



From the Minister

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

9-8-80

Prime Minister

Paul Channon Esq MP
Minister of State
Civil Service Department
Whitehall
London SW1

12.
21/3

28 March 1980

Can I see the reply?
mt.

Paul Channon

WORD PROCESSORS

When we have discussed reductions in the Civil Service you will know that I have mentioned at meetings the importance of reducing staff by making available the best labour-saving equipment.

I would be able to save staff in this Department by the introduction of word processors, but I discover that your Department has an understanding with the CPSA at national level which in practice results in a virtual ban on such equipment.

Your Department really must make speedy break-throughs in areas such as these so that without difficulty the most modern equipment can be introduced in the swiftest time.

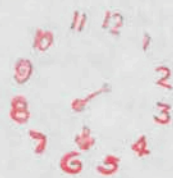
I am told that I will receive a reply from you referring to equipment trials, discussions, continuing talks and other such phrases. The fact is that for a long time past this area of staff saving has been frustrated. Can it please be tackled now with speed and urgency?

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer and other members of the Cabinet.

Peter Walker

PETER WALKER

31 MAR 10:00





Minister of State

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

The Rt Hon Peter Walker MBE MP
Minister of Agriculture
Ministry of Agriculture,
Fisheries and Food
Whitehall Place
LONDON SW1A 2HH

Prime Minister

*You might discuss
with Mr Channon,
2 April 1980*

Dear Peter,

AW

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Flam A

I was surprised to get your letter of 28 March about word processors. We have no agreement with the CPSA which results in a virtual ban on their introduction.

*is that
really
necessary?*

What we do have is an arrangement by which we discuss at national level with the CPSA any new applications of equipment and any cases in which Departments cannot reach agreement with their own Staff Sides. In all the cases which have been put to us so far, we have persuaded them to agree to the introduction of new equipment suitable to do the Department's work. If we fail to persuade the Unions, that is not of course the end of the story. It is open to Departments, in consultation with the CSD, to proceed to introduce new equipment by administrative action if they judge it necessary to do so. Although your Department is aware of these arrangements, I understand it has not taken advantage of them. It seems from your letter that you now wish to do so. In that case, would you let me have details without any further delay? I was delighted to hear that firm action on your part might in due course result in further staff savings.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer and other members of the Cabinet.

Y
Paul

PAUL CHANNON

11 1960





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

From the Minister

Paul Channon Esq MP
Minister of State
Civil Service Department
Whitehall
London
SW1A 2AZ

✓ MAP

16 April 1980

Paul Channon

Thank you for your prompt reply of 2 April to my letter about the frustrations caused to Departments by the present restrictive arrangements for acquiring this kind of equipment.

Your interpretation of the arrangement with CPSA is hardly consistent with either your Department's circular DMS 79(8) or the advice from your Department that there would have to be very exceptional circumstances before CPSA would agree to the introduction of word processors incorporating one or more VDU screens. We are also told that replacement of worn-out automatic typewriters - which our first case would involve - would not come into the exceptional category. Furthermore it remains a fact that Departmental and local Staff Sides are inhibited from giving clearance to proposals as a result of instructions from Union Headquarters to local representatives that departmental or local agreements should not be entered into until your national discussions have been completed. If you are saying that the position is not so restrictive as Departments seem to imagine then the sooner the position is clarified with Departments the better.

As I now take your letter as a positive encouragement to go ahead I am arranging for cases to be submitted. The first one will be with HMSO and your Department very shortly and I hope there will be no delay in placing an order for the equipment we require.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer and other members of the Cabinet.

PETER WALKER

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DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

1. Mr Whitton's letter 10.1
 2. PRIME MINISTER *and letter*
- Following your lunch this week, Mr Jenkin is pursuing the question of office technology. Mr Walker's earlier exchanges with CSO on this are below.

Paul Channon Esq MP
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
London SW1

ms

MAP 16/1

15 May 1980

Dear Paul,

I have seen with interest the correspondence between yourself and Peter Walker and I must express the concern shared in DHSS, about the difficulties involved in the introduction of word-processors.

As things stand, we are unable under the current arrangements, as I understand them, to introduce word processors in the proper way i.e. to procure and use the equipment to secure the benefits and savings potentially achievable. DMS79(8), to all intents and purposes, simply allows us to replace old, worn-out automatic typewriters with new word processing machinery, provided that it is screenless and does no more than the equipment which it replaced. And so far, the DHSS Departmental and Local Staff Sides have agreed to replacement proposals only on these conditions.

