



PRIME MINISTER

Prime Minister [Ⓢ]

✓ NO

Agree a satisfactory case has been made out for retaining CDA? (CDA Bill is proposed vehicle for RDG legislation - see attached letter)

AT
10/10

CO-OPERATIVE DEVELOPMENT AGENCY (CDA)

Yes

Your Private Secretary's letter of 19 September asks about the record of the co-operatives the CDA has set up.

2 The main facts which I should stress in considering the record of the co-operatives assisted by the CDA are as follows:

i) the total number of co-operatives has grown from 300 in 1980 to 700 in March 1983; of the 250 co-operatives formed since the CDA was reorganised on 1 October 1981, 140 have been directly assisted by the CDA;

ii) since the reorganisation, 191 co-operatives in all have been assisted by the CDA, over a third of which lie in manufacturing and construction; the remainder in the service sector include a number of high technology companies;

iii) the failure rate for co-operatives assisted by the CDA (8 per cent) is significantly lower than that for small businesses generally (which is 12 per cent);

iv) in every case the CDA has mobilised private sector

11 OCT 1983





money and support. It has not looked to public funds;

v) the public sector cost of the CDA of £200,000 per annum attracts a further £100,000 of support from the private sector per annum;

vi) in terms of cost per job, the direct annual cost of £200,000 compares with 1,220 jobs in co-operatives directly assisted by the CDA and formed since its reorganisation.

3 I have no wish to prolong any quango unless its usefulness and efficiency can be demonstrated. I am convinced, however, that the CDA, which is currently handling twice as many enquiries as before its restructuring with half as many staff, represents a useful means of promoting employment and represents a small but significant addition to our general policy towards small businesses. I therefore believe its record in stimulating enterprise merits retaining it. I am copying this minute to Members of E(A) and to Sir Robert Armstrong.

C P

10 October 1983

Department of Trade and Industry

Parliament : Log Prog Pt 11

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FCU SH



10 DOWNING STREET

From the Private Secretary

cc:

MAPP ✓	CSOV ✓
SOV ✓	CD ✓
WOW ✓	D/Emp ✓
DTI ✓	D/Energy ✓
POG ✓	Trans ✓
HMT ✓	NIO ✓
	CO ✓

17 October, 1983

Co-operative Development Agency (CDA)

The Prime Minister has seen your Secretary of State's minute of 10 October setting out CDA's record. In the light of this, she agrees that legislation should be introduced to extend the life of the CDA. She has also noted the proposal that this legislation be used as a vehicle for legislation on RDG provisions and is content with this, subject to the views of colleagues.

I am copying this minute to the Private Secretaries to members of EA, the Lord Priy Seal and Sir Robert Armstrong.

ANDREW TURNBULL

M. C. McCarthy, Esq.,
Department of Trade and Industry

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