or prohibit dangerous activities and the supply of particular classes of goods carrying an imminent risk of danger; it does not provide any readily usable discretionary power for HSE inspectors rapidly and effectively to prohibit the supply of articles which they judge to be unsafe, ie representing a potential hazard.

3.22 The prohibition powers under the Consumer Safety Act 1978 can be exercised by any Secretary of State. It would therefore be open to the Secretary of State for Employment to exercise them for articles for use at work. In practical terms, the responsibility for enforcement will need to be studied carefully, as will the difficulties where an article could be supplied both for use at work and by the consumer. The Government has,



therefore, invited the HSC to take part in a study on the feasibility of using the prohibition provisions of the Consumer Safety Act 1978 for articles for use at work, where these might usefully supplement their existing powers.



4 PUBLIC PURCHASING

4.1 Alongside use of standards in its regulatory activities, the second major way in which the Government can contribute towards the creation of a strong national system of standards is in its role as a purchaser itself and by the lead it can give to other major public purchasers. In many areas public purchasers occupy a powerful and influential position in relation to the industries which supply them. It has long been recognised that large-scale purchasers can help promote industrial efficiency by relating their requirements to standards and making greater use of independent certification. However, complaints are still heard and have recently been repeated in the ACARD report - "Facing International Competition" - that public purchasers still use their own individual specifications and assessment procedures and that this adds both to the burdens on suppliers and to purchasers' costs.

4.2 The public sector purchases virtually every type of product on the market ranging from every day consumer items to bespoke products. Clearly, the relevance of standards will vary from product to product. By reducing their own standards-making activities, public purchasers can help not only to strengthen BSI as the national forum for standards-making and ensure that their activities contribute to a stronger body of national standards but can also obtain resource savings themselves. Also, using standards in purchasing specifications makes it easier to harmonise the needs of various purchasers and to enhance industrial efficiency. Therefore, the Government will make greater use of standards in its purchasing requirements and will be encouraging other public purchasers to do the same.



4.3 The Government will draw the attention of other public purchasers to the guidelines to Government representatives on BSI Technical Committees, so that they may similarly strengthen and clarify the role of their own representatives. It will encourage other public purchasers to follow its example in coming to a formal understanding with BSI. It will urge public purchasers to consider using graded standards rather than their own technical specifications where they have slightly different requirements to other customers. In all of this the Government will be aiming to share experience and stimulate new approaches rather than lay down requirements which may not be appropriate to specific purchasers or industries.



5        QUALITY ASSURANCE AND CERTIFICATION

5.1        Just as standards are an important means of strengthening the international competitiveness of British goods, so too are the complementary activities of quality assurance and product certification. The potential benefits which can result from the application of modern quality assurance practice need to be widely-recognised. The Government will collaborate with bodies already active in this field to promote a quality awareness campaign with particular emphasis on the importance of education and training.

Quality assurance

5.2        Quality assurance, in the form of sound technical and administrative procedures for ensuring quality, offers more scope for reducing costs and enhancing competitiveness and profitability than many other management controls. It does this by reducing materials wastage, lost production time, re-work, extra handling and rejections. Improved quality and reliability, by improving customer satisfaction, leads to increased sales competitiveness, reduced warranty claims and premium pricing.

5.3        BSI has developed a compendium of quality assurance standards, which includes authoritative guides and specifications for all aspects of the



subject, published in its Handbook 22.<sup>(\*)</sup> Amongst these, the standard for quality systems, BS 5750,<sup>(f)</sup> is the heart of the modern approach to quality assurance and is being adopted increasingly by leading purchasers in both the public and the private sectors as their standard for assessing the quality capability of their suppliers.

5.4 The Department of Trade, with the collaboration of purchasing Departments and many other public sector authorities, is compiling a register of manufacturers who have been assessed by one or other of these public authorities to BS 5750 or its direct equivalent. The register will also include the names of firms which have been assessed to the same standard by independent third party assessors, such as BSI. This register, which it is hoped to publish before the end of 1982, will demonstrate clearly the extent of the commitment by leading purchasers and many manufacturers to the best practices of quality assurance. Besides helping to reduce the overall need for multiple quality assessment of companies, the publication of the register should encourage many others involved in purchasing and manufacture to adopt the approach and discipline of BS 5750.

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(\*) "Quality Assurance BSI Handbook 22" - published by BSI (September 1981).

(f) British Standard 5750, "Quality Systems" - published by BSI (1979).



5.5 The Department of Industry already assists small firms to introduce quality assurance systems through the Manufacturing Advisory Service. Improved product quality is also an important criterion when judging projects for support under the Science and Technology Act 1965. As part of the Government's initiative to promote quality assurance, the Department of Industry will encourage firms to submit projects for support directed towards this objective.

Product certification

5.6 Product certification schemes<sup>(\*)</sup> in their developed form involve the inspection and testing of the product concerned to see that it conforms to relevant standards, the assessment of an applicant manufacturer's quality assurance system and the subsequent rechecking of production and the marketed products to ensure that they continue to meet the required standards.

5.7 Such schemes help to promote product quality in several ways. First, they ensure that the quality assurance system of a firm is organised in line with modern practice. Second, the regular testing of products helps to identify problems at an early stage and improve product design. Third, they improve the product standards themselves by feedback from certification and

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(\*) Where the inspection and testing of the products concerned involve a subjective assessment of the suitability of the product to satisfy specified requirements, such as safety, then the scheme is often described as an approvals scheme. For the purposes of this White Paper, product certification covers both certification and approval schemes.



testing experience. For the user, product certification gives greater confidence in the integrity of the product, saves product inspection and failure costs, improves industrial efficiency and helps to ensure the overall quality and performance of larger systems and assemblies of which the tested products form part.

5.8 Two or three hundred individual product categories are covered by certification schemes in the United Kingdom, most of them operating under the BSI Kite-mark or Safety-mark schemes(\*) and many of which are in the process of adapting their quality assessment requirements to BS 5750. The Government believes that it would be of advantage to industry, particularly exporting industry, if more certification schemes were available and these schemes were used by Government Departments. The Government is currently discussing with manufacturers and other interested parties several proposals for product certification and quality assurance schemes. [The benefits may well justify pump-priming support for new schemes, or extensions of existing ones, subject to appropriate criteria. The extent and form of such support (for example, initial loan finance) will be considered by the Government in the light of consultations on specific schemes].

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(\*) The "Kite-mark" is a protected mark used by BSI to certify that a product complies with a British Standard. Similarly the BSI "Safety-mark" certifies that a product complies with British Standards specifically concerned with safety or to the Safety requirements of British Standards which cover other product characteristics as well.



5.9 Recently the Department of the Environment announced its intention of requiring Kite-marked or other independently certified products (where these are available) to be specified in contracts for items to be used in buildings constructed for or managed by the Property Services Agency (PSA). Consequently, PSA are looking at independent certification schemes based on British standards, and in particular are working with BSI to identify existing Kite-marked Schemes, which meet PSA's needs. The first group of schemes were made mandatory for PSA work from April 1982. Again, underlying these actions is the recognition of the cost savings to be made. The Minister for Housing and Construction announced on 16 July 1982(\*) that the benefits of this approach were being brought to the attention of all major public purchasing authorities responsible for construction programmes. The active support and cooperation of trade and professional associations is also being sought.

Unified arrangements for accrediting certification schemes

5.10 A number of existing certification schemes are already used for regulatory or public purchasing needs and some have been formally nominated for the purposes of European Community directives. However, such recognition has developed piecemeal over the years and last year the Department of Trade

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(\*) House of Commons Hansard Volume 27 Column 495.



consulted very widely on common criteria to be met by certification schemes seeking recognition by Government Departments, for example, that appropriately qualified staff should be employed and that certification should be on the basis of relevant and testable criteria. The response was generally favourable.

5.11 With the wider recognition and use of certification schemes for both regulatory and public purchasing purposes and the prospective growth of new certification schemes, the Government is giving urgent consideration to central arrangements for assessing and accrediting certification schemes. The case for such arrangements and their scope and form are discussed at Annex B.

5.12 Briefly, the benefits should include the application of consistent and widely agreed criteria, economy of effort and resources and increased status of accredited certification schemes. To ensure such benefits, certification schemes should be accredited by a central agency and accepted without further assessment or inspection by Government Departments, where appropriate, as being suitable for recognition for regulatory requirements or public purchasing.

5.13 Certification schemes accredited in this way should gain an authority and status extending into international markets and providing a solid base on which to negotiate reciprocal and bilateral agreements with overseas



authorities. A national accreditation system, would be underpinned by the National Testing Laboratory Accreditation Scheme (NATLAS)(\*) and the register of quality assessed manufacturers.

5.14 There is therefore a strong prima facie case for developing such unified accreditation arrangements and this view is reinforced by the recent ACARD Report - "Facing International Competition". Accreditation would be voluntary, open to applicants in both public and private sectors and granted against published criteria. However, wider aspects of the scope, management and cost of the unified arrangements need further study, in particular whether an agency is best located within central Government or elsewhere.

A national accreditation mark

5.15 The Government is also considering whether an accreditation scheme could usefully be supplemented by the establishment of a "national accreditation mark". It would be a readily recognised indication that the certification scheme had been formally assessed and recognised under the national system. An accreditation mark, when linked with the scheme's own mark, should further enhance confidence in the quality of the product.

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(\*) The National Testing Laboratory Accreditation Scheme (NATLAS) established formal recognition of the competence of British testing laboratories. It is a voluntary scheme whereby laboratories which satisfy certain requirements concerning staff, equipment, general facilities and management will be accredited as competent to carry out defined types of test.



6.1 The Government believes that a strong national policy for standards will improve the reputation for quality of British goods and thereby support the efforts of British industry in selling to world markets. It considers that the programme of changes in policy and practice it proposes offer a means of achieving this objective. A change in direction of the magnitude envisaged will not be achieved immediately. It will take time before new arrangements are fully developed. Similarly, the benefits to the country's international trade performance will be gradual but steady. The Government hopes that its programme will command the widespread support in all sectors of the economy and amongst manufacturers, purchasers and regulatory bodies which will ensure its success.

6.2 Any comments on these proposals should be sent, by 1 November 1982, to the Standards and Quality Policy Unit of the Department of Trade:

Department of Trade  
Room 455  
1-19 Victoria Street  
London SW1H 0ET



DRAFT MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED KINGDOM  
GOVERNMENT AND THE BRITISH STANDARDS INSTITUTION ON STANDARDS

The United Kingdom Government and the British Standards Institution (BSI) make the following Memorandum of understanding which records their joint commitment to enhance, strengthen and maintain the national standards system in the United Kingdom and their intentions in this regard. This Memorandum recognises that the British Standards Institution is the national standards authority operating under a consolidated Royal Charter and Bye-laws granted in 1981 and confirms the status of British Standards as national technical agreements developed and used to serve the public interest and in accordance with the provisions of the Restrictive Trade Practices Act 1976. It also recognises that the formulation of British Standards, through the BSI committee structure, depends on voluntary participation. By established practice, standardisation in certain specialised areas (for example food and medicinal products administration) generally lies outside the British Standards system and, where it does, it is outside the scope of this Memorandum.

Article 1

- (i) The Government will use all appropriate means to support and foster the achievement by BSI of the objects for which it was constituted by Royal Charter. In particular it will maintain an annual grant-in-aid for the standards work of BSI, the level of which grant-in-aid will take account of the resources subscribed voluntarily to BSI by other bodies and of the benefit to the public interest which derives from the national standards system.



- (ii) BSI will account annually for the expenditure of the Government's grant-in-aid in accordance with conditions which shall from time to time be agreed.

Article 2

- (i) BSI will in all its work on the preparation of standards take fully into account the public interest in standards. In particular it will, in accordance with priorities agreed between BSI and the Government, review, and where appropriate revise, existing British Standards and seek to ensure that these and where appropriate new standards will be suitable for reference in Government regulations as unambiguous statements of technical requirements.
- (ii) In developing new and revising existing standards BSI will have particular regard to the importance of seeking to ensure that such standards will be suitable where appropriate for reference in public purchasing contracts with especial emphasis on their suitability for certification and quality assurance procedures.
- (iii) Where the Government needs to make reference to technical specifications and requirements in regulations and other similar instruments it will, where it considers suitable British Standards are available and it is appropriate to do so, incorporate them by reference. Similarly the Government will where appropriate seek to use British Standards for its purchasing needs rather than develop its own specifications.



- (iv) Where the Government considers that no existing British Standards are suitable for its purposes, the Government and BSI will seek to agree a timetable for the development of the necessary standards. Where such a timetable has been agreed, the Government will refrain from developing standards or purchasing specifications for these purposes unless in its view circumstances change, in which case it will consult BSI before so doing. BSI will amend, or if this is not feasible, withdraw or withhold publication of any British Standard which may be in conflict with such technical regulation or specification.
- (v) BSI will where appropriate develop suitable graded standards to meet differing needs.

Article 3

- (i) BSI will give priority to requests for standards work which the Government considers to be in the national interest. Such priorities will be accorded in consultation with the standards committee structure and in accordance with a mutually agreed timetable. Provision for such work shall normally be made within the BSI system for resource allocation but where exceptionally, work is required urgently, the Government will consider providing additional financial support until such time as the work can be accommodated within the BSI general programme.



- (ii) Where the development of a revised or new standard requires research and development to be performed in order to establish improved test methods or data, the Government will consider contributing towards the cost.

Article 4

- (i) In the preparation of British Standards BSI will ensure that its Committees adhere to the guidance and recommendations of BS O 1981 "A Standard for Standards". BSI will ensure that any amendments to this standard do not prejudice the aims and objectives of this Memorandum.
- (ii) BSI will seek a fair and acceptable balance of all relevant interests in its work and encourage their full participation in producing British Standards which not only reflect sound and modern technical practice but also take fully into account the commercial needs of both manufacturers and users.
- (iii) The Government will ensure that its representatives participate fully in activities at every level of BSI's Board, Council and Committee structure. In particular they will make such contributions to the technical, commercial and legislative aspects of standards work as are necessary and appropriate, drawing upon the resources and expertise within Government to do so. In addition, the Government representative on a BSI Technical Committee will, before a draft British Standard is issued for public consultation



and at final approval stage, say whether and to what extent it is likely to be acceptable to his Department for regulatory or purchasing purposes.

- (iv) The principles governing the participation of Government representatives in BSI committees are set out in the "Guidelines for Government Representatives on Standards Committees" published by the Department of Trade. These Guidelines will be reviewed by the Government from time to time in consultation with BSI to ensure that practical participation in BSI's work by Government representatives fully reflects the aims and objectives of this Memorandum.

#### Article 5

- (i) The Government recognises BSI as the United Kingdom member of ISO (International Organisation for Standardisation), IEC (International Electrotechnical Commission), CEN (European Committee for Standardisation) and CENELEC (European Committee for Electrotechnical Standardisation). In the electrotechnical field this recognition extends to the British Electrotechnical Committee which forms an integral part of BSI as the Electrotechnical Council of the Institution.
- (ii) The Government will support BSI's efforts to achieve international harmonisation of standards through these international and European standards organisations,



international agreements and other arrangements in the interests of British industry and trade.

- (iii) The Government will keep BSI informed of any inter-governmental discussions concerned with standards or associated technical regulations, unless there are reasons of confidentiality for not doing so. It will invite BSI where appropriate to participate in such discussions especially those which may lead to intergovernmental agreements concerning standards and will take fully into account BSI's views on the best means of implementing such agreements. This applies with particular regard to the European Community and its programme for the elimination of technical barriers to trade.
- (iv) Taking into account obligations arising from adopted directives of the European Community, BSI will promote the development of European standards based as far as possible upon wider international agreements and in a form suitable for reference in Article 100 directives. In matters affecting existing or proposed legislation of the United Kingdom or the European Communities, BSI, after consulting interested parties, will seek to ensure that the position taken by United Kingdom delegations in European standards committees will be consistent with the view taken by the Government after its own consultations and communicated to BSI from time to time.



Article 6

- (i) The Government and BSI will encourage fuller participation by all concerned, especially by public purchasing authorities, in the preparation of British Standards; and compliance with British Standards where appropriate in their purchasing decisions, quality assurance requirements and operational procedures.
  
- (ii) Both BSI and the Government will exert their best efforts to promote understanding and awareness of standards and their uses through educational, training and promotional activities. Furthermore, BSI and the Government will seek to strengthen national information services on technical regulations, national and international standards and on associated certification and approvals schemes.

Article 7

The Government and BSI will support and encourage any understanding between BSI and other major standards users and other initiatives to support national standards work, which may flow from this Memorandum.



Article 8

This Memorandum comes into effect on the date of signing and remains in being unless amended by agreement or terminated by either party following consultation with the other.

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The Secretary of State for Trade  
(on behalf of the United Kingdom  
Government)  
London 1982

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The President of BSI  
(on behalf of the British  
Standards Institution)



UNIFIED ARRANGEMENTS FOR ACCREDITING CERTIFICATION SCHEMES

1 The Government is considering the case for and the possible scope and operation of unified arrangements for the accreditation of certification schemes.

2 The Government believes that the advantages of individual certification schemes could be considerably enhanced by the added status and authority that national accreditation might convey. Formal accreditation would improve the acceptability of certificates in the important fields of international trade and public procurement, and in demonstrating compliance with legal, regulatory and insurance requirements. The degree to which purchasers and regulatory authorities would accept certificates from accredited certification bodies as evidence of safety or quality would therefore be critical to the scheme's success. The same applies to overseas authorities concerned with the importation and licensing of goods.

3 An important further benefit of a national accreditation scheme arises from the increase in the status and utility of certification which should follow from the Government's commitment to such a scheme. As the demand for certification grows among public and private sector purchasers, the overall quality of British manufactured goods should rise, improving their international competitiveness, particularly by helping to meet the increasing demand in international trade for third-party certification.



4 Economies should also arise. Assessing and accrediting certification bodies is complex and a unified approach should be more efficient and cost effective. Some of these advantages are already achieved through the involvement of the Department of Trade in several existing certification schemes, for example in nominating approvals bodies for European Community directives. The National Testing Laboratory Accreditation Scheme (NATLAS) is already yielding similar advantages by reducing duplication of expertise and effort in assessment.

5 The Government recognises that the criteria for accreditation would have to be sufficiently specific and demanding to maintain high standards while retaining sufficient flexibility to encompass an adequately wide range of certification schemes. Compatibility of criteria with those being developed by the International Organisation for Standardization (ISO) would also be desirable to encourage ultimate international harmonization. Recently the Government consulted widely on common criteria to be met by certification schemes seeking recognition by the Government. The response to this was generally favourable.

6 These criteria or guidelines cover the structure, operation and management of certification schemes. The criteria include that the certification body would be free of conflicting commercial interests, be staffed by competent professional, managerial and technical personnel and its governing board be representative of the principal interests. Its technical operation would be based as appropriate on published standards, technical regulations or similar specifications and include arrangements for assessing the quality assurance systems of applicants, product testing (in NATLAS test houses) and monitoring of both manufacturers and products. Moreover, each



certification body should possess a registered mark, provide for appeals against its decisions, have adequate insurance against public liability and be able to ensure the protection of commercially confidential information gained in the course of its work.

The scope of a national scheme

7 In the arrangements that emerge the Government will encourage the private sector to develop its own certification schemes with the option of seeking the status that accreditation would confer. The essential features of a national accreditation scheme would seem to be:

- a) it should be voluntary;
- b) accreditation should be open to both the public and private sectors;
- c) it should be a 'federation', so preserving the identity of accredited bodies;
- d) accreditation should be against published criteria (for example, including possibly that certified products comply with all relevant British Standards) and subject to periodic monitoring;
- e) it should be run on commercial lines and become self-financing.



8 The Government believes that the initial emphasis should be on those product certification and approvals schemes which include an assessment of manufacturers' quality assurance systems. Eligibility should not be restricted to schemes concerned only with safety aspects of performance; the Government sees considerable advantage in covering wider features so as to encourage high standards of quality.

The operation of a national scheme

9 To convey the necessary degree of independence and authority, any unified recognition scheme must have the full backing of the Government itself. However, it is for consideration whether the scheme's executive should be located within Government or elsewhere.

10 The Government already gives individual recognition to certification bodies for specific purposes (for example European Community directives). The Government also operates two national accreditation schemes - the British Calibration Service, BCS (for calibration laboratories) and NATLAS (for test houses) - the executive of both being located at the National Physical Laboratory.

11 Alternatively the executive could be located within a body outside Government. The ACARD report - "Facing International Competition" - suggested the British Standards Institution (BSI), on the grounds of that organisation's considerable expertise and experience in the assessment of manufacturers' capability and in the operation of certification schemes. But the operation of the scheme would have to be organisationally separated from



BSI's commercial certification activities, in a similar way to its standards-writing function. Another option would be to locate the executive in a professional engineering institution or similar body having appropriate technical expertise.



GLOSSARY OF TERMS

For the purposes of this White Paper the following terms and definitions are used. They are, in general, terms and definitions employed by the International Organisation for Standardisation (ISO), the Economic Commission for Europe (ECE) and the General Agreement on Tariffs and Trade (GATT) and other international organisations in the standards field.

Approval:

A judgement, by a body with the necessary authority, that a product fulfils a published set of criteria which includes subjective judgements on aesthetics, ease-of-use and similar aspects of design, as well as (probably) compliance with specific standards or safety regulations.

Certification:

The action of certifying, by means of a certificate of conformity or mark of conformity, that a product or service is in conformity with specific standards or technical specifications.

Certification scheme:

A scheme, having its own rules of procedure and management, for carrying out conformity and approval certification.



**Certification body:**

An impartial body, governmental or non-governmental, possessing the necessary competence and reliability to operate a certification system, and in which the interests of all parties concerned with the functioning of the system are represented.

**Code of Practice:**

A document providing practical guidance for the design, manufacture, setting up, maintenance or utilization of equipment, installations, structures or products.

**Quality assurance:**

All activities and functions concerned with the attainment of quality.

**Quality control:**

A system for programming and coordinating the efforts of the various groups in an organisation to maintain or improve quality, at an economical level which allows for customer satisfaction.