Procurement of word processors for new work seems not to be encouraged by DMS79(8) and in DHSS worthwhile potential savings are going by default in areas of activity which we have already identified. We would regard this aspect not as constituting exceptional circumstances but rather the normal pursuit of increased efficiency. Nevertheless it falls foul of the Unions' aim, under the new technology umbrella, not to allow any loss of jobs as a result of the introduction of new equipment. We should be greatly assisted by the rapid conclusion of a less restrictive agreement with national CPSA which subsumes Departmental and Local Staff Side support. This is particularly important in view of the expected timetable for any national agreement on new technology.

Encouraged by your letter of 4 April to Peter Walker, we shall consider the preparation of a case for discussion with national CPSA, even though, as things stand, Departmental and Local Staff Side agreement is unlikely to be forthcoming.

E.B.

I believe the present restrictions are quite unacceptable and I am considering how best to secure their removal. Perhaps the recent CPUSA elections may lead to a more sensible attitude.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer and other members of the Cabinet.

Your
Patrice



and Levine MAP

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

21 May 1980

Paul Channon, Esq., MP
Minister of State,
Civil Service Department

Dear Paul

WORD PROCESSORS

I have been following with interest your correspondence with Peter Walker, which rests, I believe, with his letter to you of 16th April. I was also grateful for your contribution to NEDC the other day, and most interested in what you said.

Following Peter Walker's earlier letter, I commissioned reports from my main Departments, and you may be interested to see the enclosed copies. It is heartening that the staff themselves are keen to use the new equipment; but the reluctant conclusion that I draw is that progress on installing and commissioning advanced equipment remains possible only insofar as the Civil Service unions have not been sufficiently alerted to step in.

I hope you are able to negotiate satisfactory arrangements; but if not we should if necessary consider exposing the position of the civil service unions in public, choosing the best possible ground.

I am copying this letter to Cabinet colleagues, and to Norman Fowler.

[Handwritten signature]

GEOFFREY HOWE

.....
*Destroyed - see
instruction on
MOT to P 21/5/80*



Civil Service
MAP has seen

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

21st May 1980

All Private Secretaries to Cabinet Ministers

WORD PROCESSORS

Further to the letter from the Chancellor of the Exchequer dated 21st May 1980 to the Minister of State for the Civil Service, would all recipients of this note please destroy the attachment to that letter. A revised version will follow.

A copy of this note goes to all Private Secretaries to Cabinet Ministers and to the Minister of State for Transport.

A handwritten signature in cursive script, appearing to read 'M. Collins'.

(MRS) M. COLLINS

CHANCELLOR OF THE EXCHEQUER

cc Minister of State (L)
Sir Douglas Wass
Mr France
PS/Inland Revenue
PS/Customs and Excise
Mr Littlewood, DNS
Mr Butt

M. H. Carpenter
M. A. Bateheln
Wise
P. Atkinson
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WORD PROCESSORS : THE POSITION IN HM TREASURY

Following the Minister of Agriculture's letter of 28 March, and Mr Channon's reply of 2 April, you asked for a report on the existing use of word processors in the Treasury and the possible economies to be gained from the introduction of more advanced machines, particularly those involving the use of visual display units (VDUs).

Current position

2. As you are aware, our present word processing unit comprises three Rank Xerox 800 machines. The first of these machines was installed in 1975. The Rank Xerox 800, although styled an automatic typewriter, was one of the first machines available on the market capable of storing information and equipped with editing facilities etc. This was Rank Xerox's first venture into the typing field and the Treasury was the first Government department to test and use the machine.

3. The approximate cost of the unit is currently £34,800 per annum (staff plus amortised capital costs). In the past 4 years all the major typing tasks of a repetitive nature (eg office directory, committee papers, FIS manuals, standard letters, background economic briefing etc) have been transferred from the conventional typing pools to the unit. In addition, the unit handles a variety of ad hoc tasks eg draft White and Green papers, Budget briefing etc. Even so, the work handled by the unit is only 15% of the department's total copy typing load. There may be a small amount of remaining work which could be done more effectively in the unit. But the great bulk of the department's output is in one-off material more quickly and cheaply produced by conventional methods: generally word processors are fully cost effective only where a document is going through more than one draft and where the editing rate is more than 15-20 per cent at each redrafting stage.

