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cc Mr Hoskyns.

cc. Hunter red.

SUBJECT.

10 DOWNING STREET

From the Private Secretary

3 March 1981

The Prime Minister held a meeting this morning to discuss the paper submitted by the CPRS on 16 February on Information Technology. In addition to your Secretary of State, the following were present: the Lord President, the Chief Secretary, Mr. Kenneth Baker, Sir Robert Armstrong, Robin Ibbs and John Hoskyns.

Introducing the CPRS paper, Mr. Ibbs said that the UK's opportunities in IT were enormous. But there was strong international competition, and Governments overseas were playing a major role in support of their industries. Two things were now needed to enable the UK industry to achieve its full potential: a coherent Government action plan and improved Government machinery for dealing with IT. The paper addressed itself to both of these issues. The possible elements of an action plan were described in the annex to the paper. As for improved machinery, it proposed an IT Secretariat within the Cabinet Office reporting to the Minister for Information Technology; an Advisory Group which would be chaired by the Minister and would include 4 or 5 industrialist members as well as key civil servants; and a small Ministerial Committee under the Prime Minister's chairmanship.

In discussion, the following points were made:

- (i) There was a danger of overlap between the sponsoring division within the Department of Industry and the proposed IT Secretariat. Against this, it was argued that there were a number of cross-departmental issues which could be best handled centrally, and a small Secretariat located within the Cabinet Office would be in a good position to co-ordinate and help implement the Government's IT plans, and clear obstacles to the development of IT.
- (ii) It was important that the proposed Advisory Group and Secretariat should act responsibly and take fully into account the particular concerns of departments; and Ministers must be informed at an early stage of particular proposals affecting their departments.

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- (iii) Rather than set up a new Advisory Group, it would be better to look for outside advice on IT to a sub committee of ACARD. Otherwise, it would look as if the Government were establishing a new quango. It was also suggested that an Advisory Group, however constituted, was unnecessary, since the IT Secretariat would include two outsiders. Against this, it was argued that it was crucial that Ministers should have advice on a continuing and up-to-date basis from industry; a Sub-Committee of ACARD would provide this essential link with industry. If external advice was provided by an ACARD Sub-Committee, there might be a need for a high level official group to co-ordinate advice within Government.
- (iv) There were a number of very important initiatives proposed in the annex to the CPRS paper; these would have to be considered further under the new machinery. On the proposal that there should be an IT week in 1982 it was suggested that it might be better to have this in 1983 by when there would be more achievement to show.

Summing up, the Prime Minister said that they were agreed on the recommendations in paragraph 18 of the CPRS paper for new Government machinery to deal with IT issues, except that instead of setting up a new Advisory Group they would prefer to look for external advice to a Sub-Committee of ACARD. The proposed IT Secretariat should be set up within the Cabinet Office, under the direction of an Under Secretary, and should consist of four people, including two seconded from the industry. One of the two seconded people might come from the CPRS; the rest would have to be an addition to Cabinet Office manpower which would have to be offset in other departments or charged to the manpower contingency reserve. She would issue instructions on the setting up of the new machinery. The Secretary of the Cabinet, in consultation with the Minister of State, Department of Industry (Mr. Baker), should consult the Chairman of ACARD about the proposed constitution and membership of a Sub-Committee of ACARD. She would like Mr. Baker to arrange for the proposed action plan to be considered by the Sub-Committee as soon as it was set up with a view to an early report to the Ministerial Committee. She would ask the Secretary of the Cabinet to send a note for information to members of E Committee outlining the conclusions reached and the action now proposed.

I am sending copies of this letter to John Halliday (Home Office), Jim Buckley (Lord President's Office), Terry Mathews (Chief Secretary's Office, H.M. Treasury) and David Wright (Cabinet Office).

J. P. LANKESTER

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