



Civil Service

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister discussed with you this morning the proposals set out in your minute A03422 of 3 November 1980 for the replacement of the present computer which the Treasury and the CSO use.

As she told you, she was sceptical about the need to acquire a new computer with about twice the capacity of the present machine, but after you had explained that the existing computer was nearing the end of its useful life and that the Treasury needed a new machine in order to help them achieve their planned staff reductions she agreed to the purchase of the new computer.

TAW.

7 November 1980

070

Arranged for
after O.D.
On Friday
7th Nov.



Min. Minister.

Consider that the
Cabinet Office should replace
this computer or a copy of £1.7m.?

Ref. A03422

MR. WHITMORE

8.6.11

Why

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HW
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The Treasury and the Central Statistical Office are joint users of a UNIVAC computer, housed in the building which they share. The Treasury use the computer for their analysis and forecasting, and for the control and monitoring of public expenditure; and the CSO use it for the compilation and production of their statistics. The present computer is heavily loaded, and needs to be replaced with a new computer with about twice the capacity of the present machine. The net cost will be about £1.7 million, for installation in September 1981.

Why -
what more
is it required
to do?

2. The requirement was recently reviewed, and as a result it was possible to reduce the cost of the replacement by about £500,000 to the present figure of £1.7 million. It would not be possible however to meet the foreseen requirements on the existing computer: even if the Rayner proposals for the Central Statistical Office are implemented in full, the replacement will still be needed. In order to be ready for the 1981-82 forecasting season, it is important to have the new installation working by the early autumn of 1981; and work has to start soon on the preparation of the accommodation (including air conditioning) for the new computer.

Why?

3. There is already provision for the new computer in the public expenditure programme for the Cabinet Office. Treasury Ministers agreed that it should go ahead. But, as it is a major item of expenditure on the Cabinet Office vote, I thought that the Prime Minister should be aware of it at this stage.

4. The need for the new computer will not be affected by whatever is decided about the merger of the Treasury and the Civil Service Department. The only relevance of that is that, if the merger is decided upon, and it is thought necessary to move the CSO out of their present building in order to make room for people from the Civil Service Department, there would need to be some additional expenditure on links to wherever the CSO was housed. No decision



has been reached as to whether the CSO would have to move in the event of a merger; I think that we might well conclude that the balance of argument was in favour of leaving it where it is.

RA

ROBERT ARMSTRONG

CONFIDENTIAL

3rd November, 1980