**Regulation:**

A binding document which contains legislative, regulatory or administrative rules and which is adopted and published by an authority legally vested with the necessary power.

**Standard:**

A technical specification approved by a recognised standardising body for repeated or continuous application.

**Technical Regulation:**

A regulation containing or referring to a standard or a technical specification.

**Technical specification:**

A specification contained in a document which lays down characteristics of a product such as levels of quality, performance, safety or dimensions. It may include, or deal exclusively with terminology, symbols, testing and test methods, packaging, marking or labelling requirements as they apply to a product.





*From the Secretary of State*

The Rt Hon Michael Heseltine MP  
Department of the Environment  
2 Marsham Street  
London SW1P 3EB

25 June 1982

*Michael*

#### STANDARDS

My letter of 27 May <sup>requested</sup> 1982 to Geoffrey Howe set out the background to my Statement in the House of Lords on 7 June announcing an initiative by the Government to enhance the status of standards in the UK with the objective of improving the competitiveness of British goods. In that statement I gave a commitment that part of the Government's efforts towards giving greater status to standards would be to make greater use of existing standards and codes of practice in their regulatory activities. I also said that the Government would urge the regulatory bodies it sponsors to give their full support to the standards system and ask them to consider whether more of their standards requirements could not be met within the national standards-making process. This will be a central feature of the consultative document I intend to publish shortly. In this context, I believe it is vitally important that the Government lead by example.

This is not a new departure. In May 1980 the Sub-Committee on Economic Affairs of the Ministerial Committee on Economic Strategy (E(EA)) agreed that such a policy should be pursued. Since then, however, there has been little concrete evidence that significant changes in attitudes have taken place. I am therefore writing to remind you of the E(EA) commitment and to draw attention to this aspect of my statement on 7 June.



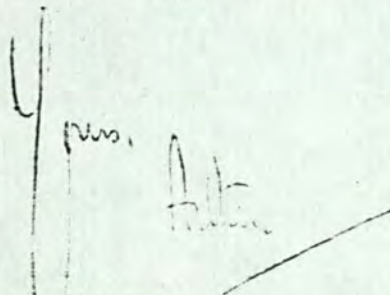


*From the Secretary of State*

I recognise that within the Department of Environment there are already proposals to move in this direction. I welcome these. I know also that this is a point that Norman Tebbit has taken up with the Health and Safety Commission. Nevertheless, the point is worth repeating and I should be grateful if you and colleagues to whom I am copying this letter would ensure that this aspect of the new initiative is indeed followed up. This is one of the matters where speed is of the essence.

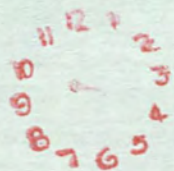
There is also a related proposal made in the report by the officials for the MISC 14 Committee (the 'Gray' report - Action 3) that regulatory bodies that make informal use of standards should be asked to consider publishing a list of the standards concerned. The aim would be to emphasise the increasing general reliance on standards and when a producer meets a standard on the list to make it clearer where he stands. Again, I know that Norman Tebbit has already raised this with the Health and Safety Commission. I should be grateful if your Department and those of colleagues to whom I am copying this letter would enquire of the regulatory bodies within your responsibility what informal use is made of standards and whether it would be possible to publish a list of such standards. I should like the results of these enquiries to be available in a timescale that would enable me to include a positive statement in the consultative document on standards at the end of July.

I am sending copies of this letter to Willie Whitelaw, Geoffrey Howe, Keith Joseph, Jim Prior, John Nott, Peter Walker, George Younger, Nicholas Edwards, Patrick Jenkin, David Howell, Norman Fowler, Nigel Lawson, Norman Tebbit, and Sir Robert Armstrong and John Sparrow.. + PM

  
LORD COCKFIELD



26 JUL 1992







*From the Secretary of State*

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer  
HM Treasury  
Treasury Chambers  
Parliament Street  
London  
SW1P 3AG

27 May 1982

*Dear Geoffrey,*

Now that MISC 14 has endorsed the conclusions of the Report on Standards in International Trade of the ad hoc group of officials, which followed up our conclusions on MISC 14(81)10, I propose to proceed as outlined in my letter of 14 May to Patrick Jenkin. The official Standing Committee on Standards and Quality Assurance has now held its first meeting, and agreed that its terms of reference should be "to co-ordinate policy on standards and quality assurance, with a view to promoting the quality and international competitiveness of British goods". It was also agreed that outside bodies, including the BSI and the CBI, would need to be consulted as soon as this was appropriate.

The next step will be a Parliamentary announcement. I intend to make this in reply to a Written Question as soon as the House of Lords returns from the Spring holiday. The Question and Answer would also be repeated in the Commons on 8 June.





*From the Secretary of State*

I attach a draft of my proposed Answer which I understand has already been agreed by officials on the Inter-Departmental Committee. Unless I receive objections by 4 June, I shall give the Answer as drafted.

Copies of this letter go to the Prime Minister, other members of MISC 14, Willie Whitelaw, Francis Pym, James Prior, John Nott, Peter Walker, George Younger, Nicholas Edwards, David Howell, Norman Fowler and to Sir Robert Armstrong.

*John*  
*Arthur*

LORD COCKFIELD



**Poor quality  
text due to the  
nature of the  
material.**

**Image quality is  
best available.**





## DRAFT STATEMENT BY SECRETARY OF STATE FOR TRADE

### QUESTION

To ask Her Majesty's Government what policy they propose to raise the status of standards in the United Kingdom in order to strengthen the competitiveness of UK products both at home and in world markets?

### ANSWER

1 Her Majesty's Government is convinced that standards supported by quality assurance, have a central role to play in the international competitiveness of British industry. Good standards that reflect the requirements of the international market place encourage the application of sound technologies. They help firms to achieve the levels of quality reliability and safety in design and manufacture which increasingly are a pre-requisite of successful competition in world markets. By eliminating unnecessary variety, they can reduce manufacturing cost and increase productivity, keeping our prices keen.

2 A strong standards system does not emerge of its own accord. Nor is it just a matter of creating the right institutional and legal framework. Principally, it is now a question of attitudes. Manufacturers and users in the public and private sectors and those who use standards for regulatory purposes in central and local government must each give their full support to the system. The Government, for its part, is committed to enhancing the status of standards in the UK and is therefore developing proposals to this end. I will publish these shortly in a consultative document.

3 A central feature of the Government's proposals will be an agreement with the British Standards Institution (BSI), as the national standards-making body. BSI would be asked to review through its Committees the corpus of national standards to verify that these are appropriate for use in legislation, public





procurement and overseas trade. The Government for its part would pursue two major objectives. First, to make much wider use of standards and independent certification and approval in its regulatory functions. This does not mean an extension of areas covered by mandatory standards but that those who comply with standards should have greater certainty of where they stand, especially in the matter of legal proceedings. Second, to rely more on standards and independent certification and approval in its procurement activities. Some Government departments are already moving in this direction. Among other questions to be considered will be the feasibility of a scheme for giving official recognition to certification and approval bodies, possibly backed up by a new national mark.

4 The Government will also be asking other public regulatory and purchasing authorities, the nationalised industries and the public corporations, to help to promote wider industrial efficiency by relating their requirements to standards. They will also be asked to consider whether more of their standards requirements could not be met within the national standards-making process, thus contributing to a stronger body of national standards.

5 The status of standards in the UK reflects and is reflected in the participants in the standards-making process. Users, whose views are of particular importance, tend to be under-represented. As a consequence of the greater weight it intends to give to standards, the Government has reorganised its own machinery for dealing with standards-related issues and will be strengthening its contribution to the BSI committees responsible for writing standards. The consultative document will seek a commensurate response from other participants, reflecting their own intention to use the standards concerned. I am confident that BSI is managed and organised in such a way as to be well able to nurture the new approach.





6 The Government believes that a strong national standards policy will enhance the reputation for quality of British goods and thereby support the efforts of British industry in world markets. The forthcoming consultative document will propose means of achieving this end. The Government hopes that it will command the widespread support in all sectors of the economy which will ensure its success.



27 JUL 1962

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Prime Minister (2)

ms 21/5



JFF694

DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB 3301  
TELEPHONE DIRECT LINE 01-212  
SWITCHBOARD 01-212 7676

Secretary of State for Industry

21 May 1982

Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
LONDON  
SW1H 0ET

Dear Arthur,

Thank you for your letter of 14 May about the follow up to the MISC 14 work on standards. I entirely agree with you on the importance of keeping up the momentum and I think that my own speech to the British Standards Society will be a vital part of the process demonstrating the breadth of support for this policy within the Government and, in particular, the importance which I attach to it in view of my responsibilities for industry.

2 I am very grateful for your offer to take over this speech but I think perhaps that I ought to do it. I am told that the BSI invited me personally because of the importance of standards to industrial policy. The Department of Industry is heavily involved in standards making in its own right. Indeed over 250 officials are involved in almost 700 BSI committees and there is particularly close collaboration over the information technology and telecommunications standards which are vital for the rapid development which we wish to see in these industries.

3 While therefore I will not take up your kind offer, I would be very glad to include in my speech any points which you would like to be made, perhaps in elaborating the Parliamentary statement which you expect to make.

4 I am sending copies of this letter to the recipients of yours.

Your ever  
Patrice



POST OFFICE

1964  
MAY 10  
10 10





Prime Minister (4)

ms 17/5

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000  
GTN 213

Lord Cockfield  
Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
LONDON SW1H 0ET

MS

17 May 1982

R. Arthur,

#### STANDARDS

You copied to me your letter to Sir Geoffrey Howe about the report of the group of officials on this subject.

I agree that the recommendations in the report offer an acceptable approach to implementing the decisions of MISC 14 and I have therefore no objection to our proceeding as you propose.

A number of the recommendations are for the Health and Safety Commission to be invited to consider various policy departures and obviously I cannot pre-judge what their response might be when these proposals are put to them. The sooner I can put these matters to the Commission formally for their consideration and advice to me the better and I would like at the same time to be able to give them as much of the background and context to the particular recommendations as possible (including, for example, copies of the recommendations as a whole - with the exception of recommendations 18 and 19). I suggest that the new official committee gives very early consideration to the detail as to how we should proceed in this respect and advises us accordingly. In the meantime I would make only one point of detail on the recommendations. Recommendation 3 would involve me in persuading the HSC to publish a list of standards of which they make informal use. When it comes to my writing to the Commission on the various recommendations that affect them I would propose on this one simply asking them for their views in the context of





their consideration of recommendations 2 and 6, where such action would be among the possible options open to them.

Copies of this letter go to the Prime Minister, other members of MISC 14 and to Sir Robert Armstrong.

*J. N. [Signature]*



19 MAY 1982







Prime Minister (4)

MES 17/5

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

17 May 1982

The Rt Hon Lord Cockfield  
Secretary of State for Trade  
1 Victoria Street  
LONDON  
SW1H 0ET

Dear AM

Thank you for your letter of 11 May about standards.

I have read the report with great interest and I am glad to see that officials believe it will be possible to move a substantial way towards the German approach without new legislation. There is obviously a great deal of work ahead, and the sooner it can get underway the better. I am content with the recommendations, and if Patrick Jenkin and others also agree, I accept that we do not need to meet to discuss them.

I suggest however that MISC 14 might aim to review progress in the autumn. I see the whole matter as of first importance in building up our competitiveness.

I am sending copies of this letter to the Prime Minister, to the other members of MISC 14 and to Sir Robert Armstrong.

GEOFFREY HOWE





Prime Minister 4

MUS 17/5

From the Secretary of State

ms

The Rt Hon Patrick Jenkin MP  
 Secretary of State for Industry  
 Department of Industry  
 Ashdown House  
 123 Victoria Street  
 London SW1A

14th May 1982

Dear Secretary of State,

You will have seen from my letter of 11 May to Geoffrey Howe that I hope to have MISC 14's endorsement of the report of the ad hoc group of officials on follow-up to our conclusion on MISC 14(81)10 by 14 May. I propose very soon thereafter to make a Parliamentary statement outlining the Government's new policy initiative and making known our intention to publish at an early date a fuller consultative document. on standards  
MUS

I think it will be important to the success of our new policy for me to keep up the momentum generated by my initial statement. One way of doing this would be for me to take on an appropriate speaking engagement. At the moment, however, I have nothing suitable in my diary, though BSI have expressed their readiness to provide a platform in line with our urgent timetable. On the other hand, I understand that you agreed sometime ago to speak on 15 June to the British Standards Society's Annual Standards Conference. It occurs to me that in the interests of getting the new policy off the ground you might consider whether I ought not take over this engagement from you.

I am sending copies of this letter to the Prime Minister, members of MISC 14 and Sir Robert Armstrong.

Yours Sincerely

Jonathan Rees

PP LORD COCKFIELD



1. 10/10/10

10/10/10







**CABINET OFFICE**  
*Central Policy Review Staff*

With the compliments of  
John Sparrow

70 Whitehall, London SW1A 2AS  
Telephone 01-233 7765





Govt Mail

NBPM

MUS 4/5

CABINET OFFICE  
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: John Sparrow

Qa 05922

14 May 1982

Dear Lord Cockfield,

Standards

I welcome your letter of 11 May addressed to the Chancellor and setting out your determination to implement the MISC 14 report immediately and in full.

For the present, the most appropriate focus for this work would seem to be the proposed high-level interdepartmental Committee to be set up by Robin Gray, with representation from the main interested Departments.

I think it would be useful for members of MISC 14 to be aware of the composition and terms of reference you have in mind for the new Committee, and whether you envisage winding up the existing Inter-departmental Committee on Quality and Standards (IQS). Would you be willing to circulate your proposals for comment in due course?

Although it will be important to keep the group small, we think it also important to have effective machinery for consulting some outside bodies (the BSI, Metrology & Standards Requirements Board, and the Design Council for example) and at an appropriately high level.

As you know, our preference is for a Committee linked more closely with the Cabinet structure, because of the complex decisions which will need to be taken. However, subject to the Prime Minister's wishes, I expect we could take a second look at this question in October, along with the matter of departmental responsibility.

I am sending copies of this letter to the Prime Minister, the Chancellor and other members of MISC 14, and to Sir Robert Armstrong.

Yours sincerely,  
*John Sparrow*

John Sparrow

The Rt Hon Lord Cockfield  
Department of Trade





Ref. A08399

MR SCHOLAR

MUS  
✓

Sir Robert Armstrong *RA*

Many thanks. The Prime  
Minister will not intervene  
in this correspondence.

MUS 13/5

Standards

The Secretary of State for Trade has copied to the Prime Minister his letter of 11th May to the Chancellor of the Exchequer about the implementation of recommendations by MISC 14 on the matter of standards, and in particular on the setting up of an official committee under the chairmanship of Mr Robin Gray.

2. As the Secretary of State indicates, I was asked whether this committee should be a Cabinet Committee, and thus serviced and perhaps even chaired by the Cabinet Office. It seemed to me that, though other Departments were involved, the Department of Trade were very much in the lead and should be given the opportunity of making a go of this. I therefore suggested that this should be an inter-departmental committee chaired and serviced by the Department of Trade.
3. I do not think that the Prime Minister need intervene in this correspondence; given the way in which the letter is worded, her silence would be interpreted as agreement.

*RA*

ROBERT ARMSTRONG

13th May 1982





Gorb Mach

Prime Minister (2)

From the Secretary of State

MUS 11/5

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer  
HM Treasury  
Treasury Chambers  
Parliament Street  
London  
SW1P 3AG

11 May 1982

Dear Geoffrey,

My letter made  
it plain that the decision was  
only for a  
short period, but October  
period.

STANDARDS

Now that the question of responsibility for standards policy has been resolved (Mr Scholar's letter of 22 April about the Prime Minister's meeting refers), I naturally wish to press on quickly with the implementation of our agreed policy. You will have seen the Report of the Ad Hoc Group of Officials on Follow-up to Conclusions of the MISC 14 Committee on MISC 14(81)10, which my predecessor sent to the Prime Minister and members of MISC 14 on 18 March. I have now studied that Report and fully support the recommendations made for implementing MISC 14's decisions.

Provided you and other members of MISC 14 are also content with the recommendations, the sooner the new high-level official committee gets on with the task of implementation the better. I have, therefore, asked Mr Robin Gray to press ahead as a matter of urgency with setting up the committee. I propose to follow Sir Robert Armstrong's suggestion that my Department should chair and service the committee without Cabinet Office participation. I shall bring to E(EA) any issues which may need collective discussion.





*From the Secretary of State*

The immediate question, therefore, is whether you and other members of MISC 14 agree that the recommendations in the Report are an acceptable basis for action. I hope this can be agreed through correspondence, and suggest that if I receive no objections from colleagues by the end of 14 May, I should proceed as proposed.

Copies of this letter go to the Prime Minister, other members of MISC 14 and to Sir Robert Armstrong.

*J. C.*

*Arthur*

LORD COCKFIELD



SUBJECT

RESTRICTED

File

JR



cc Master

10 DOWNING STREET

From the Private Secretary

22 April 1982

Dear John,

NATIONAL STANDARDS AND DEPARTMENTAL RESPONSIBILITY

The Prime Minister held a meeting this afternoon with the Chancellor of the Exchequer and the Secretaries of State for Trade and Industry to consider where departmental responsibility for national standards should lie. Sir Robert Armstrong and Mr. Sparrow were also present.

The Chancellor said that the report attached to Sir Robert Armstrong's minute of 5 March contained a full analysis of the arguments both ways. His conclusion was that this was a finely balanced matter, but the best course would be for responsibility to be transferred from the Department of Trade to the Department of Industry. The case for protection of the consumer's interest, which was more central to the Department of Trade's concerns, was, in his judgement, less important than the case for promoting improved quality and reliability of British goods in the market place, a more central Department of Industry responsibility. The Secretary of State for Trade strongly opposed this conclusion. The responsibility of those concerned with policy on standards was to protect the purchaser, who was not necessarily a consumer, against the manufacturer. It was a mistake to put this into the hands of those with primary responsibility for manufacturers. The Secretary of State for Industry said that in his view responsibility for standards had to go wider than consumer protection. There was a tendency to pick whatever standard would least discommode manufacturing firms so as to provide minimum standards for the consumer. He preferred the German approach, whose Standards Institution aimed to produce the highest possible standard. The result of this was that everyone across the world knew that if a product had met the requirements of this Institution it was of the best.

The Prime Minister said the arguments went both ways. But in her view the task had not been done well so far. A radical change was necessary in the exercise of departmental responsibility for standards. But these responsibilities should remain with the Department of Trade, for a trial period, until the beginning of October 1982. If the change which she desired had not taken place by then, she would review the whole position.

/ I am sending



R E S T R I C T E D

-2-

I am sending copies of this letter to Jonathan Spencer (Department of Industry), John Rhodes (Department of Trade), David Wright (Cabinet Office) and Gerry Spence (CPRS).

*Yours sincerely,*

*Michael Scholar*

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John Kerr, Esq.,  
HM Treasury.



Prime Minister

21 April 1982

The purpose of the meeting is  
to settle whether Standards should be done by

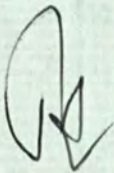
Policy Unit

PRIME MINISTER Trade or by Industry - your meeting in December (Mag A) was inconclusive  
on this & since then there has been Rob<sup>r</sup> Armstrong's paper (Mag B). John

DEPARTMENTAL RESPONSIBILITY FOR NATIONAL STANDARDS Biffen's long paper is  
for background (Mag C)

You are to have a short discussion with colleagues about this  
tomorrow afternoon. As you know, the Policy Unit agrees with M/S 21/4  
the CPRS that responsibility for standards should be transferred  
from the Department of Trade to the Department of Industry.

I think there is no need for me to repeat the arguments about  
the importance of national standards to improving UK non-price  
competitiveness. The point is that it is clear to us that this  
aim fits far more closely with the other aims of the Department  
of Industry than it does with the more regulatory activities of  
the Department of Trade. Industry, for instance, is responsible  
for the National Physical Laboratory, and has 230 representatives  
on 600 BSI Committees. It is also responsible for the Design  
Council. Trade are too removed from day-to-day contact with  
British industry to stand much chance of bringing them in  
successfully to the standards writing process.



JOHN HOSKYNS





CONFIDENTIAL

Prime Minister

(2)

For tomorrow's meeting

PLS 21/4

Qa 05901

20 April 1982

To: PRIME MINISTER

From: JOHN SPARROW

Departmental responsibility for Standards

1. In reaching a decision on departmental responsibility, which is the purpose of your meeting on 22 April, I suggest that you consider first the purpose of British Standards. The CPRS paper on National Standards and International Trade (MISC 14(81)10) argued that Standards are there to improve the quality and design of British goods. If exploited to the full they could contribute powerfully to our industrial success. I understand that this was strongly argued at the seminar you held for Designers last December. The Department of Industry sponsors the Design Council and is responsible for public procurement policy. In our view this puts them in the best position to bring about the more effective use of Standards.
2. ACARD is producing a report which will be relevant, and Robin Nicholson is minuting you separately about this.
3. I am sending a copy of this minute to Sir Robert Armstrong.

B.

CONFIDENTIAL



W.0283

PRIME MINISTER

DEPARTMENTAL RESPONSIBILITY FOR STANDARDS

A Working Group set up by the Advisory Council for Applied Research and Development (ACARD) has been examining the area of standards and product design since August 1981. It set itself the task of exploring the part which standards play in design, and the way in which these could help to make British-designed products more competitive in international markets. The Working Group is shortly to report to ACARD. Its report is likely to raise three specific points which are relevant to your forthcoming consideration of departmental responsibility for standards and the British Standards Institution (BSI).

2. First, the Working Group points out the strong influence which design has on the international competitiveness of manufactured products. The Group's report also explains the influence of Government regulation, public procurement, and certification and approvals schemes on design and the way in which British Standards underpin all these. The Group therefore recommends that responsibilities within Government for design and Standards (currently with the Departments of Industry and Trade, respectively) should be brought together under a single Department.

