

The Origins of the Oxford Internet Institute

A brief history

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THE ORIGINS OF THE OXFORD INTERNET INSTITUTE

Introduction

The Oxford Internet Institute (OII) is a department of Oxford University. Created in 2001, it was the first multidisciplinary institute at a leading university with the goal of researching and teaching about the impact of the Internet on society. Today, students come from across the globe to undertake its Masters and Doctoral programmes and in recent measures of national research excellence it made contributions in Sociology, Political Science, Economics, Computer Science, Philosophy, Psychology, Geography, Law and Education. It is now recognised, nationally and internationally, as an authoritative voice about the Internet.

Once an institute has come into being, especially when it is successful, there is a tendency to think that it must have been all too easy to get it going. Such a tendency looms particularly large for the OII. Indeed, looking back it seems totally obvious that something as world-changing as the Internet should be the subject of new research. Not only this, but, given the OII was fully launched and up and running less than a year from the idea first being mooted, it could seem all too easy to suppose that the Oxford Internet Institute was conceived, funded, and set up with nary a birth pang.

Such thinking suppresses important questions. Why do some institutes come into being while others do not? Why do some fail while others succeed? Why do some arrive very fast while the gestation of others takes decades? As universities increasingly look for external funding, an equally pertinent question focuses on the role of the funders: are they facilitators or shapers?

This paper does not propose a general theory of ‘institutional creation’. Rather, it lays out the specific story of the OII’s birth within the context of Oxford University. It also shows that the reality of that birth was very far from the “conceived, funded, created” model. Moreover, while there may well be no single factor, the presence or absence of which determines whether research initiatives succeed, describing the evolution of the OII and the problems faced along the way can still offer insights into how new institutes come into being and, once created, become successful.

Before continuing, and in order that what follows can be seen in proper context, some personal remarks are needed. I am the one who, possibly more than anyone else, founded the OII. This is not to diminish the huge contributions from many others, most especially Derek Wyatt and Dame Stephanie Shirley. The roles of these two as well as the parts played by others will become clear as the story unfolds. That said, I wrote every paper, bar one, about the OII, raised the money, persuaded Balliol College, Oxford University and the Government of the merits of the idea, and was the OII’s Project Director from September 2000 until its launch announcement in May 2001. Subsequently, I became Acting Director for the first fourteen months of the OII’s existence and then Chair of the OII Advisory Board over its first decade.

Such a strong direct engagement presents an obvious challenge: how to achieve the necessary objectivity? In what follows no attempt has been made to remove the semi-autobiographical elements since, without these, much highly pertinent material would have to be omitted. In any case, this account has been fully embedded in the historical documents (including several of which I was unaware at the time) and an early draft was sent to all the other key participants for their views. As well as providing many helpful comments, all those who responded agreed that this was a fair account and I have been able to take on board their observations without having to make any

changes of substance.¹ It might be added that several urged me to retain the more personal sections on the grounds that these add substantially to an understanding of what was taking place and why. Naturally the responsibility for any remaining errors of omission or commission rests solely with me.²

Before turning to the details, the reader may find it helpful to think of the OII as two springs of a river. One tributary starts with my own work as an economist interested in technology and flows through Balliol where, in 1997, I moved from being a Fellow and Tutor in Economics to become Acting-Master. The other tributary begins with Derek Wyatt who had a long term interest first in computing and, later, in the Internet and who became a Labour MP in 1997. At that stage, neither of us was aware of the interests of the other. Indeed, our ideas did not come together until June 2000 when Colin Lucas, the then Vice-Chancellor of Oxford University, invited Derek Wyatt to make a presentation to a number of senior members of the University of whom I was one.

In tracing this history, Part I starts with the tributary that flows through me and Balliol. Part II is the parallel experience of Derek Wyatt. Part III takes up the story from when these came together in June 2000 until my first meeting in September with the inspired philanthropist, Dame Stephanie Shirley, who became the major benefactor of the OII.

It was Dame Stephanie's early willingness to back us that turned the OII from thoughts on paper into something that might actually happen. Part IV documents the internal Oxford discussions that followed the meeting with her and Part V deals with the multiple approaches to the Government to obtain matching public funding which was a condition of her support. Both of these ran from the summer of 2000 until the Press Release announcing the establishment of the OII on 4th May 2001.³

In one sense, that Press Release might seem to be end of the story: everyone had agreed and we had made public our intention to create the OII. However, at this point, the OII as a functional institution still did not exist, it had no established staff, the building was not ready and it had no guarantee of longer term funding. Three further sections are therefore needed to complete this account. The first, Part VI, describes the period from the announcement in May 2001 to the OII Launch Conference in September 2002.⁴ The second, Part VII, covers 2006 and 2007 when a second tranche of public funding had to be secured. Finally, Part IX makes a couple of concluding observations.

For ease of reference, a list of names of those involved, plus the positions they held at the time, is attached at Appendix A; Appendix B provides a list of acronyms; and, Appendix C gives a time line of events within Balliol. For the historical record, a further extensive set of papers - *The Origins of the OII, Background Historical Material* - contains copies of all the most important relevant documents

¹ I am particularly grateful to Mike Warburg who provided full access to his personal files. I would also like to thank the University of Oxford, which allowed access to the records held in the University Offices. The digital records saved by Tony Abrahams have also proved invaluable. Dr John Jones, Dame Stephanie Shirley, Sir Colin Lucas, Antony Weale, Richard Susskind, Sir Peter Williams and Sir Alex Allan all provided helpful comments and I thank them. I also owe large thanks to Peggotty Graham who read the entire text with a fine eye and made multiple helpful suggestions for improvements.

² I also made Freedom of Information (FOI) requests to all the Government Departments with whom we were in touch, namely, the Cabinet Office, No 10, the Treasury, the Department of Trade and Industry (DTI), the Dept for Education and Employment (DfEE), the Department for Culture, Media and Sport (DCMS) and the Higher Education Funding Council for England (HEFCE). The results were singularly unhelpful. All of them, except HEFCE, replied saying they either had nothing or the information was not held by them or, in the case of No 10, that any papers were not covered by an FOI inquiry; and, in the case of HEFCE, their reply was that all the earlier papers had been destroyed.

³ See Historical Material 1

⁴ The first full time Director, Professor Bill Dutton, was in post from mid-July, 2002.

which will not be easily found elsewhere. These are not included here, but copies can be found in the archives of Balliol College and of the OII. Appendix D provides a list of these documents. References in footnotes, simply say *Historical Material* followed by the relevant number.

I. The Balliol Context⁵

One of those to whom I sent an early draft of this account commented that “this reads as if Balliol had a building it needed to use, it needed some money and so you looked around for an idea, whereas the OII was an idea of its time, there were multiple obstacles, it was hugely worth fighting for and you made it happen!”. The reality is that *all* of these were the case. Creating an Internet Institute, particularly at that time was, indeed, an inspired idea and there were a good many obstacles, but it was the situation in Balliol, together with my earlier interest in the Internet, which generated the opportunity.

The opportunity had three components.

First, in the autumn of 1994 I had a sabbatical term free from my teaching responsibilities as a Fellow and Tutor in Economics at Balliol. I spent it at MIT and Harvard. I went there because I had become convinced that technology was becoming ever more important as a way of understanding the forces shaping society (the same reason I had been interested in economics much earlier in my career). The timing could not have been better. That autumn was when Tim Berners-Lee was making the world-wide web known to the public, and alongside this, there was an excellent graduate course on the Internet at the Kennedy School which I attended.⁶ By the time I returned to Oxford in January 1995, I was well aware of the immense and exciting potential of the Internet. Thus, in Hilary Term 1995 I gave a lecture course about the Internet and the public policy issues that it raised. I also applied for and was awarded an ESRC research grant to investigate how citizens might best access the enormous information resources that the Internet was beginning to make available.⁷

Second, in 1997, Colin Lucas, the then Master of Balliol, became Vice-Chancellor of Oxford University. He was given leave from Balliol for four years and, in his absence, I became Acting Master of Balliol⁸, *de jure* from 1 October 1997, *de facto* from 1 January 1998.

Third, there was the building. No 1 St Giles is located on the north-west corner of the main Balliol Broad Street site, contiguous with the other buildings but, back then, entered only from St Giles, the wide thoroughfare that leads north from the centre of Oxford. Balliol had acquired this property in 1989 but, as part of the arrangements for the purchase, leased it back for a period of 25 years to the firm of solicitors (Morrell, Peel and Gamlen, the previous owners) who wished to continue to use it.⁹ However, in 1997, Morell, Peel and Gamlen were taken over by Manches and they closed the office

⁵ Readers unfamiliar with the University of Oxford may need to know that in 1997, in total, there were 39 colleges. Each is a self-governing body with its own Statutes and endowments. Balliol College, founded in 1263, is one of the oldest and most intellectually distinguished.

⁶ The course was called “The National Information Infrastructure”, so no use of the term Internet and no apparent awareness that the Internet was already global. By this date, the UK also had an Internet (JANET) and the so-called ‘Fat pipe’ connecting the Internet of the USA with that of the UK had been opened in 1992.

⁷ “The Information Superhighway: Market Structure, Access and Citizenship” (Award No:L126251017).

⁸ To be precise, I was appointed as Vicegerent. Under the Balliol Statutes this is the post held by whoever stands in for the Master and who has the full authority of the Master. However, as my appointment was for four years and as the meaning of Vicegerent would not be clear outside Balliol, it was agreed to use the term Acting Master.

⁹ “1 St Giles”, J.H.Jones, *Balliol College Record*, 1990

at 1 St Giles. As a result, entirely unexpectedly, on 1 January 1998, the very day on which I became Acting Master of Balliol, No 1 St. Giles became free. The question was how best to use it?



Andrew Graham and Dame Stephanie Shirley outside 1 St Giles

The College owns very little property and it is all intensely used. Inevitably, there were many competing demands. More undergraduate rooms, better space for our archives, and more office space for the newly established Development Office were all high on the list. However, standing back, it was clear that St Giles was one of the few remaining opportunities for Balliol to make a strategic move using physical space directly connected to the main site.

Did Balliol or I know exactly what this strategic move might be? Absolutely not. Nevertheless, based on what I had seen in the USA I argued from the outset that Balliol had to use 1 St Giles in some way related to the Internet.

Several ideas were mulling around. One possibility, I suggested, was that we should build in some way on what Stanford University were already doing in terms of the multi-casting of lectures via the Internet to tech firms in Silicon Valley.¹⁰ A research component also seemed attractive as that might

¹⁰ As a result, a small technology firm, AgendaTV, came to Balliol and we experimented with recording some lectures in an Internet format. The students who saw the results were supportive, but, hardly surprisingly, were interested in such lectures only as a complement rather than a substitute for what they had already.

bring graduate students and/or research funding.¹¹ I was also attracted to the idea of making greater use of Oxford's ability to bring people together and act as a "neutral host". As a result, I wondered whether 1 St Giles, fully equipped with new technology, might give Balliol an opportunity to expand in these directions.

Another thought was that, if we were to fund-raise successfully, we needed to connect far more closely with our alumni. Back in 1997, no one was using the term "social media" and we had little idea what was to come. Nevertheless, it was clear that if we could bring the alumni into closer contact with both students and Fellows this would be reciprocally helpful. The possibility of using the new technology, situated in 1 St Giles, as an additional way of bringing alumni together and connecting with them, was therefore another of the ideas milling around in my mind.

All of these points were made in papers I wrote for Balliol during 1998.¹² The problem was that the College was desperately short of money,¹³ so any new initiative had to be either entirely donor-funded or income generating or some mixture of the two. Finding a solution which met all these requirements proved elusive.¹⁴

With the potential of the Internet becoming ever more obvious, overlapping thoughts and ideas were taking place within the University. An Oxford city councillor, Dr Robert (Bob) Hoyle, knowing that Colin Lucas was about to become Vice Chancellor, wrote to him in 1996 proposing a "Millennium College" to bring together within a single physical space, digital facilities for the large number of non-University people in Oxford, including, for example, provision of Internet kiosks. At about the same time, Michael Selzer (Balliol, 1960) emailed Colin Lucas suggesting "nothing less than a University on the web".

The idea, taken most seriously by Oxford University at the time, centred on a suggestion by James Martin, also made in mid-1996, that the University should create a Media Centre. In response, the University established a Working Party on New Educational Technologies and took evidence around the University. In a paper I submitted, I emphasised the extent to which all the normal ways of assessing the validity of information were lacking on the Internet and argued that, as a consequence, universities in general and Oxford University in particular had a huge potential to act as trusted information providers.¹⁵ These ideas subsequently became a core part of the case for the OII.

¹¹ Broadly speaking, most Oxford colleges admit and teach undergraduates, whereas graduates are admitted and taught by the University (but still become members of colleges). As a result, with the number of graduates rising both absolutely and proportionately, colleges looked as if they might become more like halls of residence than academic communities. In the case of Balliol, it already had a large and intellectually stimulating graduate community, but their rooms are not on the main site and I wanted to integrate them more and to increase the opportunities for cross-disciplinary exchange. The building at 1 St Giles looked like an opportunity to meet both of these goals.

¹² See especially "Possible Uses of 1 St. Giles: A Discussion Paper by the Acting Master" May 1998 and "Future Directions" October 1998, Historical Material 2 and 3.

¹³ We were not short of cash, but we had too small an endowment for the scale of our activities. As I often remarked, Balliol was far more famous than it was wealthy and my highest priority was to change that ratio but without lowering the fame.

¹⁴ During 1998 and 1999, I had numerous meetings with Microsoft (both in Reading and in Seattle) as well as with ICL/Fujitsu, discussing how 1 St Giles might be used.

¹⁵ Paper for the Working Party on New Educational Technologies: The Effects of New Technologies on Universities, April 1997, Historical Material 4.

None of these plans, neither the Balliol ones nor those of the University, came to fruition. Nevertheless, for those of us interested, there was the constant sense that eventually something in this area would prove to be realisable. In late 1998 a paper from me to the Fellows therefore recommended that the College should agree to re-construct 1 St Giles “with a heavy emphasis on IT and research activities – *but if and only if full funding for such a building and such activities were forthcoming* (emphasis in the original).” This was approved at College Meeting on 7 December 1998.

In January 1999, following this agreement, the College’s plans were discussed with the Campaign Board, a group of alumni who were assisting the College in its fundraising. This body was chaired by Jon Moynihan (the Executive Chairman of PA Consulting) and included Mike Warburg and Richard Susskind. All of them later played important roles in the creation of the OII.