The Future

4. The cost of word processing machines is normally written-off over 7 years.

The first of our machines would thus be due for replacement in 2 years' time. Since we first entered this field, there has been rapid technological advance and, as you have observed, our unit could be described as antiquated. This may be one of the penalties of being in the field early. On the other hand, the nature of the Treasury's work limits the extent to which we can use word processors to replace conventional typists, and the restrictions on public expenditure have not encouraged us to write-off our investment earlier than planned. When we come to replace the existing machines, we shall clearly need to evaluate the technological developments of the last few years. Some manufacturers have claimed that their machines can produce substantial increase in productivity for all types of work: there is precious little evidence to support their contention and further trials of different machines are taking place within the public service to establish the facts. There is no doubt, however, that on the work for which they are suited, word processing machines produce significant increases in per capita output (by about 3 to 1): and, of course, there are substantial additional savings for divisional staff by eliminating the unproductive chore of checking and rechecking drafts. But before we invest in advanced machinery with VDU facilities etc we will wish to be sure that:

- a. we have sufficient quantities of the right type of work.
- b. the savings can be distributed in such a way that we can secure significant reductions in our typing force; *so that small*
- c. ~~so that overall~~ there would be the prospect of securing an adequate return on the capital cost of the advanced machines, as compared with either conventional typing or our existing technology.

5. In other words, we have to maintain a critical approach to future

expenditure by ensuring that we choose machines best suited to our particular needs and which will produce demonstrable savings either in the department as a whole or in the word processing unit itself.

6. As regards the Staff Side dimension, there are problems at National level. But we have not experienced them in the Treasury, although our Staff Side takes a lively interest in the subject. We would not expect trouble from our departmental Staff Side so long as we have to employ agency typists (an arrangement which is unpopular with the Staff Side and which creates other problems, so that agency staff should be the first to go if we can secure improvements in productivity) and so long as we can satisfy our Staff Side that there are no health dangers associated with whatever replacement machines we purchase. In the unlikely event that National officials become involved, it could be a different story.

Other departments

7. You also asked for reports from your other departments. Customs and Excise minuted you on 25 April. The report from Department for National Savings is attached to this minute. The report from the Inland Revenue should be available early next week.

WR
add to
this
copy.

P F CHAMBERS

30 April 1980

MANAGEMENT IN CONFIDENCE

REPORT TO PS/CHANCELLOR OF THE EXCHEQUER ON CONSIDERATION OF THE USE OF WORD PROCESSING TECHNIQUES IN THE DEPARTMENT FOR NATIONAL SAVINGS (DNS).

For some years now DNS, through the medium of the Organisation and Methods Branch of its Mechanisation and Development Division, has been following closely the development of word-processing techniques to their present high level of sophistication and is well aware from attendance at CSD and commercial seminars and from the study of subject literature including trials reports, of the advantages that can accrue from the exploitation of these techniques when they are used in the right environment.

2. At the most recent reappraisal of the possibilities for introducing word-processing facilities in DNS, carried out at the end of 1979, the conclusion was reached that the nature of DNS typing and associated work did not in general lend itself to the cost-effective exploitation of word-processing techniques as we know them today, even in their less sophisticated forms. Most DNS correspondence can be carried out cheaply, speedily and quite satisfactorily by the use of pre-printed forms and letters, and almost all the residue referred to typing pools comprises heavily customised letters requiring a case copy only for the file. The element of report type work is very small.

3. Two minor areas have been identified which could conceivably benefit from the application of word-processing techniques, in particular from the facility to store, amend and reprint; and the Department also has it in mind to carry out a more detailed survey of procedures in its operational divisions. But the benefits thought likely to accrue are very limited, and the tasks do not rate highly in the order of development priorities when compared with other more profitable assignments.

4. So far as Staff Side reaction to the introduction of more advanced equipment is concerned the Department has not experienced undue difficulty in dealing with its Staff Side on any of the major issues. At present we are in the process of replacing our

existing computers with new machines in the ICL 2900 range. A good deal of other highly sophisticated equipment has been installed, most of it - the processor-controlled data preparation systems at all three operational divisions and a fully interactive program development system on line to the main frame computer at the National Savings Bank, Glasgow for example - equipped with visual display unit (VDU) facilities. But it must be pointed out that the majority of the equipment was installed some time ago before the Staff Side became so much concerned with the effects of new technology.