3. Second, the Working Group thinks that the institutional arrangements for standards and regulation in this country are fragmented (in contrast with the position in many countries overseas) and, as a result, effort can easily be wasted through duplication or conflict. The Group considers that Departments and outside agencies, such as the BSI, between them perform most of the needed tasks, but that their policies and practices should be much more closely integrated and greatly improved in their effectiveness. The Group also thinks it crucial that the effort within Government be properly attuned to the industrial and commercial needs of the United Kingdom. The Group recommends an improvement in co-ordination between Departments, with provision for high-level advice from industry.

Prime Minister

Relevant to

tomorrow's meeting

MU 2/4

(2)





4. Third, the Working Group recommends that responsibilities for legal metrology and the science of metrology should also be brought together. The Department of Trade is currently responsible for legal metrology (ie the regulation, testing and approval of measuring instruments used for trade such as weighing scales and petrol pumps), while, on the other hand, the Department of Industry undertakes research on measurement standards and sponsors the instrument manufacturing industry. This is an industrial sector where British technology and equipment are well-regarded abroad. The Working Group however thinks that this sector could do better if greater publicity were given to our regulatory framework and the way it underpins the quality of goods produced. This would be more likely to be successful if a single Department were responsible for all aspects of metrology.

5. The Working Group's report has yet to be finally endorsed by ACARD, but I expect that Sir Henry Chilver will be submitting it to you in May, probably with a request to publish. Doubtless you will wish in due course to invite the responsible Secretary of State to prepare a formal response from the Government. But in view of the meeting you have called for 22 April, it seemed sensible to make you aware of the Group's thinking.

I am sending a copy of this minute to Sir Robert Armstrong and John Sparrow.

RBN

ROBIN B NICHOLSON  
Chief Scientist

20 April 1982



21 APR 1982





RESTRICTED

FILE SW

Trade



10 DOWNING STREET

*From the Private Secretary*

MR. WRIGHT  
Cabinet Office

Departmental Responsibility for Standards

The Prime Minister was grateful for your minute of 5 March, to which was attached a report by the MPO on departmental responsibility for standards.

The Prime Minister has decided to hold a meeting on this subject, and we are making arrangements here to set this up.

M. C. SCHOLAR

22 March, 1982

RESTRICTED



RESTRICTED

FILE

SW



10 DOWNING STREET

*From the Private Secretary*

22 March, 1982

Departmental Responsibility for Standards

The Prime Minister was grateful for your Secretary of State's minute of 18 March, to which was attached a report on national standards and international trade which had been produced by an inter-Departmental group of officials.

The Prime Minister wishes to hold a meeting to discuss this matter. We are making arrangements to set up such a meeting after Easter.

I am sending a copy of this letter to John Kerr (Treasury), Jonathan Spencer (Industry), David Wright (Cabinet Office) and Gerry Spence (Central Policy Review Staff).

M. C. SCHOLAR

John Rhodes, Esq.,  
Department of Trade

RESTRICTED





→ OF PPS/PE  
MCS 22/3

2 M's C  
②

Prime Minister

WJB

PRIME MINISTER

I am glad that I had not recorded your response to the report before this came in. I will now have the meeting set up, as you requested.

MCS 18/3

STANDARDS

I understand that you are currently considering the question of Departmental responsibility for standards.

It seems to me very important that whoever does the work we should all be clear about the priorities in our policy. You may find it helpful, therefore, to have the attached report on national standards and international trade which has been produced by an inter-Departmental group of officials chaired by the Department of Trade. It sets out very clearly the tasks that face us and its recommendations have my full support.

I am copying this minute to all members of MISC 14 and to Sir Robert Armstrong.

WJB

Department of Trade  
1 Victoria Street  
London, SW1H 0ET

WJB

18 March 1982



NATIONAL STANDARDS AND INTERNATIONAL TRADE

REPORT OF THE AD-HOC GROUP OF OFFICIALS ON FOLLOW-UP TO  
CONCLUSIONS OF THE MISC 14 COMMITTEE ON MISC 14(81)10

Note by the Chairman

The Group, which included representatives from the Treasury, CPRS, the Departments of the Environment, Industry, Employment and Trade as well as the Health & Safety Executive, was asked to advise on how best to implement the CPRS recommendations in MISC 14 (81) 10 and on certain related matters.

2 Our Report, which is agreed, is attached. It is inevitably long and detailed. This note provides an introduction and summary and seeks to bring out our principal conclusions and recommendations. In some cases I make comments which, although in every case reflect the view of a majority of the Group, might not, at any rate as briefly expressed, carry every member unreservedly.

3 There are two general points that need to be made at the outset:-

(a) we are aware that the question of Departmental organisation on standards is under review. Our Report takes the present organisation as it is;

(b) we have not, certainly in the time available, always been able to agree firm proposals. In some cases further study is essential. And on some matters sincere and substantial differences of view between Departments have yet to be resolved although these are not of a nature that would inhibit substantial progress this year.

4 As our work progressed it became clear that important moves towards the German approach to standards could be made within existing legislation. The Health and Safety at Work Act, 1974, and Consumer Safety Act, 1978, in particular offer further potential for links between the regulatory system and the standards system. Additional moves in that direction could be made within the existing British framework by fairly limited provisions in new legislation which is already in contemplation for building controls and for consumer protection. We were also conscious that to try to transplant the whole German structure would be a very major and lengthy operation. The German system involves not only a legal structure, but aspects of organisation and society which have evolved over 70 years. We therefore concentrated on the substantial progress that can be made within the broadly existing UK institutional and legal framework, and did not seriously address the question whether, at a later date, there would be advantage in further legislation to create a more unified framework.



5 The first requirement is to get it over publicly that the Government wants to enhance the status of standards in law and in their practical application. The Government must set an example. And so our first broad recommendation, in Part II, is that the Government should conclude an Agreement with the British Standards Institution on the lines of the existing Agreement between the German Government and the equivalent German institution (DIN). In such an Agreement the Government would undertake two things. First, to make much wider use of standards in regulatory functions. And, secondly, that the Government would use standards and independent certification in procurement (with public authorities urged to follow suit). These undertakings could not be unqualified. But the objective would be to enhance the status of standards - the "halo effect". Such an Agreement would need to be published and would be the peg on which the new policy would be hung.

6 In Part IV, we discuss what is involved in the Government making greater "use" of standards. We make it plain that many British standards are not yet suitable for direct use in regulatory processes. Nevertheless, if the intention were clear, those responsible for drafting standards would be obliged to recognise that the standards they are preparing may well come to have real bite. The BSI is now geared to operate in this way. But it needs the full co-operation of standards-makers. It is important to underline that we do not propose extending the areas covered by mandatory standards. Our intention is, rather, that those who comply with standards will have a greater certainty of where they stand, especially in the matter of legal proceedings.

7 In Part IVB we recommend that existing proposals for official recognition of certification bodies should be progressed. The purpose of this is, put simply, first to give help to buyers by identifying those "seals of approval" which have real substance. And, secondly, to make it easier to negotiate bilateral arrangements under which our products would be accepted as meeting the requirements in overseas markets (and theirs in our markets). Some form of national official mark might materially assist this. It is clear, indeed, that there is great uncertainty in the Group about whether a new national mark could quickly or automatically have the same significance as the German GS ("safety-tested") mark. This must be examined, but need not inhibit a lot of immediate further work on official recognition of certification bodies.

8 In Part V, we examine ways of encouraging greater use of standards by public purchasers - unhappily much of the territory covered is not new. But the proposed Government/BSI Agreement may however provide a better focus on old ideas.

9 Also in Part V, we describe measures necessary to encourage more participation by industry, public authorities and Government officials in standards making. It is important in the proposed new approach that, because standards will be more used in regulation, greater effort will be put into their preparation. Although, a decade ago, the BSI organisation and



management left much to be desired, we wish to stress that BSI today is managed and organized in such a way as to be well able to nurture the new approach.

10 Standards systems do not stand on their own. In Part VI we consider improvements that might be made in the areas of product liability and insurance:

(a) On product liability we have not been able to do more than recommend further examination taking account of existing work in Brussels.

(b) On insurance we think that further discussions with the industry should be opened when the new policy is announced. It seems unlikely to us, however, that we shall quickly get into a position that those who comply with standards will secure significantly lower premiums. Because the insurance companies will believe that this is not actuarially justified.

11 Also in Part VI we examine, as we were particularly requested to do, the use of controls at the ports for enforcement purposes. There can be no question of all imports automatically being examined for compliance with standards - certainly in the large number of cases in which standards are not mandatory. Containers, for example, are not automatically unstuffed for this or any other purpose - either in the U.K. or any other major country. It is more a question of documentation requirements. Here again more study is needed. But our approach is that where the use of goods is restricted or prohibited at home powers should be used or taken as the case may be for control at the ports. And for the Customs to be able to call up experts from relevant authorities.

12 In Part VII, we make recommendations for improving control and co-ordination in Whitehall. The essence of what we propose is that the co-ordinating official committee should be smaller, meet at a much higher level and be more fully integrated into the Cabinet Office machinery. A lower level structure will surely be necessary: not least because these must include outsiders, BSI being a notable, but not the only, example.

13 In Part VIII we discuss public presentation. The whole new initiative would need to be explained, probably in a speech by the Secretary of State and followed by a consultative document covering not only the proposed terms of the Government/BSI Agreement but many other matters referred to in our Report. We do not think it practicable to envisage the issue of a consultative document before the Autumn and the timing of the keynote speech would need to be geared to this.

14 There are several important points arising in relation to presentation:

(a) It is certain that the new policy will provoke debate and even controversy. Industry is ambivalent towards standards and a big persuasive exercise will be necessary.



(b) The direct involvement of Parliament in standards used for regulatory purposes would, over time, be reduced. Because it is disadvantageous if standards evolved by experts have subsequently to go through a Parliamentary process (which at present, for example, means that new replacement standards cannot be applied except after delay and translation into legal language). The Department of the Environment are already pointing the way to processes under which Parliament gives broader and less detailed approval. All this, too, may be controversial. Some system under which Parliament can call up particular standards may have to be retained. And we believe that what Government regulatory bodies do in matters of enforcement should be made more transparent.

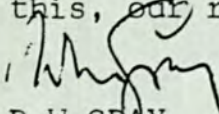
(c) There can be no question of the whole exercise being viewed as based on the creation of whole ranges of new exclusively British standards. Already over a third of "British" standards are international in origin. The standards movement is intrinsically international and it is in our interests that it should remain so, and that as many standards as possible should be widely accepted internationally.

(d) The point above is of importance especially in relation to the EC Commission who may be expected to suppose, as on "marks of origin", that a new protectionism is uppermost in our minds. Very careful handling of our new approach with the EC Commission and other member states will be essential.

15 We were asked to cost our proposals. We are not able to produce any meaningful total figure. The cost of pump-priming the scheme for recognition of certification bodies might involve an additional £½ million spread over 3 years. For the rest our proposals mostly involve the same people doing the same things in different ways. To the extent that there are more and better standards, additional costs and effort will fall upon Government and even more perhaps on industry. Current Government spending on standards-making is of the order of £5 millions a year. We doubt whether the new approach, as it developed over time, would as much as double this figure.

16 It is unusual to name officials, but we have received such splendid help from Mr Richard Allpress in bringing together a mass of very difficult detail, that we wish to acknowledge our debt to him.

17 A summary of all our conclusions and recommendations for action or study will be found immediately below and, after this, our report.

  
R W GRAY  
DEPUTY SECRETARY  
DEPARTMENT OF TRADE

15 March 1982



## CONCLUSIONS AND RECOMMENDATIONS FOR ACTION OR STUDY

## Arising from PART II: AN AGREEMENT WITH BSI

- ACTION 1. Department of Trade, in consultation with purchasing and regulatory departments, to prepare a draft agreement between Government and BSI along the lines of that between the German government and DIN, as part of a wider standards package.

Subsequently, departments sponsoring other public purchasers to seek to influence these to conclude their own bilateral agreements with BSI.

(Page 4)

## Arising from PART IV: TOWARDS A 'GERMAN' SYSTEM

- ACTION 2. The Health and Safety Commission should be asked to consider the issue of guidance to manufacturers on its enforcement policies, giving greater clarity to the present enforcement practice of the Executive, so as to emphasize its increasing general reliance on standards and to systematize the issue of guidance on particular classes of goods with particular reference to the standards acceptable in each field.

(Page 8)

- ACTION 3. Departments responsible for regulatory bodies to establish whether these make informal use of standards, with a view to persuading them to publish a list of the standards concerned.

(Page 8)

- ACTION 4. The HSC should be asked to consider to what extent it might reasonably increase the emphasis in enforcement policy on initial integrity by administrative means.

(Page 8)

- ACTION 5. Regulatory departments and bodies should consider with BSI and major industrial interests (manufacturers and users) how the two public consultation procedures might be linked or merged, particularly where a standard is likely to be the subject of a 'deemed to satisfy' reference in subordinate legislation.

(Page 10)

- ACTION 6. The Health and Safety Commission should be asked to consider whether it could make public an intention, whereby standards in the formulation of which HSE had participated without serious reservation would henceforth be a point of reference in its enforcement policies and would be liable to be proposed for formal recognition under s 16 of the HSW Act 1974. In cases



where, for cogent reasons, HSE found it difficult to recognise particular standards it should be prepared to make known those reasons.

(Page 10)

ACTION 7. Department of Trade with other interested departments and the Health and Safety Commission should consider whether general recognition of the whole body (or a large part thereof) of British Standards under s 16 of the HSW act would be practicable; and should further consider the case for taking similar action in other areas.

(Page 11)

ACTION 8. Regulatory bodies and departments should be reminded of the decision by E(EA) Ministers in May 1980 that greater use should be made in regulations of standards and codes of practice.

(Page 11)

ACTION 9. The HSC should be invited to study with the Department of Trade, Employment, and the Environment the feasibility of using the prohibition provisions of the Consumer Safety Act 1978 in respect of articles for use at work.

(Page 12)

ACTION 10. On the assumption that the Department of the Environment's proposal for a new system of "approved documents", as set out in Cmnd 8179, will receive a favourable response from industrial interests on further consultation and from Parliament, the Department of Trade should consider exercising the similar power already available under the Consumer Safety Act 1978.

(Page 13)

ACTION 11. Dept of Trade, with interested departments, to consider urgently whether they might bring forward proposals for introducing a legal concept along the lines of "sound and modern practice" as part of their current review of the Consumer Safety Act 1978. Other departments with regulatory powers should consider whether these might be similarly amended as opportunity offers.

(Page 14)

ACTION 12. Dept of Industry, in consultation with other interested departments, to develop its proposals for more unified arrangements for recognising certification bodies and to cost them. This should involve consideration of an associated mark.

(Page 16)



Arising from PART V: GREATER USE OF STANDARDS THROUGH IMPROVED INPUT

ACTION 13. Department of Industry to coordinate an approach by sponsor departments (other than MOD and DOE/PSA) to their large public purchaser "clients" aimed at bringing home to them that participation in the national standards-making process and use of national standards can bring benefit in the form of

- (i) cost savings (cf the experiences of PSA and MOD);
- (ii) improving and lending weight to the corpus of recognised standards, which in turn may bring
- (iii) industrial and trading advantages.

(page 18)

ACTION 14. Department of Trade and other interested departments to continue to work closely with BSI on improving the composition of BSI Technical Committees. It should be the aim to persuade industrial interests (particularly users) that their representation in the standards-making process should reflect an intention to use the standards concerned wherever appropriate and a recognition that standards may subsequently be used for regulatory purposes.

(page 19)

Arising from PART VI: OTHER ACTION IN SUPPORT OF STANDARDS

ACTION 15. Department of Trade to look at the role of standards in the German system of product liability and, taking account of current work on product liability in Brussels, to advise on the scope, if any, for emulating the German practice in the UK.

(page 20)

ACTION 16: The Department of Trade and other interested departments should consider the conditions for a renewed approach to the insurance market with a view to an increased linkage of insurability and certification, in the context of the new policy.

The Health and Safety Commission should be invited to examine, as the policy develops, the scope for extending the areas of activity of 'competent persons' by means of eg recommendations in approved codes of practice - account to be taken of the reception accorded to Department of the Environment's proposals for competent persons in Cmnd 8179.

(page 22)



ACTION 17. Department of Trade in conjunction with Customs and Excise and the Foreign and Commonwealth Office to survey the extent to which other countries carry out port controls to check compliance with technical requirements.

Taking into account the results of the above survey, Department of Trade in conjunction with other interested departments, but especially Customs and Excise and (if the HSC agrees) HSE, to examine the case for controlling imports at the ports for compliance with technical requirements. The study to cover also likely manpower costs and Community implications.

Departments considering new legislation or amendments to existing legislation which may impose technical requirements, to ensure that provision is made for the prohibition of imports under appropriate conditions; and for the delegation of enforcement responsibility.

(page 25)

Arising from PART VII: IMPROVING GOVERNMENT'S INTERNAL COORDINATING MACHINERY

ACTION 18. There should be a new inter-departmental committee on quality assurance and standards under Cabinet Office auspices.

(Page 26)

Arising from PART VIII: PRESENTING THE NEW INITIATIVE ON STANDARDS

ACTION 19. Department of Trade with other interested departments to draft a key-note speech covering in broad outline the proposed new policy on standards; to propose a programme of wider Ministerial and official activities in support of the initiative; and to set in hand the preparation of a consultative document.

(Page 28)



## STRUCTURE OF REPORT

- I. THE CPRS INITIATIVE
- II. AN AGREEMENT WITH BSI
- III. THE GERMAN SYSTEM
- IV. TOWARDS A 'GERMAN' SYSTEM
  - A. Use of standards for regulatory purposes
    - i. Action within existing legislation
      - a. Administrative practice
      - b. Greater use of subordinate legislation
        - deemed to satisfy reference
        - mandatory reference
      - c. Prohibition power
    - ii. Action involving amendments to existing legislation
      - the 'approved document' proposals
      - a new concept of 'sound and modern' practice
    - iii. New imitative primary legislation?
  - B. Unified arrangements for assessing and accrediting certification bodies; and the introduction of a national mark
- V. GREATER USE OF STANDARDS THROUGH IMPROVED INPUT
  - public purchasers
  - government
  - industry
- VI. OTHER ACTION IN SUPPORT OF STANDARDS
  - product liability
  - insurance and other legal aspects
  - port controls
- VII. IMPROVING GOVERNMENT'S INTERNAL COORDINATING MACHINERY
- VIII. PRESENTING THE NEW INITIATIVE ON STANDARDS



## NATIONAL STANDARDS AND INTERNATIONAL TRADE

## REPORT OF THE AD HOC GROUP OF OFFICIALS IN FOLLOW-UP TO CONCLUSIONS OF THE MISC 14 COMMITTEE ON MISC(14)(81)10

## I. THE CPRS INITIATIVE

1. CPRS looked at the organisation of standards-making and the (legal) status of standards (1) in the UK to see how we might emulate some of our major competitors in using these, modified as necessary, to improve the non-price competitiveness of UK products. Noting W. Germany's experience, CPRS suggested that compliance with good standards could improve the quality, reliability and safety of a country's products; and, particularly when such compliance was backed up by certification by a government-recognised body, such products were more easily sold in world markets. CPRS concluded, therefore, that we should seek to raise the status in this country of standards that are recognised in the international market place and to promote approval and certification arrangements which enhance UK products' prospects at home and abroad. CPRS thought that most of the legal and institutional elements necessary to the sort of approach adopted by W. Germany already existed in the UK, but they needed to be pulled together to give them similar strength and coherence.

2. In what follows, we examine how the practical effects of the German approach might be achieved here, whilst recognising that the German institutions and legal mechanisms could not simply be reproduced here.

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(1) The term "standard" as used in this report has the following principal meanings:-

- i) "standard product specification", relating for example to the design construction and testing of products;
- ii) "codes of practice", relating for example to standard procedures of installation, operation and maintenance of equipment;
- iii) "standard management systems", relating for example to quality assurance systems in manufacture.

The particular meaning of the word standard should generally be clear from its context in the report.



3. Since the German system has safety as one of its main objectives (indeed, since January 1980 the Law on Technical Equipment which CPRS saw as central to the system has officially been known as the Equipment Safety Law), our study naturally puts emphasis on the possibility of using or expanding our own safety-related measures - notably the Health and Safety at Work Act 1974 (HSWA), the Consumer Safety Act 1978 (CSA) and the Building Regulations - so as to enhance the status of standards and the practice of certification.

4. The German system is only partly a matter of legislation; we describe it more fully below (paragraphs 11-16). It has, as CPRS pointed out, developed over a very long period and a key element is a willingness on the part of German industry to accept its constraints, to make it work and to see it as helping them to raise their flag over what is sound, safe and German. Though many British firms support the work of BSI and there is a growing demand for official certification for trade purposes, there is at present no such collective appreciation within British industry of how the various elements which the Germans successfully combine could work to their own advantage. Indeed, there is a suspicion, particularly by users and importers, that a more positive approach to standards backed by regulatory bodies could constrain their purchasing and limit their manufacturing options. As we point out, consolidation in the German direction will involve a long haul and the overcoming of a good deal of inertia; and the attempt will only succeed if there is understanding and support on the part of industry for what we are after. We think it will be necessary to test the ground carefully and one of our main recommendations (below) is for a consultative document or green paper.