Alongside this the then Development Director of Balliol, Judy Longworth, suggested that we should approach Dame Stephanie Shirley. Dame Stephanie was wealthy, had made her money out of technology and had visited Balliol as a guest at the Snell Dinner in the spring of 1997. The problem in approaching her in relation to our ideas about 1 St. Giles was that, at that stage, there was no core vision, no good business case, and no clear way of scaling what we had in mind. Balliol, despite its reputation, is not the size of a university and yet so much to do with the Internet seemed to depend either on being large or on the ability to *become* large. In 1999 we prepared a draft document with a working title of a “Multimedia Research and Conference Centre”, but it was not substantial enough to interest a potential donor and the draft document never went outside Balliol.

I therefore turned to a resource in Balliol that I was to use on many occasions in the future – its graduate students. On 26 May 2000 I held a Masters Seminar devoted to a discussion of the Internet. This was largely organised by Balliol graduate students and led by the then President of the Middle Common Room, Tony Abrahams. The range of topics on which the Balliol graduate students were already working which interacted heavily with the Internet was extraordinary and the result, at least in my mind, was to put the research and policy focus of any Balliol initiative back at the top of the list.

While this Seminar was in preparation, I had received, on 4 May 2000, an invitation from the Vice Chancellor to attend a meeting on 14 June 2000 at St John’s College. This was to hear from Derek Wyatt, MP, about ideas that he had about what Oxford University could be doing in relation to the Internet.

Totally unbeknown to me until this point, Derek had been pursuing a variety of ideas which overlapped substantially with my own.

II. Derek Wyatt MP¹⁶

Derek Wyatt was, at that time, the Labour party MP for Sittingbourne and Sheppey - a seat to which he was first elected in 1997. Like me, his interest in the Internet, and stimulated by an interest in computing, substantially predated that. As he describes it *"I was fortunate to have been made redundant back in 1991, for with my package I bought an Apple Performa with an external modem. I quickly signed on for CompuServe and Lexus/Nexus and taught myself the Internet.....I could see the future"*. As a result, he acquired a whole range of extra skills and *"when WireTV was sold to the Mirror group and became live TV in 1995, I pitched the Computer Channel to Sam Chisholm at BSkyB and found myself a job I would have died for."*

¹⁶ This section draws heavily on an article by Derek Wyatt “The Oxford Internet Institute” in the Parliamentary Monitor – IT Briefing, June 2001

As an MP he was “determined to make Internet one of the topics that I would try and deliver on for the government. I raised nearly £1 million in the City to show the (then) DfEE that its National Grid for Learning scheme could not work”, but this did not make him popular and so “frozen out of the DfEE, but determined to make the internet more central to UK culture (if not the government), I started to think about what was missing in the IT/internet space. There was no place the private sector to meet the public sector and share best practice.”

In January 1999 he had founded the World Internet Forum and the idea that Oxford should act as the host for such a Forum was one of several suggestions Derek put to Colin Lucas when they met at an event at the House of Commons in the spring of 2000. The Vice-Chancellor’s reaction was “I thought it was interesting though not necessarily in the form in which he was talking about. So, I suggested that he come down to talk to a group.”¹⁷

III. 14 June to 13 September 2000: the Idea Crystallizes

The Vice-Chancellor’s group met on Wednesday 14 June 2000 at 5pm in the Garden Room at St John’s College. Those invited included a number of Heads of Colleges one of whom was Sir Peter Williams, the newly elected Master of St Catherine’s College (where Derek Wyatt had been a graduate student in 1981-82). It also included some Heads of Division and others with an interest in the topic. The invitation letter stated that the purpose of the meeting is “to hear about proposals for the establishment of an Institute here to research issues such as tax, governance, ethics and best practice as they relate to the Internet; and both to publish results and to provide advice”. The letter also indicated that Derek Wyatt, who by then was Chairman of the All Party Internet Group, had set up the World Internet Forum and that the Forum was proposed to be held from 3-7 September 2000 at Oxford University.

Beyond the letter of invitation, there were no papers in advance. As Colin Lucas subsequently put it “My memory is that I just asked him to come to talk to a group of people who would be intelligently critical about it all -- which is the kind of stress test that has always worked for me.”¹⁸

Derek Wyatt presented multiple ideas with, at their core, a proposal that Oxford University should not only act as the host for the World Internet Forum but should establish an Institute which would service its meetings in the future.¹⁹ Closely allied to this proposal was the suggestion that such an Institute should focus on research and policy, the spreading of best practice, and that Oxford should be the first of a series of “hubs” of expertise. He also felt that Oxford University could act as a “quality assurance” guarantor for material on the Net by some method in which it would provide some form of ‘seal of approval’. As Derek conceived it, these activities, focused around a new Institute in Oxford, could lead to a position in which Oxford University would play a significant role in shaping the governance of the Internet.

Following the meeting, Colin Lucas asked Sir Peter Williams and me to assess these multiple suggestions in order to see what, if anything, it might be feasible for the University to pursue.

At that moment, at least for me, everything about the OII fell into place.

¹⁷ Email from Colin Lucas to Andrew Graham, 28 October, 2014

¹⁸ Ibid

¹⁹ Between his earlier meeting with the VC and his presentation in June, the date for the first meeting of this Forum had been put back to November 2000 and the venue had been moved from Oxford to London. Shortly before it was due to take place, the Forum was cancelled.

My thoughts on Oxford University acting as a "neutral" space mapped exactly onto Derek's conception in which a university such as Oxford could combine acting as a "thought leader" and as the venue for holding a World Internet Forum. The fact that the VC had called the meeting and asked for a follow-up indicated that the University would be on board. If so the problems with scale dropped away as one could see how Balliol's ideas might be the springboard for a University level initiative. And, by happenchance, if Balliol could be persuaded of the merits of the idea, 1 St Giles was sitting there, right in the middle of Oxford as the potential research space.

I therefore immediately said to Sir Peter that I could see how something significant could be done. By Friday I had prepared an outline paper and on Saturday we met in his study to discuss it. He was extremely supportive of all my thoughts, including the idea that the Institute might be housed at 1 St Giles. By Monday, I had prepared a near final draft (only requiring a couple of paragraphs from Sir Peter about potential donors) and by Tuesday, 20 June we submitted an agreed report to the VC.²⁰

Our report proposed an Internet Policy Institute at Oxford with the "*primary purpose [being] to carry out research*", focused on "*large, long-term questions of fundamental intellectual and academic importance*". We recommended an extremely tight timetable so that an announcement could be made at the first World Internet Forum planned for November 2000 (but now in London). We welcomed the idea that, in due course, the University could act as host for the World Internet Forum stating that the University "*with its global brand – especially its reputation for academic excellence allied to objectivity – would provide the perfect 'neutral' home for the discussions of the many public policy and governance issues that the Internet will raise*"

We did not support all of Derek Wyatt's suggestions. In particular we commented that "*the idea that this Institute could act as any kind of general assurance agency for the Net is a non-starter. There is just far too much out there and it is changing far too quickly. In contrast, the idea that the University might generate particular websites that were adjudged to be both impartial and of high quality – e.g. advice about medicine – is a serious proposition*".

Three other points were recommended: (i) the new institute should be multi-disciplinary; (ii) it should be "stand-alone"; rather than being absorbed within an existing faculty; and (iii) there should be no capture, especially by donors.

The VC's response was quick and positive and on 3 July 2000 the Registrar of the University, David Holmes, wrote to Derek Wyatt saying that the "*idea has been given a green light*" and requesting that Mike Smithson (Director of the University's Development Office), Sir Peter, Derek Wyatt and I should interact to discuss funding possibilities. As Derek Wyatt subsequently wrote "*In June 2000 I was given the opportunity to present my ideas for an institute for the internet ... to Oxford University ... fortuitously, one or two present had also been having similar thoughts. I asked them to commit within 30 days and within 30 days they committed. This was decision making at the speed of the net.*"²¹

Derek and I, together with Mike Smithson rapidly agreed to approach the Government as the first move and to begin with the Cabinet Office.²² As a result, on 27 July 2000, the three of us put our ideas to the then e-envoy, Alex Allan, who was based in the Cabinet Office.

²⁰ AN INTERNET POLICY INSTITUTE FOR OXFORD: A Report by the Acting Master of Balliol and the Master of St Catherine's, June 2000. Historical Material 5

²¹ Parliamentary Monitor – IT Briefing, June 2000

²² The Cabinet Office reports to the Prime Minister and we chose to begin with them because it was already obvious that the Internet would have implications that went far beyond the confines of any single Ministry.

The Registrar, David Holmes, had been expected to accompany us but he was not well and so I telephoned him before the meeting. I discussed two questions in particular. The first was “Could I, in his absence, speak for the University and say that, subject to funding being achieved, the University would wish to proceed?” The answer was “Yes”. The second concerned Balliol. I emphasised first that the Governing Body had not yet been consulted, indeed knew nothing of the plans, and that total confidentiality was therefore imperative; and I said that, if Balliol did not wish to participate or our potential involvement became any problem, we would withdraw. I concluded by asking for his reactions, to which the Registrar replied that the possible involvement of Balliol seemed to him to be an advantage.

Alex Allan was enthusiastic and especially welcomed that the new Institute would be in Oxford. He said that he did not control funds but that we should seek the support of the Department for Education and Employment (DfEE) and the Department for Trade and Industry (DTI). He also agreed to facilitate meetings with the relevant Ministers and added that, if support from these were forthcoming, he would sound out No 10 and very probably recommend the idea to the Prime Minister. He even suggested that if enough progress could be made, support for the idea might feature in a speech that the PM would be making on 13 September 2000 marking the anniversary of the first appointment of an e-Envoy. He also requested a summary of the proposal in a couple of pages.

Later that same day, I wrote him a two page briefing document.²³ It set out the idea for the Institute, why it should be at Oxford, why it had to be done now, what the primary research agenda would be, the extent of the funding required and what the sources of the funding might be. It stressed, in particular, that the funding had to come from a combination of public and private sources.

On 31 July 2000, with help as promised from Alex Allan, we (Derek Wyatt and I) arranged to see Michael Wills MP, then a Junior Minister responsible for Learning and Technology at the DfEE. His response was similar. The idea appealed considerably. However, he could not see where the funding might come from, at least as far as the DfEE was concerned.

In a long email of 3 August 2000, I reported the outcome of these meetings to the Registrar and sought approval for both the briefing note prepared for Alex Allan and a long follow up letter to be sent to Michael Wills.

Encouraged by the positive responses but aware that funding was the core problem, the Vice-Chancellor and I felt that we should try to push hard on the door of the Department of Trade and Industry. So, on 6 September 2000, the Vice-Chancellor, I and Derek Wyatt, accompanied by the Registrar, David Holmes, and the then Secretary of Faculties and Academic Registrar of the University, Anthony Weale, went to put our ideas to Patricia Hewitt MP who held the post of Minister of State for Small Business and E-Commerce at the Department of Trade and Industry. By now you will be able to write the script – great idea, but no money. However, Patricia Hewitt also made the good point that we might be more successful in extracting money from the Government if we were asking them to match private funding for which we already had a promise.

As we stood on the pavement outside waiting for the car Colin Lucas asked me whether I would be the Project Director and added that, if so, I could look to Anthony Weale for support from within the University administration. I immediately realised that this was as strong a signal as I was likely to receive that the VC still thought the idea of the Institute to be a good one. What I did not then fully appreciate was the significance of allocating Anthony Weale. However, as I soon came to realise, he

²³ Briefing note for Alex Allan (e-Envoy), THE OXFORD INTERNET POLICY INSTITUTE, August 2000. Historical Material 6

was a brilliant administrator, quick thinking and fun to work with and, most important of all, he knew the University inside-out and, in particular, how to operate its complex system of committees and responsibilities. The OII might have happened without Anthony, but it would certainly not have arrived on the scene as fast or as (relatively) smoothly.

As it happened, Patricia Hewitt's suggestion that we seek private funding in advance of public funding fell on fertile ground as, by this time, we in Balliol were already trying to interest Dame Stephanie Shirley in becoming a major donor.

The background to Dame Stephanie's involvement is that in January 1999 I had shared my initial thinking with the Balliol Campaign Board, and at various points thereafter I had kept in the picture the Chairman, Jon Moynihan, together with Richard Susskind and Mike Warburg, both of whom knew Dame Stephanie Shirley well. Thus, on 31 July 2000, following the enthusiastic response we had received from Alex Allan, I had emailed both Richard and Mike asking if they were around over the summer, saying that "the project" had been "rumbling around", that it might "catch fire" and asking whether they could contact Dame Stephanie and arrange a meeting about the proposal.

Thus, immediately following the meeting with Michael Wills, during the night of 3 August, I sent a long email to Richard and Mike 2000 telling them what had happened and updating them about what the Registrar had thought about the potential involvement of Balliol. I also enclosed the briefing document prepared for Alex Allan and the letter to Michael Wills. Amongst the points made in the email were that *"it would be attractive for the new Institute not to be attached to any particular faculty so that it was not 'captured' within Oxford", that a link to a major college such as Balliol would be an important extra attraction to anyone giving to this Institute. In particular, it would embed the Institute in Oxford in a way that Microsoft have never been able to achieve in Cambridge"*; and that, if Balliol were to agree, a site located *"right at the centre of the University and available within 9 months of a decision being taken"* would be an additional attraction.

Fired-up with this information, and following a rapid exchange of draft letters between me, Richard and Mike, Richard wrote to Dame Stephanie on 8 August setting out the bones of the idea and indicating the excitement he and others felt about the proposal. As he was about to go on holiday, Richard ended by saying that if she had any immediate questions she should contact Mike Warburg and that he hoped *"[your] curiosity might have been sufficiently stimulated to encourage you to make a trip to Oxford to discuss the initiative with the leading players early next month"*.²⁴

The roles played by Jon Moynihan and, still more so, by Richard Susskind and Mike Warburg in pushing this project forward need special mention. Right from the start they were enthusiastic and all the way through they had seen that once the idea had some real legs Dame Stephanie might both be a donor and, given her knowledge of IT, a valuable asset. Mike Warburg knew Dame Stephanie through the Worshipful Company of Information Technologists (where they had worked together over various appointments) and it was Richard who had brought Dame Stephanie to the Snell Dinner in Balliol in 1997 as his guest. Richard also knew Dame Stephanie via the IT world and there was an easy and mutual respect and affection between them – indeed between all three of them.

