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10 DOWNING STREET  
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*From the Private Secretary*

21 July 1986

**BAA PRIVATISATION**

The Prime Minister has seen your letter to me of 17 July and is content that your Secretary of State should write to Sir Norman Payne to seek an assurance about his willingness to stay on as Chairman of BAA after its privatisation.

I am copying this letter to Rachel Lomax (H.M. Treasury), Murdo Maclean (Chief Whip's Office) and Michael Stark (Cabinet Office).

(David Norgrove)

Richard Allan, Esq.,  
Department of Transport.

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David Norgrove Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

17 July 1986

Prime Minister

Dear David,

Content?

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BAA PRIVATISATION

As you know, we plan to privatise BAA either in January/February or June/July 1987. In preparation for flotation, the BAA will be restructured on 31 July and the successor company vested on 1 August. My Secretary of State intends that the present Chairman and the existing Board members should be appointed to the board of the new company shortly before vesting, and that Sir Norman Payne should be invited to give an assurance that he is prepared to stay on as Chairman for 2-3 years after flotation. Although he is 64 years old, Sir Norman is still a very vigorous Chairman, and is widely recognised as the driving force largely responsible for BAA's successes. There is no obvious successor, and it will be important that the sale prospectus includes such an assurance. At the same time as seeking this assurance, my Secretary of State will ask Sir Norman to give very early consideration to determining the succession.

Since the company might remain in the public sector beyond the date of expiry of his present appointment (28 February 1987) I am writing to seek your confirmation that the Prime Minister is content that my Secretary of State should write to Sir Norman Payne to seek an assurance about his willingness to stay on as Chairman of BAA after its privatisation. I would be grateful if you could let me know by noon on Monday that there is no objection to this.

I am copying this letter to Rachael Lomax (Treasury), Murdo Maclean (Chief Whip's Office) and Michael Stark (Cabinet Office).

Yours,  
Richard.

R A ALLAN  
Private Secretary

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