



DEPARTMENT OF INDUSTRY  
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From the  
Minister of State

PS/Norman Lamont MP

*name / to whom  
why we  
agree to*

Michael Scholar Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

*M/S*

*M/S 22/12*

*21* December 1981

*Dear Michael*

BL'S 1982 CORPORATE PLAN

I have seen your letter of 17 December conveying the Prime Minister's agreement to my Secretary of State's recommendation that the Government should approve BL's 1982 Corporate Plan and announce this decision before the Christmas recess.

In the expectation that the other Ministers concerned will also agree to Mr Jenkin's recommendation, Mr Lamont has asked me to circulate the attached draft of the written statement on BL's plan which he proposes to make on 22 December (or, if necessary, on 23 December) in reply to an arranged PQ.

I should be grateful if you would let me know as soon as possible whether the Prime Minister would be content with the statement.

I am copying this letter, with the same request, to Muir Russell (Scottish Office), John Rhodes (Trade), Richard Dykes (Employment), Gerry Smith (CPRS) and David Wright (Cabinet Office).

*Yours*

*John Alty*

JOHN ALTY  
Private Secretary

Enc



DRAFT ARRANGED QUESTION

To ask the Secretary of State for Industry whether he will make a statement on BL's 1982 Corporate Plan.

DRAFT REPLY

I am making available in the Library of the House and in the Vote Office a report by BL on its recent performance and details of the Corporate Plan.

The Plan is essentially an updating of the strategy contained in the 1981 Corporate Plan for returning the company's businesses to viability in the medium term, though it includes radical measures to adjust the scale of the Leyland Trucks business to meet the problems experienced in the past year. The funding requirements in the Plan are unchanged.

In his statement to the House of 26 January 1981 Sir Keith Joseph announced that the Government had agreed to fund the first two years of the 1981 Corporate Plan - that is, £620 million in 1981/2 and £370 million in 1982/3 - subject to the regular monitoring of progress in achieving the Plan. In the light of a review of BL's recent performance and prospects, the Government have decided to approve the 1982 Corporate Plan as a basis for the continued funding of the company up to the end of 1982/3. The BL Board and the Government will, of course, continue to monitor progress.

Sir Michael Edwardes has told me that his letter of 26 January which was published with my Rt Hon Friend's statement of that date is still an accurate reflection of the risks which BL face and of the Board's position in the event that their recovery strategy is blown off course.

Ind 101

✓cc CO  
CPRS  
Ind  
Trade  
SO  
Treas  
Dr

File

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10 DOWNING STREET

From the Private Secretary

23 December 1981

BL

The Prime Minister is grateful for your Secretary of State's minute of 21 December, whose contents she has noted.

I am sending copies of this letter to John Kerr (HM Treasury), Muir Russell (Scottish Office), John Rhodes (Department of Trade), Ian Ellison (Department of Industry), Gerry Spence (CPRS) and David Wright (Cabinet Office).

M. C. SCHOLAR

Richard Dykes, Esq.,  
Department of Employment.

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