While the Richard/Mike double act was highly effective, the part played by Mike Warburg during August 2000 was of particular significance. Within a day of receiving Richard's letter Dame Stephanie left a message on Mike's answer-phone saying *"I don't think it's for me but I would like to be able to discuss with you and respond"*. As a result, Mike emailed me on 10 August 2000 reporting this and listing a range of questions for us to discuss before he went back to Dame Stephanie. These included

²⁴ Letter from Richard Susskind to Dame Stephanie Shirley, 8 August 2000

the scale of any potential gift from her; what involvement, if any, with Balliol might follow such a gift; and what role she might play in governance.

Mike and I discussed these at length, and the next day, Mike telephoned Steve (as Dame Stephanie is known to her friends). The call lasted for at least 45 minutes and, as Mike put it to me later, “*I didn’t intend it to end, until she had at least agreed to meet you*”.²⁵ The start of the telephone conversation was not encouraging. Steve opened by repeating that she did not think the proposal was for her and adding that she was already extremely busy with her charitable projects in the field of autism and so was reluctant to take on any other major project. Further, as part of her work on autism, she was already talking to four universities and said that she found dealing with academic bodies “*an extremely frustrating business*”²⁶, that another shorter term project with an unnamed Oxford College had not gone well and that “*she didn’t think she would fit into an academic environment*”.²⁷

Despite this unpromising start, Mike eventually brought the conversation round first to Balliol which had impressed Dame Stephanie when at the Snell dinner in 1997 (she said she had enjoyed talking to Colin Lucas with whom she felt she got on well); and second, to the proposed Institute. This interested her and by the end of the call, Dame Stephanie had agreed to a meeting in Oxford in the second week of September, provided it was clearly understood that this was entirely without any commitment.

Multiple faxes, phone calls, and email interactions took place over about whether the meeting should be with both Colin and me, or one followed by the other, and whether it should be in Balliol or elsewhere. The eventual outcome was agreement that Dame Stephanie would meet me in Balliol at 9.30am on Wednesday, 13 September, 2000.

Before this, much else needed to be put in place. In particular, I was acutely conscious of the need to inform and consult Balliol. The final College Meeting of the academic year had taken place on Monday, 26 June 2000, and so *after* the report to the Vice-Chancellor but *before* his positive response and also *well ahead* of any of the meetings with the Government. At College Meeting I had therefore only made a further brief oral report. I had, however, mentioned that there might be significant developments about 1 St Giles and that if anything substantial needed to be decided, a Special College Meeting would be called.

Thereafter, I brought the Vice-Master, John Jones, into my confidence and on 8 August I briefed a small number of the College Officers who were then available. Then, on 26 August, I sent a note to all Fellows saying that there had been some significant developments and that it might be necessary to call special meetings in September. I added that “*the core of the proposal is that the University should establish a new research Institute and that one model that appeals to the University is that the Institute, while clearly being university-wide, would also carry a close association with a particular college.*”²⁸

At the time of sending this note to Fellows, I had no idea how my meeting with Dame Stephanie would proceed, still less whether there was, or was not, any realistic prospect of a substantial donation. This uncertainty continued almost up to the meeting. However, in the final few days before I met Dame Stephanie, both Richard Susskind and Mike Warburg told me that her interest in the idea had quickened, that she particularly liked the idea of helping to start a new initiative, and

²⁵ Mike Warburg’s notes of telephone conversation with Steve Shirley, Friday 11 August 2000

²⁶ Mike Warburg’s notes of telephone conversation with Steve Shirley, Friday 11 August 2000

²⁷ Ibid.

²⁸ Note to all Fellows, 26 August 2000

the fact that the proposed Institute would focus on societal questions. As far as funding was concerned, they both re-emphasized that she had only agreed to meet on the understanding of no prior commitment, but that a possible contribution from her to “kick-start” the project at the level of £1-2 million did not seem totally implausible.

Dame Stephanie, her lawyer, Michael Macfadyen, and I met in the drawing room of the Master’s Lodgings in Balliol on 13 September 2000. I began by outlining the proposal, but very quickly Dame Stephanie moved to an intense set of questions. What was my vision for the new Institute ten or twenty years ahead? Who were the main competitors? How would quality be ensured? Who were our regulators? What form of governance would there be? What role would the Government play and what had we achieved with them? Did we have a Director in mind? How would the Director be appointed? What was my term of office and what degree of commitment to the project had been given by Balliol and by the University? What other private benefactors were envisaged and, if Dame Stephanie were to be involved, what assurances would there be about her involvement? How long would it take to bring the Institute into being? Did we have code word for the project? And so it went on – a thorough interrogation!

In all, the discussion lasted nearly four hours and continued over lunch. About half way through the morning session, following coffee, the mood shifted. Hardly surprisingly, one point remains etched in my memory. Following a small pause in the conversation, Dame Stephanie turned and speaking quietly to her lawyer, she said, “We have done 5, 10 and 25, haven’t we?” and I recall thinking, those are not thousands! I also recall rapidly thinking, but I cannot possibly ask for 25 not least because the largest number in the documents sent in advance is 5. I therefore put forward the idea that we might submit a proposal to her Foundation showing what we could do with £5 million, and the extra that could be achieved with £10 million.

Not only did Dame Stephanie welcome this suggestion, but, following further discussion, she agreed to a request from me for a sum of £100,000 to be made available “at risk” and at a very early stage in order to take the ideas forward.

The outcome of our discussion is recorded in a note that I wrote and cleared within a few days with Dame Stephanie and Michael Macfadyen. That note, worth quoting almost in full, stated that provisional agreement had been reached on all of the following:

1. *If The Shirley Foundation were to give financial support, it would do so on a substantial scale, possibly £5 million or £10 million. Such funds would only be given on the basis of a specific costed proposal from the University of Oxford and Balliol College to The Shirley Foundation.*
2. *If funds of this scale were to be given they would be subject to the following conditions:*
 - (i) *They would be used only for this project;*
 - (ii) *The Shirley Foundation would be given “a clear run for a time” (i.e. no other private benefactors would be invited in at the start – however, other funding sources such as the Government or large corporations would be positively welcome, see (v) below);*
 - (iii) *The funds given would involve: (a) a wholly new Institute of the University of Oxford, (b) Balliol College and (c) the site at 1 St. Giles;*
 - (iv) *The funds would be split equally between the University and Balliol;*
 - (v) *The University and Balliol College would seek to obtain approximately matching funds from the Government.*
3. *If Dame Stephanie or The Shirley Foundation were to give financial support to this project, she would want her name kept confidential until there was a good prospect that*

the project would launch satisfactorily. She did not want a repeat of what had happened to the Said Business School.

4. *If the project proceeded and she were to be involved, she would be very interested in contributing her knowledge of the IT industry. Depending on the model of Governance that emerged for this new Institute she would be very pleased to adopt a position somewhat akin to that of a non-Executive Director of a private company.*
5. *Andrew Graham said that he would report, as a matter of some urgency, to the University and to the College and that he hoped very much that a joint bid from the University and Balliol to the Shirley Foundation would follow as soon as possible. This bid would be for £5 million and for £10 million and would indicate the difference that the larger sum would make.*
6. *In view of the urgent need for financial support simply to bring this project to a point at which it could be properly considered, Dame Stephanie and Michael Macfadyen indicated in response to a suggestion from Andrew Graham that a sum of £100,000, entirely “at risk” might well be forthcoming almost immediately once it was clear that the University and Balliol wished to make a joint bid and then to proceed to the next stage in planning.*

I later learned that Dame Stephanie’s willingness to make a substantial sum available immediately and “at risk” is typical of her style.²⁹ Once a decision is taken, get on with it, and give generously and fast. Indeed, on this occasion, despite the fractionally cautious wording of point (6) above, I was in no doubt whatsoever that I could immediately count on the £100,000. And, with zero formality, a cheque for that sum arrived at Balliol shortly after our meeting.

Not recorded in the note, but wholly consistent with it and made very clear indeed throughout the discussion, was Dame Stephanie’s wish that everything should be done as fast as possible. In particular, she said that in the IT industry decisions were taken rapidly, that she personally did not expect to be kept waiting and that everything ought to be capable of being completed “in months” and, certainly, in “not more than six months”.

It hardly needs to be added, that I left the meeting in no doubt about what *needed* to be done. Whether it *could* all be done, let alone on the timetable Dame Stephanie had indicated, remained to be seen.

For me, there was a minor complication. I was committed to a term of sabbatical leave that autumn, and to being out of Oxford for much of October. Fortunately, once I put the problem to Sir Peter Williams, he generously agreed to hold the fort while I was away.³⁰

IV 13 Sept 2000 to January 2001: Discussions within Oxford

The two most immediate tasks following my meeting with Dame Stephanie were to form a small group that could begin the work and for the project to obtain approval from Balliol. In both cases we had to maintain total confidentiality. Within an hour or so of Dame Stephanie departing, I contacted Tony Abrahams (the Balliol MCR President who had organized the seminar about the Internet) and asked if he could meet me first thing the next day. He could, so on the Thursday I offered him the

²⁹ In December 2008, she did the same, making a grant of £5,000 for a “pilot project” to see whether St Cross Church could be turned into an Archives Centre. When it proved feasible, she donated a further £1 million to Balliol in support of that project.

³⁰ I wish to record here how supportive Sir Peter was throughout – even more than I had realised at the time. In particular, he wrote at length to the Vice-Chancellor on 28 August 2000 (so before my first meeting with Dame Stephanie) urging the VC to press ahead with the OII.

post of Project Coordinator working as many hours as he could fit in. He immediately agreed and from that moment onwards he was an indispensable part of the team. Tony was then a Rhodes Scholar from Sydney, with a Master's Degree in Economics and part way through an MBA at Oxford. Tony could and can do everything - numbers, analysis, presentations, ideas, energy, charm – he excels in them all.³¹

Two factors were critical in being able to move so quickly in making this appointment and setting in train much of the rest of the work. The first, and more obvious, was Dame Stephanie's willingness to promise money "up-front". The second is the decentralization of power within Oxford that arises from the presence of independent self-governing colleges. Without the latter, it would not have been possible either for Balliol to accept the money in its own name or for me to move so immediately to appoint Tony Abrahams.

That same morning I went to see Anthony Weale at the University Offices. With a touch of genius, he suggested the project code name of "Mercury". He also put me in touch immediately with the University accountant, Ian Peedle, who, in a matter of a few hours, put together a first spreadsheet outlining the possible endowment, income and expenditure for a new institute. On the same day, as part of bringing other people in Balliol into the loop and as was correct procedure, I wrote a long note to Keith Hannabuss, the Fellow who was temporarily Vicegerent³² while John Jones was away, setting out where we had reached and what I saw as the next steps.

As a result, three meetings were put in place for the next day. The first was a purely Balliol meeting. Present were John Jones, who had returned that day and so was back in post as Vicegerent, Marten van der Veen (Senior Bursar) and Alastair James (Development Director).³³

The second, meeting at noon in the University Offices, was the inaugural meeting of the "Project Mercury" Steering Group. Those attending were me (Chair and Project Director), Anthony Weale (Project Officer), Tony Abrahams (Project Co-ordinator), Ian Peedle (Project Accountant, Finance), Jonathan Anelay (Director of Legal Services, University), Alastair James (Development Director, Balliol), Marten van der Veen (Senior Bursar, Balliol) and Mike Smithson (Development Director, University). With the additions of Sir Peter Williams (Master of St Catherine's College, joint Chair) who was not able to be present for the first meeting, and Donald Hay, Chair of the Social Studies Board, who joined the Group a few weeks later, it was this team, meeting about once a fortnight, under my Chairmanship, which did the great bulk of the internal organisational work in taking forward and constructing the OII (with Sir Peter covering brilliantly for me during October 2000).

Third, I brought together within Balliol all the people who had to know from the outset what was going on, stressing how urgent this was and how confidential it all needed to be. These included all the PAs in the College Office and the Bursary who would inevitably be handling the emails, telephone calls and papers and the College Accountant, David Oram, who would be responsible for the money.

³¹ One indicator of his ability is that, despite being the near full-time Project Coordinator, from September 2000 to January 2001, he still completed his MBA thesis and his MBA exams in the summer of 2001 with exceptional success.

³² By this time my sabbatical had already started so the formal responsibility for Balliol had been passed to the "Vicegerent". As noted earlier, under the Balliol Statutes this person has the identical powers to those of the Master. They are appointed by the Master or, if a Vicegerent is already in post, by the preceding Vicegerent. Dr Hannabuss had therefore been appointed by Dr Jones. The system ensures that there is always someone in post with the authority to do whatever is required.

³³ Minutes of Balliol Meeting, 15 Sept 2000. Historical Material 7.



The Project Mercury Steering Group meeting in the Master's Lodgings, Balliol

Left to right: Donald Hay (Head of Social Sciences Division, OU), Antony Weale (Academic Registrar, OU), Sir Peter Williams (Master of St Catherine's College), John Furlong (Head of Department of Education, OU), Professor Steve Woolgar (Director of Virtual Society? Programme, OU), Richard Stanway-Williams (Land Agent, Balliol), Linda Frankland (Project Co-ordinator, OU), Jonathan Anelay (Director of Legal Services, OU), Alistair James (Development Director, Balliol), Marten van der Veen (Senior Bursar, Balliol), John Jones (Vicegerent, Balliol), Helen Carasso (Director, Public Relations, OU), Ian Peedle (Project Accountant, OU), Carla Peterman (MBA project team member), Dame Stephanie Shirley (Benefactor), Andrew Graham (Master-elect, Balliol).

One of the points I was at pains to emphasise in both the Balliol and University meetings was that I was inevitably wearing two hats: one as the Project Director, appointed by the VC, the other as Master-elect of Balliol.³⁴ I wanted it known that I would try at all times to be clear as I could about any potential conflicts of interest that might arise.

While the Mercury Group was able to do the initial heavy lifting on finance, buildings and organization, at least three other constituencies needed to be brought on board within Oxford: the Fellows of Balliol, other Colleges and all those Departments of the University whose work might overlap with that of the OII. In the case of Balliol it was clear that a Special College Meeting would be needed. This was set for Wednesday, 27 September, 2000.

³⁴ In June 2000, I had been elected Master of Balliol, the position to be taken up formally on 1 October 2001.

