

TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

21 July 1988

SPACE: FUTURE ROLE OF BNSC

1. We have settled the ^{Acc} main outline of our civil space policy - my minutes of 1 February and 11 April and the resulting correspondence. Since that time, the United Kingdom has re-entered the Columbus programme, taking a leading role on the polar platform.

2. The one remaining issue concerns the future of the British National Space Centre (BNSC). I have considered various options. My firm recommendation is that we should maintain the existing structure of BNSC and use it essentially as an inter-Departmental co-ordinating mechanism. We should concentrate on making it work effectively in this role.

3. I considered carefully three alternative arrangements for BNSC: abolition; separate identity; and agency status.

Abolition of BNSC would leave us to rely on the process of inter-departmental consultation which proved inadequate prior to 1985. A number of Departments participate in civil space activities and several are often involved in a particular project. Different interests will need to be reconciled - for example as regards the instruments to be flown on an earth observation platform. On past experience, I doubt whether the resultant need for close co-ordination of effort can be met effectively by ad hoc consultation. Moreover, abolishing the BNSC would raise further doubts about our intentions on space, particularly in Europe, making it more difficult to secure our agreed objectives.

4. Nor would I favour giving BNSC a separate identity with its own resources. This would tend to distance space from associated sectors of technology and science. The Government's approach is to emphasise the need to identify priorities and to make choices across the R & D field. In my opinion, we should leave the ultimate control of resources with Departments themselves, and with SERC and NERC. A free-standing BNSC could soon become a lobbying organisation for a substantially enlarged space programme, regardless of other scientific interests.

5. As regards agency status, we need to bear in mind that the great bulk of BNSC's activities are already carried out through agencies of one kind or another, notably ESA. A number of

activities are undertaken at the Royal Aerospace Establishment, Farnborough and at SERC's Rutherford Appleton Laboratory. Both establishments have a wide range of other tasks, and I do not believe that it would be sensible to divorce work on space from these activities or convert their civil space activities alone into an agency.

6. In my view, we should therefore retain the present structure of BNSC. This does have its awkwardnesses, because the Centre does not own its resources and because it has to serve many masters. But the structure brings together in one place those concerned with the day-to-day development of policy, while leaving ultimate control over resources with the partners responsible for ordering priorities.

7. I believe there is scope for building on the present arrangements by:

- developing much stronger contacts between BNSC on the one hand and industry and the scientific community on the other, with a particular focus on the commercial exploitation of our space programme;

- clarifying BNSC's relationship with its parent partners through a Resources Board which will concentrate on the approval of forward programmes and objectives within the

resources allocated by the partners, reviewing performance against objectives, and considering policy issues on which co-ordinated advice to Ministers is required;

- providing BNSC with clearer terms of reference. This requires a coherent statement of civil space policy, not least to counter any lingering unrealistic expectations. I see this as being contained in our reply to the report from the House of Lords Select Committee on Science and Technology on United Kingdom space policy. I am circulating a draft reply separately and intend to place a copy of the final text in the Library of the House before the summer recess. Secondly, I propose to give the recently appointed Director General a new remit (draft attached).

8. I should be grateful for any comments from you and colleagues on the above proposals by close on 25 July.

9. I am copying this minute to members of E(ST), and to Sir Robin Butler and John Fairclough.

Peter Smith

PP KC

*(Approved by the Chancellor and
signed in his absence)*



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**BRITISH NATIONAL SPACE CENTRE: RESPONSIBILITIES OF
DIRECTOR-GENERAL**

1. To co-ordinate the United Kingdom's civil space policy so as to secure both value for money and, by the cost effective use of resources, the maximum scientific, technological, commercial and other benefits to the nation; and in particular:

(a) to co-ordinate advice to HMG in formulating its stance towards, and to optimise the returns from, the United Kingdom's participation in ESA, and in other international programmes.

(b) to increase private sector involvement in the design, timing, operation and funding of ESA programmes.

(c) to co-ordinate the management of the national space science programme so as to derive the maximum scientific benefits from ESA's mandatory science programme and other space science activities.

(d) to co-ordinate the management of the other national space programmes (excluding certain defence specific programmes) consistently with the government's general approach to support for industrial research and development, including the encouragement of collaboration between industry, the relevant Research Councils and higher education establishments.

(e) to maximise the role of industry in the operation of the Earth Observation Data Centre at the Royal Aerospace Establishment, Farnborough, with the objective of the Centre becoming a wholly commercial activity at the earliest practicable date.

2. To advise the responsible Minister in the Department of Trade and Industry on civil space policy, taking account of the interests of the BNSC partners: on major issues this should be done through the BNSC Resources Board. (Where defence interests are concerned, the arrangements agreed between the Secretaries of State for Trade and Industry and for Defence on 26 January 1987 continue to apply).



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3. To reinforce the BNSC's working relationship with the scientific community and industry, and to involve them in the policy formulation process - particularly as regards the determination of priorities.
4. To concentrate the role of the BNSC on the formulation of civil space policy and on the co-ordination and evaluation of the implementation of this policy.
5. To prepare annually a review of the BNSC's activities over the preceding year and a plan for BNSC's activities for the following three years, for consideration by the BNSC Resources Board.

July 1988

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