5. There are indications that in the future their reaction to the introduction of any new equipment would be very much in line with the views expressed in the draft agreement on new technology proposed by the National Staff Side and at present the subject of discussion at national level: they would probably object to any new equipment which resulted in staff savings, and in many cases it is probably only the savings as a result of staff reductions which would justify the expenditure on the new equipment. Unless the draft agreement is very much modified before acceptance, therefore, it could prove difficult in the future to introduce new equipment such as word processors.

be:



INLAND REVENUE
MANAGEMENT DIVISION
SOMERSET HOUSE

16 May 1980

CHANCELLOR OF THE EXCHEQUER

WORD PROCESSORS: THE POSITION IN THE INLAND REVENUE

We have seen the Customs & Excise letter to you dated 25 April 1980 about word processors and share their concern at the constraint caused by the agreement between CSD and CPSA.

It is Revenue policy to instal word processors for repetitive typing tasks, such as standard letters, multi-draft reports, instruction books and manuals etc. We too find that generally it is the typists and superintendents themselves who are enthusiastic for these machines - those who would like to be relieved of the "tread mill" of repetitive typing work. Currently we have 44 machines in our Headquarters Typing Service, all with magnetic recording media facilities, and some with visual display units also. Last year we replaced 22 processors within the terms of the CSD agreement but our wish to instal 6 more machines with visual display units fell foul of it. We have provision in our estimates for 1980-81 for nearly £90,000 to be spent on additional word processors.

We are taking part in the current CSD trials on the use of word processors for non-repetitive typing.

E W BOYLES

cc Minister of State (L)
Sir Douglas Wass
Mr France
Mr Fox
Mr Chambers
PS/Customs and Excise
Mr Littlewood (DNS)

Sir Lawrence Airey
Mr Boyd
Mr Vernon
Mr Houghton
Mr Painter
Mr Rogers
Mr McConnachie
Mr Murphy

21 MAY 1960

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Board Room
HM Customs and Excise
King's Beam House
Mark Lane London EC3R 7HE

CHANCELLOR OF THE EXCHEQUER

cc Minister of State (Lords)
Sir Douglas Wass
Mr France
Mr Fox
PS/Inland Revenue
Mr Littlewood (DNS)

WORD PROCESSORS: THE POSITION IN CUSTOMS AND EXCISE

→ We support the Secretary of State for Agriculture's pressure for resolution of what is tantamount to an embargo on the development of word processing systems in departments. Despite the assurances contained in Mr Channon's reply of 2 April there has been a clear understanding for some time that no new word processors (including those with visual displays) may be purchased without the prior approval of the CSD and, implicitly, that of the CPSA. This has been borne out by the steady refusal of the CPSA to consider any applications for word processors not covered by the five points of "the agreement with the CSD" (a ... copy of a relevant letter is attached). Contact between this department and the CSD has for some time been conducted on mutual acceptance that there is a standstill on the word processor front until the joint trials have been completed.

2. We believe that new machines are more likely to produce savings or increase productivity if staff are committed to their use. Our staff are in general enthusiastic about word processors (despite the attitude of the CPSA) but we have doubts about the prospects of success of any machine system that is introduced by administrative action. In any case, although we do not hesitate to introduce changes by administrative action (i.e. failing agreement with the unions), and indeed frequently do so, this course is not open to a Department when, as here, the subject is effectively under central negotiation between CSD and a union.

3. Customs and Excise are fully committed to the use of word processors as an aid to efficiency. Almost all our Collections have an early version of a word processing machine and these machines are scheduled to be replaced by more modern models as soon as the CSD/CPSA trials are complete and we receive CSD's authority to purchase. It is hoped that agreement will be reached between CSD and CPSA not only on allowing the use of these machines but also on the need for greater flexibility in the use of the staff who operate them.

4. The more up-to-date models mentioned above are already being used successfully in our headquarters typing pools but the embargo has prevented any increase in the numbers of machines in order to deal with new work or deal more effectively with existing work.

5. Our main difficulty is that the delay due to the embargo has affected progress in developmental work on word processing and the trials have enabled CPSA to delay action on proposals for ad hoc uses in new areas which might offer scope for substantial cash savings (e.g. in the printing of our departmental instructions where an annual saving of about £80,000 is in prospect).

