CONFIDENTIAL

PRIME MINISTER

Yes

Prime Minister (1)

Mr Trippier proposes delaying announcement of repackaging until after end of moratorium. Policy Unit agree.

(i) Agree this line?

(ii) Agree Mr Trippier be asked for a report to ensure initiative does not go cold?

AT 8/4

Yes no

REPACKAGING OF DTI ASSISTANCE SCHEMES

You have shown a close interest in our repackaging exercise to simplify the various DTI support measures for industry.

2. Norman Tebbit told Parliament on 27 July of the outlines of the new system. He said then that he intended it to be in place within six months.

3. Subsequent to that announcement we decided to plan to launch this new scheme on 2 January but we were aware that developments on public expenditure risked upsetting that date.

4. Because of Norman Tebbit's determination to contain DTI's PES bid we are:-

a. About to impose a moratorium of at least four months on applications for assistance under all our current schemes for helping innovation.

b. Embarking on a major review of all our innovation programmes. That review will be conducted within the framework envisaged for repackaging but could result in significant changes in the extent and scope of support programmes.

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5. It would be a waste of time and money - as well as giving all the wrong signals - for us to contemplate launching the new package until the end of the moratorium. Besides waiting until then would mean that the outcome of the review would be built into the new package. There would thus be a clean and clear break between the old and the new systems.

6. Parliament needs to be told of the changed timetable. We shall do this when we announce the commencement of the moratorium at the time of the Autumn Statement by Nigel Lawson later this month.

7. I am sending a copy of this minute to Nigel Lawson and to Sir Robert Armstrong.

D.V.

6 November 1984

DAVID TRIPPIER

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