In the case of the two other groups, I felt that I could not proceed with them until we knew for certain that Balliol had agreed, and that the bid to The Shirley Foundation had been successful. I also judged that it would probably be a good idea to hold any University-wide meeting *before* presenting the idea to the critical committees of the University (especially the Social Studies Board). However, I held back on the wider meeting until early November when I would be back in Oxford.

More generally, the approach I used with all three constituencies was to talk directly on a one-to-one basis as soon as possible to an ever widening circle. Of course, the aim was not only to talk, but also *to listen*. What were the points which would need to be rebutted? What were the doubts and uncertainties that needed to be calmed? And, last, but most certainly not least, what were the real weaknesses in the proposal that needed to be addressed and were there extra thoughts and suggestions which could still be incorporated?

It was equally clear that not everything should be one-to-one. There also has to be a group that is small enough for an intense discussion but not so small that it is either too homogenous or too uncritical. The worst possible situation is to have objections, most especially good objections, appearing when you are already far advanced. This way of proceeding is, of course, entirely obvious and hardly worth mentioning, except for the number of times that the value of this kind of approach is overlooked.

The group in Balliol which acted as this critical sounding board was the Financial Planning Committee (FPC). I had created this body as soon as I became Acting Master. Members were appointed by the Governing Body on the understanding: (a) that they may discuss any issue; (b) that they do so entirely in confidence; and (c) that they have no executive power – their only power being to make recommendations to the Governing Body.

It was therefore to a slightly expanded FPC, that I took the ideas about the OII. We met at 2pm on 20 September 2000 in the Lodgings.³⁵ The bulk of the discussion focused on the core ideas. However, in my opening remarks, I again emphasised the need for confidentiality. Fortunately for me, if unfortunately for everybody who had been involved, I only had to mention the “Saïd Business School” and/or “Yale University” for the academics in Oxford to understand that if we were going to reject the idea we should do so in private, rather than shooting ourselves in the foot by doing so in public.³⁶

Neither the inaugural meeting of the University ‘Mercury’ group nor the Balliol meeting of the expanded FPC was entirely straight-forward.

On the University side, the main difficulty, possibly surprisingly, lay with the funding. It was not that they objected either to the money or to its source, but rather that the Balliol initiative caught them unawares. It transpired that the University Development Office was itself in the process of

³⁵ Those invited were Dominic O’Brien (Fellow in Engineering), Martin Conway (Tutor for Undergraduate Admissions and Fellow in History), Keith Hannabuss (Vice Master and Fellow in Mathematics), Dermot O’Hare (Fellow in Chemistry), Sudhir Hazareesingh (Senior Tutor and Fellow in Politics), Kinch Hoekstra (about to be Senior Tutor and Fellow in Philosophy), Alastair James (Development Director), John Jones (Vicegerent and Fellow in Chemistry), David Logan (Tutor for Graduate Admissions and Fellow in Chemistry), Oswyn Murray (Fellow in Classics), David Oram (College Accountant), Joe Stoy (Fellow in Computing), Marten van der Veen (Senior Bursar), and Carl Woodall (Domestic Bursar).

³⁶ Only three years earlier, Oxford had suffered the considerable embarrassment of rejecting, in the full glare of a debate in Congregation, the building plans for the Saïd Business School. Yale University had faced even greater problems when, in 1995, it had had to return a donation of \$20 million.

approaching The Shirley Foundation about major funding, for a project on autism. In addition, Jonathan Anelay, the legal officer, reported that Nominet (the company that issued Internet domain names) with which he had good connections, had indicated to him that they might be willing to support Oxford University for internet related research and it was they who had approached Derek Wyatt. In short, it looked as if several wires had become severely crossed or were about to do so. Luckily for Project Mercury the clear sense of this meeting that eventually emerged was that a bird nearly in the hand was more significant than whatever might be in the bush.

At the Balliol FPC, the discussion focused on two inter-related questions. How, exactly, would the new Institute be integrated with Balliol? And, if it was to be close integration, would this unbalance the College in terms of its mix of disciplines? What these questions flushed out was that, if the College were to agree to use 1 St Giles for the OII, there were at least two broad models to consider. At one extreme, the College could simply act as the landlord, collecting the rent but leaving everything else to the University. At the other extreme, the College could choose to link the OII to Balliol via governance, academic appointments and through the physical re-organisation of the building.

My paper for the subsequent Special College Meeting drew heavily on this FPC discussion about the two models, whilst emphasizing the case for close integration.³⁷ I also knew that Balliol, with its exceptional academic reputation, would put the maintaining and enhancing of that reputation at the top of its considerations. I therefore made the case for why an Internet Institute would increase the College's reputation as one of the prime arguments of my paper.

As FPC had foreseen, at the Special College Meeting much of the debate concerned how closely integrated, or otherwise, the new Institute would be with the existing College. Related to this was a substantial discussion of the possible impact of the new institute on the balance of subjects.³⁸ Other issues discussed were the name of the Institute (at this stage called the Oxford Internet Policy Institute) and whether, as a result, the proposed Institute would focus too much on policy and so run the risk of being more of a think tank than an academic body. The eventual vote was on the motion that "there is sufficient interest to commit ourselves in principle to the ideas in these proposals, including a relationship with the College that is, at least, somewhat more than the pure rental model".³⁹ This was carried 28 to 2.⁴⁰ The wording may seem a little convoluted, but any downside from that was more than offset by the size of the majority and the room for manoeuvre that the motion allowed.

With Balliol support and agreement secured, the University reported the ideas of the Mercury proposal to their General Purposes Committee (GPC) the next day, and to the Policy and Resource Allocation Committee (PRAC) on 3 October 2000. That same day, I left for abroad and handed University responsibility for Mercury to Sir Peter Williams and responsibility for Balliol to John Johns, who would be Balliol Vicegerent and so in charge in my absence.

While I was away, Tony Abrahams, working to Sir Peter and John Jones, and with assistance from Ian Peedle, put together the main bid to The Shirley Foundation. Since I played no part in its final

³⁷ "ALTERNATIVE USES FOR 1 ST GILES AND RELATED MATTERS" A paper by the Master-Elect, 24 September, 2000. Historical Material 8.

³⁸ The balance of subjects is always a delicate issue for a college. One of the great strengths of the colleges is that they are small in size and it is this that makes them human. However, small size is also one of their great weaknesses - changes in numbers that would be unnoticed at the level of a University take on great significance for a college.

³⁹ College Meeting minute CM00/198.

⁴⁰ A further 7 indicated to me, in advance, that, they were unable to attend, but were in favour of proceeding.

production, I can say without reservation that it was a brilliant document. Completed at high speed, it was a highly professional piece, it painted an important and exciting vision and it showed very clearly the benefits that would flow from a donation of £10 million rather than £5 million.⁴¹

The bid was considered by The Shirley Foundation on 30 October 2000. Sir Peter Williams rang me the next morning to say that they had agreed the full £10 million.⁴²

With that promise, the tasks now were to carry the rest of the University along with us and to obtain matching funding from the Government.

Both of these were now pressing. While I was away, some significant rumbling had taken place within the University. Both the Vice-Chancellor and Donald Hay, the first Chair of the newly created Social Studies Division, were concerned about what the VC described as “the very closed nature of this project”. As a consequence he (and Donald Hay) were worried that “the project will run into difficulty at the Divisional Board level”. Or as the VC put it, “academic projects cannot just be invented at the centre and dumped on the body of academics”.⁴³ In short, many more people needed to know and many more people needed to be consulted – and soon!

I was fully in agreement. The only question was how to do it.

Formal University decisions have to pass through many committees. We needed something different. We had to maintain confidentiality; and we needed to do this within a context that would allow the pros and cons of the proposal to be discussed without the pressure of a formal decision at the end of the meeting. Further, we needed to engage with multiple “parts” of the University.

Given the potentially broad ramifications of the Internet, there were many such “parts”. They included, in one direction, the computer science departments who needed to know that we were *not* aiming to invade their territory, but to do something wholly complementary to their work. In another direction, there were those parts of the University whose interests *would* overlap with ours. (The three most obvious were the Programme in Comparative Media Law, the Department of Continuing Education, which was already doing a substantial amount on-line, and a large research programme on the Virtual Society being run at the Business School). In all cases, we needed to seek support and, above all, to avoid looking threatening. And, in a third direction, there were all the other colleges, who would need to be assured that this was not a Balliol take-over. They too, we emphasised, could have appointments linked to the OII if they wished to do so.⁴⁴

Sir Peter and I decided that the only way to proceed was to call a special general meeting at which we could gather together all of the various and disparate groups. Tony Abrahams quickly dubbed this the “Hearts and Minds” meeting and considers it to have been a significant factor in bringing people on board.

This meeting took place at St Catherine’s College on the morning of 15 November 2000. We invited some sixty people and managed to find a time when all the Heads of Divisions as well as several

⁴¹ At the suggestion of John Jones, the cover was an attractive drawing of the nineteenth century façade of 1 St Giles, thus presenting an image of Oxford as both ancient and modern: “A bid to a Foundation to establish the OII”. Historical Material 9.

⁴² Confirmed in a letter of 2 November, 2000 from Dame Stephanie to Sir Peter Williams.

⁴³ Email from VC to Andrew Graham of 20 October, 2000.

⁴⁴ In fact once the OII came into existence, two other colleges, Jesus and Mansfield, came quickly on board with major appointments linked to Fellowships at these colleges.

Heads of College could attend. In total, there were forty attendees, covering all of the constituents that we had hoped to reach.

Discussion focused on five broad areas. One was the name, nature and scope of the Institute. By this stage the word “Policy” had gone and the institute was just to be known as the Oxford Internet Institute (OII). This was questioned on the grounds that it was too broad. The use of “Internet” was also queried. Should it be “Information” or “Communication” or “Virtual”? Somewhat more threateningly, someone commented that Oxford had never had a “telephone” institute, so why an “Internet” institute. Fortunately, this last view did not prevail.

A second area was whether the OII should undertake any teaching, either at graduate or undergraduate level or both, from the outset. This question was kept open for the medium term (as the bid to The Shirley Foundation had indicated), but ruled out for the immediate future since it was agreed that the process of course planning and admissions would take too long.

A third discussion area concerned location: the possibility that it might be located at the Business School was raised. It was pointed out that the benefactor was particularly attracted to the site at 1 St Giles.⁴⁵ We also made clear that we positively wished to avoid giving the impression that the Institute was part of the Business School (or indeed any specific department), emphasising that it was, rather, a multi-disciplinary endeavour – with disciplines and a research agenda going beyond those included at the Business School.

The fourth was governance: in particular greater clarity was sought, especially about the role of Balliol. My response was that there was no suggestion whatsoever that it be a purely Balliol Institute, indeed that other colleges’ participation was very welcome. I nevertheless added that, while these matters were still in a very preliminary stage, Balliol might expect that the Director would be a Fellow of Balliol and to have a representative on the Governing Board of the Institute, even if it moved beyond 1 St Giles.

The final area of discussion was the need for consultation whilst maintaining confidentiality. The reasons why we were proceeding so privately were understood, but we were urged to inform the wider University as soon as we could. Fortunately, just as had happened in the Balliol meetings, everyone remembered only too well the Saïd Business School debacle. As a result, the suggestion that the wider university be informed was not pressed.

With our “general” meeting done, the next one, just two days later, was the Research Committee of the Social Studies Board followed by the Social Studies Board itself. I was invited to attend the first and faced a new problem. The Committee wanted, entirely appropriately, to reassure itself that high quality research would be undertaken. They also wanted to know what students would be given to read, who would supervise them and what were the boundaries of the subject. The most skeptical asked, why have an Internet Institute at all? However, with this field of research, relatively speaking, hardly touched, with no Institute in place, and with no people in post, it was problematic to provide what they wished. I was, however, at least able to refer them to the fact that the Kennedy School had had a graduate course in place in for several years for which plenty of reading material was available.

⁴⁵ I was aware from the research I did before my first meeting with Dame Stephanie that her late son had been called Giles and that, entirely fortuitously, some of her interest in the project might possibly stem from this. Neither she nor I ever mentioned this fact, but, from the time of my first meeting, I was certain as I could be that it was not the site, as such, that attracted her, but its name. In her comments on a draft of this account, Dame Stephanie confirmed that this was, indeed, the case.

In the case of the Social Studies Board, the Chair, Donald Hay, who had, by now, joined the Mercury Steering Group, said he did not feel I needed to attend. Nevertheless, conscious of the mood at the Research Committee, on the day in question, Friday 24 November, I spent virtually all morning on the telephone. I wanted to make sure that those members of the Board, to whom this might be totally new, were not taken by surprise and had an opportunity to put any questions that concerned them direct to me. In the event, it appears to have gone reasonably smoothly and Anthony Weale rang me late that afternoon to let me know we had passed one more milestone.

One other factor must be mentioned. At the very time when we were trying to launch the OII a major reorganisation of the governance of Oxford had just been implemented. This is not the place to set this out in any detail but, in essence, the many discipline-based faculties had been grouped into just five Divisions and, to a degree, were now under the control of these Divisional Boards. In addition, the former double-headed structure of Oxford, with a General Board (of the Faculties) and a Council, had been replaced by a single Council with two important committees below it – the Planning and Resource Allocation Committee (PRAC) and the General Purposes Committee (GPC).

Two aspects of these rearrangements impinged on plans for the OII. One was an understandable desire to retain the tidiness of structure that the new governance seemed to offer. The other, equally understandable, was the desire was to show that the structure could deliver decisions.⁴⁶

Pressure in the first direction came initially from the Vice-Chancellor. Colin Lucas was not remotely attracted to my initial plan that the OII should be a joint Balliol-University project. As he put it, this might be fine when all was going well, but, if it did not, there had to be a clear line of authority. Without this, the problems would not be tackled. While Balliol could be involved, the ultimate authority had therefore to lie with the University and, under the new structure, the OII had to be located within a Division. I readily conceded that on this, the VC was right and that the only possible Division was that of Social Sciences. Later on I did, however, successfully press for, and succeed in obtaining, an agreement that the Management Committee of the OII could and should also include representatives of other Divisions.

The desire for a clear line of governance came up again in relation to another issue. This was the question of whether, as we had urged, the OII should be a “stand-alone” department or whether it should be in Institute under the umbrella of a Department, such as the Saïd Business School. This was the same line of thought that had been suggested at the ‘general’ meeting.