## II. AN AGREEMENT WITH BSI

5. The British Standards Institution (BSI) have suggested that a dramatic impact on the use of standards by UK manufacturers and on the level of interest in standards-making could be achieved without the need for massive new legislation, simply by the conclusion of an agreement between the Government and the BSI along the lines of that which exists between the Federal Government and the German standards body, the 'Deutsches Institute für Normung' or, as it is better known, DIN (copy at Annex).
6. Central to this agreement are:
- i. an undertaking by DIN to ensure that its standards are capable of being quoted in legislation and regulations, with a presumption that the Federal Government will use them in this way<sup>(2)</sup>;
  - ii. an undertaking by the Federal government that, subject to international obligations, it will purchase to appropriate DIN standards and that it will seek to influence other public purchasers to do the same.
7. BSI have correctly identified the areas - regulatory activities and public purchasing - where Government action is vital, if the cause of standards is to be furthered. However, in that a considerable legal and institutional infrastructure underpins the agreement between the Federal Government and DIN, the speed and extent of progress towards the German position which such an agreement on its own could bring about should not be overrated.
8. Concluding and implementing such an agreement would not be simple. Nevertheless, we see considerable advantage in having one, providing as formal and precise an understanding as possible of the rights and obligations of the signatories. First, because of the pressure this would put on regulatory and purchasing departments to make greater use of standards. Second, as a peg upon which to hang publicity for the Government's new initiative on standards. And third, not least because of the discipline upon the standards-making process which we should wish BSI to accept. In particular, we should wish an agreement to indicate a commitment to "good

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(2) The obligation on the Federal Government is not absolute. The Federal Government reserves the right to formulate its own technical requirements for use in legislation, for the purpose of enforcing laws or if they are "otherwise required in the public interest". Should the Federal Government introduce a technical regulation then DIN undertakes "to amend, withdraw or withhold publication of any standard which may be contrary to such regulation".



practice"<sup>(3)</sup> rather than merely current average practice. On the other hand, we should need to avoid committing Government to give status only to parochial national standards.

9. We conclude that an agreement between BSI and the Government should not be concluded in vacuo but should instead form part of a wider standards package.

10. We doubt that such a bilateral agreement could be made effective in respect of other large public purchasers eg nationalised industries and local authorities. For example, the Secretary of State for the Environment would have no power to bind the latter. Nor would an agreement between BSI and the Local Authority Associations have any binding effect on individual local authorities, though it might well be of "psychological" value, in that if associations were prepared to sign, a substantial proportion of authorities might be prepared to follow. However, we note that DIN has agreements with the Länder, as well as the Federal Government. We consider, therefore, that the best approach might be if Government were first to set the example; and then seek to influence other bodies to follow suit by concluding their own bilateral agreements, if possible along model lines.

ACTION 1. Department of Trade, in consultation with purchasing and regulatory departments, to prepare a draft agreement between Government and BSI along the lines of that between the German government and DIN, as part of a wider standards package.

Subsequently, departments sponsoring other public purchasers to seek to influence these to conclude their own bilateral agreements with BSI.

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(3) This would not preclude BSI Technical Committees from evolving graded standards where the need for several levels clearly exists and should not be ignored and rolled into one "compromise" level. Otherwise, there is a danger that standards will either be of the "lowest common denominator" variety or over-specified; and they will either not be used at all or only by a limited number of users and manufacturers.



## III. THE GERMAN SYSTEM

11. The CPRS report highlighted the central role in the German Standards system played by the Law on Technical Equipment or, as it is now known, the Equipment Safety Law. This law permits the putting into circulation or display of equipment for use at work, in the home (including toys) and in leisure activities only if they conform to the "generally recognised rules of technology" and the safety-at-work and accident prevention regulations, so that people using them properly are protected against risk to health and safety. Deviation from the "generally recognised rules of technology" is permitted only insofar as the same level of safety is otherwise ensured.

12. The Equipment Safety Law does not, then, give direct support to standards as such. "Generally recognised rules of technology" are essentially rules agreed by experts in the field to be the correct response to specific technical problems (the Anglo-Saxon equivalent might be 'good practice' or 'sound and modern practice'. The concept was established by the German courts in 1910 and is used in a number of laws and statutory instruments to impose technical requirements, whilst at the same time avoiding the necessity of specifying these in detail.

13. In our view, it is the wide use of the concept of "generally recognised rules of technology" which is largely responsible for the so-called "halo effect" on German standards generally and not the fact that some standards are referred to in legislation. The effect comes about in the following way. A manufacturer may not be a technical expert in a relevant field but he must nevertheless avail himself of expert knowledge if he is to meet the requirements of the various laws. The Equipment Safety Law therefore requires the German Ministry of Labour to list those safety-at-work and accident prevention regulations and also the technical standards in which the generally recognised rules of technology are presumed, for the purposes of enforcing the law, to have been embodied. The General Administrative Regulation of the Equipment Safety Law instructs the enforcement authorities (the Factories Inspectorates of the Länder) to regard them in this light and the standards concerned are given de facto 'deemed to satisfy' status. It is but a short step for the small German manufacturer to assume that German standards generally embody the recognised rules of technology and that by complying with these he can expect to meet the requirements of the various laws; and in this he will usually be right.

14. The Equipment Safety Law is thus the legal embodiment of a long-standing conviction that German practice is "best" and that what is sound is also safe. To avoid the prohibition powers which are provided to stop goods not meeting the rules of technology from being put into circulation, to get his goods insured and to escape liability in the courts in case of accident, a purchaser will insist on a certificate of conformity and this is most easily available where goods conform to a standard. It is not surprising that importers sometimes find it hard to break into this system or that German industry puts a high premium on keeping it and the supporting corpus of standards in first-class working order.



15. It is the lack of these supporting systems, which have grown up in Germany over a long period, that makes it so difficult to replicate the German apparatus here, as it were, in a single leap. Even if we were to do so, we would have to legislate in stages to specify that goods could not be circulated unless they conformed to "sound and modern practice" as defined in eg standards. As we mention later, the Department of Trade is considering the implications of introducing such a concept into the Consumer Safety Act.

16. We are conscious that the Equipment Safety Law, is just one of a number of mechanisms which rely on the generally acknowledged rules of technology and underpin the status of standards in Germany. If it is wished to replicate the German system in its entirety, as well as a major effort to revise, update and extend the corpus of British Standards and acceptable international standards, action in two other major areas would be necessary. These are:

- i. the system of product liability;
- ii. the system of industrial insurance

We discuss these in Part VI.

17. We have doubts, then, as to whether replication here of the German Equipment Safety Law on its own would achieve the objectives identified by CPRS for UK standards-making; and also whether a convincing replica of that law could be erected in the absence of a legal concept such as 'the generally acknowledged rules of technology'. Subject to these reservations, however, we accept CPRS's point that many of the legal and institutional means of the German approach are already to hand. In particular, we have two relatively new and powerful pieces of legislation in the shape of the Health and Safety at Work Act 1974 and the Consumer Safety Act 1978. We suggest in Part IV how these and other legislation might be employed to reproduce a mechanism similar to that of the German Equipment Safety Law.



## IV. TOWARDS A 'GERMAN' SYSTEM

18. We look at how such a move might be achieved under the two headings identified by the BSI as central to the furtherance of standards in the UK, namely:

- a. use of standards for regulatory purposes;
- b. use of standards in public purchasing

A. Use of standards for regulatory purpose

19. MISC 14 preferred that officials should concentrate initially on what could be done to move the UK towards a 'German' system using existing legislation. Action to underpin standards in the UK by amendments to existing legislation need not necessarily be ruled out, however. Legislation in two important standards areas consumer safety and building control - is currently under review.

20. The sort of approach, which may be achievable by action on these two points, would have the following main features:

- legislative support to standards on a mandatory or 'deemed to satisfy' (or similar) basis;
- power to prohibit the putting into circulation of articles which do not conform to 'sound and modern practice' or to other legitimate requirements or regulatory authorities;
- recognition of certification bodies and test houses for the purpose of administering regulations and the introduction of a national mark.

21. Such an approach would be a move in the right direction ie towards a more coherent system which might be expected to reproduce a good many of the practical effects and benefits of the German approach. In the course of time, and if pursued over a wide enough field, action under such an approach could reinforce considerably the existing body of standards and provide an inducement to its renewal and expansion by manufacturers and users - quite aside from the help it would give both industry and the regulatory bodies concerned in enabling the latter to clarify their requirements.

(i) Action within existing legislation(a) Administrative practice

22. Standards may be used informally by regulatory bodies. The Health and Safety Executive is often pressed by manufacturers to clarify its requirements in the design of equipment and plant. HSE does this in a number of ways. It is currently assisting some 350 British Standards Committees. Through numerous joint industry bodies it is promoting the adoption and use of safety standards or elements of a less formal kind. Over 100 standards are already referred to in non-statutory guidance material and, as a matter of practice HSE has not prosecuted for breach of statutory duty as regards safe design in any case where the design has been to a British Standard and has let it be known informally



that it is extremely unlikely that it would do so. More significantly HSE inspectors use hundreds of product standards (not necessarily British Standards) informally in providing guidelines on factory visits and as yardsticks against which to measure the design of equipment.

ACTION 2. The Health and Safety Commission should be asked to consider the issue of guidance to manufacturers on its enforcement policies, giving greater clarity to the present enforcement practice of the Executive, so as to emphasize its increasing general reliance on standards and to systematize the issue of guidance on particular classes of goods with particular reference to the standards acceptable in each field.

23. We are not aware of any other regulatory bodies which make informal use of standards on such a scale. However, we consider that the various bodies themselves should be asked about their practices and that if there are further instances, attempts should be made to persuade the regulatory bodies concerned to publish which standards are involved.

ACTION 3. Departments responsible for regulatory bodies to establish whether these make informal use of standards, with a view to persuading them to publish a list of the standards concerned.

24. There may also be scope for changes in administrative practice, to give this a more 'German' slant ie emphasis on initial integrity and compliance with standards. This is particularly relevant to the HSE, where the emphasis is on 'safety in use'. HSE's existing powers under the HSW Act are in fact very wide and although in theory limited to safety at work Section 3 is so wide and pervasive that prima facie HSE could enter almost any premises and initiate a wide range of action in the name of safety. HSE would probably accept that a case could be made out for greater emphasis on initial integrity but consider that its own statutory purposes would probably not be better secured by adopting some new approach. Relatively few industrial accidents arise from poorly designed equipment as opposed to the wide variety of hazards that exist in industry and there are, therefore, limitations on the resources which HSE would find it cost-effective to spend on work connected with initial integrity of plant or standards-making. Nevertheless, there should be some room for further movement within available resources, particularly if certain legal changes (see below) can be made and we consider it worthwhile looking at what could be done.

ACTION 4. The HSC should be asked to consider to what extent it might reasonably increase the emphasis in enforcement policy on initial integrity by administrative means.

(b) Greater use of subordinate legislation

25. The greater use of subsidiary legislation to underpin standards (ie by recognising them formally on a 'deemed to satisfy'



basis or by making them mandatory) will not lead to an overnight transformation of British industry but it is a lever the Government can use to nudge practices in what it believes to be the right direction. However, this course of action is not without difficulties.

26. The present corpus of British Standards is of variable quality. In some areas of application British Standards lead the field; at the other extreme, some other British Standards are technologically obsolescent. They may not therefore provide an entirely suitable basis for early movement to secure adherence to standards. Two points here. First, we recognise that a change of approach to standards-making on the part of British industry will be necessary if we are to improve our general industrial performance via standards and we therefore make recommendations elsewhere on how the inputs by industry and Government to British Standards might be improved. Second, the aim of the present exercise is not to give status just to British Standards, regardless of their quality, but to secure greater adherence to standards which hold sway in world markets, whatever their provenance. This could mean that an even larger number of British Standards might need to be of international or foreign origin, though we suspect there will be a preference in some BSI Technical Committees to evolve, as far as possible, exclusively British Standards.

27. Recognising standards on a 'deemed to satisfy' basis - which can be done under the Consumer Safety Act 1978, the HSW Act 1974 and through the Building Regulations (made under s 61 of the Public Health Act 1936 as amended by s 61 of the HSW Act 1974) - is unwieldy, which lessens its usefulness as a means of underpinning standards more widely.

28. The difficulties experienced by the Department of the Environment in recognising British Standards and BSI Codes of Practice under the Building Regulations may serve as an example of what we mean. By using such standards and codes, builders can be sure that they will not be accused of contravening the Building Regulations but they can choose to satisfy these in some other way. The drawback to the system lies in the fact that as the Building Regulations are Statutory Instruments they are subject to strict constitutional rules as to what is "proper". Consequently, they are drafted in terms more relevant to the law than manufacture and construction and there may be long delays before new or amended standards are recognised. At times this may leave a discredited standard 'deemed to satisfy' whilst its improved successor is not recognised. This problem is common to the 'deemed to satisfy' routes under all the legislation we have considered.

29. Department of the Environment have now virtually given up trying to follow this route; and in a recent consultative document (Cmd 8179: The Future of Building Control in England and Wales) they proposed a new system for approving standards etc. We discuss their proposals below at paragraphs 37 to 43.

30. The three main pieces of legislation we have considered all require the relevant Secretary of State or regulatory body to consult with interested parties before a standard is given legal status. This costly process, which would also be obviated under the Department of the Environment's proposals, duplicates the consultation procedures which BSI carries out before it adopts a standard. Moreover, it is quite often the case that, because



industry frequently attaches insufficient importance to standards-making, important interests may fail to participate in the process. A standard may be adopted by BSI yet will not prove acceptable to industry more widely for reference in legislation and such concurrence is a sine qua non for a standard's endorsement by the HSC, on which both sides of industry are represented<sup>(4)</sup>. We recommend at paragraph 60, in the context of improving the input to BSI Technical Committees that those involved in drawing up standards should recognise that these will subsequently be used for regulatory purposes, where appropriate.

ACTION 5. Regulatory departments and bodies should consider with BSI and major industrial interests (manufacturers and users) how the two public consultation procedures might be linked or merged, particularly where a standard is likely to be the subject of a 'deemed to satisfy' reference in subordinate legislation.

31. Despite these difficulties with the 'deemed to satisfy' route, HSE is committed to its greater use. Section 16 of the HSW Act provides a procedure for the formal recognition by the HSC of standards and codes of practice, which have the effect of throwing the onus of proof of safety on users of non-recognised articles who may be prosecuted. Provided that the present considerable reluctance of industrial users to see the field of choice modified in the way proposed can be overcome, the recognition under s 16 of quite a substantial body of existing standards would almost certainly be possible in the course of time, though at some resource cost to HSE.

32. Bearing in mind the proposed agreement with BSI, the group considers that wherever HSE participates in the making of standards, it should consider doing so on the basis that the safety aspects of the standard may subsequently be recognised, whether by the HSC under s 16 or less formally, depending on the case. Other participants in the standards-making process should be made aware that such is the case.

ACTION 6. The Health and Safety Commission should be asked to consider whether it could make public an intention, whereby standards in the formulation of which HSE had participated without serious reservation would henceforth be a point of reference in its enforcement policies and would be liable to be proposed for formal recognition under s 16 of the HSW Act 1974. In cases where, for cogent reasons, HSE found it difficult to recognise particular standards it should be prepared to make known those reasons.

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(4) A pilot exercise to approve just 10 standards in this way which HSE is carrying out is at a standstill, largely because the CBI's membership is split. The Secretary of State for Industry has written to the CBI in order to secure some movement.



33. Consideration is being given by HSE to the possible use of s.16 to give a generalised recognition to the whole body of British Standards, such that observance of a standard, at least to the extent that it dealt with safety, would be a way of complying with requirements under s.16 of the HSW Act, so long as the equipment was being properly used. For example, one approach might be to recognise under s.16 a general code of practice requiring, so far as was reasonably practicable, that new and replacement investment should be to recognised standards. HSE inspectors might then challenge 'unsafe' articles for which recognised standards existed and require users to defend themselves by producing evidence as to safety or manufacture to equivalent standards.

ACTION 7. Department of Trade, with other interested departments and the Health and Safety Commission, should consider whether general recognition of the whole body (or a large part thereof) of British Standards under s.16 of the HSW Act would be practicable; and should further consider the case for taking similar action in other areas.

34. We have also considered whether, in terms of this initiative, there would be anything to gain from widening the present field in which specific technical requirements are imposed by reference to standards in legislation. We are clear that this would be seen as an extension of mandatory standards simply for their own sake and that such an increase in Government interference would be virtually impossible to defend in the face of the strong objections from industry which it would inevitably provoke. On the other hand, reference to standards as a means of imposing specific technical requirements clearly does help to underpin the status of standards generally. We think, therefore, that regulatory departments and bodies should be reminded (perhaps in the context of the proposed agreement between the Government and BSI) of Ministers' earlier decision (in E(EA) in May 1980) to the effect that where new or changed regulatory actions are being contemplated regulatory departments should seek to use standards or codes of practice, which are already in existence or under preparation, in preference to writing technical requirements de novo.

ACTION 8. Regulatory bodies and departments should be reminded of the decision by E(EA) Ministers in May 1980 that greater use should be made in regulations of standards and codes of practice.

(c) Prohibition powers

35. Power to prohibit the marketing, as opposed to use, of "unsafe" products is identified above as a significant feature of the German Equipment Safety Law. However, the UK position is complex. A similar power exists under the Consumer Safety Act 1978 but there are few equivalent provisions in other areas, none in



respect of construction products and effectively none in respect of equipment used in factories. For example, problems have arisen on water fittings where there is no power under the Water Bye-laws to prevent the sale of non-complying fittings. The Water Authorities are unable to exercise adequate enforcement, particularly in the replacement market. On the industrial side, though the HSW Act provides a variety of powers in extreme cases to prevent or prohibit dangerous activities, including imports of particular classes of goods, it does not provide any readily usable discretionary power to prevent goods from being put into circulation. Moreover, the courts have not so far interpreted S.6 of the HSW Act to mean unambiguously that articles should be designed to be safe so far as is reasonably foreseeable and practicable. They have tolerated defences of unsafe plant on the ground that it was their allegedly careless or aberrant use rather than their design which was the unsafe factor.

36. The powers under the Consumer Safety Act to prohibit generally the circulation of unsafe goods or to prohibit individuals by notice from circulating such goods can be exercised by any Secretary of State and prima facie could be delegated to HSC in respect of articles for use at work. In practice, the responsibility for enforcement would also need to be looked at carefully. There would be difficulties where the same articles were supplied both for use at work and by the consumer. Nevertheless we think the legal and practical implications of such a course should be examined more closely. We note also that the same device could be used to make good the lacuna in the Building Regulations, insofar as safety is concerned. It would not, however, help in respect of the problem with the Water Bye-laws discussed above ie where safety is not involved.

ACTION 9. The HSC should be invited to study with the Department of Trade, Employment, and the Environment the feasibility of using the prohibition provisions of the Consumer Safety Act 1978 in respect of articles for use at work.

(ii) Action involving amendment of existing legislation

37. We have noted above that legislation in two important standards areas - building control and consumer safety - is currently under review.

An alternative to "deemed to satisfy"

38. The Department of the Environment are proposing (Cmnd 8179) major changes in building control. One of their objectives is to obviate the problems (identified above) involved in formally recognising standards on a "deemed to satisfy" basis.

39. Cmnd 8179 proposes a new system of "approved documents". They would not carry automatic approval vis-a-vis the enforcement authorities but evidence of compliance with an approved document would be a defence in court in the event of prosecution for non-compliance with the Building Regulations. Approved documents would thus have a status roughly comparable to the Highway Code.



40. Approved documents would be designated by the Secretary of State but would not be part of the Statutory Instrument, so they would escape Parliamentary scrutiny, would be drafted in a form suited to their use and amended documents could be recognised rapidly. It is envisaged that appropriate British Standards and Agreement certificates would become approved.

41. The Secretary of State for the Environment also has it in mind to go further and propose powers to recognise "approved bodies". Relevant documents issued by such bodies would automatically become approved documents for the purposes of the Building Regulations, without requiring individual recognition by the Secretary of State. This might even extend to test or approval certificates eg BSI's Kitemark. It seems likely that only BSI and the Agreement Board would be candidates to become approved bodies.

42. The proposed system would clearly have advantages in terms of the present exercise. It would provide an alternative to the 'deemed to satisfy' concept, which we think may be too strong for application to the whole corpus of standards and under which standards may be devalued because of up-dating time-lags. In some people's eyes this kind of system may, however, be controversial since they may feel it would imply a dilution of Parliamentary accountability, even 'legislation by stealth'. However compliance with approved documents would in fact represent just one of a number of ways of meeting the requirements of the law and the latter would not themselves be changed when an approved document was amended. Moreover, as we have pointed out, the HSW Act already goes part of the way towards this concept. We also note that it is probably possible to designate 'approved documents' under s.1(2)(c) of the Consumer Safety Act 1978.

43. So far the new proposals have raised no objections: though here we note that the Secretary of State for the Environment envisages a further round of consultations in May at a more detailed level. Despite some potential difficulties with the new system's acceptance, the group considers that, if successfully introduced, it would represent a significant step on the road towards establishing a 'German' standards system in the UK and as such would be worth adopting in other fields.

ACTION 10. On the assumption that the Department of the Environment's proposal for a new system of "approved documents", as set out in Cmnd 8179, will receive a favourable response from industrial interests on further consultation and from Parliament, the Department of Trade should consider exercising the similar power already available under the Consumer Safety Act 1978.

A new concept of "sound and modern practice"

44. Department of Trade consider that their current review of the Consumer Safety Act 1978 offers more than just an opportunity to improve the existing mechanisms of the Act, such as the working of the prohibition powers. It might also be possible to introduce a new concept similar to the German one of "generally recognised rules of technology". Such a concept might be expressed as: "sound and modern practice" or "good practice".



45. The new concept could perhaps be introduced in two ways. First, where safety regulations made under the Act referred to standards on a "deemed to satisfy basis", manufacturers etc marketing non-complying goods might be required to show as part of their defence that they had achieved an equivalent level of safety using "sound and modern practice". Second, the Act merely allows the Secretary of State to make regulations for the purpose of securing that goods are safe; it imposes no duty on manufacturers to market only "safe" goods. It might therefore be possible to amend the Act so as to impose a duty on manufacturers to market only goods which were "safe in accordance with sound and modern practice". The corollary would be that standards referred to under the Act would then be presumed to embody "sound and modern practice". This would effectively reproduce the situation under the German Equipment Safety Law.

ACTION 11. Department of Trade, with interested departments, to consider urgently whether they might bring forward proposals for introducing a legal concept along the lines of "sound and modern practice" as part of their current review of the Consumer Safety Act 1978. Other departments with regulatory powers should consider whether these might be similarly amended as opportunity offers.

(iii) New imitative primary legislation?

46. MISC 14 expressed a preference for concentrating initially on steps within existing legislation to effect the desired move towards a 'German' standards system. The group believes that the programme of action outlined in the preceding sections would represent a significant move towards the situation under the German Equipment Safety Law.

