



CONFIDENTIAL

P 02385

From: J B UNWIN
2 December 1986

MR NORRGROVE - NO 10

BRITISH NATIONAL SPACE CENTRE (BNSC)

The Chief Secretary's letter of 1 December to Mr Pattie posts a warning on the proposals emerging from the BNSC for substantial new expenditure.

2. You should know that, with Mr Channon's agreement, we have brought the DTI and officials from the BNSC and other Departments together in order to subject the proposals to collective scrutiny and to try to establish some objectives and priorities. It is far from clear, for example, that any thorough analysis has yet been done of the potential benefits for UK industry. The work is progressing in an informal Group under Mr Wiggins and I hope that it will lead to a more sensible paper for E(A).

3. One of the problems is the nature of the BNSC funding. Although a DTI Minister is in the lead (Mr Pattie), funding involves also the MOD and DES, neither of whom are likely to be eager to volunteer extra finance from their present budgets.

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Cabinet Office