What I did not realise at the time was quite how contentious this was. When the OII had been first considered by the Planning and Resource Allocation Committee (PRAC) on 3 October, our insistence that the OII would be stand-alone had been agreed. However, two days later Donald Hay wrote to the VC seeking to have this decision reconsidered. In response the VC passed Hay’s letter to the chair of PRAC, Paul Slack, enquiring, ironically, whether it was good practice to attempt to re-raise questions that had already been decided!⁴⁷

Hay, however, was not easily put off and on 13 October he wrote to Sir Peter Williams raising the same point. And, on 1 December, he wrote again to the VC using as his argument the need to embed good practice into the new governance structure. As he put it, “the [Social Studies] Board was bemused to be asked to approve the document [setting a template for new institutes] under one

⁴⁶ The new Divisional structure and the wish to show that it was working plus its greater ability to consider interdisciplinary proposals are two of the factors cited by Anthony Weale as a contributor to the success of the OII. Extract from an email from Anthony Weale, 29 October, 2014. Historical Material 10.

⁴⁷ Letter from Hay to VC of 5 October, 2000 and VC’s letter to Slack of 10 October, 2000 (papers held in the University offices)

agenda item and under the next [agenda item] to break the first principle which was that any research centre must have an administering department”.⁴⁸

Hay was ultimately not successful in these attempts to re-open the status of the OII, with the outcome that, while the OII carried the word “Institute” in its name, its status was to be that of a Department. It would be under the Social Studies Board, thus meeting the requirement for a single line of authority, but it was *not* to be subsumed into an already existing Department.⁴⁹

I have dwelt on this point, not only because it was fought over, but also because the outcome had major implications for the long run success of the OII – a point to which I return in the conclusions.

As far as the final University decision to go ahead is concerned, three factors may have helpfully pushed people in the right direction. First, “stand-alone” was the pitch we had made from the outset and was part of the basis on which The Shirley Foundation donation had been given. Secondly, while, as mentioned, the new governance structure produced pressure to conform, it also produced pressure to show that the new Divisional structure could work. Moreover, many realized that the OII, in particular, looked very modern and that to be able to show that Oxford could do a project of this kind – and above all it to do it quickly - would be of substantial external benefit.

Third, right in the middle of this situation, the Saïd Business School re-appeared on the scene. On 20 December 2000, John Kay, who had recently resigned from being the first Director of the newly created Business School, published a substantial piece in Prospect Magazine under the heading “A lost cause”. In case you were in any doubt of his drift, the first two paragraphs contained these sentences:

*“... today there is also a sense of malaise, both inside and outside the university: a belief that Oxford finds it difficult to adapt to changing educational and social needs, a fear that it can no longer maintain its pre-eminence. There is real cause for this disquiet.”*⁵⁰

The article undoubtedly did some damage to Oxford, but, for the OII, there was a silver lining. Following that article on 20 December, I only had to mention Kay, or if the situation was really difficult, Kay plus the fact that the benefactor was worried about the pace of progress, and potentially difficult delays melted away.

Moreover, I was well aware that Kay’s own management skills, both inside and outside the University, were viewed somewhat critically and that his decision to stand down early was very probably related to such criticisms. As a result, I must confess to the feeling that it would be doubly satisfying to be able to succeed with the OII and, in so doing, to demonstrate in the most effective way possible that if you approached the University and your colleagues in the right kind of way, Oxford was perfectly capable of quick moving and effective decision taking.

In the course of these discussions, especially those focusing on the governance of the OII, one other question had to be settled - how was the £10 million donation from The Shirley Foundation to be divided between Balliol and the University? This looks significant, but, in reality, it was easily resolved.

⁴⁸ Letter from Donald Hay to Vice-Chancellor, 1st December, 2000

⁴⁹ As noted earlier, Donald Hay had resisted this solution and, despite having tried to raise it with the VC and been turned down, he tried twice more: once on 13 October in a letter to Sir Peter Williams and a second time on 1 December in another letter to the VC (papers held in the University Offices).

⁵⁰ “A Lost Cause” John Kay *Prospect* 20 December 2000

As recorded in my note of the initial meeting with Dame Stephanie, the expectation was that the funds would be divided half and half. This was at the stage when I, somewhat idealistically, had been imagining that the OII would be a fully joint project between Balliol and the University. However, I rapidly saw that the management of the funds might generate unnecessary complications – Balliol's endowments are legally and operationally separate from those of the University and so the financial returns might differ. If so, it would prove difficult for each side to be providing equal support to the OII.

The only problem was that, if the funds were not to be half and half, what division made sense? With great ingenuity, Anthony Weale, proposed a split which, at least in broad terms, reflected the activities of the two bodies. Thus money was allocated to Balliol for three things: to refurbish 1 St Giles, to cover the effective rental of this Balliol property to the University, and to cover the salary of the first Professorial Fellow and Director of the OII, a post which it was agreed should be allocated to Balliol. The fact that *some* money came direct to Balliol was an important symbol of the involvement of the College in the project, but, beyond this, where exactly the line was drawn had no great impact as, whichever route it went, all of the money was earmarked for use by the OII.⁵¹

V. September 2000 to 3 May 2001: Obtaining Public Funding

In tandem with these moves within the University and Balliol, once we had secured the promise of £10 million from The Shirley Foundation we returned with renewed energy to obtaining public funding so as to meet the challenge (to raise an equivalent £10 million from public funds) set for us by The Shirley Foundation. In early November I therefore drafted a long letter for the VC to send to the Secretary of State for Education, David Blunkett, making a bid to the Government for this sum. A copy of the bid to The Shirley Foundation was included but, for reasons of confidentiality, with the name removed. This was sent to the Department for Education and Employment on 13 November and copies went to Patricia Hewitt at the Department for Trade and Industry and to the Secretary of State for Culture, Media and Sport, Chris Smith.⁵²

Over the next several weeks, silence reigned. None of the Ministries came back with any encouragement. Equally, none of them said that the project was dead. Nonetheless, by mid-December the situation was looking distinctly unpromising. I was also constrained by the fact that the VC had indicated to me earlier in the autumn that he was making approaches to the Treasury about a different set of proposals and so he did not wish me to approach them about Mercury.⁵³ No 10 was not quite so out of bounds, especially as we had started with an approach to the Cabinet Office, but I formed the impression that I should not push my luck.

On 16 December 2000 I faced a quandary. Having worked as John Smith's Economic Adviser from 1988 until his untimely death in 1994, I knew both David and Ed Miliband and on the evening of 16 December 2000 I happened to meet David, who, by this time, was Head of the Policy Unit at 10 Downing Street.⁵⁴ Two days earlier I had received an email from the VC saying that he would talk to

⁵¹ The fact that regardless of which route it followed, all the money was for the OII, did not stop the matter generating friction within Oxford. A paper to GPC of 20th November managed, in my view, to misrepresent my position and that of Balliol rather significantly and so, on 28 November, I wrote a long email to the VC. It was following this that Anthony Weale produced his ingenious solution.

⁵² Letter from the Vice-Chancellor to Secretaries of State of 13 November, 2000. Historical Material 11.

⁵³ Email from Vice-Chancellor to Andrew Graham, 20 October, 2000

⁵⁴ John Smith was Shadow Chancellor of the Exchequer from 1988 until the General Election of 1992 and then Leader of the Labour Party from 1992 until his death in 1994. During Smith's leadership, Ed Miliband was a Special Adviser to Gordon Brown (who had followed Smith as the Shadow Chancellor) and David Miliband was Secretary to the Commission on Social Justice which Smith established.

Blunkett in the course of the day, but I had not heard anything more. David Miliband asked me what I was up to. What to say? Inevitably, since I had been working on Mercury 24/7, I mentioned this. He was very interested and invited me to come to No 10 to talk to him. I naturally reflected on what the VC had said, but felt that such an invitation was not one to refuse and so I arranged to visit him at No 10 on 21 December 2000.

On 18 December 2000, I emailed Miliband copies of the relevant papers and on 21 December, accompanied by Derek Wyatt, I went to No 10. My diary records that David Miliband grilled us for about forty minutes and then said he was “quite enthusiastic”. By this stage, I was beginning to learn that the harder the questions, the more likely it is that the person asking *wants* to support the idea – what they are doing is collecting all the ammunition they can, so that, as they take the idea forward, they are well armed for their own subsequent internal battles.

In the short, but highly effective, discussion that followed from David’s expression of interest, three points became clear. First, and most important, he said that, from the Government’s perspective, we had more work to do, especially in elaborating the wider benefits of the OII. Second, he agreed to give it support within the Government. Third, it was agreed that we would confer again post-Christmas.

Over Christmas and into the New Year I therefore worked to prepare a supplementary document for the Government spelling out the “Public Interest Benefits” (as the document became called). I was substantially helped, as always, by Tony Abrahams, and by a growing number of people in Oxford who were, by now, aware of the ideas about the OII and supportive of it. These included, especially, Professor Steve Woolgar (Saïd Business School and working on the e-Society Programme), Dr Stefaan Verhulst (Centre for Socio-Legal Studies) and Professor David Vaver (a specialist in Intellectual Property Law).

In the first few days of January 2001 I had helpful conversations with both the Milibands⁵⁵ and I followed this up with a long letter to Ed Miliband at the Treasury on 9th January.⁵⁶ This included copies of the material sent by the Vice-Chancellor to the Secretaries of State together with the bids that we had made to the Government and the private Shirley Foundation (still without naming it).

In addition, my letter sought to deal with the argument that had come to us from Patricia Hewitt at the DTI that we should simply make an ordinary bid to the Economic and Social Research Council (ESRC). I provided four reasons why this was not the appropriate route for us to take:

- (i) the impact of the OII was spread across more than one Research Council, at a time when the Councils were repeatedly saying that they had problems in funding good projects that were the province of more than one research council;
- (ii) the research councils only provided “soft” money (3-5 years maximum), whereas the OII was intending to be established on a permanent basis;
- (iii) the OII could not make a bid to become a designated research centre as it was not yet in existence; and
- (iv) The decision to establish such an Institute represented an act of policy and so lay beyond the remits of the Research Councils.

⁵⁵ My notes of 5 January, 2001 record David Miliband’s views of what we ought to be include/exclude. Historical Material 12.

⁵⁶ Letter to Ed Miliband, 9 January 2001. Historical Material 13.

By the middle of January 2001,⁵⁷ we had a complete version of the “Supplement: the Public Interest Benefits” and this was submitted to the DfEE (David Blunkett) and the DTI (Patricia Hewitt) on 24 January.⁵⁸ A copy was also sent to David Miliband.

A frustrating period ensued. On the one hand, David Miliband assured me via telephone calls in early January and on 1 February 2001 that the full matching funding of £10 million would be forthcoming. On the other hand, small glitches kept appearing. Shortly before we sent in the Public Interest paper, I learnt from a civil servant that Blunkett was minded to give us a grant – and, indeed, that a letter to this effect was in preparation – but for only £1 million. From my earlier experience of working in the civil service, I knew that once such an offer was made, no larger offer would ever follow. I therefore requested that the letter not be sent. This is certainly the only time in my life that I will have turned down an offer of a million pounds.

I was also able to infer from comments made to me that our request for support, while still supported by David Miliband in No 10, had become stuck in the Treasury. However, without knowing any of the arguments being placed in its way, we were in no position to rebut them.

In a letter written a few weeks later to Andrew Pinder, who had taken over from Alex Allan as e-envoy at the Cabinet Office, I described the position in the following way *“We heard unofficially in early February that we should also put our bid to HEFCE and on 7 February we heard, again unofficially, that the DfEE would obtain £5 million for us from the Treasury if we obtained £5 million from HEFCE.”*⁵⁹

In order to try and break the logjam, on the 8 February 2001 the Vice-Chancellor and I went to meet Sir Brian Fender, CEO of the Higher Education Funding Council (HEFCE). In setting out Oxford’s ideas, the Vice-Chancellor explained about the substantial private sector donation that we had been promised and that, in order for this to be realised, Oxford had to obtain matching public sector donations also totalling £10 million. He said that he recognised that this might come from different pockets. He also noted that if the total support now was £5 million, it would need to be followed by a further £5 million at the end of the first five years. Like everyone, Fender favoured the idea of the OII. He was also open to the idea of a further bid some years down the road. However, he added that in order to obtain support from HECE Oxford would have to demonstrate that the creation of the OII would be of benefit, not only to Oxford, but also to other universities within the UK. If this could be done, he encouraged us to bid to his “Restructuring and Collaboration Fund”.

So, I wrote yet another version of our bid and this was sent to HEFCE on 14 February 2001.⁶⁰ Subsequently, we were asked to consider some changes and a revised version was then sent to HEFCE on 7 April 2001⁶¹. Once again, everything seemed to stall. So, in a letter to Pinder of 15 March 2001, I wrote, *“We have subsequently had many reassuring noises and been told, again unofficially, by two different routes that the Treasury had agreed....[yet]... our most recent information, as of two days ago, in a conversation between the Vice-Chancellor and David Blunkett’s private office, is that the DfEE have been back to the Treasury and that the rules are still a problem. If there is any way that you can help us to undo this logjam I would be most grateful.”*⁶²

⁵⁷ On 3rd January, 2001, I ended my sabbatical and I took back full responsibility for Balliol. In practice, what the sabbatical made possible was for me to be able to work full time on the OII.

⁵⁸ Supplement: The Public Interest Benefits. Historical Material 14.

⁵⁹ Letter to Andrew Pinder, 15 March 2001. Historical Material 15.

⁶⁰ “The Oxford Internet Institute: a National Centre for Internet Research and Policy”, 14 February, 2001. Historical Material 16.

⁶¹ Revised bid to HEFCE, 7 April 2001. Historical Material 17.

⁶² Letter to Andrew Pinder, 15 March 2001. Historical Material 15.

With nothing moving – at least nothing that could be reported – I faced a number of difficulties. It was time for the mid-term Balliol College Meeting, so I needed to make a progress report. This I did while trying not to shout out loud that the reality was very little progress. I had also organised an e-democracy Conference (this being one of the topics we thought might be examined by the OII) in Balliol on 15/16 March in the hope that an announcement might be made to coincide with this conference, but clearly this was not going to be possible.

Then at last, on 3 April 2001, there was some movement. At a meeting between HEFCE (represented by Rama Thiranimachandran) and Oxford (represented by the Vice-Chancellor, the Academic Registrar and me) we were told that the most likely outcome would be support of £5 million from HEFCE over a five-year period. Naturally we welcomed something concrete, but, equally naturally, we responded that, in order to meet the private donor's conditions, a commitment of support for a further five years was also essential. This point was fully understood.