47. Most of the changes necessary to produce the coherent approach and powers under the Equipment Safety Law can be made under existing legislation. However, the changes which are in prospect, ie to the Consumer Safety Act and the Building Regulations, offer the possibility of a much closer approximation. For example, introduction of a legal concept akin to that of the 'generally recognised rules of technology' which underlies the German system, should be possible. And the 'approved document' proposals offer a less cumbersome method of recognising standards.

48. Precisely how close we can come to the German approach must, however, depend on the outcome of the further studies we have suggested but in the light of the above, it is the group's assessment that at this stage there would be little, if anything to be gained from new primary legislation along the lines of the Equipment Safety Law. There might, however, be a case for legislation at a later date to fill in any gaps in powers to carry out the new policy which may have become apparent.



B. Unified arrangements for assessing and accrediting certification bodies; and the introduction of a national mark

49. The group is agreed that it would be of advantage to exporting industries if more certification schemes were available in this country and these schemes were recognised officially. This would provide a better basis for negotiating readier acceptance of our products as meeting overseas market requirements. This could justify pump-priming assistance.

50. There are a number of existing and proposed certification schemes in this country. Powers already exist whereby departments give individual recognition to certification bodies and, in such cases, such recognition helps the acceptability of products in overseas markets.

51. Last year the Department of Trade consulted very widely on common criteria (eg that appropriately qualified staff should be employed; that certification should be on the basis of relevant and testable criteria) to be met by certification bodies seeking recognition by Government departments. Response has generally been favourable. The consultation document did not propose a central framework within which recognition might be granted because it had been agreed that, in the first place, such recognition should be left to the discretion of individual departments. However, the group feels that urgent consideration should be given both to more central arrangements for assessing certification bodies and a related mark. The Department of Industry has already made preliminary proposals for a voluntary scheme to be operated by the National Physical Laboratory (NPL).

52. The foregoing could encompass the establishment of arrangements similar to those relating to the German GS-mark (GS stands for "geprüfte Sicherheit" which means "safety-tested"). The GS mark, introduced via the Equipment Safety Law in 1977, is as the CPRS pointed out, a single national safety mark. To qualify for the GS mark, products must be tested and approved by a government-appointed/accredited body, which is identified in the safety logo. Whilst GS-marking is mandatory for certain articles, where safety is crucial, manufacturers may and do apply to have their products tested voluntarily, partly because of the promotional advantages they gain. More importantly, however, safety enforcement authorities are legally required under the Equipment Safety Law to accept that products bearing the GS mark comply with the "technical safety rules" and to dispense with any further requirements as to proof of initial safety.

53. Some members of the group have doubts about confining the mark to safety or even emphasising a relation between the two but in any event the first step would have to be the one we have endorsed, namely the development of proposals for more unified arrangements for recognising certification bodies.



ACTION 12. Department of Industry, in consultation with other interested departments, to develop its proposals for more unified arrangements for recognising certification bodies and to cost them. This should involve consideration of an associated mark.



## V. GREATER USE OF STANDARDS THROUGH IMPROVED INPUT

54. The title of this section of our report reflects the second of the two areas to which BSI attached importance in its proposal for an agreement with Government. It has long been recognised that large scale purchasing interests (eg central and local government, the nationalised industries and public corporations) can help promote industrial efficiency by relating their requirements to standards. There is much scope, it is argued, to reduce the existing multiplicity of different procurement specifications in our public sector market and thus help build a strong domestic base of long production runs, low unit costs and consistent product quality from which to export competitively. The group accepts these industrial and trade policy arguments for the use of standards in public purchasing and believes they should be given due weight in the presentation of any new standards policy. BSI's interest is clearly in the support that public purchasers could give to standards by using them but the extent to which public purchasers and indeed manufacturers and other users are prepared to use those standards will depend upon the extent to which those standards meet their needs. This in turn depends critically upon the quality of input by those who draw up the standards in the first place. We are concerned here then with how to improve this input.

55. We deal only with the external inputs to standards-making, since we consider that the BSI machinery itself has improved considerably over the last 10 years. This has no doubt been due to the more disciplined approach adopted by BSI's management and the management control systems which have been introduced. Thus, BSI now exercises a much tighter grip over the time taken to produce and publish a standard and is developing better procedures for allocating resources to particular areas of standards-making etc.

#### Public Purchasers

56. Many public sector purchasers already devote considerable resources to writing standards and specifications, much of this work being carried out in-house. The debate is not about whether this work should take place but where its centre of gravity should be; parochially within an industry or within the national standards-making system. Whilst public purchasers will argue variously that their statutory obligations require them to establish their own special arrangements, that their requirements are special and so on, the group believes that the bulk of their standards requirements can be met within the national standards-making process. By reducing their own in-house standards-making activities public purchasers can not only help to strengthen the national forum for standards-making (ie BSI) and ensure that their activities contribute to a stronger body of national standards but can obtain substantial resource savings themselves.

57. Following earlier recommendations in the Warner and other reports Government Departments have taken two initiatives to break through the established attitudes of public purchasers. First, the Ministry of Defence is not only placing greater reliance on and contributing to the formulation of, British standards it is also supporting NATLAS and consequently planning to abandon its



own laboratory accreditation scheme and is also moving from product inspection to supplier assessment, in both cases relying heavily upon British standards. Besides the other benefits, MOD finds it cheaper. Second, the Department of the Environment has announced its intention of requiring Kitemarked or other independently certified products (where these are available) to be specified in contracts for items to be used in buildings constructed for or managed by the Property Services Agency. Consequently, BSI and PSA are working together to identify existing Kitemarked Schemes and other independent certification schemes based on British standards, which meet PSA's needs, as well as areas where standards and schemes either need to be modified (eg with the addition of an extra grade) or new ones developed. The first group of schemes will be made mandatory for PSA work from April 1982. Again, underlying these actions is the recognition of the cost savings to be made. It is intended that a Minister from the Department of the Environment should write to all major public purchasing authorities responsible for construction programmes, including the Local Authority Associations and other Government departments, bringing their attention to the action taken by PSA and BSI and seeking to persuade them to follow a similar course.

- ACTION 13. Department of Industry to coordinate an approach by sponsor departments (other than MOD and DOE/PSA) to their large public purchaser "clients" aimed at bringing home to them that participation in the national standards-making process and use of national standards can bring benefit in the form of
- i. cost savings (cf the experiences of PSA and MOD);
  - ii. improving and lending weight to the corpus of recognised standards, which in turn may bring
  - iii. industrial and trading advantages.

#### Government

58. We have discussed the contribution the Government can make to the status and use of standards via the proposed Agreement with BSI and through its purchasing practices. In addition, Government departments must also put their house in order as regards their representation on BSI Technical Committees. Hitherto, the problem of getting Government representatives on BSI committees to present a "Government view", as opposed to a narrow technical input, has proved intractable. However, Department of Trade has recently issued new "guidelines" for Government representatives. It has also been agreed with BSI that they will insist that each Government representative signifies that the standard under discussion will be acceptable to Government and that it is his responsibility to see that all necessary consultations within Government are carried out.

59. The contribution which will be expected from Government representatives in the future may include the following. First,



ensuring the a Committee's approach to a standard is appropriate eg that the standard will represent "good practice", that where necessary specifications will be in terms of performance, that graded standards are evolved where appropriate. Second, technical input based on the work of Government establishments (possibly by way of offering a first draft). Third, ensuring that standards do not take refuge in ambiguous drafting but reflect a consensus which has been hammered out amongst committee members though this is not to say that standards should not reflect agreed flexibility where technology is changing. Fourth, monitoring the composition of the committee.

### Industry

60. BSI recognises that non-Government representation may be unsatisfactory (for example, technical representatives may lack commercial expertise) but hopes that this will respond to Government example and to a recognition that standards will carry greater commercial significance in the future. This premise underlines much of the action we recommend in this report of course but we think that BSI is being too passive. Positive action is needed from them too to persuade industrial interests, particularly users, that they should be appropriately represented in the standards-making process and that having participated in this they should not only use the standards concerned themselves but should be willing to see them used for regulatory purposes, where appropriate. Also, the numerical balance between manufacturers, users, employees, professional interests (including certification bodies), nationalised industries and government interests may not always be ideal. BSI contend that numerical balance should be immaterial and that they ensure a "fair balance of all interests". They also feel that any bias in a standard caused by an imbalance in committee representation can be corrected as the stage when a draft is put out for public comment. The group believes, however, that there is no substitute for an "acceptable" balance of interests at the outset if the final standard is to be widely acceptable.

ACTION 14. Department of Trade and other interested departments to continue to work closely with BSI on improving the composition of BSI Technical Committees.<sup>(5)</sup> It should be the aim to persuade industrial interests (particularly users) that their representation in the standards-making process should reflect an intention to use the standards concerned wherever appropriate and a recognition that the standards may subsequently be used for regulatory purposes.

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(5) The question of the composition of BSI Technical Committees is covered by a standard known as BSO Part 3.



## VI. OTHER ACTION IN SUPPORT OF STANDARDS

61. We have pointed out that whilst the Equipment Safety Law is important in the German system, it is not the only mechanism underpinning standards. Two others are:

- i. the system of product liability; and
- ii. the system of industrial insurance.

Product Liability

62. In Germany, liability for damage caused by defective products lies, we understand, not only with the manufacturer who performed the last process on it but everyone who contributed to the manufacturing process is made responsible for his own contribution. By ensuring that the components he supplies conform with relevant standards, a manufacturer is seen to avail himself of such specialist technical knowledge as exists in the field and thereby gains a prima facie defence against any subsequent accusation of negligence. Failure to comply with relevant standards may well be taken by the courts as failure to exercise "ordinary care". A similar constraint to use "standard" parts influences the activities of repairers. This system of liability promotes its own policing mechanism and does not rely on intervention from the centre. It is clearly central to the German respect for standards. However, there is a directive under consideration in Brussels under which a producer would be strictly liable for damage caused by a defective product. The question of negligence would not arise and hence the relevance of compliance with standards as a defence in this context would disappear. The directive is unlikely to come into force within less than 5 years but we suspect that any shift towards the German position in the meantime would be impracticable, since changes to the laws of tort and contract would be necessary. Nevertheless, we think it worthwhile examining whether this is in fact the case.

ACTION 15. Department of Trade to look at the role of standards in the German system of product liability and, taking account of current work on product liability in Brussels, to advise on the scope, if any, for emulating the German practice in the UK.

Insurance and other legal aspects

63. The Germans operate a mutual safety insurance system, under which responsibility for insuring technical equipment falls to employers' cooperatives (so-called Berufsgenossenschaften - BGs) and not external insurance bodies as in the UK. As the main contributors to the insurance fund the bigger companies have a strong incentive to see that their smaller brethren comply with the so-called "technical safety rules" - presumed to be embodied in



standards and safety at work and accident prevention regulations - in order to minimise damages costs. Smaller firms are unable to insure machinery which does not comply, unless it is certified as achieving an equivalent safety level by other means by a "competent person", who will usually be an employee of one of the larger firms. The effect on compliance with standards etc is clear.

64. By contrast, the UK insurance market is highly competitive and (save for certain goods covered by specific legal provision to the contrary) firms will rarely refuse to effect an insurance on industrial plant or premises on grounds of defect. Nor has the market proved willing to vary its premiums according to whether goods are certified to standards. They claim that this reflects actuarial experience; and, indeed, it is the case that inherently unsafe plant is not a major cause of industrial accidents. Be that as it may, users are in general able to get their goods insured and thereby to meet the requirements of the Employers' Liability (Compulsory Insurance) Act.

65. A change in the practice of insurers in this respect could be - as it is in Germany - an element of great importance in a consolidated policy of standards and certification. It does indeed already exist in some measure, as for example with industrial boilers and lifting apparatus, where insurability depends upon legally enforced periodic inspection by "competent persons" - usually engineers who are agents of insurance companies. In the case, too, of sprinklers the insurance market acted collectively on official impulse to ensure their use in new construction, so as to minimise fire risks. These are, however, all instances of apparatus with considerable safety connotations and substantial risk of loss. Experience of discussion with the insurance market to date suggests that an extension of the area of non-insurability would require a determined and high level approach in conjunction with other measures to extend the coverage of standards and certification.

66. Any system which elevates the legal status of standards or attaches penalties for non-compliance must provide a readily available system of exemption which will at the same time certify to the soundness of the product. The German version of our "competent persons" is an agent - frequently an official of bigger firms or manufacturing associations - whose certificate of soundness is accepted for insurance purposes. In our system, in the comparatively rare cases where there are legal requirements to conform with particular standards or practices, HSE's chief inspectors are able to give exemptions. As distinct from the German "competent persons", the British version is concerned not with initial integrity of equipment but only with its continuing fitness for use. If and as compliance with standards, whether for legal or insurance reasons, becomes more widespread with us, it seems likely that an extension of the device of the "competent persons" for purposes of certification would be necessary; and we note that Department of Environment's proposals for changing the Building Control System suggest that builders should also be able to seek approval for their buildings from "competent persons" (eg architects) as opposed to Building Control Officers as at present.



ACTION 16. The Department of Trade and other interested Departments should consider the conditions for a renewed approach to the insurance market with a view to an increased linkage of insurability and certification, in the context of the new policy.

The Health and Safety Commission should be invited to examine, as the policy develops, the scope for extending the areas of activity of "competent persons" by means of eg recommendations in approved codes of practice - account to be taken of the reception accorded to Department of the Environment's proposals for competent persons in Cmnd 8179.

#### Port Controls (6)

67. It is sometimes argued by UK exporters that customs officials in other countries are able to prevent or delay the entry of goods which ostensibly do not comply with technical requirements; and that in order to protect the home market or to secure negotiating leverage UK customs officials should have the same powers. Similarly, some local trading standards authorities have argued that they need powers to prevent the entry of "unsafe" goods and to prevent them from being put into circulation.

#### - The Position Overseas

68. In the time available, we have been able to investigate only briefly the extent to which other countries either check goods physically for compliance with technical requirements or require documentation supporting claims of compliance. It is our clear impression that the incidence of physical testing of goods for compliance is very low. Japan, for example, insists on testing high pressure gas cylinders. In general, physical examination of goods as undertaken by customs officials is aimed at establishing duty payable, that goods are what they are declared to be in the customs documentation etc. Thus, in Germany, responsibility for enforcing safety standards rests with the competent authority and any action takes place after the customs examination. However, if during their examination, the customs discover any clear infringements of standards or technical regulations they can and do inform the appropriate authority.

69. What certainly does happen is that for certain goods foreign customs require documentary evidence of compliance with technical requirements along with the normal customs entry documentation. Thus, in Japan standards certification is required at the port of entry in respect of five commodities, namely pharmaceuticals,

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(6) "Port controls" is a shorthand term for Customs inspection procedures. In the UK these may take place at the point of entry of goods (which may be a seaport or airport or the Irish land boundary) or at an inland Customs clearance depot in the case of eg some containerised traffic.



high pressure gas, chemical substances plants and animals and foodstuffs. French customs officials also require certificates of compliance with standards in certain cases eg refrigerators. In France also a hitherto unused law from the 1920s was recently activated to require that a declaration of compliance with French safety requirements (which does not have to be supported by evidence) be affixed to imports. In Germany, the Equipment Safety Law does not prevent importation of "unsafe" imports, merely putting them into circulation or displaying them.

70. It is our view and one shared by BSI's Technical Help to Exporters (THE) and supported by the recent Department of Trade and NEDO inquiries that delays to exports which involve technical requirements are generally a result of the UK exporter's failure to supply the requisite documentation for customs clearance purposes either because the goods do not comply with published technical requirements and so cannot be certified or because, even though his goods do comply, the exporter has failed to have them certified.

- The UK Position

71. In the UK the general legal framework is that a "parent" Act either directly or via subordinate legislation lays down a prohibition or restriction on imports, subject to a great variety of conditions depending upon the case - and the Customs Management Act 1979 (CMA) then provides 1) that an offending article is liable to forfeiture; and 2) that an offence is committed if any person deliberately attempts to evade any prohibition or restriction. There is no explicit cross reference between the two Acts. Once the prohibition has been laid down by the parent Act, it is generally the responsibility of Customs and Excise to enforce this, unless the parent Act explicitly states otherwise. It follows that Customs have no responsibility or locus in the absence of a prohibition or restriction. Thus, there are import prohibitions in the Trade Descriptions Act 1968 and Customs are active in enforcing these. It is possible under the HSW Act to establish prohibitions by regulation (as it is intended to do for new substances not properly notified); and the HSC also operates a very tight regime in respect of explosives.

72. The number of 'parent' Acts is very large and the terms of the prohibitions vary widely. Those on the import of flick knives and pornography, for example, are absolute. More common is a situation where imports are prohibited unless certain conditions are fulfilled. The conditions may simply be that there should be an import licence; or other documents may be required. For example, the Plant Health Act 1967 is generally enforced through a system of phytosanitary certificates issued by foreign governments; the Endangered Species Act establishes a system of licensing; the Animal Health Act 1981 import licences, usually backed up by veterinary certificates or a ban on landing animals in the case of rabies. Human food matters are dealt with by the Food and Drugs Act 1955. The Department of Trade's interests are covered by the Import Export Customs Powers (Defence) Act 1939 and under it the Import of Goods (Control) Order 1954.



73. As we have mentioned responsibility for enforcement usually rests with Customs, though specific parent Acts may limit their responsibility or place the responsibility elsewhere. For example, administration of the Imported Food Regulations under the Food and Drugs Act 1955 is the joint responsibility of DHSS and MAFF and enforcement responsibility is assigned to the Port Health Authority or, for goods cleared at inland points, the local health authority (the Act does not impose import prohibitions enforceable by Customs). In this case Customs would provide access to the relevant documents for the inspectors or trading standards officers on whatever regular or irregular basis these officers requested. They would, for example, usually ask to see the documentation of particular cargoes; and Customs would, if asked, make sure the goods were not cleared before physical inspection if this were necessary. In this case, any proceedings would not normally be under the CMA but under the parent Act by the inspectors, although, except in the case of the Imported Food Regulations, which specifically authorise detention by Customs at the request of health officials, it is the CMA coupled with the prohibition in the parent Act which provides Customs with their necessary powers to delay goods for inspection etc.

74. The primary task of Customs is to exercise their legal responsibilities for the collection of charges, such as duty, customs tariff, VAT and CAP levies and for the compilation of statistics relating to imports. Most of these tasks are further defined under EC regulations and directives. Customs cannot therefore physically check all imported goods. In general, they will do so only in respect of a proportion of goods arriving. The main control is through the Customs 'Entry' which accompanies every consignment. Where a computerised system is in operation, the Customs Entry is processed by means of the Customs computer before any goods are released and the officer is automatically presented by the computer with a code indicating what checks and other documents are needed: otherwise a similar procedure is carried out manually. For some tariff headings, goods from certain sources will always require extra documents: control documents (such as import licences) have to be returned to the parent department. In other cases, the computer might advise that physical inspection should be made on a percentage basis. Sometimes other requirements will have to be met: eg for some types of wood the computer will prompt the Customs officer to check that all the bark has been removed. If it has not, the consignment will be referred to the Forestry Commission inspectors.

75. Although it will generally be the Customs officer who makes the initial inspection, he can call on experts or consultants provided by the department whose parent legislation is being implemented. For example, Forestry Commission experts may be able to inspect all cargoes of certain species of trees; or sometimes he may be able to refer samples to the Government Chemist for checking.

76. Clearly, the UK does carry out a very wide range of port controls and has the necessary well-tried machinery, if Ministers were to decide to extend controls to eg checking compliance of equipment with technical requirements. Central to the issue



would be the existence of a prohibition under the relevant parent Act. Some Acts, however, merely prohibit use rather than manufacture, supply etc. This is the case with the Wireless Telegraphy Act, hence the recent problems with the importation of 'illegal' CB radios. It is possible to make prohibitions under both the Consumer Safety Act and the HSW Act. The former has been exercised in this way but the HSW Act has not. Moreover, both Acts contain powers to influence the extent to which Customs or any other body should be responsible for enforcement of any prohibition. Thus, HSE might retain its enforcement role in respect of articles for use at work.

77. We have pointed out that greater emphasis on checking initial integrity would almost certainly impose additional manpower costs. (Physical testing of goods could of course require qualified manpower). This would be true for Customs, HSE and local authorities (the last are split on this issue). Moreover, there are practical considerations to be taken into account. For example, Dover just does not have the space for containerised traffic to be "unstuffed" on the spot.

78. Port controls are not without EC implications. It is almost certain that only where UK regulations required that certain goods comply with standards etc before they could be marketed (whether or not certification was also required) and the requirement was accepted within the Community, would the introduction of port controls either in respect of certificates or by physical examination be possible. Even then, excessive reliance on physical examination might be interpreted as action in restraint of trade.

79. In the light of the above, the group considers that careful consideration of all the implications of port controls is necessary before it is decided to proceed with them.

ACTION 17. Department of Trade in conjunction with Customs and Excise and the Foreign and Commonwealth Office to survey the extent to which other countries carry out port controls to check compliance with technical requirements.

Taking into account the results of the above survey, Department of Trade in conjunction with other interested departments, but especially Customs and Excise and (if the HSC agrees) HSE, to examine the case for controlling imports at the ports for compliance with technical requirements. The study to cover also likely manpower costs and Community implications.

Departments considering new legislation or amendments to existing legislation which may impose technical requirements, to ensure that provision is made for the prohibition of imports under appropriate conditions; and for the delegation of enforcement responsibility.



## VII. IMPROVING GOVERNMENT'S INTERNAL COORDINATING MACHINERY

80. Present internal arrangements for keeping departments informed and collecting their views about standards-related issues are working well. We are, however, weak in one very important area: the machinery for coordinating departmental policies on standards issues, whether domestic or international.

81. Coordination is presently effected through the Interdepartmental Committee for Quality Assurance and Standards (IQS), which is chaired by a Department of Trade Assistant Secretary. IQS is a large and hence unwieldy committee. Also, it has tended to attract departmental representatives who lack the authority to speak for their departments as a whole, as well as (often) relevant expertise. Consequently IQS itself has lacked authority interdepartmentally.

