

Hn 0321

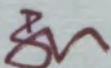
MR SCHOLAR - No 10

GOVERNMENT INPUT TO PRESTEL

Mr Hayhoe has copied to the Prime Minister his letter of 9 October to Mr Kenneth Baker (copy attached).

2. Some brief background to this issue may be helpful to you.
3. A small Unit at the COI (3 people) provides an "umbrella" service for a number of Government Departments and agencies in inputting information to Prestel. This both saves money (COI pay a single information provider fee on their behalf) and supplies for those Departments the necessary expertises in preparing information for display on Prestel in the appropriate way. Although some large Departments operate in their own right (eg DHSS) it is largely the skill and enthusiasm of the COI Unit that has maintained a good deal of the Government input during Prestel's "teething" period.
4. On present manpower plans the Unit has been due to be disbanded by 1983. Mr Baker sought an extension (entailing a small switch in manpower priorities) so as to keep the Unit in being longer. The main argument, which I strongly endorse, is that for the Government to be seen to be pulling out of Prestel (which could happen if the Unit is disbanded) could seriously undermine it when we are concerned to make a success of this British technological "first".
5. In his letter Mr Hayhore reports that it will now be possible to keep the Unit in existance until 1984 and suggests that its future should be reviewed a year or so before then. This provides a welcome temporary reprieve and I have suggested to Mr Baker that he should accept this offer.
6. There is, of course, no cause for the Prime Minister to intervene in this correspondence. But if she wished, without commitment, to give some indication of her support for the work on Prestel she could note briefly that she attaches importance to the successful exploitation of Prestel, hopes that it will be possible to maintain the momentum of the kind of work the COI Unit has been able to do, and notes that the position will be reviewed again before 1984.

IT Unit  
Cabinet Office

  
J B UNWIN  
14 October 1981

MR. UNWIN  
CABINET OFFICE

Government Input to Prestel

Thank you for your minute to Michael Scholar of 14 October, reference Hn 0321.

Given that there is no immediate threat to the existence of the COI unit, and given that there is no Ministerial disagreement on this issue, I have decided not to submit it to the Prime Minister at this stage, especially given the other pressures on her time.

I note that Mr. Heyhoe questions whether the case for the COI Prestel unit will be as strong in 1984 as it is now, given the rapidly changing requirements of central Departments. I am not sure the Prime Minister would want to express an opinion now on the value of the COI unit which might prejudice the review of its future in 1983. I know, however, that she will take an interest in that review.

W F S RICKETT

CS

15 October 1981



hd P.J.  
Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 3000

Minister of State

Kenneth Baker Esq MP  
Minister of State for Industry  
and Information Technology  
Department of Industry  
Ashdown House  
123 Victoria Street  
LONDON SW1E 6RB

9<sup>th</sup> October 1981

Dear Kenneth,

Wm  
12/10

GOVERNMENT INPUT TO PRESTEL

Thank you for your letter of 7 August in which you express concern about the future of the Prestel Unit which is at present located in the COI. I am sorry you have not had a reply before now but I have had to take advice on a number of important aspects of this.

I fully agree with the emphasis you place on the importance of view-data for the future. I am in no doubt that the Unit has played an important part in the use Government departments have made of Prestel.

As you say the Unit was set up to see Prestel through its market trials. At the time, COI was seen as the appropriate department because the need was to advise departments on the use which could be made of Prestel as a means of disseminating information. A good deal of experience has been gained in the process and the Unit has become a centre of expertise on matters relating to Prestel.

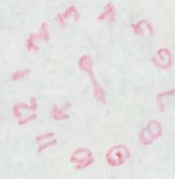
However, given the rapid pace of development on viewdata systems generally, of which Prestel is a fairly simple example, it seems likely that departments will increasingly need guidance of the technical nature which it is the responsibility of the Central Computer and Telecommunications Agency to provide, rather than with such matters as the design of Prestel frames; by 1984 even small departments may well be capable of designing frames for themselves. COI management feel able to keep the unit in existence until 1984. I suggest therefore that we look at this question again a year or so before then when the nature of the central role required should be clearer.

I am copying this letter to the Prime Minister and to Francis Pym.

Jan am  
Barney

BARNEY HAYHOE

1961 OCT 11





*Copy to Civil Service Pts.  
Long Term Policy*

CABINET OFFICE  
70 WHITEHALL  
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OR- 233 7478

Hw 078

11 August 1981

W Rickett Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

*Wh  
12/8*

*John W. Rickett*

GOVERNMENT INPUT TO PRESTEL

You will by now have seen Mr Baker's letter of 7 August to Mr Hayhoe on this subject. This is just to say that the IT Unit are fully in support of Mr Baker's case for the retention of the COI Viewdata Unit (and indeed his letter was drafted here).

