



APPOINTMENTS - IN CONFIDENCE

Prime Minister

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PRIME MINISTER

TRANSPORT - NATIONALISED INDUSTRY BOARDS

You may like a report on where we now stand on board appointments and pay in my industries.

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National Bus Company

I was grateful for your agreement that Lord Shepherd should be reappointed Chairman of the National Bus Company for a further 2½ to 3 years. I am glad to be able to tell you that I have now reached agreement with him that he should continue for a further 3 years, i.e. up until 31 December 1984. He has accepted that his salary will be increased by 7% to a new figure of £21,830 for a 3 day week. I shall be considering the timing of the announcement of his Chairmanship and in the meantime I am having the decision treated as confidential.

You will also be very glad to know that Lord Shepherd and the Chief Executive of the National Bus Company, Mr Robert Brook, have told me that they will cooperate fully with my proposal to transfer National Express to a private company with a minority NBC shareholding. This means that we now have the cooperation of all 4 of our transport industries Chairmen in privatising parts or the whole of each of the four original transport nationalised industries.

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British Rail

You will be glad to know that following my recent minute to you about the revised offer which I wished to put to Peter Parker, to which you agreed as set out in your Private Secretary's letter of 16 July, he has accepted the revised terms based on the reduced salary of £60,000. He will therefore be accepting a further two year appointment as Chairman of British Rail ending on 11 September 1983. The timing of the announcement of this reappointment will need to be chosen with great care, and I am sure we should keep it confidential until after the current negotiations on railway pay have been settled.

Board Members' Pay

I have today told the Chairmen of British Rail, the National Bus Company and the British Transport Docks Board of our decision that increases in Board Members' pay should be limited to 7%.

I am writing separately to the Lord President about two individual cases where I believe that special treatment would be justified. But apart from this, whilst all three Chairmen were disappointed, they have accepted the decision.

I am sending a copy of this minute to Christopher Soames and to Sir Ian Bancroft and Sir Robert Armstrong.

NORMAN FOWLER

31 July 1981

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