

*Prime Minister Ind Pol'*  
Robert Armstrong has refined his earlier proposals for Whitehall handling of this important policy area. His latest proposals - which will involve 2 extra people in the CPAS - seem sensible.

*disagree.*  
*we have expensive programmes already through DoI for. show value applications of info technology we have NSF, LSD, RMA, etc. I am not prepared to refer to this group in my report*

PRIME MINISTER

Information Technology

On 25 January 1980 Sir Kenneth Berrill minuted Mr Lankester about the interdepartmental machinery in Whitehall for handling the complex and inter-related issues raised by information technology. I subsequently minuted you on 4 February proposing that the right course was to set up a Steering Group under Cabinet Office chairmanship, with all the Departments concerned represented on it at senior level, and with the CPAS represented to provide a stimulus to a constructive and coherent approach. You accepted this proposal (Mr Lankester's minute of 7 February).

*Agree?*

*IL*

*31/7*

2. I had told you in my minute of 5 February that, if you agreed with my proposal, I proposed to approach the Permanent Secretaries concerned. When I did so, I encountered a certain scepticism about the need for a Steering Group. I agreed that the matter should be further reviewed by an Industrial Policy Group (IPG).

3. The IPG consider that the main responsibility for information technology should remain with the Department of Industry; but they recommend the establishment of a group at senior level in Whitehall to stimulate and keep under review developments in information technology (which is basically the Steering Group which I have already suggested), together with a sub-group to seek to resolve conflicts of priorities, to identify overlaps and to make recommendations.  *Surely not a sub-group as well.*

4. The Advisory Council for Applied Research and Development (ACARD) has also prepared a report on information technology. They, too, see the need for a focal point within Government, in view of the number of Departments and organisations involved, to improve awareness and internal communications, to promote a positive programme and to avoid delays.



Their recommendation is that one Minister and Government department should be responsible for the co-ordination of Government policies and actions on the promotion of development of information technology and its applications.

5. These recommendations reinforce the case for setting up a Steering Group and suggest some refinements in the concept. I have discussed these matters with Mr Ibbs, and what I now propose, with his agreement, is as follows:-

a. The Department of Industry should continue to be the lead Department.

b. In view of the number of Departments involved, there should be a Steering Group of senior officials (about Under-Secretary level), to provide the co-ordinating and focal role which all concerned have identified. I suggest that Mr Ibbs should be asked to take the Chair of this Group; he is content to do so.

c. The Steering Group should be supported by a very small unit, headed by an Under-Secretary with suitable qualifications (probably attached to the CPRS) and including one outsider (who would be a member of the CPRS) and one Civil Servant from the Department of Industry. This unit would, in the first instance, operate from the Cabinet Office; but, once the initial work and stimulus had been achieved, it might be appropriate to transfer it to the Department of Industry.

6. These proposals would mean a net increase of two in the size of the CPRS (one of the three posts would be found from within its existing complement).

7. There is no doubt either of the need to stimulate the use of micro-technology in British industry or of the potential that this technology has for creating new employment in Britain. We have advantages - a well-developed software industry and the international use of the English



language - which should enable us to gain a significant share of the world market for information services and associated products. This is a field of advanced technology in which we should be seeking to develop our opportunities to the greatest possible extent. Our major competitors have well-developed plans for promoting information technology by action concerted between Governments and industrial users. We cannot afford to be left behind by them, or to fail to provide the necessary degree of Government interest, stimulus and co-ordination required to enable us to make the most of our opportunities. Mr Ibbs and I both think that what is now proposed is an adequate and not excessive response to this need. If you are content, I shall proceed accordingly.

RIA

(Robert Armstrong)

28th July 1980