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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.

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A.C.
LORD COCKFIELD

18th April 1983

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