

COMMERCIAL-IN-CONFIDENCE



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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon David Waddington QC MP  
Secretary of State for the Home Department  
Queen Anne's Gate  
LONDON  
SW1H 9AT

8 August 1990

Dear David,

**FUTURE OF IBA EXPERIMENTAL AND DEVELOPMENT DEPARTMENT**

Your letter of 26 July covered a revised Business Plan for the Experimental and Development (E&D) Department of the IBA.

Since the viability of E&D Department is not dependent on the success of your PES bids I am content for it to be included in the privatisation. As you suggest, the business plan will now need to be continuously updated. If there is any suspicion in future that the department may not be viable we will need immediately to consider what corrective action to take.

However, your letter suggests the benefits to be gained from your PES bids for ITC start-up loans of £1.5 million in 1991-92 and £0.3 million in 1992-93 are not clear. If this is correct, it would seem sensible to withdraw them.

I am copying this to the Prime Minister, to other members of MISC 128, and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to be "Francis Maude".

FRANCIS MAUDE

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