82. IQS's structure has compounded these difficulties. The same people sit on the main committee and subordinate groups, so that accountability has been weakened. Moreover, important policy issues tend to become submerged in a welter of issues of detail.

83. We note also that whilst there is provision in IQS's constitution for taking the views of eg industry, BSI, there is no provision for them to be represented in the committee's discussions directly. Similarly, it would be desirable to involve in the coordinating machinery Department of Industry's Metrology and Standards Requirements Board (MSRB), which is responsible for the allocation of DOI funds for research and development on standards in the quality and metrology areas.

84. In the light of the above, the group considers that IQS should be replaced by a Cabinet Official Committee on Quality Assurance and Standards, which should report to the appropriate Ministerial Committee (possibly E(EA) Committee). The new official committee should be chaired by a Department of Trade Deputy Secretary. There should be a suitable structure of sub-groups and there might be a lower level consultative committee involving outside interests (eg BSI, industry).

ACTION 18. There should be a new interdepartmental committee on quality assurance and standards under Cabinet Office auspices.



## VIII. PRESENTING THE NEW INITIATIVE ON STANDARDS

85. The proposed changes in UK standards policy which MISC 14 endorsed will need very careful presentation (and implementation) if they are to be received favourably. At home greater commitment as such and action to erect more of a 'halo' around standards will be needed. Overseas we shall need to allay suspicions among our trading partners about a new protectionism in the UK.

86. The CPRS report identified three main advantages that might accrue from the proposed initiative:

- i. a general improvement of quality and safety and hence marketability - of UK manufactured goods;
- ii. easier access to other EC markets, where certification to standards is almost de rigueur;
- iii. more enforcement of defined technical and safety requirements in the home market.

These advantages, especially (i) and (ii), should form the centrepiece of the Government's presentational effort.

87. This presentational effort will have to be considerable, if industry is to be persuaded that the potential advantages identified above will not be outweighed by the possible drawbacks of what may seem a more prescriptive attitude towards the market. Manufacturers may - not without some justification - question the suitability of the present corpus of standards for the new strategy and the time and resources needed to bring it up to scratch. They may also be concerned at the possible impact on innovation of the new policy and on exports, if it seemed that status might be given to exclusively British standards rather than those followed in world markets.

88. Users, importers and our trading partners will suspect protectionist motives behind the initiative. We shall inevitably have to meet the criticism that we are erecting non-tariff barriers, not least from other EC Member States. Article 36 of the Treaty of Rome allows derogations in the name of inter alia public policy and protection of health and life of humans, animals and plants, for actions which might otherwise be held to be "in restraint of trade" under Article 30. But, the more radical the changes in legal and administrative practice and the greater the impact on imports, the greater will be risk of challenge from within the Community. Similar considerations arise in respect of the GATT Technical Barriers to Trade Agreement (the so-called Standards Agreement).

89. The proposed new policy would need handling delicately. There are many interests to consider and carry, if such a significant change in direction is to succeed. We think the way to set the ball rolling is with a Ministerial key-note speech, giving the broad outline of the proposed new more coherent and comprehensive policy on standards. This should then be followed up with wider Ministerial and official participation in suitable standards fora and activities. This in turn should



be followed up, possibly towards the autumn of this year, with a consultative document setting out the initiative in greater detail.

ACTION 19. Department of Trade with other interested departments to draft a key-note speech covering in broad outline the proposed new policy on standards; to propose a programme of wider Ministerial and official activities in support of the initiative; and to set in hand the preparation of a consultative document.



## AGREEMENT

between the Federal Republic of Germany, represented by the Federal Minister for Industry, and the German Standards Institution (Deutscher Normenausschuss e.V.) represented by its President.

Article 1

(1) The Federal Government recognises the Deutscher Normenausschuss e.V. (DNA) in accordance with the provisions of DIN 820, Part 1, Section 3, published in February 1974 (Appendix 1) as the competent Standards Organization for the Federal Territory and (West) Berlin, and also as the national Standards body in non-governmental international Standards Organizations.

(2) The DNA undertakes to consider the public interest in all its work in the preparation of Standards. When drafting DIN Standards it will ensure in particular that the Standards can be quoted in legislative measures, in matters affecting public administration and in legal actions, as documents which endorse technical requirements.

(3) The Federal Government proposes in future to support work in the field of Standards within the available resources of the Federal budget. In this connection the benefit accruing to the Federal Government, either directly or indirectly, as a result of DNA's work, must also be taken into account.

Article 2

(1) The DNA shall allow the Federal Government, on the basis of the latter's technical responsibilities, and on its request, a seat on the Management Boards of the Technical Standards Committees.

(2) The DNA undertakes to invite the relevant official bodies to take part in the work of preparing Standards.

Article 3

The DNA guarantees that the provisions of DIN 820, together with the directives laid down for Technical Standards Committees, will be observed by its various bodies, and that decisions made by the governing body of the DNA shall be binding on them. In the event of any amendments to DIN 820, the DNA shall ensure that the obligations which it has accepted under this Agreement are not thereby prejudiced.

Article 4

(1) The DNA undertakes to give preferential treatment to requests from the Federal Government to carry out work on Standards projects which the Federal Government considers to be in the public interest. The latter can set a time limit, in agreement with the DNA, for the completion of a project in accordance with the first sentence. The DNA shall ensure that this time limit is maintained by its appropriate Working Groups.

(2) During this period the Federal Government shall not itself make corresponding regulations, nor allow them to be made by third parties, unless they are to be the subject of legislative action or concern the enforcement of laws or are otherwise required in the public interest.



● If a DIN Standard is not completed within the time limit fixed, the DNA shall submit a report. The Federal Government shall decide whether to agree to an extension of the time limit or to prepare its own regulations.

(4) In the event of a regulation being issued by the Federal Government, the DNA undertakes to amend, withdraw or withhold publication of any Standard which may be contrary to such regulation.

#### Article 5

(1) The DNA shall inform the appropriate Federal Government Departments of the existence of a Standard - insofar as the public interest is affected - and shall hold itself available to provide advice and expert opinion in the field of standardization, if so requested.

(2) The Federal Government shall inform the DNA of the main events and developments in regard to Standards, the associated activity on technical regulations and the technical directives issued by the European Communities, insofar as they concern DNA's interests and unless there are important reasons for not doing so.

(3) The Federal Government shall inform DNA of the main events and developments in connection with any intergovernmental Agreements and any task being undertaken by official intergovernmental bodies concerned with Standards and the associated technical regulations, or shall invite DNA to participate therein, insofar as this is necessary for the execution of its tasks by the DNA, and unless there are important reasons for not doing so.

(4) The Federal Government can invite DNA experts to become members of its Advisory Committees, insofar as the activities of the DNA are affected.

#### Article 6

(1) The DNA shall endeavour to contribute to international understanding in the field of standardization. It shall do everything in its power to ensure that commitments entered into by the Federal Government under intergovernmental agreements for the purpose of promoting freer trade and removing technical barriers to trade are not prejudiced by DIN Standards.

(2) The DNA shall assist the Federal Government to fulfil its obligations under intergovernmental agreements in the field of Standards and the associated technical regulations.

#### Article 7

The DNA shall make its Technical Information System (Informationssystem Technik - DINST) available as a central generally accessible Information and Documentation Centre to provide information, against repayment, on German Standards including technical regulations dealing with safety requirements, as well as on other types of technical regulations, including regulations issued by Standards Organizations in other countries, and any other relevant documentation.



### Article 8

The Federal Government shall, without prejudice to its international obligations, apply DIN Standards in its administrative departments, when issuing invitations to tender or placing orders, and shall use its influence to ensure that other public authorities placing contracts shall take similar action. It reserves the right, however, to issue any instructions which may be necessary in order to amplify or to qualify the DIN Standards covering its own sphere.

### Article 9

The Federal Government shall ensure that a list of recently published DIN Standards and DIN Draft Standards, together with a reference to any proposed standards projects or changes in German Standards appears in the Federal Official Gazette (Bundesanzeiger).

### Article 10

(1) This Agreement shall cover subject areas for which the Federal Government is responsible under constitutional law. Without prejudice to the validity of this Agreement separate arrangements or agreements covering individual technical fields may be concluded direct between the appropriate official Departments and DINA, with the concurrence of the competent Technical Standards Committee.

(2) For definitions of the concepts:

National Standards Organization  
International Standards Organization  
DIN Standards  
Standardization work

reference should be made to DIN 820, Part 1, Issued February 1974 (Appendix 1) and DIN 820, Part 3, Issued March 1975 (Appendix 2), as detailed below:

National Standards Organization      DIN 820, Part 3,  
Issued March 1975,  
Appendix A, Page 11,  
No A. 11

International Standards Organization      DIN 820, Part 3,  
Issued March 1975  
Appendix A, Page 11,  
No A. 12

DIN Standards      DIN 820, Part 1,  
Issued February 1974,  
Section 4.1

Standardization work      DIN 820, Part 3,  
Issued March 1975,  
No 5

(3) For the interpretation of this Agreement the Explanatory Notes attached as Appendix 3 are applicable.



Article 11

This Agreement is concluded for an unspecified period. Either of the Parties may terminate the Agreement at the end of any one year, providing one year's notice of the intention to terminate has been given.

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- Appendix 1     DIN 820 Part 1: Date of issue February 1974: "Standardization work - Basic Principles" \*
- Appendix 2     DIN 820 Part 3: Date of issue March 1975: "Standardization work - Concepts" \*
- Appendix 3     Explanatory Notes on the Agreement
- 

Bonn, the

1975

The Federal Minister for Industry

The President of the German  
Standards Institution

\* Not attached



## EXPLANATORY NOTES

on the Agreement between the Federal Republic of Germany  
and the Deutscher Normenausschuss e.V.

### I General

Standardization in the Federal Republic of Germany is an independent responsibility of trade and industry. As a central standards body, DNA is the appropriate standards organisation for the Federal Territory and (West) Berlin. The results of DNA's work appear in the form of DIN Standards, the complete set of which forms the German Series of Standards. Insofar as this Agreement is concerned with provisions relating to Standards, the latter are to be understood as the Standards published by DNA (DIN Standards).

In view of the fact that technology has already penetrated and is continuing to penetrate many fields of human activity, Standards represent a regulating factor in controlling technology and its further development, particularly in regard to safety, health, the protection of the environment and consumer protection. They are of prime importance both in matters affecting the economy (eg energy saving) and in the elimination of trade barriers which arise because of the existence of varying types of technical regulations. This importance extends to economic transactions throughout the world, but particularly in the European Communities.

For a number of individual areas affecting the public interest the European Communities formulate Directives in accordance with Article 100 of the EEC Treaty for the purposes of harmonizing the legal and administrative measures adopted in Member States. As far as possible, these Directives make provision for a link between legal requirements and technical Standards.

In addition, the United Nations' Economic Commission for Europe (ECE) has drawn up proposals for relating the statutory requirements to technical Standards which have been recommended for adoption by Member States.

International obligations to remove technical barriers to trade are to be entered into by Member States of the General Agreement on Tariffs and Trade (GATT) in the form of a standardization Code, and opportunities will be created for influencing standards organizations, if such opportunities have not already been established by law.

The growing importance of standardization makes it imperative to intensify the previous collaboration between the Federal Government and DNA. In this connection DNA is being required to give increasing assistance to the Federal Government by way of advice and, by drawing up DIN Standards, in particular in the areas referred to in the foregoing, to formulate generally accepted rules of the art which will enable reference to Standards to be made in all statutory regulations. This possibility of associating statutory regulations with technical Standards relieves the Federal Government of having to draft technical regulations itself for each individual case.

A number of industrialized countries have regulated (by law) the relationship between the State and the Standards Organization (eg Belgium, France, Austria). Other industrialized countries have adopted the solution of a contractual or semi-contractual agreement (eg Denmark, UK, Sweden). Up to now the relationship between the Federal Government and the DNA has not been governed by legal provisions.



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In view of the position indicated above it is appropriate that this relationship should be legally clarified. When deciding whether this should be achieved by passing a specific Act or by an Agreement, the Federal Government and DNA preferred the more flexible form of an Agreement. As an Agreement under public law it is intended to operate in areas not subject to law, and to assist coordination.

The main obligation of the Federal Government under this Agreement is the "recognition" of the DNA in the sense of para 1 of Article 1; for its part the DNA undertakes mainly to consider the public interest in all its activities. The standardization work traditionally undertaken by private associations will neither be regarded as Government work by virtue of the individual provisions of this Agreement nor will the collaboration of Federal Government representatives and public authorities, or any other provision of the Agreement, result in such work being given an official character.

Other series of technical regulations (issued by other bodies) are not affected by this Agreement. The technical requirements contained in such documents can, as in the case of DIN Standards, be referred to in statutory regulations, if the criteria applicable to them are fulfilled. The work, together with the results of such work, undertaken by the Technical Committees set up under the Industrial Code, by the Nuclear Engineering Committee, or by comparable committees, will also be unaffected by the Agreement. Nor does this Agreement affect the applicability of the provisions of the Restrictive Trade Practices Act to DIN Standards.

## II Points specific to the Agreement

### Re Article 1

Under its Articles of Association the DNA represents standardization interests in the Federal Territory and (West) Berlin and also represents the Federal Government with respect to countries outside the Republic. Meanwhile the important technical fields of electrical engineering and gas technology have also been included in DNA's work. It is essential that the Federal Government should take this into account in its relationship with the DNA, since the international and regional activities in the field of standardization, mentioned in these Explanatory Notes under the heading of "General", may lead to certain commitments by national Standards Organizations.

Recognition of the DNA does not include the delegation of official authority. Nor does it affect DNA's membership of international and regional non-governmental Standards Organizations. The Agreement likewise has no effect on the Federal Government's relationship with other organizations in industry and other bodies which issue different series of technical regulations. The DNA does not become the exclusive adviser of the Federal Government under the Agreement, nor is the DNA the only organization to receive support, since public funds are used both for the promotion of standardization systems and for the preparation of other series of technical regulations. Sub-paragraph 2 is intended to express the principle that the public interest is to be taken into account when initiating Standards projects, particularly in the fields of safety, health, protection of the environment and consumer protection, as well as in those fields in which there is a particular overall economic (eg energy saving) or labour-economic interest, or which are of special internal interest to administrative departments, or for contract and procurement procedures (electronic data processing, information and documentation systems, engineering).



this involves reference - within the existing legal restrictions - to Standards as described in the Agreement (eg a strict reference or a general 'renvoi aux normes').

Sub-paragraph 3 represents a statement of intent by the Federal Government to promote standardization work in future out of the Federal budget. The Federal Government will benefit directly by being able to use Standards when formulating legislative or administrative measures. In the field of public contracts the use of Standards will have a considerable rationalizing effect. The direct benefits will lie in the extent to which standardization contributes to the pursuit of its own objectives, and particularly those concerned with economic policy.

Re Article 2

The provision in sub-paragraph 1 corresponds to the present position. It should however result in increased participation by public authorities in standardization work, insofar as a particular interest is involved. The appropriate Committees will deal with requests from public (Government) authorities on the basis of the principles contained in DIN 820.

Sub-paragraph 2 is also intended to ensure direct participation by public authorities in the execution of work on Standards. Reference should be made to DIN 820, Part 1, Section 3.4 according to which Federal Government representatives no longer become members in their own name of DNA's Working and Management Committees (ie in a personal capacity), but must be authorized and given powers of decision by the bodies who appoint them, thus becoming representatives of the delegating bodies.

The Federal Government will be kept informed by publication in DIN Mitteilungen and by invitation to representatives of public authorities to attend the meetings concerned.

Re Article 3

The bodies within the DNA are bound by a decision of the Governing Body to comply with the provisions of DIN 820 as stated in a currently valid text. This obligation which is internal to the Institution is to be supplemented by a corresponding obligation by the DNA to the Federal Government. The DNA bodies bound by the provision in Article 3 are, under DNA's Articles of Association, the following: the General Assembly, the Governing Body, the President, the Secretary and the Secretariat, the Technical Standards Committees and the Working Groups, and the Examining Committee.

Re Article 4

This provision lays down a specific procedure for cases in which the Federal Government wishes a Standard to be prepared. It does not, however, oblige the Federal Government to propose in each case the drafting of a Standard. If the Federal Government intends to use a DIN Standard, the DNA must, whenever a public interest is involved, keep to the time limits agreed by the Parties to the Agreement. In addition, the DNA must not publish any Standard the content of which is contrary to a technical regulation issued by the Federal Government under Article 4. No restriction on the Federal Government's legal powers of initiative is to be inferred from this provision. The same applies to cases in which the Federal Government issues Decrees. If, during the time limit a matter of public interest in the sector concerned arises, the Federal Government is free to issue its own regulations, particularly in cases where for this very reason it cannot wait for the expiry of the time limit.



Re Article 5

The obligation in sub-para 1 to keep the Federal Government informed is of a general nature. It supplements DNA's obligation in sub-para 2 of Article 2, to invite the Federal Government to participate in standardization work and to inform it in due course of the inclusion of such work in the DIN series of Standards. (See also background comment on Article 6).

The provisions in sub-paras 2 and 3 are also of a general nature.

The provisions in sub-paras 1 to 3 correspond to practices adopted so far, eg by the European Communities, the Economic Commission for Europe (ECE) and GATT.

In addition, the provisions of sub-para 4 reproduce the present position, eg participation by DNA experts in the work of the Committees referred to in Article 24 of the Industrial Code.

Re Article 6

Sub-para 1 is meant to take account of the obligations in regard to standardization which arise for example out of the EEC Treaty and the future GATT standardization code. The efforts to facilitate the exchange of goods and to promote international understanding represent the objectives laid down in international trade policy and are being taken into account to an ever-increasing extent in the field of standardization.

Sub-para 2 amplifies the provisions in sub-para 2 of Article 2 and sub-para 1 of Article 5 with regard to obligations arising out of intergovernmental agreements. This paragraph too corresponds to previous practice.

Re Article 7

The DNA Information Centre - DINST - has already been set up, and will be further extended in the future. It represents a source of information also for the Federal Government.

Re Article 8

This provision affects the placing of Government contracts. In principle, Government contracts are to be based on DIN Standards. There will be exceptions, however, particularly in the defence field. The reservation in sub-paragraph 1 allows for international obligations in regard to the placing of Government contracts, eg on the European Communities' level.

Re Article 9

Publication in the Federal Official Gazette (Bundesanzeiger) of recently issued DIN Standards and DIN Draft Standards, together with references to proposed Standards projects and amendments to the DIN Series of Standards, helps to disseminate the idea of standardization in administrative Departments as well, and to highlight its importance in economic life. Publishing the source of the Standards does not in any way make DIN Standards "mandatory".

Re Article 10

Sub-paragraph 1, sentence 1 is necessary because of the division of responsibility between the Federal and the State authorities, enshrined in constitutional law. Under sub-paragraph 1, sentence 2, supplementary clauses can be included in the Agreement to cover special cases. They must not, however, alter the basic principles of the Agreement.

Sub-paragraph 2 contains definitions of concepts, covering those on which the Agreement is based. The purpose of sub-paragraph 2 is to make these Explanatory Notes an integral part of the Agreement.





PRIME MINISTER

→ CF  
pp's pl  
MUS 18/3

Prime Minister

(1)

You were going to consider  
further.

Would you like us to arrange  
a meeting?

MUS 17/3

Yes  
not

RESPONSIBILITY FOR STANDARDS

I have seen the study of departmental responsibility for  
standards arranged by Sir Robert Armstrong. In my view it  
presents the issues fairly and well.

Its conclusion that the transfer of responsibility turns on a  
judgement about our priorities argues, I think, for a brief  
meeting to discuss the issue before a decision is taken.

I am copying this minute to recipients of the earlier  
correspondence on this.

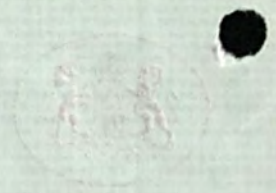
PJ

P J

16 March 1982

Department of Industry





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02/12  
CLIVE L...  
To see  
MCS.

**CONFIDENTIAL**

TRADE  
Prime Minister **B**

I will consider further  
not

At least! (Your  
meeting was on 22 December).  
Agree a 6-month delay? MCS 8/3

Ref. A07720

PRIME MINISTER

Departmental Responsibility for Standards etc.

I attach a report prepared by the MPO's Machinery of Government Division in consultation with those mainly concerned. It presents the arguments for and against transferring responsibility for policy on standards from the Secretary of State for Trade to the Secretary of State for Industry, and merging the National Weights and Measures Laboratory with the National Physical Laboratory under the Secretary of State for Industry; and outlines the practical issues that would be involved in making such changes. I am sending copies of the report to the Secretaries of State for Industry and for Trade.

2. The report does not make any recommendations, and there is no agreed course of action either at official level or between the Secretaries of State. You will probably want to discuss the matter again with the Secretaries of State in the light of the evidence available from the report.

3. Changes in the machinery of government, when they consist of transferring a body of work and the staff engaged in it from one Department to another, do not of themselves produce changes of policy. They are at least temporarily unsettling; and, if they involve a change of location, they give rise to some expenditure. Nonetheless they can still be advantageous, if they coincide with a change of policy or a shift in the emphasis of policy: they help to serve to the outside world (and to Whitehall) as a signal of the change, and they may help, by bringing about changes in the attitudes of the staff concerned to the work in question, to make a change of policy more surely effective.

4. Judged against these criteria, my view is that there is on balance a case for transferring the policy responsibility for standards to the Secretary of State for Industry. Ministers collectively have decided upon a shift in policy emphasis, which could with advantage be reflected in organisational change. Placing the policy responsibility with the Secretary of State for Industry would add weight to the emphasis upon using standards to jack up industrial performance;

-1-

**CONFIDENTIAL**









and would also mean that the policy responsibility was brought together with the responsibility for operating several of the most potent "levers of influence" which can help to enhance the status and use of standards - e.g. through public purchasing and schemes for laboratory accreditation.

