

Ref. A08228

PRIME MINISTER



Prime Minister 4
Content that Sir Robert
Armstrong should reply
to ACARD as attached?

Yes
me

WM
27/4

Advisory Council for Applied Research and Development (ACARD):
Information Technology

I submitted to you with my minute of 22nd January some comments from Sir Henry Chilver, ACARD's acting Chairman, on the Government's reply to the ACARD Report on Information Technology of August 1980. The Council commented on certain areas - notably regulation and education and training - in which they felt that further Government action was needed.

2. I propose to send to the Council the attached reply, which the Information Technology Secretariat in the Cabinet Office have prepared in consultation with the Department of Industry, the Home Office and other Departments concerned. It takes account of recent discussions between the Home Secretary and the Secretary of State for Industry on the question of responsibility for radio frequency allocation, and of other relevant recent developments such as the publication of the White Paper on Data Protection. The Chairman of the UGC has also been consulted and has endorsed the comments on education and training.

3. I should be grateful to have your approval to send this reply to the Council. Like the ACARD submission it would not be for publication.

REA

ROBERT ARMSTRONG

27th April, 1982



DRAFT LETTER FROM SIR ROBERT ARMSTRONG
TO SIR HENRY CHILVER

Advisory Council for Applied Research and
Development (ACARD): Information Technology

I wrote to you on 22nd January indicating that the Prime Minister had instructed that ACARD's views on certain aspects of information technology (conveyed under cover of your letter to me of 18th January) should be brought to the attention of the senior Ministers concerned and that a full reply would be sent to the Council in due course.

I now attach a reply covering the points raised. Like the submission with your letter to me this is not, of course, intended for publication.

RESPONSE TO ACARD'S COMMENTS ON INFORMATION TECHNOLOGY (IT) SUBMITTED WITH
SIR HENRY CHILVER'S LETTER OF 18 JANUARY TO SIR ROBERT ARMSTRONG

Regulation of telecommunications

ACARD have reiterated the proposal in their report on IT that the principal responsibilities for telecommunications regulation and radio frequency allocation should be more closely integrated. Like ACARD, the Government recognise that previously disparate activities are converging and that developments such as cable systems, which are now under active consideration, combine elements of different telecommunications services. Accordingly, they are keeping the present structure of regulatory responsibilities closely under review.

2. The Council's specific comments related to radio frequency allocations. As the Council know, the Home Office are the Department responsible for this and manage the spectrum as a whole, taking the lead in inter-Departmental machinery established for this purpose. Detailed engineering planning of services in particular bands is, however, delegated to users who have the resources to do this. British Telecom (BT), for example, operate their radio services under the general authority of a licence issued by the Home Office. But BT have no prescriptive right to radio frequencies allotted to them and the Government have the power to maintain or remove the monopoly in specific areas of service (as has happened in respect of the Mercury consortium's application for frequencies).

3. As for the more general question of constraints on new users of the frequency spectrum, the basic problem remains one of shortage of frequencies in the bands with growing demands. The Home Office have established machinery for consulting industrial and commercial interests and seek to improve such contacts. However, there is little scope for any short-term change in the present pattern of frequency

allocation, both because of binding international agreements on frequency bands and because of the existing investment by large users. These are fundamental difficulties, whatever the organisational arrangements for frequency allocations.

Data protection

4. ACARD have welcomed the Government's intention to legislate on data protection. The Government have recently published a White Paper setting out their proposals for legislation on data protection which will be introduced as soon as practicable.

Education and training

5. The Government share ACARD's concern that there should be an adequate supply of trained manpower for IT. The Government's response to the original ACARD report gave an account of activity in IT education and training. The initiatives described there are being kept under review and consideration is being given to what further action may be required to provide up-to-date and relevant courses in IT related subjects.

6. At the graduate level it is the Government's intention and that of the University Grants Committee (UGC) that provision for IT-related subjects should have an increased share of the available resources. That would follow from the guidance issued by the UGC in announcing its grant allocation to universities last year when recommending student numbers for engineering and technology and for mathematical sciences.

7. At other levels, various Government initiatives are now in train. The TOPS programme of the Manpower Services Commission (MSC) doubled its provision of places in computer-related skills between 1979 and 1981 and last year 4356 places were available. The total expenditure by the MSC in 1981-82 in support of computer-related training through TOPS, by grant assistance to employers in respect of exist-

ing staff, and through the 'threshold' scheme for unemployed school leavers, was £21 million. The Youth ^{Opportunities} / Scheme (YOP) also contributed further computer awareness and training schemes, and the Government have announced that about 100 IT centres will be established under joint MSC and DOI funding which will add significantly to the IT-related training facilities available for young people. Other initiatives include the Department of Industry's support (through the Micro-electronics Applications Programme) for short courses in microelectronics (some 34,000 extra places).

8. Although training must remain primarily the responsibility of employers, the Council will recognise that the Government's programmes represent a significant degree of support for IT-related training from public funds.

9. The placing rate for TOPS trainees has fallen in the last twelve months and the take up of MSC grants to employers has continued to fall short of the number on offer. MSC estimates of future demand at present suggest that there is unlikely to be a significant expansion in demand for computer occupations in 1982, although this could pick up fairly quickly as the economy revives. There is therefore no clear-cut case for an immediate increase in the level of public funding of initial training of the TOPS variety, although more support will be given to young people's needs, and further developments in technician training (including robotics) are in hand.

10. In the longer term, the Micros in Schools Scheme and Microelectronics in Education Programme will increase awareness in computers and experience in their use amongst school leavers; some 4,000 applications from secondary schools under the Micros in School Scheme have already been received and, as 2 teachers from each school have to agree to be trained as a condition of ordering a microcomputer, some

8,000 teachers will receive an initial 4 day course. Later this year the scheme is to be extended to primary schools, thus encouraging interest and 'hands on' experience among the youngest age groups in education.

27 APR 1982

