

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

26 September 1985

**Review of Support for Research
and Development**

Andrew Lansley wrote to Tim Flesher on 15 April about the proposed shift of emphasis in support of industrial R & D, referring to the wider review being prepared by the Treasury and DTI into assistance to industry. I should be grateful to know where this now stands.

I am copying this letter to Michael Gilbertson (Department of Trade and Industry), Colin Williams (Welsh Office), John Graham (Scottish Office) and Michael Stark (Cabinet Office).

(David Norgrove)

Mrs. Rachel Lomax,
HM Treasury

CONFIDENTIAL



8714

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

15 April 1985

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

pw

16/4/85

Dear Tim,

Thank you for your letter of 19 March recording the Prime Minister's agreement to my Secretary of State's proposed shift of emphasis in support for industrial R&D away from projects in individual companies. I can confirm that the shift will be considerable. Support for individual company projects will be reduced by approximately 50% over the period 1984/85 to 1987/88. I will let you have a note on the precise split as soon as the details are clear.

2 The wider review being conducted by the Treasury and this Department of our assistance to industry is looking into the question of asking firms for more back in return for receipt of grant aid. Measures being considered include shared cost contracts as well as those mentioned in your letter.

3 I am copying this letter to Rachel Lomax (HM Treasury), Colin Jones (Welsh Office), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

Andrew Lansley

ANDREW LANSLEY
Private Secretary

CONFIDENTIAL

Innov Supp. 1859

20413 file



Peter Barry

10 DOWNING STREET

From the Private Secretary

19 March 1985

plw
22/3/85

The Prime Minister has now seen your Secretary of State's minute of 14 March about the Review of Support for Industrial Research and Development. She is content with the general approach which the minute proposes and agrees therefore that the announcement envisaged by your Secretary of State should be made as proposed. She hopes, however, that the shift away from support for specific projects will be a considerable one and with this in mind would like the opportunity to comment on the detailed split which she assumes will be finalised as part of the general review of industrial support currently being undertaken.

In addition the Prime Minister wonders whether the Government ought not to ask for more back from industry in return for taxpayers money. In this context she would be grateful if your Secretary of State might consider whether, in return for receipt of grant aid, it would be possible for at least the medium and larger sized firms to contribute some service to the community, for example, in support of the TVEI scheme or other help with technical education.

I am sending copies of this letter to Rachel Lomax (HM Treasury), Colin Jones (Welsh Office), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

Timothy Flesher

Callum McCarthy, Esq.,
Department of Trade and Industry.

292AFF

CONFIDENTIAL