

010

Ref. A085/2112

PRIME MINISTER

*As 35 is being
different - can we
get correlation
under from
other ministers?
no*

Prime Minister:

*Do you agree that responsibility
for the functions at X should
be transferred to the Home
Office as Sir Robert Armstrong
suggests?*

*DT 7/8. Yes
no*

Government Emergency Communications Systems

Three special communications systems are maintained for use in times of crisis and war:

X

- (1) a system for use by regional government is maintained by the Home Office;
- (2) a system for military use is maintained by the Ministry of Defence;
- (3) systems for the use of central Government and other essential users is at present the responsibility of the Department of Trade and Industry (DTI), as the "sponsor" Department for the telecommunications industry.

2. A problem has now arisen about departmental responsibility for the third set of systems. In the changed circumstances following the privatisation of British Telecom (BT), The Secretary of State for Trade and Industry takes strongly the view that it is inappropriate for him to have this responsibility. A decision on the allocation of responsibility is needed quickly, since the DTI decided last year to make no public expenditure provision for maintaining the systems from the present financial year onwards and the Treasury have made temporary provision from the Reserve for this year only.

3. The attached report by officials (HDO(85) 6) describes the communications for which the DTI is presently responsible (paragraph 2 and Annex A) and also those administered by other



Departments (paragraph 3 and Annex B). It explains the changes regarding the systems administered by the DTI that have been caused by the privatisation of BT. The most significant change is an increase in BT's annual charge to Government from £3 million this year to at least £21 million, consequent upon BT's decision to charge full cost and profit for the provision of this service to the Government (paragraph 4), and upon the shift in BT's role from that of participant in governmental planning to that of private sector contractor. It gives the DTI's reasons for wishing to shed responsibility (paragraph 6). The report concludes that there are two serious options regarding future responsibility for these systems: either the DTI itself should remain responsible or the Home Office should assume responsibility (perhaps with the Scottish Office exercising it north of the border and the Northern Ireland Office doing so in Northern Ireland). There is a third option: to assign responsibility to the Cabinet Office Telecommunications Division and the Central Computer and Telecommunications Agency of the Treasury, who have joint responsibilities in connection with the provision of peacetime telecommunications systems in Government; but the report concludes that it would be "out of proportion" to load the responsibility and the budget for maintaining the emergency systems on to these two small organisations.

4. The report also concludes that a major review of Government emergency communications systems is needed, not least because of their greatly increased cost to Government following privatisation of BT, in order to see what rationalisation between the various systems may be possible, to decide what modernisation is necessary (since many of the systems are old and out of date), and to see whether some of the costs could be recouped by commercial use of the emergency systems in peacetime.



5. There is no provision in the existing Public Expenditure Survey programmes for 1986-87 and 1987-88 for this expenditure. Whichever Department is to be responsible will have to decide what expenditure to propose, and agree the necessary PES provision with the Treasury. The Treasury will no doubt argue that the additional expenditure will have to be found from within the planned total of public expenditure, and that its priority and any consequent changes in departmental allocations are a matter for the annual expenditure Surveys. This underlines the need for an early decision on departmental responsibility.

6. I have discussed this subject with the Permanent Secretaries concerned. There is one strong argument for leaving responsibility for the systems in question with the DTI. This is the general principle - to which the Home Departments attach considerable importance if civil defence and wartime planning are to be undertaken effectively - that the Department responsible for peacetime regulation of a particular industry is also responsible for making arrangements for that industry in time of war. Thus, the Department of Transport is responsible for shipping etc and the Ministry of Agriculture, Fisheries and Food for food stocks in time of war. The main argument for switching responsibility to the Home Office is that it is the Department with the greatest responsibility for civil defence and therefore the strongest interest in the existence and effectiveness of the communications concerned. It is thus the natural contractual partner for BT. A second argument is that the Home Office is already responsible for the emergency communications required specifically for regional and local government after nuclear attack and for the warning and monitoring organisation, and has a much larger staff with relevant knowledge of telecommunications operation and procurement than the DTI. It should thus be better placed to uphold the Government's interests as a customer effectively in negotiations with BT. If responsibility remained with DTI, it




would have to set up its own procurement unit like that now existing in the Home Office in order to carry out a similar function, with the risk of some consequent duplication of effort and a greater call on the scarce resource of telecommunications expertise.