6. We should also add that the shortage of HMSO funds in the last financial year, which cut our budget by nearly two thirds, would in any case have prevented any significant investment in word processing machines for new work.

MJB

25 April 1980

M J ELAND
Private Secretary

Internal circulation

Sir Douglas Lovelock
Mr Phelps

Mr Fraser
Mr Hawken

Mr Bryars
Mr Nash (origin)



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

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

18 June 1980

Dear Geoffrey,

Thank you for your letter of 21 May about word processors.

You and other colleagues are rightly concerned about the need to introduce the most efficient and cost-effective office machinery in their Departments. I would like to make the position clear.

I am attempting to negotiate with the unions an agreement on new technology. If such an agreement can be reached, then there would be great advantages for us - especially for those engaged in large-scale computer projects, such as the possible computerisation of PAYE, whose success will depend in large measure on staff co-operation. Now that the Union Conferences are over, negotiations are resuming.

But colleagues should not feel that they have to wait until these negotiations are over to introduce word processors or any other form of new technology. CSD is always ready to take up any specific case nationally with the union concerned if agreement cannot be reached departmentally. We have been very successful in this. But if the unions should prove to be obstinate after all the agreed processes have been gone through, then colleagues are fully entitled to introduce equipment by administrative action. There is clearly some misunderstanding about this, and it is particularly highlighted in the report from the Customs and Excise to you. So I am copying this letter to the Prime Minister and to all Ministers in charge of Departments.

Our aim must be to conclude speedily a satisfactory agreement with the unions. Should we be unable to do so, then I agree with you that we must take whatever action we think fit, choose our ground carefully and expose the union position. I assure you that I have this well in mind, and will keep you and other colleagues in touch with developments.

Yours,
Paul

119 JUN 1980

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Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon Sir Keith Joseph BT MP
Secretary of State
Department of Industry
Ashdown House
123 Victoria Street
London SW1E 6RB

22 July 1980

Dear Keith

Thank you for your letter of 22 May *will request if needed* about public purchasing in the office machinery sector.

You will have seen my letter of 18 June to Geoffrey Howe setting out the position we have reached with the unions, in particular about word processors. We are certainly doing everything we can to resolve the problems, and I am grateful for your support.

I agree that the feasibility of development contracts for office machinery should be explored, though this is more for you than for me. It would be very helpful if any proposals could be discussed with my officials in CCTA to ensure a co-ordinated approach to development and purchasing. So far as the Gestetner proposal is concerned, HMSO have been in touch with your officials. As soon as the specification of the new photocopier is available they will indicate how many they think are likely to be purchased for Civil Service use. As a trading fund organisation HMSO will not be able to participate in financing development work or to place orders in excess of those required to satisfy firm demands from Departments. It may, however, be possible that another Government Department will be prepared to provide financial assistance.

On the question of experiments in the area of what is called the "office of the future", we have already conducted some trials and my officials are currently completing plans for a further series of trials, as suitably robust equipment becomes available over the next two or three years. We must get on as quickly as possible with testing in the Government Service equipment which offers the possibility of being of benefit to us. This is uncharted territory and we need to construct our trials very carefully to ensure that they reveal not only the abilities of the equipment but also the real impact which the equipment will have on efficiency and on working methods. Mistakes in this investment could be costly. I welcome your suggestion that your own Department will be considering the possibilities of some projects. We look forward to hearing more about them so that we can consider their feasibility and how they may best fit into our service-wide programme. Again our officials should, as you suggest, discuss this in more detail.

Office refurbishment budgets are currently part of the Allied Service Budget of PSA, while office equipment is provided for within departments' own budgets for general and administrative expenditure. You may therefore wish to pursue with Michael Heseltine whether he is able to make available any funds from this source to transfer to departments to buy office machines. As far as departments' own budgets for general administrative expenditure is concerned, they may wish to earmark part of them, but I do not think we could instruct them to do so. The general trend we are encouraging is for departments to have flexibility to use their administrative budgets as they consider most efficient. We are, however, about to suggest to departments that they should carry out reviews of the scope for use of computer equipment, especially small machinery of this kind, over the next few years. This should lead them to construct clear plans and to consider the financing of them from their administrative budgets.

Perhaps the next step should be for our officials to discuss these points, and I will ask mine to get in touch with yours.

I am sending a copy of this letter to the Prime Minister and to the Chancellor of the Exchequer.

PAUL CHANNON

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22 JUL 1980

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22 JUL 1980

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