I was due to make a report to The Shirley Foundation and so on 10 April 2001 I sent them an account of where we had reached. This report is particularly useful as it was written at the time, sets out much of the contemporary position and describes, in some detail, the difficulties we were facing. It began by summarising the background:

“As you will be only too well aware, there has been a degree of indecision by the Government. Though we cannot be sure, the steps that we appear to have gone through are the following:

- (i) From the beginning the Department for Education and Employment (DfEE) was unwilling to become involved in the direct funding of universities. We were aware that this might be an obstacle, but the extent of their resistance to this has only become clear to us relatively recently.*
- (ii) [The delays were caused by trying to find a solution to this problem]*
- (iii) We believe that the DfEE hoped initially to do this via the Treasury on the one hand and the Higher Education Funding Council for England (HEFCE) on the other.*
- (iv) The extra document that we produced in January (“The Public Interest Benefits”) was probably needed in order to persuade the Treasury.*
- (v) As far as HEFCE was concerned, as you know, the Vice-Chancellor and I had a meeting with the Chief Executive on 8 February and, within a few days of that meeting we submitted a bid to the “Restructuring and Collaboration Fund” of HEFCE.*
- (vi) From mid-February until mid-March we were receiving signals that this bid might be favourably considered and that there might also be direct funding from the Treasury. However, we were told on more than one occasion during this period that, while the Treasury had agreed in principle, the DfEE had not been able to come up with a scheme that met the Treasury's complex accounting rules.*
- (vii) A further problem that has run along throughout has been that of timescales. The Treasury's Comprehensive Spending Review has a three-year time horizon and almost no-one dependent on government funding, as HEFCE is, finds it easy to commit themselves beyond this (though HEFCE will occasionally extend to five years). In addition, neither the Treasury nor HEFCE provide endowment funding. As a result, while there has been considerable mention via informal channels of figures such as £5 million from the Treasury plus £5 million from HEFCE, the reality has always been that, at best, these figures would consist of £2.5 million from HEFCE for the first five years plus the strong expectation of a similar sum for years 6-10 when the funding came up for renewal combined with Treasury funding of £1.5 million for three years (again with the prospect of renewal).*

- (viii) *As late as 28/29 March we had been led to expect a package on these lines - £1.5 million from the Treasury for three years plus £5 million from HEFCE (but almost certainly made up of £2.5 million for years 1-5 plus probable renewal of £2.5 million for years 6-10).*
- (ix) *However, this is not the package that was presented to the Vice-Chancellor, the Academic Registrar and me on Tuesday, 3 April. Instead we were told that all of the funding would come from HEFCE and what we are likely to receive is £5 million over five years. In addition, we made it clear to HEFCE that Oxford is extremely likely to come back towards the end of the first five years with a request for a renewal of funding at a similar level and they took this point on board.*
- (x) *Possibly because all of the funding will now come from HEFCE the whole proposal has to go to the HEFCE Board on Wednesday, 26 April.*
- (xi) *In order to make the proposal one that will appeal to the Board we have been advised to redraft our proposal. As already reported to you, this was done last week and sent to HEFCE on Friday, 6 April.*

The report then went on say that *"Assuming that the HEFCE Board approve our bid, the current proposal is therefore that Mercury would receive support totalling some £5 million pounds over the next five years and that there would be some prospect, though no guarantee, of renewing this support at this or a similar scale thereafter."*

Finally, even though this position did not meet the initial stipulations of The Shirley Foundation for fully matching funding, the Report concluded by saying, *"The Vice-Chancellor and I have discussed this and it is his view (fully shared by me) that on this basis Mercury should proceed. We would like to commend it to you in the hope that you will agree. Our reasons are both financial and political/academic."*

The core of our reasons for commending the financial case was this. In the initial planning of the OII, as submitted to The Shirley Foundation, the aim had been to establish an endowment of £20 million. Working with a 4% return on capital, this implied annual expenditure of £800,000. However, the HEFCE support of £5 million was a grant rather than an endowment and so it all had to be used within the first five years. The obvious implication was that expenditure would be at the rate of £1 million per annum. Moreover, it would clearly be higher still if anything at all were to be drawn from The Shirley Foundation donation. The result, we suggested, was that the HEFCE funding might well lead to achieving "critical mass" earlier than under the full endowment model. Of course, other funding would be needed beyond the five years, but our report considered that this could be managed.

We also highlighted the political/academic advantages. For example, the HEFCE funding represented a single stream of income with few ties and it was at "arms-length" from the Government and so carried less chance of interference than a direct grant from the Treasury. Furthermore, in our most recent discussions HEFCE had made clear that the extra collaboration they sought did not have to be exclusively with UK universities. This was directly in line with our aim that the OII should have an international outlook.

The report also noted some of the meetings I had been having to encourage wider European interest. It stated that I had had *"meetings with the Vice-President of the European Commission (Neil Kinnock), Mr Ilkka Rasanen, a member of Mr Liikanen's cabinet (he is the Commissioner responsible for the Information Society) and with Philip Whitehead MEP (well inclined towards Oxford and a member of Education and Culture Committee).."* and that, arising out of these, there was a good prospect that *"at the time of the launch, in addition to statements of support from the UK Government, we should also have a statement from Mr Liikanen expressing the interest of the EU."*

With great understanding, Dame Stephanie's lawyer, Michael Macfadyen rang on 11 April 2001 to say that they received the report, that they understood the position and that they were sympathetic to the view taken. Dame Stephanie, Michael and I then met in Balliol on 17 April for a further review. This was a slightly difficult meeting as I still had nothing to add. Nevertheless, Dame Stephanie, with the clarity that characterises all of her thinking, said that she remained fully committed.

All of this was well and good, but it was still not a decision. For this, we had to wait until the HEFCE Board meeting on 26 April. Even this short period of waiting was not straightforward.

On 23 April 2001, just days before the HEFCE meeting, the University Offices received a letter from the Secretary of State for Education to the Vice-Chancellor⁶³. This stated that he understood that "Brian Fender [the then CEO of HEFCE] is prepared to give such support for five years, *with the prospect of renewal for a further five years if the Institute is progressing as hoped*" (emphasis added). This was wonderfully encouraging, as it provided us with written evidence that HEFCE were implicitly agreeing to ten years of funding.

There was, however, a major problem. The numbers were wrong! It promised only £2.5 million for the first five years when every assurance I had received had spoken of £5 million. I immediately rang the Minister's Private Office at the DfES and said that I understood and expected that the amount for the first five years was going to be £5 million. The Private Office agreed that this was their understanding too and said the letter had been sent in error. Despite this mistake, the letter did have the value of recording the Government's understanding of HEFCE's position with regard to the prospect of renewal.

Even when 26 April 2001 eventually arrived, there were a few final hiccoughs. The bid had been referred to a sub-committee of the main HEFCE Board. This was still in session in the late afternoon, and was not in full agreement with one critical member whose views the others wished to hear absent abroad. To add to the tension, Colin Lucas was leaving for China the next day so if any quick Oxford decisions were needed he would be difficult to reach. I waited in anticipation all evening until finally at 10pm a fax reached Balliol from Rama Thiranumachandran at HEFCE saying that agreement had been reached. The next day a letter, dated 26 April 2001, arrived for Colin Lucas. This letter, also from Rama, stated that HEFCE would "*provide funding of £5 million over a five year period between 2001/02 and 2005/06*" and that this would come from their Restructuring and Collaboration Fund.⁶⁴ The letter did not include any commitments about the future.

With funding finally in place, there was a last flurry of activity. All the various offices – The Shirley Foundation, HEFCE, Oxford University and Balliol College – needed to be ready for, clear about, and supportive of the Press Release that would announce the setting up of the OII. This was issued on 3 May 2001 for first release at 9.00 am on 4 May 2001. The heading was "e-Research: a First for Oxford", the first sentence read "*Oxford University is creating the world's first truly multidisciplinary Internet Institute based in a major university*". It also stated that the creation of the OII has been warmly welcomed by the Secretary of State for Education, David Blunkett, the European Commissioner for the Information Society, Erkki Liikanen, and the Cabinet Office e-envoy, Andrew Pinder.⁶⁵

⁶³ Letter from Secretary of State to Vice-Chancellor, 23 April 2001, with and without cover note. Historical Material 18 and 19.

⁶⁴ Letter from Rama Thiranumachandran to Vice-Chancellor of 26 April 2001. Historical Material 20.

⁶⁵ An indication of how wonderfully supportive and relaxed The Shirley Foundation were throughout is their approach to the final agreement. It was only after the Press Release that I sent them an outline Term Sheet (letter plus enclosures of 3 May, 2001). This was revised just once, on 31 May 2001 and was finally agreed on

VI. 4 May 2001 – 27 September 2002: From Press Release to Launch Conference

Of course the Press Release was only the start of the next phase of the story. We had an idea, we had a building, and, now that we had the money, there had been a University announcement. However, at this point, the building was a rabbit warren in need of fundamental reconstruction, we had no University legislation, no constitution, only one member of staff,⁶⁶ no academic faculty at all, and, above all, no Director.

Clearly the highest priority was to appoint the Director, but this took some time – some would say too much. Nevertheless it is worth remembering that it was only after the 4 May 2001 that the University could even bring forward the necessary legislation to establish the Directorship which was combined with a Chair in Internet Studies. Moreover, universities have well established procedures for appointing professors, including, in the case of Oxford, the requirement that the Electoral Board shall include two persons distinguished in their field who are not members of the appointing University.⁶⁷ It is not always recognized outside academia, but there are good reasons for such procedures, in particular, they are a critical part of making appointments properly open and competitive and so make a crucial contribution to quality control. Putting the same point another way, it is far more important to make the right appointment than whether this is achieved in one month or six.

Nevertheless, such a timescale does have a downside, especially when the appointment is the Director of an entirely new Institute. In such a case, without someone in post, key decisions risk being delayed. And finding the Director for the OII certainly took a while. By the time the headhunters had been appointed, had trawled the field, sought references and found a date when an exceptionally busy set of people straddling several countries could meet, it was the late autumn of 2001. The result was that interviews did not take place until December 2001. At that point, there was a promising field. One person was exceptionally impressive, was interested, was offered the post and appeared available to take it up. However, in January 2002 we heard that for family/personal reasons our appointee had decided not to take up the offer.

So, there we were without a Director. Seven months has passed since the announcement of the OII and we were back to the directorship drawing board.

Fortunately, we struck lucky. Professor Bill Dutton had not been free to put his name forward when approached by the headhunters in the first round. However, when they initiated their second trawl, Bill Dutton was available, responded positively, and was appointed. He eventually took up the post with effect from 1 July 2002.

As is now widely recognised, Bill was the perfect first Director for the OII. He had an understated approach that not only belied a deep knowledge of everything to do with communication studies, but also engendered an exceptionally cooperative and open-minded culture within the OII. In addition, and of critical importance, his ability to work easily and collaboratively with all those involved was of immense help in getting the OII to become accepted and fully integrated into the wider Oxford University community.

19th October 2001 with very few substantive alterations and executed on 30 October 2001. Historical Material 21 and 22.

⁶⁶ Linda Frankland had become the *de facto* Administrator in early 2001, when Tony Abrahams stood down from being the Project Coordinator in order to be able to give his work for his MBA degree his full time attention.

⁶⁷ In the case of the OII, one was Professor Eli Noam of Columbia University, who went on to be a highly constructive member of the OII Advisory Board.

However, in January 2002 all of this lay ahead and we appeared stymied. Fortunately, the position was not quite as bad as it seemed. I moved from being Chair of the Steering Committee to becoming *de facto* the first Director of the OII from May 2001; and, once the prospect of the initial candidate taking up the post fell through, the VC invited me to take this on formally. With permission from Balliol, this I did from January 2002 until Bill Dutton arrived in July 2002.

Indeed, in the months following the announcement in May 2001 much was achieved. Following the necessary University legislation, a Management Committee was quickly established. This took over the role of the Mercury Steering Committee and was chaired by Donald Hay, in his position as Chair of the Social Studies Board, in accordance with the governance rules that had by then also been laid down.⁶⁸ Working under the authority of this Management Committee, I was in position to put in place the three most critical next steps.

First, there was a desperate need for a physical space. During the period when everything had to remain confidential, the skeleton Mercury Staff, almost entirely graduate students, had been operating from a bedroom in the Master's Lodgings in Balliol. Now that the plan was public, the building at 1 St Giles could be made available as soon as we had brought the short-term lease to an end.⁶⁹ Much more important, we could also set about plans for rebuilding the site into something suitable for and worthy of a new Institute.

Second, we had to make sufficient appointments for the Institute to function. In particular, we had to move from the casualised (but extraordinarily talented) graduate work force to a core of longer term administrative and academic appointments.

Third, we needed to find the answers to a variety of questions of the kind that would be critical for the OII to make the best decisions about its first set of priorities. Who else was doing what? Who were our nearest competitors? Who was doing work strongly complementary to what the OII might do? Where could the OII make its most distinctive contribution?

The aim in all these was to make as much progress as possible without cramping the subsequent freedom for manoeuvre of the eventual long term Director.

The re-building of 1 St. Giles was substantially delegated to the Senior Bursar of Balliol, Marten van der Veen, and to Linda Frankland (Administrator at the OII). The only requirement that I insisted on was that 1 St Giles should have two entrances - the existing front door looking out to St Giles and another leading direct into Balliol itself. This had obvious practical advantages. However, it was also intended as a symbolic reminder of the way in which I expected the OII to function: looking outwards to the wider world, yet closely connected with academia.⁷⁰

Appointments were pushed ahead by Linda with an initial focus on short term attachments such as Visiting Fellows and Senior Research Fellows and with contracts normally limited to a maximum of

⁶⁸ I must add here that, notwithstanding Donald Hay's multiple attempts to stop the OII becoming a stand-alone Department, once the OII was underway, he was nothing except fully supportive.

⁶⁹ We were able to do this quickly as, back in November 2000, we had given them notice. Even though, at that stage, it was not clear that the OII plan would succeed, this was feasible because The Shirley Foundation had agreed that some of their £100,000 "at risk" could be used to cover lost rent if the building were to remain empty – Dame Stephanie considered being able to move ahead quickly the top priority and, compared to a delay, regarded the loss of rent a small penalty.

