

040



Prime Minister

Content for Sir Robert to act as he proposes below?
Content with draft letter at A?

Yes, no

MA 22/

Ref. A07205

PRIME MINISTER

Advisory Council for Applied Research and Development (ACARD)

I have received from Sir Henry Chilver, ACARD's acting Chairman, the attached letter and submission about Information Technology. It follows from the Council's report on the subject in 1980. The Government accepted many of the report's recommendations but the Council still feels that further action is needed in the areas of regulation, and education and training.

2. The question of regulating information technology and the regulatory activities which ACARD identifies are under review. In particular, we are looking at the arrangements for allocating radio frequencies which are at present the responsibility of the Home Secretary; and I shall in the first instance be discussing the subject with the Home Secretary and the Secretary of State for Industry, and if it is thought that the functions should be transferred in whole or in part to the Department of Industry (or indeed to some other department or agency) I shall make a full submission to you. In the meantime I shall pass ACARD's views on to the two Secretaries of State and to the Minister for Information Technology for their information.

3. On the subject of data protection, ACARD reiterate their fears that, with the increasing use of new methods of collecting and handling data, the lack of legislation in this country will increasingly place the United Kingdom at a disadvantage with other countries who have already legislated, and that British commercial and industrial interests of many kinds would suffer as a result. ACARD therefore urges speed in publishing the White Paper currently being prepared by the Home Office. I am already in touch with the Home Office on this matter, and I will continue to keep up the pressure on them to come back to colleagues with definite proposals and a draft White Paper.

Most important

no



4. On education and training, ACARD estimated in its earlier report that this country was short of between 25,000 and 40,000 trained people for information technology. The Council is particularly concerned that the reductions in university spending will restrict the supply of graduate-level manpower at a time when there are already predictions of a shortfall in numbers of electronics engineers. The Secretaries of State for Education and Science and Employment might be invited to comment, in consultation with the Minister for Information Technology.

and the Chairman of UGC.

5. With the help of the IT Unit in the Cabinet Office, and in consultation with the Minister for Information Technology, I will arrange for the preparation of a reply to ACARD. Like the present Council submission, it would not, of course, be for publication.

- 6. I attach a draft letter for your Private Secretary to send to the Private Secretaries of the Ministers concerned informing them of ACARD's views and outlining proposals for the coordination of a reply. In the meantime, I shall write to Sir Henry Chilver telling him that the Council's views are being brought to the attention of the Ministers concerned, and that there will be a full Government reply in due course.

RA

ROBERT ARMSTRONG

22nd January 1982



DRAFT LETTER FROM PRIVATE SECRETARY TO THE PRIME MINISTER TO
THE PRIVATE SECRETARY TO THE HOME SECRETARY

The Prime Minister has received the attached submission from the Advisory Council for Applied Research and Development (ACARD) concerning information technology.

She has asked that the Council's views on regulating information technology be brought to the attention of the Home Secretary, the Secretary of State for Industry and the Minister for Information Technology, for their information.

The Prime Minister has also asked the Secretary of the Cabinet in consultation with the Minister for Information Technology, to prepare a reply to ACARD which, like the Council's submission, would not be for publication. She has asked that the reply should specifically indicate the Home Secretary's intentions as to the timing of a White Paper and subsequent legislation on data protection; and comment on the question of education and training for information technology.

I am copying this letter to the Private Secretaries to the Secretaries of State for Employment, Industry, Education and Science, and Minister for Information Technology and David Wright (Cabinet Office).



CABINET OFFICE

A 9471

19 JAN 1982

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ADVISORY COUNCIL FOR APPLIED RESEARCH AND DEVELOPMENT

70 Whitehall, London SW1A 2AS Telephone: 01-233

cc- ~~Mr Unwin~~
~~Mr Courtney~~
~~Mr Norman~~

Sir Robert Armstrong ^{BK} KCB CVO
Secretary to the Cabinet
Cabinet Office
70 Whitehall
London SW1A 2AS

18 January 1982

Dear Robert

Information Technology

As you may recall, ACARD presented a report on Information Technology to the Government in August 1980, and received the Government's written response last autumn.