5. Organisational change will not, however, resolve all the problems associated with promoting an active, integrated policy on standards. Indeed, there is a danger that concern about organisational changes could obscure the real issues. We do not want the momentum of work on standards, which has been generated by the CPRS's latest report to MISC 14 and the Working Group set up to consider implementation of its recommendations, to be diverted. It is known that the Secretary of State for Trade would resist - would indeed resent - the transfer of functions proposed. There would inevitably be some disruption and demoralisation of staff who would continue to be involved in the work. The problems associated with any organisational change are accentuated in this case because both Departments - Trade and Industry - are in any case reorganising internally in the area where standards work belongs or would belong if transferred. On one view it would be sensible to make a transfer of responsibilities a part of these wider reorganisations, but on the other hand it might be better to wait until things have settled down.

6. Despite my belief that there is on balance a case for a transfer I would recommend that we should defer a final decision for six months. The Department of Trade have made considerable efforts in the last couple of months to do what they should have done in the previous year, through the Gray Working Group (which is due to report shortly on the implementation of the CPRS recommendations) and otherwise. A good deal of this change in attitude and commitment is, I believe, due to the personal efforts of Michael Franklin, who is making his presence felt to advantage in this, as in a number of other aspects of the Department of Trade's work. To make the change now would seem like a rebuff to his attempts; and I think there would also be practical advantages in seeing whether the Department can sustain the momentum in implementing the CPRS recommendations without having to incur the disruption costs of a transfer of responsibilities.





7. I suggest therefore that you might tell the two Secretaries of State that, although you can see some marginal advantages in a transfer of responsibilities, you are concerned that the inevitable disruption involved in making a change might dissipate the momentum that has now (under Department of Trade leadership) been put behind the work on standards. You would therefore prefer to make a final judgment in six months' time, when you would want to review the progress that has been made and take stock in the light of the organisational changes which are anyway being made in both Departments.

8. The Secretary of State for Industry also proposed a merger of the National Weights and Measures Laboratory and the National Physical Laboratory, under his aegis. The case for this is far less clear-cut, and the question of responsibility for standards does not depend upon it, or vice versa. There probably are some savings to be made in the longer run, but the short-term disruption costs could be high. Moreover, the Department of Trade have a strong (though not insuperable) point in saying that the work of the National Weights and Measures Laboratory in discharging their Secretary of State's statutory responsibilities in the consumer protection field cannot satisfactorily be done on an agency basis by a Laboratory under another Secretary of State's control.

9. I would recommend that, if you agree that the main decision on responsibility for standards should be deferred for six months, a decision on a merger of the Laboratories should likewise be deferred, and the Departments of Industry and Trade Common Services people should be asked to produce some costings of potential savings and short-term costs. In six months' time we might also have a clearer picture of the role that a merged "metrology" Laboratory might play in implementing the Government's policy on standards, and whether a merger would greatly assist in the policy.

REA

ROBERT ARMSTRONG

5th March, 1982



**Poor quality  
text due to the  
nature of the  
material.**

**Image quality is  
best available.**



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NATIONAL STANDARDS AND INTERNATIONAL TRADE  
- DEPARTMENTAL RESPONSIBILITIES

Background Report by the Machinery of Government Division,  
Management and Personnel Office

BACKGROUND

1. In November 1981 the Ministerial Group on Government Strategy (MISC 14) considered a paper by the CPRS on the organisational arrangements for, and legal status of, standards in the UK; MISC 14 endorsed the CPRS' recommendations for action. There was some inconclusive discussion in the Committee about the division of responsibility for standards policy between the Secretaries of State for Trade and for Industry and the possibility of some transfer of responsibilities to the Secretary of State for Industry. The Prime Minister noted this and raised the issue with the two Secretaries of State concerned, the Chancellor of the Exchequer, Sir Robert Armstrong and Mr Ibbs on 22 December. She asked for a study of the advantages and disadvantages of a transfer of functions to be carried out in consultation with the Departments concerned. Sir Robert Armstrong met the Permanent Secretaries and others concerned on 5 January; MG Division in the MPO were asked to prepare a report, in consultation with, amongst others, the Departments of Trade and Industry, the CPRS and Treasury, before the end of February.

OBJECTIVES OF THE ORGANISATION OF WORK ON STANDARDS

2. The objective of the organisation of work on standards, and hence the rationale of any transfer of responsibilities, should be to support the CPRS recommendations agreed by MISC 14. The organisation of Government work should therefore so far as possible:

- create a strong focus for a positive and co-ordinated approach to the production of standards and establishment of certification schemes;
- establish unified arrangements for assessing and accrediting certification bodies and test houses;
- co-ordinate and promote the use of standards in regulatory functions and in public procurement;
- exploit industrial sponsorship and international trade links so as to enhance the recognition and use of standards adopted by the UK.
- encourage the development of a stronger and more formal link between Government and BSI.

3. One constraint has to be recognised: no re-organisation can completely unify responsibility for all aspects of policy on standards. A dozen Departments have regulatory functions to which standards are relevant; half a dozen have major purchasing functions; a number have sponsorship roles to different industries in both the public and the private sectors. In part this reflects the different purposes that standards serve. The best that can be hoped for is to strengthen



co-ordination, minimise fragmentation and create a clearly recognised focus for the operation of the 'levers of influence'.

The issues examined

4. The discussions with the main interested parties have focussed on four issues:

- a. the cases for and against transferring responsibility for sponsorship of the BSI and policy on standards and quality assurance, from the Secretary of State for Trade to the Secretary of State for Industry;
- b. alternatively, the scope for improving arrangements for promoting work on standards and quality assurance work, without any transfer of responsibilities;
- c. the practical issues which would arise from transferring the responsibilities suggested by the Department of Industry. (This would entail stripping out the sponsorship and policy work from the Division in Department of Trade (Metrology, Quality Assurance, Safety and Standards Division - MQS) which presently deals with it, whilst leaving with Department of Trade the related responsibilities for co-ordination of work on Article 100, the GATT agreement and other international matters relating to the elimination of technical barriers to trade);
- d. the question of a merger of the National Weights and Measures Laboratory and the National Physical Laboratory; responsibilities for the work of a merged Laboratory, and the feasibility of separating the organisation dealing with policy on weights and measures from the Laboratory performing legal metrology work.

RESPONSIBILITY FOR POLICY ON STANDARDS AND QUALITY ASSURANCE

The case for leaving main responsibility with Department of Trade

5. The arguments advanced by those in favour of leaving responsibility with the Department of Trade are:-

- a. possession: policy on standards and sponsorship of BSI are part of an existing working organisation in which there are well established and well recognised links (including international links and others with outside organisations, notably BSI and CBI). A lot of good work has been done in following up the earlier CPRS recommendations in a field where rapid progress cannot be expected. The disruption associated with a transfer of responsibilities could delay progress rather than assist it.
- b. MQS Division in the Department of Trade is in any case being reorganised in a way that will dissociate some aspects of standards and quality assurance work from consumer affairs and link them with external trade policy.
- c. The Secretary of State for Trade and his Department have some responsibilities in respect of all the main interests which standards in some way serve - manufacturers and their trading interests, consumers and users, promotion of competition - and are



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therefore best placed to do a balancing act between the sometimes competing claims. The Department of Industry on the other hand are directly concerned with only one factor in the balance - ie their general sponsorship of industry role - which could result in standards being used against the interests of consumers and in support of a protectionist attitude.

d. a key point in raising standards is consumer pressure. Because of its responsibilities for consumer protection, the Department of Trade is well placed to channel this pressure towards the production of better standards.

e. wherever possible, policy on standards and on regulation needs to be brigaded together if regulatory functions are to make the best use of standards. Department of Trade staff have considerable experience of regulatory work in a number of fields, and at least part of the regulation field - consumer safety and weights and measures legislation - lies with the Department. The advantages of bringing together responsibility for consumer safety and for standards have already been shown eg in the incorporation of standards into regulations. Transferring responsibility for standards policy would break that link,

f. on the other hand, bringing together policy on standards and sponsorship of industry creates an uneasy partnership with presentational drawbacks. A transfer of responsibilities is likely to be seen by international trading interests, consumer organisations and the local authorities responsible for enforcing consumer protection measures as a move to favour manufacturers at the expense of the consumer and free trade.

g. the international aspects of work on standards are crucial; and Department of Trade have well-established and recognised links with the international negotiating machinery both on standards (ISO, CEN, CENELEC, etc) and more generally on harmonisation (Article 100) and removal of technical barriers to Trade (eg the GATT agreement). The reorganisation of work in Department of Trade should if anything strengthen these links. Transferring responsibility for sponsorship of BSI would break a strong link by which BSI's programme of work and priorities are geared to international work on standards, as well as increasing fragmentation on eg GATT and Article 100 work.

h. The Department of Trade's general international links eg through GATT are also important in relation to international accreditation schemes and UK representation in ILAC (the International Laboratory Accreditation Conference).

The case for transferring to Department of Industry the sponsorship of BSI and policy on standards and quality assurance

6. The arguments advanced by those in favour of a transfer of responsibilities are:

a. The Secretary of State for Industry and his Department are firmly committed to using standards as a means of raising the quality of UK manufactured products and increasing competitiveness.



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They wish to give greater emphasis to the positive aspect of raising the quality and reliability of British goods rather than concentrating as at present on consumer protection (which fails to take account of markets and costs and has manifestly failed to maintain, let alone raise, the quality of British goods). Far from wanting to use standards for protectionists purposes, they see standards and quality assurance as an aspect of industrial and commercial policy to improve competitiveness. By the same token their approach to standards in relation to technical barriers to trade involves giving more weight to the contribution which the certificated achievement of internationally recognised standards of quality can make, in enabling British industry to surmount non-tariff barriers based on mandatory standards. In pursuing this shift of emphasis and giving priority to associated work, the Department of Industry are in line with the conclusions of Ministers in MISC 14 and the recommendations of the CPRS Report which Ministers endorsed.

b. quality assurance is at the heart of measures to raise UK industrial performance for which Department of Industry is responsible; it is a matter of chance that quality assurance should have come to rest in Department of Trade. But - all sides agree - policy on standards and quality assurance work hang logically together. If the arguments on responsibility for standards policy are closely balanced, those on responsibility for quality assurance are not, and should tip the total balance in favour of DI assuming responsibility for quality and standards.

c. Department of Industry is well placed to act as the natural focus for co-ordinating work on standards and related functions - ie design and quality assurance, certification and accreditation schemes. It is recognised by other government Departments as the main link-point with industry and as having the main policy role in relation to industry; it is the natural focus for industry to turn to, which is increasingly happening on standards matters. The Department is responsible for the Focus Committee on Standards (which has industrial participation); and has already under its aegis many of the bodies which are critical for the creation of a unified approach to standards, certification and accreditation - eg the NPL, NEL and Research Requirements Boards, NATLAS, the British Calibration Service, the Design Council. All this means that it is potentially well placed to operate the 'levers of influence' if given responsibility for doing so - and giving it that responsibility would demonstrate the government's commitment to doing something to raise standards and the level of industrial efficiency.

d. specifically, Department of Industry has a sponsorship role for a number (though not all) of the key nationalised industries, and for high technology industries such as information technology and robotics where the demand for good internationally-recognised standards is considerable.



e. the Department's sponsorship role, and responsibilities for public purchasing policy, also put it in a strong position to exercise persuasion in the use of procurement to support recognised standards and thus enhance their status.

f. the Department of Industry is already heavily involved in the standards writing process. It has 230 staff, mainly from its Industrial Research Establishments such as NPL and NEL, engaged in 630 BSI committees. In addition through its Research Requirements Boards it is a major source of funds for research to provide a technical basis for standards writing. It thus has a technical capability and direct means to influence the quality of standards produced.

g. a major gap in the existing machinery is a national focus for assessment and certification, and for accreditation of certifying organisations. DI can build upon its responsibilities for bodies such as the British Calibration Service and NATLAS to fill this gap; and if the Department also had responsibility for policy on standards, could ensure proper links throughout the process of setting and applying standards. Moreover DOI, as the Department with practical responsibility for national laboratory accreditation, is better placed to take responsibility for representing the country internationally at ILAC.

h. although the Department of Industry does not have direct responsibility for many regulatory functions that could be used to enhance the status of standards - with the important exception of the telecommunications field - it has well-developed links with HSE, and responsibilities on the certification side, that could be exploited; and more generally is well placed to provide a framework for regulatory functions. There is no reason why responsibility for policy on standards and for carrying out regulatory functions have to go together (and in practice, because of the diversity of regulatory functions, that is impossible). What is needed is an active approach to the regulatory organisations to co-ordinate their activities with policy on standards, rather than direct responsibility for them.

i. the disruption associated with any transfer of responsibilities could be minimal; Department of Trade are themselves disbanding MQS Division's work and splitting it between other DT Divisions, and the fact that DOI and DT have common citizenship and services would ease a handover. From the point of view of 'outsiders' the change would clarify responsibilities in the standards field and help to narrow the number of foci.

#### The practical issues involved in dividing MQS Division's work

7. The Metrology, Quality Assurance, Safety and Standards Division is presently divided into 5 Branches. It is part of the Competition and Consumer Affairs Deputy Secretary Command, but the Under Secretary has since last summer worked to the Deputy Secretary and Minister responsible for international trade on standards matters (covered by Branch 1).



8. Branch 1 covers standards policy; sponsorship of BSI; co-ordination of UK interests in international negotiations on standards, Article 100, the GATT agreement, etc; and quality assurance policy and related functions. Branch 2 covers policy on Weights and Measures legislation; packaged goods, unit pricing and quantity marking regulations; liaison with the local government and enforcing authorities; the residue of policy on metrication; and related functions. Its workload has dropped substantially with the reduction of work on metrication. Branch 3 comprises the National Weights and Measures Laboratory (NWML). Branch 4 - the Consumer Safety Unit - is responsible for safety research and safety of a number of products. Branch 5 - the Trading Standards Adviser - provides advice as needed - eg to local authorities, Department of Transport, the National Weights and Measures Laboratory - on trading standards.
9. As part of its drive to reduce staff, the Department of Trade is this year abolishing the Under Secretary post in charge of MQS Division. The intention is to brigade standards and quality assurance work in future with the international trade policy side of the Department, given the importance of international work. The Department of Trade stress that the new emphasis of standards policy will be fully taken into account in the reorganisation. The precise arrangements are currently under study in the context of the Wardale report; but one possibility is that the Head of Standards Branch would report directly to the Deputy Secretary responsible for trade and EEC policy.
10. Department of Industry have suggested that they should take over responsibility for most of Branch 1 in the present organisation, and the NWML. They suggest that the Department of Trade should retain the responsibilities for consumer protection standards exercised by Branches 2, 4 and 5; and for co-ordination of departmental work on Article 100 and technical barriers to trade (part of Branch 1). At present, Branch 1 and Branch 2 have very little contact. There is slightly more contact between Branch 1 and Branch 3 on Article 100 work, and still more between Branches 1 and 4 on the relevance of standards produced by BSI to consumer safety; but not so strong as to require joint brigading, as the likely re-organisation of MQS Division suggests. The close links between the work of Branches 2 and 3 raises difficulties in relation to a merger of the NWML and National Physical Laboratory (see below). But the the main difficulty is unravelling Branch 1's work internally.
11. If responsibility for standards policy, BSI sponsorship and quality assurance were to go to Department of Industry, the whole of Section C of Branch 1 (Quality Assurance policy, certification and testing, etc) would go - including secretaryship of the Inter-departmental Committee on Quality Assurance and Standards (IQS) - see below. That does not raise significant 'splitting' problems; and there are strong links between the Section and NATLAS. But the work does need to hang together with policy on standards (Section A) and sponsorship of BSI (Section B).
12. Section A discharges a number of functions which would clearly go with the policy responsibility eg liaison with CBI on standards matters, and ILAC. Much of the rest of the section's work concerns co-ordination of Departmental interests relating to the GATT agreement and Article 100 directives; and the consideration of policy on standards in relation to various international negotiations and



obligations with a main objective of eliminating technical barriers to trade, which in turn entails contacts with BSI and consideration of its programme of work. Section B discharges similar 'consideration of policy' functions in respect of the electrical/electronics sector (which is separately organised to deal with standards both nationally and internationally). It is also responsible for the sponsorship arrangements with BSI; the Consumer Standards Advisory Committee which is a BSI sub-committee designed to bring in a consumer voice in standard-making and an integral part of the BSI organisation; central co-ordination of information on standards matters; and the Tripartite Committee for Standardisation (an international body with representatives from DIN, the French national standards organisation, BSI and now the European Commission which meets annually to prepare a joint approach to standards and quality assurance).

13. The 'co-ordination' functions in respect of Article 100 Directives and the GATT agreement - which are fairly mechanical though important - do appear to be separable from the 'policy' aspects of standards, if there is advantage in doing so, though inevitably one or two new rough edges would be created. The co-ordination functions could logically be linked to other work done in Western European & General Division (which in this context is concerned with the elimination of non-tariff barriers to trade). But if there is to be a change of responsibilities, the 'consideration of policy' work in relation to the various international bodies should probably all go to Department of Industry; although in theory one can distinguish discussions on standards as such, eg in CEN, from negotiations about standards with the object of eliminating barriers to trade, in practice the two merge. One of the justifications put forward for a change of responsibilities is that there should be a change in policy emphasis, so DOI would need to be custodians of these negotiations and discussions if they were to achieve such a change. Moreover what goes on in the international fora needs to have a strong influence on the shape of BSI's programme of work and priorities and there should desirably be a strong link between responsibility for international standards and laboratory accreditation and sponsorship and funding of BSI. Responsibility for the Tripartite Committee for Standardisation goes with responsibility for the other international negotiations. Responsibility for BSI's Consumer Standards Advisory Committee is more difficult but probably best links with sponsorship of BSI. Central co-ordination and information on standards logically goes with the policy responsibility.

14. The overall conclusion to be drawn, if the above is right, is that whilst certain fairly mechanical co-ordination functions in respect of the GATT agreement and Article 100 Directives could be left in Department of Trade without disruption of functional unity, the rest of the work of Branch 1 - particularly in relation to international negotiations and discussions where the 'policy' aspects of standards come to the fore - is not easily divided and should probably all go to Department of Industry if responsibility for policy on standards and quality assurance, and for sponsorship of BSI, is transferred. However there would need to be strong links back to Department of Trade because of the relevance of international work on standards to trade policy.

15. The 'sponsorship of BSI' role deserves a further mention. BSI is an independent body established by Royal Charter. Both DT and DOI (and also MOD and DOE) have members on its Board. It is not at present subject to direction from its 'sponsor' department: merely



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influence and persuasion (eg by making clear that work on a particular standard will not be acceptable to government and will not achieve recognition through Government agencies). BSI receives about 25% of its income - £3m p.a. - through grant-in-aid from Department of Trade, on a matching contribution basis with industry; the other 50% comes from sale of publications. 25% of that grant-in-aid can be set aside against the need to finance BSI in doing work for government purposes. In practice, Branch 1's work in relation to the sponsorship role is about one third concerned with administering the grant-in-aid, two thirds with discussion of the content of BSI's work.

A MERGER OF THE NATIONAL WEIGHTS AND MEASURES LABORATORY AND THE NATIONAL PHYSICAL LABORATORY

16. The NWML carries out approval and certification functions under the Weights and Measures Acts, checks upon accuracy of standards used by enforcing authorities, and does advisory checks as a service to industry. Quality assurance procedures have been introduced into the approval and certification process which are designed to help the efficiency of industry at the design stage; but the overall bent of the work is towards servicing the 'consumer protection' objectives of the weights and measures legislation. Nevertheless although its present concern is with legal metrology, the Laboratory is a centre of expertise capable of providing services to meet other objectives; and that expertise is akin to the expertise required for industrial metrology and found in the NPL. The present work of the NWML should not be allowed to obscure its potential for a wider use, and the scope for rationalisation offered by a merger.

17. The arguments about responsibility for standards and quality assurance do not in any way hinge upon who is responsible for the Laboratory. The argument for a merger is a distinct one of making best use of expert resources, although clearly a merger would also represent a possible drawing together of the 'levers of influence' in the standards and certification field.

18. Broadly speaking, the arguments in favour of a merger are:

a. there would be substantial economies in the use of laboratory and office accommodation, expensive equipment etc since in due course the NWML could be moved to existing Government accommodation at Teddington and a building in Central London could be given up;

b. there would be useful pooling of expertise and experience;

c. staffing and career management for a combined group of specialists would be easier, particularly for NWML if it were part of a much larger laboratory;

d. a better service could be provided to customers by a laboratory covering both legal and industrial metrology, particularly as legal metrology becomes more complex eg involving microprocessors and sophisticated electronics. The two are commonly combined to advantage in overseas metrology organisations;

e. the two Laboratories are both performing like functions - the differences are of degree not kind. Like functions should properly be brigaded to offer a common service;



19. Broadly, the arguments against a merger are:

a. The Secretary of State for Trade's statutory responsibilities for the approval of new designs of weighing and measuring equipment as 'fit for use for trade' are discharged by the NWML and the policy work cannot be separated from the execution. The task of examining equipment for approval is carried <sup>out</sup> by the engineers doing the assessment work. They should therefore be directly responsible to the Secretary of State, who has to defend their judgements.

b. the work of the NWML and NPL are different not only in the objectives served but in the specifications to which the measurement is done. A lot of physical and industrial metrology involves working to much finer limits than legal metrology, and requires a scientist's rather than an engineering approach.

c. presentationally there would be some disadvantage in putting the Laboratory which at present deals with measurement relating to consumer protection legislation with a Laboratory concerned inter alia with servicing manufacturer's needs and which is responsible to the Secretary of State for Industry; the local authorities already believe that industry is favoured at the expense of the consumer and that would confirm their fears.

d. the proposed 'rationalisation' within DT, which would put policy on weights and measures legislation in the same Branch as the Laboratory, would accentuate the disadvantages of a merger. Although the 'policy' aspects could be tied in to other parts of Consumer Affairs Division in the Department of Trade, the strongest functional link - between policy on weights and measures and the Laboratory's work - would be lost.

e. there would be heavy dislocation costs and staff losses associated with any move of the NWML to Teddington; and the personnel management advantages of a merger may be harder to secure than appears at first sight.

