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Ref. A03813

PRIME MINISTER

Information Technology
(E(80) 147)

BACKGROUND

Last July, you approved the formation of an Official Committee on Information Technology, chaired by the Department of Industry and with Secretaries from the Cabinet Office, CPRS and DOI. The Committee had during the autumn considered the range of Government interests in information technology (IT) and the need for a national policy on IT. Their initial report (E(80) 147) reviews these interests, discusses a possible Government role in stimulating awareness and application of IT and recommends the development of a coherent Government approach to this new technology. The overall aims of the policy are set out in paragraph 9, with specific elements listed in paragraph 10.

2. The Committee are seeking broad endorsement from Ministers for their views -

(i) that IT is of major significance to future economic success in the United Kingdom; and

(ii) that because of Government's influence on many of the factors that affect the development of IT (the communications system, the legal framework, etc.), Government should recognise its central role in, and have a coherent policy towards, the promotion of IT.

3. They propose a new initiative on IT, including a programme of demonstration projects (unspecified) to raise awareness and show the capabilities of United Kingdom technology. The only decisions of detail sought by the Committee concern approval in principle for such a programme, and its financing, where they suggest (paragraph 6) that additional Government expenditure of up to £10 million annually would be justified.

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4. The Committee have - understandably - not raised one key aspect of IT which has featured strongly in a number of recent reports on the subject, namely the diffuse nature of Ministerial responsibilities. While lead responsibility for the promotion of IT lies with the Secretary of State for Industry, important legal and regulatory controls come under the Home Secretary and the Secretary of State for Trade, and the Lord President is responsible for advising on Government procurement of much IT equipment. If the Committee are right in their assessment of the importance of IT (and I believe them to be so), the disposition of Ministerial and departmental responsibilities for this subject needs to be considered. This meeting is not the place to deal with those questions, and I will make a separate submission on them; but they include the place and function of the Central Computers and Telecommunications Agency (CCTA), the Home Office's responsibilities for regulation of radio frequencies, and the possibility of assigning to one Minister some general remit for the promotion of information technology within government.

HANDLING

5. You might invite the Secretary of State for Industry to introduce the paper, although he may prefer the Minister of State (Mr. Butler) to make the detailed introduction. You might then turn to paragraph 12 since 12(a) encapsulates the two main themes of the paper - the significance of IT and the central role of Government. You might invite comments on these themes, in particular from the Home Secretary, the Secretary of State for Trade, the Lord President, and the Head of the CPRS.

6. On 12(b), you could remind the Committee that the new sub-committee on public purchasing (E(PP)) is being formed. Presumably this can deal with purchasing issues in IT.

7. On 12(c), you might invite the Lord President to comment on the response to his recent initiative (referred to in paragraph 5) to encourage the greater use of small computer systems by departments. What will be the relationship between that initiative and what is proposed in paragraph 12(c)? What are the

reactions of main user Departments - the Secretaries of State for Social Services, Defence and the Environment might comment (NB. The Secretaries of State for the Environment and Scotland will be late because of PQs).

8.   On 12(d), you might invite the Secretary of State for Industry to explain why an IT policy, unlike other policies for new technology, should have this demonstration element.   He should also give some examples of the sort of projects that might be included in the programme.   The Chief Secretary should comment on the suggestion for additional expenditure in paragraph 6.   He will no doubt point out that the November public expenditure review led to extra provision for industrial support of £30 million in 1981-82 and £50 million in each of the later years, and argue that additional provision should be found from this provision or by switching priorities within existing programmes.

9.   You might finally seek comments on the Work Programme set out in Annex A.

CONCLUSIONS

10.   Subject to the discussion, you might guide the Committee to endorse the statement and proposals in paragraph 12(a) - (e) of the note.

RtA

(Robert Armstrong)

16th December, 1980