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DEPARTMENT OF TRANSPORT  
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R/PSO/10751/85

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1

25 July 1985

Dear Norman

DHSS LOCAL OFFICE PROJECT

with AT

Thank you for sending me a copy of your minute of 19 July to the Prime Minister.

While I am always reluctant to see the principle of competitive tendering overturned, I agree that there are good reasons for ensuring that the mainframe computers for your Local Office Project are compatible with those for existing benefit systems. Given that there is no scope for achieving this other than through single tendering from ICL (and on the advice that EC and GATT rules are not therefore contravened) I have no objection to your proposal for a single-tender approach to ICL. This is of course with the proviso that the remainder of the system, other than the mainframes themselves, are open to competitive tender as your paper indicates they will be.

I am copying this to the Prime Minister and other members of E(A), to Geoffrey Howe, Michael Havers and Patrick Mayhew, and to Sir Robert Armstrong.

*Nicholas Ridley*

NICHOLAS RIDLEY

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