20. A possibility that should at least be considered is that the two laboratories should be merged to provide a full range of metrological services and the basis for a central assessment and certification laboratory; but should be treated as a common service, as in the case of the DTI Establishment and Finance, Economics and Statistics etc Divisions, working to different Secretaries of State on different functions. Thus for example, the merged laboratory could work to the Secretary of State for Trade, and be directed by him, in respect of his functions under the weights and measures legislation; but should work with the Secretary of State for Industry on more general measurement and certification functions. This would require a degree of co-operation in the direction of the Laboratory's work, but would achieve the benefits of a merger without some of the perceived disadvantages. It should be recognised however that the most difficult areas to deal with in the DTI common services organisation are those affecting policy, and such difficulties could be expected also in respect of a 'common' Laboratory, some of whose work would overlap into 'like' responsibilities.

#### CHANGES SHORT OF A TRANSFER OF RESPONSIBILITIES

21. MQS Division in the Department of Trade is in any case being disbanded, and the lead role on standards will be brigaded with West European and General Division reporting to the Minister for Trade, rather than in the competition and consumer affairs command



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(see above). These changes have been occasioned by reduction in work elsewhere in the Division, by staff changes and the need for staff reductions rather than by any wish to put a different emphasis on standards work, but the possibility of that happening as a result of the changes cannot be discounted.

22. One suggestion that has been made is that there should be further secondments of experienced MOD Quality Assurance personnel to do standards and quality assurance work in the Department of Trade; the addition of expertise from that source has previously proved valuable. Staff interchanges between DI and DT should also be relatively easy to arrange, given the common citizenship arrangements. But although such moves might bring about valuable broadenings of attitude and understanding, this would not move arrangements any closer to having a well-established focus for standards, certification and accreditation schemes.

23. One other point has come through strongly. The present 'co-ordination' machinery - the Official Committee for Quality Assurance and Standards (IQS) - is inadequate for the task it has to perform. This is not a reflection on the Department of Trade Chairman, nor indeed on any of the members of the Committee; they have put a lot of work into making the best of a bad job. The Committee has confused terms of reference - partly policy advice, partly co-ordination. It is generally thought to operate at too low a level to command follow through action in Departments, despite some attempts to upgrade its membership. The issues with which it deals range from the highly detailed through the general situation to high policy beyond the scope of the Committee, which blurs representation and reporting lines for action on its decision. It is evident that an interdepartmental Steering Group is needed, in part to perform the co-ordinating role identified by the CPRS; but irrespective of whether or not there is any transfer of responsibility for chairing and running the Committee, consideration should be given to its terms of reference, method of operation and membership. Ideally it needs determined chairing at a high level to push through decisions and secure their implementation by member Departments.

SUMMARY

24. a. The arguments for and against a transfer of responsibilities are fairly evenly balanced. Which carry more conviction depends largely upon a judgement as to whether there should be a greater shift in emphasis in the use of standards away from consumer protection and consideration of technical barriers to trade, towards promotion of industrial efficiency, quality and reliability. It must also be said that, taking the subject as a whole - ie production of standards, improvements in design and quality, assessment, certification and accreditation, enhanced recognition and use of standards - Department of Industry appear to have, potentially or actually, more of the 'levers of influence' in their grasp.

b. with one exception ((c) below), no significant new proposals emerged for improving arrangements, without a transfer of responsibilities. Department of Trade have already been active on a number of fronts (eg in promoting the establishment of NATLAS, producing Guidelines for Government representatives on Standards Committees, etc), have proposed a number of new initiatives for following up the CPRS recommendations to Mr Gray's Ad Hoc Group, and are in any case reorganising. The question again boils down to one of policy emphasis rather than organisation or levels of activity.



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c. however, the role, workings and membership of the inter-departmental co-ordination machinery - IQS - would repay further examination whatever else happens (as the Gray Working Group will also recommend).

d. it is feasible to remove responsibility for standards policy etc from the Department of Trade, without too great a dislocation or severing of other important functional links. No responsibilities for consumer safety need be transferred with the work. But although some purely co-ordination functions relating to Article 100 Directives and the GATT agreement could be left in Department of Trade, it is difficult to separate out something called 'policy on standards' which does not carry with it the need to take a lead responsibility for the international negotiations on standards in the context of technical barriers to trade. Essentially therefore any transfer of responsibility for standards and quality assurance would mean transferring practically all the work presently done by Branch 1 of MQS Division.

e. the arguments for a merger of the National Weights and Measures Laboratory and the National Physical Laboratory are largely concerned with possible economies and rationalisation of expert resources and bringing together components of the 'levers of influence'; it would also provide a single UK voice in international work on metrology. The argument against rests upon the intimate connection between the Laboratory's work and the discharge of the Secretary of State for Trade's statutory responsibilities, and the presentational and practical difficulties in changing lines of responsibility. Intermediate arrangements based on the idea of a common service could be further explored. But the arguments about a merger are not crucial to those about a transfer of responsibilities for standards and quality assurance.

MG  
February 1982







PRIME MINISTER

Departmental Responsibility for Standards

You have asked me several times recently how matters stand about changing and sharpening Departmental responsibility for Standards.

The ball is still in Robert Armstrong's court. He is in course of producing a short paper on the arguments for and against transferring responsibility from the Department of Trade to the Department of Industry. This should be available shortly, and he intends to send it to the two Secretaries of State in the hope of securing their agreement without need for a further meeting.

It seems likely, however, that John Biffen will continue to resist this loss of a chunk of his department. In that case, obviously, the matter will come back to you, but advanced from the last time you considered it in that the Secretary of State for Trade and his department will have been softened up to facing this change.

MCS

3 February 1982

Pl by to me

12/2

MCS 5/2



SUBJECT  
cd Mark



File AA **A**

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CO  
CPRS

10 DOWNING STREET

From the Principal Private Secretary

22 December 1981

RESTRICTED

Dear John,

NATIONAL STANDARDS AND INTERNATIONAL TRADE

The Prime Minister held a meeting this morning with the Chancellor of the Exchequer, the Secretary of State for Industry and the Secretary of State for Trade to discuss where departmental responsibility for national standards should lie. Sir Robert Armstrong and Robin Ibbs were also present.

The Prime Minister said that she had seen the minutes of the meeting of MISC 14 held on 30 November 1981 (MISC 14(81) 2nd Meeting) and had noted that there had been an inconclusive discussion about whether responsibility for national standards should be transferred from the Department of Trade to the Department of Industry.

In discussion it was agreed that the United Kingdom's institutional arrangements for promoting standardisation and quality were fragmented, with responsibility for standards and certification split between a number of departments. At the moment it took a very long time to write standards. They had to be agreed by everyone concerned in the industry, and this meant in practice that their main effect was to shelter the inefficient. Instead of protecting our domestic markets standards should be designed with the positive purpose of trying to help our industries to be more competitive overseas. Germany, for example, had long since recognised that if her industries complied with good standards, certified by government-recognised bodies, their products sold better in international markets. The need for an improvement in the United Kingdom's arrangements was accepted by all the departments concerned. But nothing would happen unless someone was clearly in the lead and was charged with the task of pulling together the present fragmented arrangements and devising a common, coherent approach.

It was argued, on the one hand, that because the task of establishing a new system had a very strong industrial flavour, it would be right to vest responsibility for it in the Department of Industry. The Department of Trade's

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approach to the question of standards was understandably coloured by its responsibility for consumer protection. On the other hand, it was pointed out/the existing machinery was well established and what was needed was to use it more vigorously rather than to have the inevitable disruption which would arise from changes in departmental responsibilities.

B/K/1  
The Prime Minister, summing up the discussion, said that it was clear that we were lagging behind other countries in our arrangements for promoting standardisation and quality and this was weakening the competitive position of British industry. If industry was to change its attitude to the purpose and value of standards, Government would have to give a positive lead. Whether this required a change in departmental responsibilities was not yet clear, and she would be grateful if Sir Robert Armstrong would arrange, in consultation with the departments concerned, for a study of the advantages and disadvantages of a transfer of functions to be carried out as quickly as possible.

I am sending copies of this letter to Ian Ellison (Department of Industry), John Rhodes (Department of Trade), David Wright (Cabinet Office) and Gerry Spence (CPRS).

Yours ever,

Sheila Whinnery.

John Kerr Esq.,  
HM Treasury.





10 DOWNING STREET

Miss Stephens.

Can you please find me  
meeting with :-

Chancellor of the Exchequer

SpS for Industry

SpS for Trade

RTA

Mr. Horsey.

AMW 15xii

M. Wickham

AMW

arranged for  
12 Noon on

14xii

Tuesday 22 Dec.

Ch. 15/12





10 DOWNING STREET

File AH  
D/I  
D/T  
CO  
Mr. Hoskyns

From the Principal Private Secretary

14 December 1981

RESTRICTED

Dear John,

NATIONAL STANDARDS AND INTERNATIONAL TRADE

The Prime Minister has seen the minutes of the meeting of MISC 14 held, under the Chancellor's chairmanship, on 30 November 1981 (MISC 14(81) 2nd Meeting) and she has noted that there was an inconclusive discussion about whether responsibility for national standards should be transferred from the Department of Trade to the Department of Industry.

She would like a word about this matter with the Chancellor and the Secretaries of State for Industry and Trade, and we will therefore be in touch with your office and Mr Jenkin's and Mr Biffen's offices to arrange a time.

I am sending copies of this letter to Ian Ellison (Department of Industry) and John Rhodes (Department of Trade) and to David Wright (Cabinet Office).

Yours ever,

Heri Whitman.

John Kerr Esq.,  
HM Treasury.

AH



Prime Minister to see

Ref: A06919



PERSONAL AND CONFIDENTIAL

N.P.C. Mitchell

Duty Clerk

11/12/81

PRIME MINISTER

National Standards and International Trade

In his minute to you of 10th December the Chancellor of the Exchequer raised the question of the allocation of responsibilities for standards between Departments, and the inhibiting effects that present arrangements may have upon our ability to regulate standards in a way that promotes international trade. The Chancellor and the Secretary of State for Industry favour giving responsibility for standards to the Secretary of State for Industry, but the Secretary of State for Trade, who at present has the responsibility, is opposed to a transfer.

2. The Chancellor suggests that you, he and the two Departmental Ministers concerned might discuss the question; and also suggests that the Machinery of Government Division in the Management and Personnel Office should be asked to examine what would be involved in a transfer. In my view this latter suggestion would be worth taking up, if colleagues were agreed that there is a question to be considered. I understand, however, that we are not there yet, and that the Secretary of State for Trade, who is very strongly opposed to a transfer of functions, does not know that the Chancellor has sent you this minute. If his officials are to be asked to contribute to a study of the question, he will have to be brought to agree that there is a question to be studied.

3. Despite the Chancellor's minute, I do not think that the case for a transfer is clear-cut. No doubt the Department of Industry would be especially sensitive to the arguments for protecting the interests of British industry; but there are other interests involved - including that of the consumer. It ought to be possible to reconcile the various interests, where they conflict, within the present arrangements and without a transfer of functions; and, even if that were not possible, there might be other ways of doing so than the transfer of functions now proposed, which could look uncomfortably like a rather obvious device to raise our non-tariff barriers.





PERSONAL AND CONFIDENTIAL

4. One possible course would be for you to tell the Chancellor that you are not prepared to consider a transfer of functions and you have asked me to examine (with the Permanent Secretaries concerned) how the present arrangements can be improved so as to ensure that the matters with which the Chancellor of the Exchequer and the Secretary of State for Industry are concerned are properly taken into account.

*Amend*  
*→*  
*mtg*

5. Otherwise I think you will have to have a meeting of the Ministers concerned - the Chancellor of the Exchequer and the Secretaries of State for Industry and for Trade - in order to persuade the Secretary of State for Trade that the possibility of a transfer of functions should be further examined. You could then invite me to arrange, in consultation with the Departments concerned, for the production of an agreed statement of the facts, the pros and cons of a transfer of responsibilities, and some assessment of other possible ways of dealing with the problem.

Robert Armstrong

*(drafted by Sir R Armstrong  
& signed on his behalf)*

11th December 1981



Copy to Mr Hodgson.



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

## NATIONAL STANDARDS AND INTERNATIONAL TRADE

At a meeting of my Steering Group on Strategy (MISC 14) last week, we discussed a report by the CPRS on National Standards and International Trade. This was a follow-up of earlier work by the CPRS for E(EA) Committee 18 months ago.

2. In their latest Report, the CPRS analysed the situation in Germany on standards, regulations and certification. It is clear that the German arrangements are better co-ordinated; there is a more effective legal status for standards and all this has provided an effective way of raising the quality of their products and increased saleability in international markets where in many instances they set the standard required. It is also clear that our own progress in the standards area since the earlier set of CPRS recommendations were accepted has been slow.

3. I am concerned that a major factor inhibiting more rapid progress is the division of responsibility in this area between the Departments of Trade and Industry; Employment also have a substantial interest through the Health and Safety Executive. I suspect that the problem is compounded by the fact that officials in Trade have become much concerned with the detailed administrative aspects of standards and this tends to inhibit their taking the more imaginative view needed if we are to create a system as effective as that in Germany. I also believe that





over the years Ministers in the Department of Trade have tended, quite naturally, to be affected in their thinking on this subject by their other - and sometimes conflicting - responsibilities, such as consumer protection and international negotiations on the removal of non-tariff barriers.

4. The Department of Industry, on the other hand, can see the importance of this area from the point of view of their general responsibility for UK industrial competitiveness, and are quite clear on the sort of changes needed to raise the quality of UK manufactured products. They have the specific responsibility for public purchasing policy, which is an important influence on the use of standards, and for the National Physical Laboratory which will have a key role to play under the new proposals agreed by MISC 14; they also have strong working links with the British Standards Institute. Patrick Jenkin and his officials are keen to make rapid progress, but are held back by the difficulty of carrying their colleagues in Trade with them, since the initiative in much of the field depends on the latter.

5. At last week's meeting we accepted a range of recommendations by the CPRS and these will go ahead on the basis of continued joint effort by the Departments of Trade and Industry. Much of what is needed can be achieved by administrative improvements within existing statutes, and although some legislative change may eventually be required this is a relatively minor part of the problem. I believe that prospects of rapid progress would be greatly improved if overall responsibility for standards were given to the Department of Industry. At MISC 14 John Biffen spoke against the transfer and subsequently wrote round re-affirming his objections. Nevertheless, I think the case for a transfer is very strong. If you also take this view, you might like to have a word with John Biffen, Patrick Jenkin and myself. One way of proceeding then would be to instruct the Machinery of Government people in the MPO to work out exactly what would be involved in a transfer before a final decision is taken.





6. I am sending a copy of this minute to Sir Robert Armstrong.

G.H.

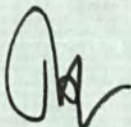
G.H.

10 December 1981



PRIME MINISTERNATIONAL STANDARDS AND INTERNATIONAL TRADE

1. I thought I should mention this rather specialised subject to you. It came up in a recent CPRS paper to MISC 14.
2. CPRS have argued strongly for a much more vigorous attempt to improve and co-ordinate product standards, as a very important contributory factor to increasing exports (and probably also impeding imports, in some cases).
3. The difficulty is that Trade, who are responsible for National Standards, are very sluggish and half-hearted about it; while Industry is very keen to take it over and get moving. I mentioned this to Keith, who raised the general question of split responsibilities, during discussion at a recent MISC 14. A couple of days ago, however, John Biffen wrote round to MISC 14 members in an attempt to head-off any further discussion about Departmental responsibility for standards. I suspect that this issue will shortly be raised with you and I believe there are strong arguments for moving responsibility to the Department of Industry.



JOHN HOSKYNS





*From the Secretary of State*

RESTRICTED

The Rt Hon Patrick Jenkin MP  
Secretary of State for Industry  
Department of Industry  
Ashdown House  
123 Victoria Street  
London, SW1E 6RB

10 December 1981

*Dear Patrick,*

NATIONAL STANDARDS AND INTERNATIONAL TRADE: MISC 14(81)2nd

You and I are asked to report within three months on the implementation of the recommendations of the CPRS paper on National Standards and International Trade and I am writing to suggest how we handle the mechanics. The subject is wider than can be handled by the Inter-departmental Committee on Quality Assurance and Standards (IQS) so I think we need a small ad hoc group that can establish a work programme and 'chase' it. It should be chaired at Under Secretary level and I have asked Tony Eden to take this on. You, of course, need to be represented as do Geoffrey Howe, Norman Tebbit, Michael Heseltine and Robin Ibbs. We need to keep the numbers down but there are several other colleagues who have an interest, for example, David Howell, Norman Fowler, Peter Walker and John Mott though they might be content to receive papers and perhaps be represented, as necessary. If you agree, I will ask Tony Eden to arrange an early meeting of the group.

On the specific recommendations, we clearly need to get the Solicitors together to consider the feasibility, initially within existing legislation, of giving standards a legal status comparable to that in Germany. On the enforcement of arrangements for assessing and accrediting certification bodies and on introduction of a

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*From the Secretary of State*

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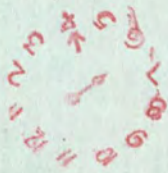
national mark I suggest that IQS, which has already had several discussions on the subject, be asked to give this aspect of their work priority and report to the ad hoc group.

I have also to report further before the coming Recess on the implementation of the decisions reached by the Ministerial Sub-Committee on Economic Affairs. As you may know, work is well in hand within IQS to enable me to fulfil my obligation.

I am copying this to the members of MISC 14 and to Sir Robert Armstrong.

*Yours  
John Biffen*

JOHN BIFFEN



21 DEC 1981

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*From the Secretary of State*

RESTRICTED

The Rt Hon Patrick Jenkin MP  
Secretary of State for Industry  
Department of Industry  
Ashdown House  
123 Victoria Street  
London, SW1E 6RB

7 December 1981

*Dear Patrick,*

MEETING OF MISC 14: 30 NOVEMBER 1981

I have just seen the minutes of our meeting on Monday and feel I must record my surprise that you brought up the subject of Departmental responsibility for standards. As you may know, this subject is not new - it was last discussed at a meeting of E(EA) in May last year - when the conclusion was that the Department of Industry should be more closely involved in standards at all levels. This resulted in a representative of your Department being appointed to BSI's Board and a greater input from your Department.

I, of course, fully recognise the importance of maximum co-ordination of work on standards and for this reason the inter-Departmental committee on standards was set up in the early 1970s. We have also recently re-issued some guidelines so that Government representatives speak with the same voice on standards writing committees.

However the whole field of standards and their relationship to international trade, their use in legislation and their use in purchasing is complex. I do not believe that solutions lie in changing Departmental responsibilities but with changing industry's attitudes to the importance of standards. Here

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*From the Secretary of State*

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your Department's greater involvement in the standards writing committees can do nothing but good. I hope therefore that we can put the question of departmental responsibility to bed for the second time.

I am copying this to members of MISC 14.

*John Biffen*

JOHN BIFFEN

21 DEC 1987

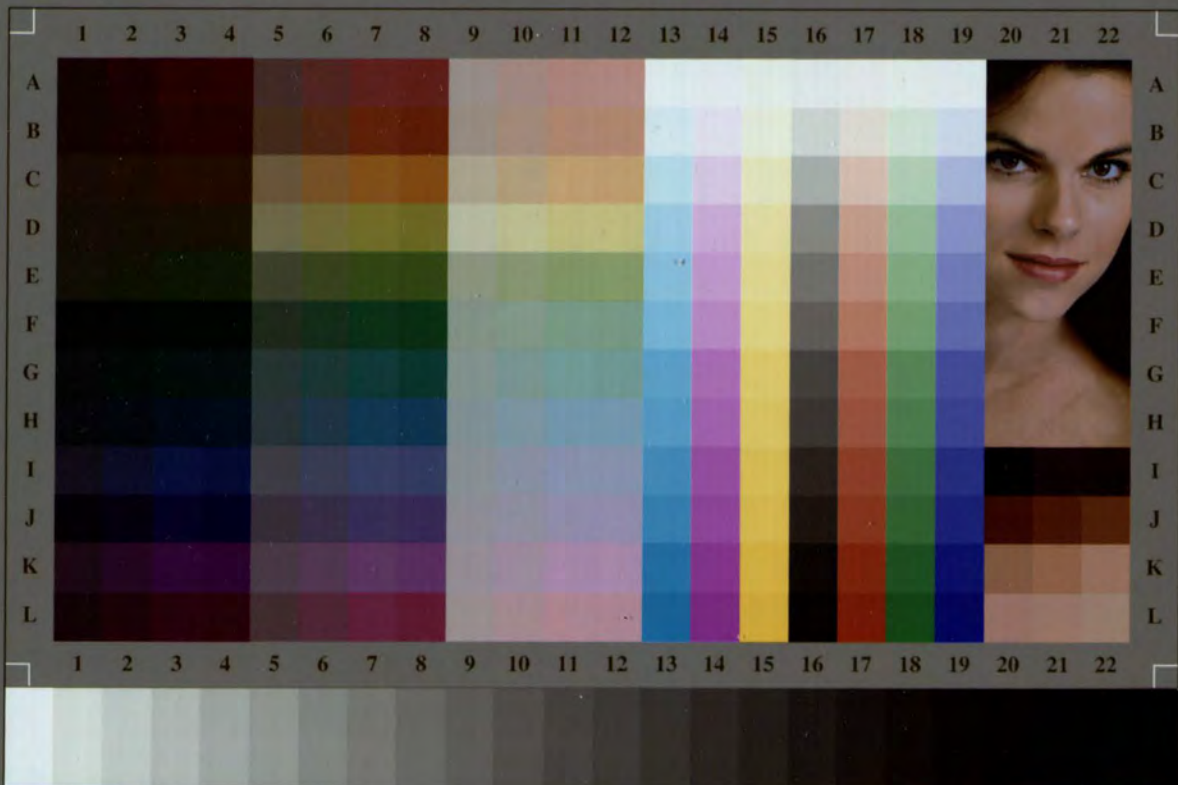


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