7. In my view the arguments for transferring responsibility to the Home Office are stronger than those for making no changes. The Home Secretary is ready to accept this responsibility only on the clear understanding that the resources which are needed, both for the increased annual charges and whatever is agreed to be necessary following the review, do not have to come from existing Home Office allocation. This is something that the Treasury and the Home Office would have to discuss in the Survey context but, since neither the Home Office nor the DTI has any provision at present beyond the current year, additional resources will need to be found in any case, so I do not believe that this need or should delay the decision on responsibility. I therefore recommend that the responsibility should be transferred to the Home Office as soon as possible.

8. The Scottish Office and the Northern Ireland Office would participate in the review partly to determine whether it would be practicable and reasonable for them to acquire responsibility north of the border and in Northern Ireland; the Treasury would also be associated with the review.

9. I am sending copies of this minute to the Home Secretary and to the Secretaries of State for Trade and Industry, Defence, Scotland and Northern Ireland, and to the Chief Secretary.


Approved by
ROBERT ARMSTRONG
and signed in his absence

7 August 1985

CONFIDENTIAL



10 DOWNING STREET

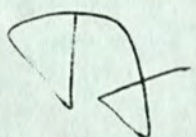
From the Private Secretary

MR HATFIELD

The Prime Minister has now seen Sir Robert Armstrong's minute of 7 August about Ministerial responsibility for Government emergency communications systems. She was content with his proposal that departmental responsibility should be transferred to the Home Office.

BC
The Prime Minister noted the approach being taken by BT recently; she wonders whether we cannot get competitive tenders from Mercury and Cable and Wireless. I imagine some thought has already been given to this but I should be grateful for further consideration to be given and a note setting out the position prepared.

I am copying this minute to Mr Taylor (Home Office), Mr Mogg (Department of Trade and Industry), Mr Mottram (Ministry of Defence), Mr Graham (Scottish Office), Mr Daniell (Northern Ireland Office) and Mr Broadbent (Chief Secretary's Office).


Tim Flesher
8 August 1985

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PRIME MINISTER

GOVERNMENT EMERGENCY COMMUNICATIONS SYSTEMS

I have seen your Private Secretary's minute of 8 August recording your agreement with the proposal that Departmental responsibility for emergency communications should pass to the Home Office. As Sir Robert Armstrong indicated in his minute of 7 August I am content with this arrangement. But as he points out I shall inherit no existing provision in the Public Expenditure Survey programmes to enable me to discharge it. My agreement to the proposed reallocation of responsibility was therefore wholly conditional upon the necessary public expenditure provision being found otherwise than at the expense of Home Office programmes. The demands on Home Office programmes are such that I cannot offer savings, in finance or management, to make room for a new item for which no provision has been made. I am, of course, ready to discuss with the Chief Secretary what sort of provision needs to be made, and with that in mind intend that the proposed review should be carried out urgently.

L. B.

15th
August 1985

CONFIDENTIAL

Long Term

Policy: CIVIL
SERVICE

Pt 17.



PRIME MINISTER

GOVERNMENT EMERGENCY COMMUNICATIONS SYSTEMS

You will remember you agreed that Departmental responsibility for Government emergency communications systems should be transferred to the Home Office. Meanwhile, a major review of Government emergency communications systems is being put in hand.

The Home Secretary's note, attached, reiterates his concern that he could only take on responsibility of this kind if the necessary PES provision were made. His view was clearly reflected in Sir Robert Armstrong's earlier note, and other Departments concerned are aware of it.

Content that I should respond to the Home Office saying you have noted the points made in the Home Secretary's minute, that there is at present no existing provision of this kind beyond the current year, and that these issues will need to be resolved in the discussions between the Home Secretary and the Chief Secretary?

Mark Addison

Yes *MA*

(Mark Addison)

28 August 1985

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JEK

10 DOWNING STREET

From the Private Secretary

30 August 1985

GOVERNMENT EMERGENCY COMMUNICATIONS SYSTEMS

The Prime Minister has seen the Home Secretary's minute of 15 August. She has noted the points he makes and that there is at present no existing provision for this matter beyond the current year. She has also noted that these issues will need to be resolved in the discussions between the Home Secretary and the Chief Secretary.

(MARK ADDISON)

Hugh Taylor, Esq.,
Home Office.

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