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the department for Enterprise



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*Dear David*

FUTURE OF IBA EXPERIMENTAL AND DEVELOPMENT DEPARTMENT

Thank you for your letter of 18 January <sup>*file with Pa*</sup> about the future of the IBA's Experimental and Development (ED) Department.

I agree that we should give the IBA the opportunity to make a case for the retention of more than a minimal technical development unit and I endorse your approach. If the Management Buyout team continue to pursue an MBO it will not, of course, be in their own interests to retain a unit that cannot cover its costs.

As you say in your letter, however, the IBA will need to have a robust case and I would like MISC 128 to have the opportunity, at the end of March, to choose between the minimal option and that presented by the IBA. Those teams in ED Department which appear to have the greatest potential to generate revenue (such as the video and audio and data sections) lie outside the technical support "core" and, if the IBA do not want them, there may still be scope in finding a trade buyer. I recognise, however, that with comparative few engineers involved (25 in the two sections) interested companies may prefer to poach individuals.

*Nicholas*

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



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