2. I am copying this letter to David Heyhoe (Paymaster General's Office).

*Your sincerely  
R G Courtney*

R G COURTNEY

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7 6 5  
4 3 2

11 AUG 1961



**CABINET OFFICE**

With the compliments of

R G COURTNEY

70 Whitehall, London SW1A 2AS

Telephone 01 233

*Copied to Civil Service PB  
by Tom P. King*

FROM THE  
MINISTER OF STATE  
FOR INDUSTRY AND  
INFORMATION TECHNOLOGY  
Kenneth Baker

CABINET OFFICE
Hw 98
10 AUG 1981
FILING INSTRUCTIONS
FILE NO. ....

DEPARTMENT OF INDUSTRY  
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FILE NO. ....
FILING INSTRUCTIONS
10 AUG 1981
Hw 98
CABINET OFFICE

Copies to:

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Civil Service Dept  
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London SW1A 2AZ

Mr Unwin  
Mr Courtney  
Mr Atkinson  
Dr Thynne  
Mr Rowe

7 August 1981

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GOVERNMENT INPUT TO PRESTEL

I should be very grateful for your help on an issue which is relatively small in terms of the resources involved but very important in my view if we are to exploit the outstanding technical success that British Telecommunications and British Industry have had in developing Prestel as the world's first public viewdata system.

The issue that concerns me relates to the provision of information by Government to Prestel and in particular to the important role played in this by the small Viewdata Unit at the COI. Your officials are familiar with the background, but it may be helpful if I summarise it briefly.

Government Departments and associated public bodies contribute at present about 10,000 frames to the Prestel data base (which currently holds about 180,000 frames). Nine departments provide information separately and each pays to Prestel an annual service charge (currently £2,400). Eleven other departments or associated bodies (mainly smaller ones) operate under the aegis of the COI Viewdata Unit which pays a single service charge on their behalf.

The COI Unit was established in the early days of Prestel with the limited objective of seeing the new medium through its market trials. There was no authorised complement for viewdata work and COI transferred four staff from regular information work to form this special Unit. As well as operating a central information inputting service for the eleven departments or associated bodies referred to above, it has co-ordinated Government contributions to Prestel generally and taken a lead, within the Association of Viewdata Information Providers, in bringing together the interests of providers of "social" information. It has also advised and trained staff from other departments in the use of Prestel and helped to promote Viewdata at overseas exhibitions.





I understand, however, that as part of its required reduction in manpower the COI will have to disband the Viewdata Unit by April 1984, unless special manpower arrangements can be made by the CSD to avoid this. This is because the COI do not believe they can make compensating staff savings elsewhere in the Department in order to preserve the Unit. I think this would be extremely damaging. The input of Government Departments to Prestel would almost certainly be reduced and less effective. Some Departments are already considering whether to reduce or withdraw their contributions which would be more difficult and expensive without the help of the COI "umbrella". Any perceived withdrawal by the Government at this crucial stage in Prestel's commercial development could damage its prospects gravely and invite ridicule at a time when the Government are putting great stress on the importance of information technology for the nation's future industrial success and are currently launching a major information technology awareness programme.

I very much hope, therefore, that it will be possible to take a longer view about the Government input to Prestel and keep the COI Viewdata Unit in being so that it can continue to provide a centralised inputting service for the smaller departments and co-ordinate Government information provision as a whole. Assurance of its future would also enable the Unit to take the lead in examining ways of cutting costs and providing the desirable service most cost-effectively. I should myself also like to see the Unit in due course explore the possibilities for extending the Government input, enlarging the present data base and exploiting new technical developments. But I accept that decisions on this will need to be taken in the light of the resources available and the crucial requirement now is to make sure that the Unit itself is not disbanded.

I hope, therefore, that you will be able to see your way to enabling the Unit to be kept in being within the COI. For the reasons above I firmly believe it would be shortsighted and damaging to the national interest to break up the expertise and enthusiasm that has been developed.

I should add that I have taken the opportunity of discussing the issues with the external Advisers on Information Technology who were appointed by the Prime Minister at the beginning of July. They strongly share my view that any reduction in the Government contribution to Prestel now would seriously undermine the credibility of the Government's support for it.

I am sending copies of this letter to the Prime Minister and to Francis Pym.

KENNETH BAKER