⁷⁰ As a detail, I also insisted that the front of the building should carry one brass plaque saying OII and a second saying Balliol College so that the college connection was clear for all to see.

three years. However, early in 2002, we also advertised for our first longer term academic position, a Policy and Research Officer, and in August 2002 Vicki Nash took up this position. Vicki, I am delighted to say, is still with the OII and is now (2019) its Deputy Director.

The task of assessing the strategic options was delegated to a team of MBA students whom I established to work together over the summer of 2001.

The other major task was to prepare for a Launch Conference. This was set to take place on 27 September 2002, and would be after the arrival of Bill Dutton on 1 July. However, I still had to ensure that most of the preparation work was well advanced. The conference was called *Casting a Wider Net: Integrating Research and Policy on the Social Impacts of the Internet*. And it brought together nearly 300 key figures from industry, academia and politics to discuss how this might be achieved. Our strong impression was of a highly successful Conference with great support expressed for the new Institute among those participating.

Thus, by the autumn of 2002, with its first full time Director in post and with the launch Conference successfully completed, the OII was, at last, fully up and running and in business.

VII. 2006 & 2007: Securing a Second Tranche of Public Funding

In the years following its creation the OII moved rapidly ahead. Further Professorial appointments were made. A Masters programme and a doctoral programme were established. Research monies began to flow in. However, what was still crucial was the need to raise sufficient public funds to meet our initial commitment to The Shirley Foundation of matched funding. We therefore had to secure the second tranche of public funding that we had been promised.

Early on and in full agreement with HEFCE, it had been decided to spread the initial £5 million fund from HEFCE over six rather than five years. But the question of whether or not the OII would be back to them after five years or six years was not the issue. What mattered was whether the Government would keep its word.

There were several difficulties facing the OII when it started seeking its second tranche of government funding in 2006: (i) other than the mistaken letter of 23 April 2001 from the Secretary of State for Education, a letter that had been withdrawn, there was nothing on paper confirming that we had been led to expect that we would be able to return for a second slice; (ii) there was nothing saying that, in total, the public sector support would be £10 million; (iii) the Chief Executive of HEFCE had changed; (iv) so, too, had the Secretary of State for Education; and (v) HEFCE had wound up its "Restructuring and Collaboration Fund" so a second bid to that fund was not possible.

To make matters worse, preliminary inquiries made in early 2006 about a second application by the OII met with a decidedly cool response. Effectively the OII quickly learned that its chances of a second round of funding were close to zero.

By this time, I had long passed on any executive responsibility for the OII. I was, however, still Chair of its Advisory Board. And at this point, I did not feel that what the OII were being told gave any weight to all the earlier discussions with the various government departments. More importantly, I felt strongly that as I had personally been given assurances, these ought to be upheld. Thus, on 24 July 2006 I had a telephone conversation with Andrew Pinder and on the next day wrote to David Miliband, who had, by then, become a member of the Cabinet. I acknowledged the difficulties, in particular that everything had changed, and then my letter continued as follows:

"I spoke to Andrew Pinder yesterday. He confirms that he became involved with this project in early 2001 and he says, "I absolutely recall a clear commitment to match The Shirley Foundation contribution at a level of £10 million over ten years."

At a number of points between January and the final notification from HEFCE, I checked with you and you confirmed that we should expect £10 million from public funds to match the £10 million from The Shirley Foundation.

Looking back at the documents, I find that I have a copy of a letter of 23 April 2001 from the Secretary of State for Education to the Vice-Chancellor in which the Secretary of State says he understands "Brian Fender is prepared to give such support for five years, with the prospect of renewal for a further five years if the Institute is progressing as hoped". The only problem with this letter is that the numbers in it were entirely wrong and so this particular letter was withdrawn! Nevertheless it does record the Government's understanding about HEFCE's position.

In the light of all the above I seek both your advice and your assistance. I need your assistance, because you are now the only person known to me who meets the following criteria: (a) you knew about the project from early on, (b) you were inside Government, (c) you were aware of the critical commitment to £10 million and (d) you are still inside Government. As a result, I would like to ask whether you would be willing to confirm (in whatever way seems most appropriate to you) that Oxford University were led to expect support on a scale matching that from The Shirley Foundation.

As a Minister, David Miliband was understandably extremely busy. However, in a telephone conversation in the summer of 2006, he commented, "I remember the original terms of the deal being 1:1 matching".

Given this confirmation from both David Miliband and Andrew Pinder, I wrote to the then Vice-Chancellor, John Hood, reporting the position (including quoting my conversation with David Miliband), and asked permission to approach the Government at the highest appropriate level to see what might be achieved.⁷¹ The VC agreed and so, on 9 October 2006, I wrote to the Secretary of State for Education, Alan Johnson;⁷² and, following further iterations, a meeting was eventually held with Bill Rammell, Minister of State for Life-Long Learning, Further and Higher Education.

Rammell, while insisting that any final decision had to lie with HEFEC and that the then Comprehensive Spending Review was exceptionally tight, was helpful and acknowledged that there certainly was some obligation to the OII given the earlier discussions. He also encouraged the OII to bid to a new fund at HEFCE called the Structural and Development Fund (SDF), agreed that he would incorporate guidance about special funding streams related to the SDF, and assured us that the OII would not be ruled out on a technicality.⁷³

Despite this helpful response, when the Director of the OII approached HEFCE in early 2007 he was informed that a direct bid could not be made by the OII, rather any bid had to be a University bid. Furthermore, any such bid should not be a bid for research funding, it should not even tie itself down to any particular research direction. Instead, its main focus had to be on creating the circumstances to (continue to) carry out existing research rather than anything new.

The OII was also advised that it should not hang too much of its argument on the fact that the bid was the second half of an earlier bid. The application to the SDF had to be a new bid and it would have argue that it was a continuation of the strategic direction in which Oxford University had

⁷¹ Letter to Vice-Chancellor, August 2006. Historical Material 23

⁷² Letter to Secretary of State for Education and Skills (Alan Johnson) 9 October 2006. Historical Material 24.

⁷³ All these points were confirmed in a letter I wrote to Bill Rammell on 23 January 2007.

chosen to move when the OII was set up. In other words we would have to base the case on this being the tail end of a new development made by the University in 2001. The alternative would be to argue that OII was now moving into a new phase which involved a different strategic direction, but the difficulty with this approach was that it would need the OII to plan a radical change.⁷⁴

Thus, following further discussions between Professor David Eastwood (then CEO of HEFCE), the OII and Oxford University, the University put in a bid to HEFCE for £2.5m of transitional support for three years from 2007-08 to ensure the sustainability of the Oxford Internet Institute (OII).⁷⁵ The full bid was not successful, but on 14 August 2007, HEFCE confirmed two further grants.⁷⁶ One was for £1m with no specific conditions beyond those always attached to such grants. The second was for a further £0.75m provided the University matched this on a pound for pound basis. This, the University was willing and able to do. So, eventually, the OII received £1.75 from HEFCE and £0.75m from the University, a total of £2.5m. This equalled the amount that the University had estimated the OII required.⁷⁷

This was much less than the OII had had every reason to hope for and, indeed, if assurances meant anything, to expect. On the upside, however, it was notably more than the near blank wall that the OII had first met at HEFCE in early 2006.

Crucially for the longer term future of the OII, the view that the VC and I had shared in April 2001 to the effect that the OII could survive if the second tranche were not to be forthcoming, proved to be on target. Bolstered by other research income and by student fees for the degrees that the OII had, by then, launched, the OII had reached a position in 2006/7 in which, particularly with this extra sum of £2.5m, it was capable of being fully financially sustainable in the years that followed.

None of this good news should, however, take our eye away from two fundamental points. First, in the original discussions with The Shirley Foundation, we (Oxford and, in particular, I, Andrew Graham) had undertaken to raise £10 million from the Government to match that of the Foundation. Second, we had been given repeated assurances by senior people within the Government that such a sum would be forthcoming. As Dame Stephanie observed to me at a later date, “The fact that HEFCE did not, after real effort, produce the clearly promised second £5 million tranche was of acute irritation to The Shirley Foundation and is the sort of thing philanthropists deplore from academe”. She is right to say that on this count we had let her down, and I acknowledge that it was my mistake to believe the assurances I had been given. Some lessons you learn the hard way. One might, however, add that philanthropists should deplore Government even more.

Before turning to some concluding reflections, I would like to emphasise the many people who made critical contributions to bring the OII into existence. The Vice Chancellor, Colin Lucas, was open-minded, wise and supportive, especially at difficult moments;⁷⁸ Sir Peter Williams was also strongly in favour of the project throughout and made exactly the right impression on The Shirley Foundation; Derek Wyatt was a bundle of energy and fizzing with ideas and optimism and by coming from outside academe with ideas which coincided so well with what I had in mind, provided a truly critical catalytic role; Antony Weale was a brilliant administrator and solved problems all the time

⁷⁴ Note of 5 March, 2007, by Linda Frankland, Administrator at the OII, recording the discussion between the Director of the OII, Professor Bill Dutton, and a HEFCE official.

⁷⁵ Strategic Support for the Oxford Internet Institute: Realizing and Sustaining an Innovation in UK Higher Education An application from the University of Oxford to HEFCE’s Strategic Development Fund, May 2007. Historical Material 25.

⁷⁶ Letter from Richard Blackwell, HEFCE, to Dr John Hood, Vice-Chancellor of Oxford, 14 August, 2007.

⁷⁷ HEFCE Award Letter 14 August 2007. Historical Material 26.

⁷⁸ While, as Anthony Weale attests, managing to remain scrupulously neutral towards Balliol.

(probably many of which I was unaware); and Tony Abrahams' exceptional and multiple talents have already described. The contributions of several others, all helpful, have been included above – Linda Frankland, Professor Steve Woolgar, Donald Hay, and Marten van der Veen.

I must also mention the role played by Dr John Jones. He was Vice-Master of Balliol all the way through the period when the OII was coming into being and Vicegerent during the especially hectic period running from July 2000 to January 2001 when I was formally on sabbatical leave, but in fact working full time on the OII. I could not have wished for a more supportive or helpful colleague. I had total trust in everything he did. This was, by no means, limited to his oversight of Balliol – he interacted with supreme efficiency and clarity of thought with Dame Stephanie and with her lawyer.

Last, but most certainly not least, there was Dame Stephanie herself. She is an exceptional donor – clear sighted, firm, and generous in time and ideas, not just in money. And, she is highly unusual in being willing to give, and to give quickly, without asking for anything in return and, above all, with absolutely no interference. In the case of the OII, Dame Stephanie was always interested in what we were doing, and was perfectly willing to make suggestions, but she never for a second, suggested that the decisions should be taken by anyone except those responsible for the project. In short, in this particular case, the possibility of the donor influencing the *direction* of research simply never arose. The one thing that she undoubtedly did influence was the speed with which we moved.

VIII. Concluding Remarks

I end with two final sets of remarks. They draw, not just on this story of the establishment of the OII, but also on my own extensive experience both inside and outside Oxford and academe, including having observed at close quarters several other attempts at establishing new institutes and new areas of research.

The first concerns the role of colleges within Oxford University. In every other university, there is a greater or lesser de-centralization of power with the primary “bottom up” force coming from the disciplines. However, in Oxford, there are also the colleges. If the disciplines are thought of as vertical cuts, the colleges cut horizontally producing, in Oxford, a multi-celled, lattice-like structure. This undoubtedly adds to the complexity of Oxford. In addition, with each college being self-governing with its own statutes, endowment, buildings, governing body and students, it also undoubtedly decentralises power. The important question is whether this complexity and this decentralisation of power helps or hinders the University.

In the view of critics, such as John Kay, Oxford's collegiate structure is not fit for purpose. It is too obtuse, too many people have a say, no-one will take responsibility, there is no coherent strategy, it is all too slow and it is almost impossible to get anything finally decided. For those areas which absolutely must be subject to University-wide agreed standards and procedures, such as admissions criteria or student fees, there is - or certainly used to be - much truth in this criticism. And there are also occasions when Oxford's difficulty in speaking with a single voice can be damaging.

The position is reversed, however, when we turn to the core functions of universities in terms of creating and disseminating new ideas and pushing the boundaries of research. For these core functions, speaking with a single voice is anathema. What matters is the testing of one idea against another, the curiosity of inspired individuals, and the creation of an environment in which experiments can flourish. Yes, funding is needed, and the centre may choose to support some lines of research more than others, but research cannot fully flourish unless ideas are energetically bubbling up from the bottom. Here, decentralisation of power is to be sought, not avoided.

In my judgement, the existence of the Oxford colleges adds to this decentralisation in four ways, all of which are helpful.⁷⁹ They are naturally multi-disciplinary; they generate intense loyalties; they are independent; and they are competitive. And the result of such competition is to generate a process of organic learning in which successful experiments by one are followed by others (with the unsuccessful falling by the wayside).

The creation of the OII exemplifies all this. At Balliol, it was its graduate students, spread across the disciplines of economics, law, political science, computing, history and even classics, who with my encouragement, created the energy from which the OII grew. It was to Balliol that Dame Stephanie was first invited and it was the desire to help Balliol that motivated Mike Warburg and Richard Susskind to pull out all the stops to persuade her to talk to me. It was Balliol's independence that meant we owned 1 St Giles, that we were able straightforwardly to receive Dame Stephanie's initial donation, and that made it possible for me to employ Tony Abrahams so swiftly. Finally, it is notable that, in the years that followed the creation of the OII, a number of other colleges looked at what Balliol had achieved with the OII, and made their own moves to do more to encourage inter-disciplinary and multi-disciplinary work across their own graduate communities.⁸⁰

Of course, as this account has shown, many factors and people played a role in the creation of the OII. But one question is whether that creation would have been under way quite so expeditiously if there had not been colleges and I had not been the Head of one of them? Without this context, and the fact that Balliol College was therefore in a position to act independently, decisively and across discipline boundaries, as well as owning a building that was immediately available, it is arguable that the "bubbling" of ideas that led to the OII might very well never have achieved lift off.⁸¹

My second set of observations is about a particular reason as to why it was that, once set up, the OII subsequently flourished and became such a success. Here again, of course, many factors were at work: the subject area was exploding, we were able to appoint very high quality academics, and, right from the start, there was sufficient funding (even though the promised government funding proved difficult later). All this is acknowledged, but there is, in my view, a very specific reason, closely connected with how the OII was conceived, that made the crucial difference. This is that it was set up as a fully stand-alone department and not as an 'institute' within a department. The fact that Sir Peter Williams and I insisted on this right at the beginning has proved to be of considerable significance over the longer run – both financially and intellectually.