The Council has now had an opportunity to discuss the responses and, while many of our recommendations have been accepted, we are still very concerned over the issue of regulation, and education and training. We discussed these problems with Mr Kenneth Baker last month but we feel that their solution goes beyond the Department of Industry and into other departments of Government.

I have set out the Council's views briefly in the attached note, and we would be grateful if you would draw these to the attention of the Prime Minister.

Yours ever

Henry

SUBMISSION TO THE PRIME MINISTER

from Sir Henry Chilver, Acting Chairman, ACARD

INFORMATION TECHNOLOGY

In August 1980 the Council presented to the Government a report on Information Technology (IT). The Government accepted many of ACARD's recommendations, and the Council has discussed the subject with Mr Kenneth Baker. We recognise that much is being done. But there are two areas in which the Council feels that Government action is still needed. These concern (1) regulation and (2) education and training.

ACARD drew attention to four principal responsibilities in the regulatory field which should, it is suggested, be brought within the responsibility of a single Department: approval of equipment for connection to the public communications network; regulation of "value added" services using the network (eg data processing services); regulation of private communications systems; and control of the use of radio frequencies. The Government has announced its new policies regarding the first two of these areas, but the Council's preference would still be for these four regulatory functions to be more closely integrated. In IT, many previously disparate activities are converging as such techniques as satellite and cable communications become more widely used and integrated with the more traditional telecommunications systems. The results will be a greater demand for telecommunications services which overlap traditional regulatory boundaries. We are concerned that, as far as we are aware, there is no way in which an overview can be taken of this area of regulation. Two examples may suffice.

First, we are concerned that British Telecom's new competitive interests will conflict with the regulatory functions which it still retains, to the detriment of its competitors. Some civil bands are regulated by the Home Office and others (the so-called "common carrier bands") by British Telecom (BT). In the wake of the British Telecommunications Act, the Government intends to allow and encourage a wider range of communications services. But as far as the Council is aware, there is no mechanism in Government for deciding whether the frequencies to be used by new services should be allocated from the "common carrier bands" or from the other civil bands available. BT's commercial interests might lead BT to resist encroachment on their own frequencies.

Second, ACARD is aware that present arrangements for allocating and regulating radio frequencies impose constraints on new users. We suspect the reason for this to be that established users in the public sector, such as defence and broadcasting services, are taking up so much of the radio spectrum that would-be private sector users are being constrained. We suggest that among the criteria to be weighed in the national interest

are the interests of customers, manufacturing industry, and new companies providing telecommunications services. The Council therefore still considers that there is a requirement to bring together the regulation of all frequencies used for telecommunications. It would also like to see the criteria used for allocation defined more clearly and publicised more widely than at present.

In the area of regulation for data protection, the Council welcomes the Government's intention to legislate. We look forward to early publication of the promised White Paper in order that legislation may be introduced in the next Parliamentary Session.

With regard to education and training, the Council recommended that the Government, its agencies concerned with training, and educational bodies at all levels should examine the provision of education and training courses in subjects related to IT and propose measures to stimulate an increase of training in firms. We welcome the Government's intention to establish thirty IT centres to provide training and work experience for disadvantaged young people in inner city areas. But the reduction in grants recently announced by the University Grants Committee has borne heavily on those institutions most closely associated with the provision of trained graduate-level manpower in IT. Although the Government in its response to our report "hopes that ... institutions will take into account the contribution which ... information technology can make to the long term health of the economy ...", the Council is deeply concerned that the depth of the cuts will negate this sentiment. Indeed, we understand that current predictions indicate a serious shortfall in the supply of electronics engineers in the future. We therefore urge that the Government consider further steps to ensure an adequate supply of trained manpower for IT.

Sir Henry Chilver
Acting Chairman, ACARD

18 January 1982