

CONFIDENTIAL

PRIME MINISTER

FUTURE ROLE OF BRITISH NATIONAL SPACE CENTRE

A year ago you reluctantly agreed that the British National Space Centre (BNSC) should continue as a co-ordinator for the civil space interests of the different Government Departments, rather than being absorbed within the DTI. But you asked for its future to be rigorously reviewed after 12 months.

Lord Young's minute (Flag A) responds to that remit. He argues that:

- BNSC has proved its worth;
- in large part because of its efforts good progress has been made in securing the recognition of the importance of Earth Observation (e.g. for environmental modelling) and the low importance of manned space flight programmes;
- none of the alternatives to the BNSC, e.g. abolition, Agency status or a separate identity with its own budget, offer any advantage over the present arrangements;
- the present structure of BNSC should therefore be continued but with two improvements:
 - continue the process of focusing the management structure to reflect the concern with space applications rather than space as an end in itself;
 - expand the BNSC Resources Board to include the DOE and John Fairclough;
- the process of moving towards a tauter customer/contractor relationship should be continued, drawing on advice from the expanded Resources Board.

This approach is supported both by John Fairclough (Flag B) and by George Guise (Flag C). George argues that the fears he expressed last year that the BNSC would become a lobbying focus have not been borne out.

Content to agree Lord Young's proposals?

Rec.

PAUL GRAY

21 July 1989

Yes not