The financial impact of being a department is straightforward. In Oxford, departments, but *not* institutes, have the right to admit their own students. Thus, once the OII started its teaching programme, it had direct access to its share of student fees. This income stream, which only came to the OII because it was formally a department and not an institute, was a critical contributor to the long run financial viability of the OII. Indeed, it was this, plus research income, which meant that,

⁷⁹ A fuller version of these arguments can be found in a note sent from me on behalf of all the heads of colleges to the incoming Vice-Chancellor in July, 2004. Historical Material 27.

⁸⁰ For example, in 2001, St Johns set up a Research Centre to encourage interdisciplinary work; in 2002, Corpus Christi, Merton, and University Colleges began a "Centre for Ethics and Philosophy of Law"; in 2003, University College started its Global Economic Governance Programme (the seedbed for the Blavatnik School of Government); in 2010, Keble set up an Advanced Studies Centre and is currently extending this into the HB Allen Centre; and, also in 2010, I encouraged Balliol to return to the table and the Balliol Interdisciplinary Institute was created.

⁸¹ Anthony Weale put my role and the Balliol involvement as his top two reasons for why the OII succeeded - Extract from email of 29 October 2014. Historical Material 10.

even when HEFCE failed to produce the full match for the £10 million provided by The Shirley Foundation, the OII was able to continue.⁸²

Some of the OII's intellectual impact springs from this same source. Being a department and so having the right to admit its own students gives the OII, subject only to approval by the University, the right to establish its own courses. This includes the right to determine the rubric for those courses and the right to appoint examiners (including external examiners) for those courses. As a result, the OII has been able to avoid much of the *centrifugal* pressure coming from the gravitational pull of the surrounding disciplines. Instead, it has been able to work *centripetally* on the problems posed by the Internet, pulling together whatever disciplinary techniques prove most suitable for the question in hand.

Furthermore, the fact that the OII is a stand-alone Department has had a major impact not just on what it does, how it does it, and all that it has achieved, but also on how it *sees* itself. From the start it was able to be consciously multi-disciplinary and it was able to embed this multi-disciplinary culture in the staff that it appointed and in the coverage and content it gave its own Master's degrees and doctoral programmes. With hindsight, in my judgement, the lack of these competing external pressures from the surrounding disciplines (each with their own methodology) and the resulting intellectual coherence that the OII has been able to establish, have proved to be even more important to the success of the OII than even I imagined when we all set out.

Looking back, the success in bringing the OII into being and then seeing it develop so well over the longer term has been extraordinarily rewarding. Long may it continue.

Andrew Graham
Oxford, April 2019

⁸² Within Oxford, teaching income and research income are combined into a single Joint Resource Allocation Model. Research funds flow to institutes as much as to departments, but only departments benefit directly from teaching income.

List of people and the positions they held at the time

Tony Abrahams	President of Balliol MCR and Project Coordinator
Alex Allan	e-Envoy, Cabinet Office
Jonathan Anelay	Head of Legal Services, University of Oxford
Tim Berners-Lee	Creator of the World Wide Web
David Blunkett MP	Secretary of State for Education and Employment
Gordon Brown MP	Chancellor of the Exchequer
Sam Chisholm	CEO of BskyB
Bill Dutton	From July 2002, first full time Director of the OII and Professor of Internet Studies
Sir David Eastwood	CEO of HEFCE, 2006-09
Sir Brian Fender	CEO of HEFCE, 1995-2001
Andrew Graham	Acting Master of Balliol College, 1997-2001, Master from 2001, Project Director for “Mercury”, the code name for the OII, Acting Director of the OII 2001-02.
Donald Hay	Chair of the Social Studies Board of the University of Oxford and, from summer, 2001, Chair of the Management Committee of the OII
Patricia Hewitt MP	Minister of State for Small Business and E-Commerce at the DTI
David Holmes	Registrar of the University of Oxford
John Hood	Vice-Chancellor, University of Oxford, 2004-09; knighted 2014
Alastair James	Development Director, Balliol College, 2000-10
John Jones	Vice-Master, Balliol College, Fellow and Tutor in Chemistry
John Kay	Director, Saïd Business School, University of Oxford, 1997-99
Neil Kinnock	Vice-President, European Commission
Erkki Liikkanen	European Commissioner
Judy Longworth	Development Director, Balliol College, 1997-99
Colin Lucas	Vice-Chancellor, University of Oxford, 1997-2004, knighted 2002
Michael MacFadyen	Legal Adviser to The Shirley Foundation
James Martin	Philanthropist
David Miliband	Head of the Prime Minister’s Policy Unit
Ed Miliband	Special Adviser to the Chancellor of the Exchequer
Jon Moynihan	Alumnus of Balliol, Chair of the Balliol Campaign Board
Vicki Nash	Policy and Research Officer at the OII from August 2002
Sir Peter North	Vice-Chancellor, University of Oxford, 1993-97
David Oram	College Accountant, Balliol
Ian Peedle	Accountant, University of Oxford
Andrew Pinder	e-Envoy, Cabinet Office, 2000-04
Illka Rasanen	Adviser to Erkki Liikanen
Dame Stephanie Shirley	Philanthropist
Mike Smithson	Director of Development, University of Oxford
Richard Susskind	Alumnus of Balliol, member of the Balliol Campaign Board
Rama Thiranutmachandran	Senior Adviser, HEFCE
David Vaver	Professor of Intellectual Property Law, University of Oxford

Marten van der Veen	Senior Bursar, Balliol College
Stefaan Verhulst	Senior Associated Fellow in the Programme in Comparative Media Law and Policy, University of Oxford
Mike Warburg	Alumnus of Balliol, member of the Balliol Campaign Board
Anthony Weale	Secretary of Faculties and Academic Registrar of the University of Oxford, Project Officer
Philip Whitehead	Member of the European Parliament
Sir Peter Williams	Master of St Catherine's College, Oxford
Michael Wills	Junior Minister responsible for Learning and Technology at the DfEE
Steve Woolgar	Director of the Virtual Society? Programme and Professor of Marketing, Saïd Business School, University of Oxford
Derek Wyatt MP	Labour member of Parliament for the constituency of Sittingbourne and Sheppey

Acronyms

CEO	Chief Executive Officer
DCMS	Department for Culture Media and Sport
DfEE	Department for Education and Employment
DTI	Department for Trade and Industry
ESRC	Economic and Social Research Council
FOI	Freedom of Information
FPC	Financial Planning Committee (of Balliol College)
GPC	General Purposes Committee (of the University of Oxford)
HEFCE	Higher Education Funding Council for England
ICL	International Computers Ltd
MBA	Master in Business Administration (and the degree leading to that qualification)
MCR	Middle Common Room (the collective term for the graduate members of a college)
MEP	Member of the European Parliament
MIT	Massachusetts Institute of Technology
MP	Member of Parliament
OII	Oxford Internet Institute
PRAC	Planning and Resource Allocation Committee (of the University of Oxford)
RAE	Research Assessment Exercise
SDF	Structural and Development Fund (a fund within HEFCE)

The time line of OII related events at Balliol

1989 to October 2001

- 1989** Balliol acquires the property at 1 St Giles and leases it back immediately for a period of 25 years to the firm of solicitors (Morrell, Peel and Gamlen) who were then using.
- Autumn 1994** Colin Lucas becomes Master of Balliol. Andrew Graham is Visiting Scholar at MIT. Tim Berners-Lees announces the World Wide Web Consortium and the first browser, Mosaic, goes public.
- January 1995** In Hilary Term, Andrew Graham gives the first lectures in Oxford about the Internet.
- Autumn 1995** Andrew Graham commences his ESRC research grant "The Information Superhighway: Market Structure, Access and Citizenship".
- June 1996** An Oxford city councillor, Dr Robert (Bob) Hoyle, knowing that Colin Lucas was about to become Vice Chancellor, proposes a "Millennium College" to bring together, within a single physical space, many facilities for the large number of non-University people in Oxford, including Internet kiosks.
- Mid 1996** Michael Selzer (Balliol, 1960) emails Colin Lucas suggesting "nothing less than a University on the web"
- Mid 1996** James Martin suggests to the University of Oxford that they should create a Media Centre. The University establishes a Working Party on New Educational Technologies. Andrew Graham submits a paper containing ideas which later became a core part of the case for the OII.
- March 1997** Dame Stephanie Shirley attends the Snell Dinner at Balliol as the guest of Richard Susskind
- 1 Oct 1997** Colin Lucas becomes Vice-Chancellor of the University of Oxford. Andrew Graham becomes Vicegerent (the person who stands in for the Master), but he is known externally as Acting Master of Balliol. In his absence on sabbatical leave, Maurice Keen is appointed Vicegerent.
- 1 Jan 1998** Morrell, Peel and Gamlen leave 1 St Giles and it reverts to Balliol.
- 1 Jan 1998** Andrew Graham returns from sabbatical and takes up his formal responsibility as Vicegerent and Acting Master.
- January 1998** In his sabbatical leave report for College Meeting, Andrew Graham comments *"Whilst in California, I did, however have some extremely interesting discussions about fund raising and the new technology with Arthur Thomas (Balliol, 1967) and Steve Schaffran (Balliol, 1967). Some of their ideas, as well as some of what I saw at Stanford and MIT, might have implications for how the College chooses to use the opportunity created by the acquisition of 1, St. Giles."*
- 12 May 1998** As Acting Master, Andrew Graham recommends to a Balliol Consilium that *"St. Giles should be designed as a multi-function building with the aim that it should become net income generating. As part of this I suggest that it should include seminar rooms and lecture room(s) equipped with modern media technology. It should also include rooms for Research Fellows and some higher quality bedrooms. In addition, if 1 St. Giles were to become a focal point for the Balliol Old Member network (socially and intellectually, as well as technologically), then the claims of the Development Office should be seriously considered."*
- 22 June 1998** Balliol College Meeting authorises the Acting Master to continue work on 1 St Giles, to establish a small working party and to consult (discretely) with experts.

- Autumn 1998** AgendaTV is invited to Balliol to explore the possibility of preparing lectures in Internet format.
- 7 Dec 1998** College Meeting approves a paper by the Acting Master "*Fundraising for St Giles*". This recommends that the College should agree to re-construct St Giles ""with a heavy emphasis on IT and research activities – *but if and only if full funding for such a building and such activities were forthcoming*" (emphasis in the original)
- Jan 1999** The Acting Master shares the College's thinking about 1 St Giles with the Campaign Board, a group of alumni who were assisting the College in its fundraising. The Board was chaired by Jon Moynihan (Executive Chairman of PA Consulting) and included, Mike Warburg and Richard Susskind.
- Feb 1999** Within Balliol, work continues with AgendaTV, including on 10th February a demonstration of the possibilities of Internet enhanced lectures.
- March 1999** The Acting Master organises a conference at Balliol about the impact of IT on education
- April 1999** Meetings with Microsoft (both in their UK headquarters in Reading at their world-wide headquarters in Seattle)
- Nov 1999** A draft document with a working title of a "Multimedia Research and Conference Centre" is prepared.
- 26 May 2000** Master's Seminar on the Internet (the seminar being primarily organised by Balliol graduate students)
- 7 June 2000** A meeting of Fellows votes to pre-elect Andrew Graham as Master, the position to be taken up officially on 1 October 2001.
- 24 Sept 2000** Balliol College Meeting approves the proposal from the Master-elect that a new Institute devoted to work about the societal effects of the Internet could be located at 1 St Giles and linked to Balliol in a way that "is, at least, somewhat more than the pure rental model."
- 14 Feb 2001** The Master-elect reports to Balliol about the progress on the Institute, including that the University Council has given approval in principle to the formation of the new Institute. The report is approved.
- 19 Oct 2001** A tripartite deed finalising all the arrangements for the OII and its location at 1 St Giles is agreed by Balliol, Oxford University and The Shirley Foundation.
- 30 Oct 2001** The final tripartite (agreed) deed is executed.

The Origins of the Oxford Internet Institute

Historical Material (*)

1. Press Release announcing the establishment of the OII 4th May, 2001
2. “Possible Uses of 1 St. Giles: A Discussion Paper by the Acting Master” May 1998
3. Future Directions – Paper for Balliol by Acting Master October 1998
4. Paper for the Working Party on New Educational Technologies: The Effects of New Technologies on Universities, April 1997
5. An Internet Policy Institute for Oxford: A Report by the Acting Master of Balliol and the Master of St Catherine’s. 20 June 2000
6. Briefing note for Alex Allan (e-Envoy) August 2000 by Andrew Graham
7. Minutes of Balliol Meeting, 15 September 2000
8. Alternative Uses for 1 St Giles and Related Matters - A paper by the Master-Elect for the Fellows of Balliol, 24 September, 2000
9. A bid to a Foundation to establish the OII
10. Why did the OII succeed - Extract from an email from Anthony Weale to Andrew Graham of 29 October 2014.
11. Letter from the Vice-Chancellor to Secretaries of State, 13 November, 2000
12. Andrew Graham’s notes of 5 Jan 2001 of conversation with David Miliband
13. Letter to Ed Miliband, 9 January 2001
14. Supplement: The Public Interest Benefits
15. Letter to Andrew Pinder, 15 March 2001
16. The Oxford Internet Institute: a National Centre for Internet Research and Policy, 14 February, 2001 (bid to HEFCE)
17. Revised bid to HEFCE, 6 April 2001
18. Letter from Secretary of State for Education to Vice-Chancellor, 23 April 2001 – with cover note
19. Letter from Secretary of State for Education to Vice-Chancellor, 23 April 2001 – without cover note
20. Letter from Rama Thiranimachandran to Vice-Chancellor confirming HEFCE’s agreement 26 April 2001
21. Draft Term sheet plus cover letter, 3 May 2001
22. Final Agreement to the Internet Institute, executed 30 October 2001
23. Letter to VC (John Hood) – request to write to Ministers – August 2006
24. Letter to Secretary of State and to HEFCE – October 2006
25. University bid to Government - Summary, Second round 2007
26. HEFCE Award Letter, Second Round, 14 August 2007
27. VC-elect – briefing note – July 2004

(*) The documents are listed in the order in which they first occur in the main text.