

Prime Minister



The Chancellor may want to mention this to you on Sunday. It reached us too late on Friday for me to be able to consult Sir Robert Armstrong on it. You may like to

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

Say to the Chancellor that you

would like Robert Armstrong to look at it but, subject to that,

it seems a neat solution. We should

perhaps also confirm that Lloyds are happy about it.

FERB

PRIME MINISTER

*Amend me*

20.1.

TREASURY MINISTERS AND LLOYDS

On 22 December we agreed to meet soon to consider the effects on Treasury Ministers of the rules regarding Lloyds set out in the new version of "Questions of Procedure" which was circulated after the Election.

2. Our objectives must be to avoid conflicts of interest, and to establish responsibilities among Treasury Ministers which can be justified in public. I believe that these objectives can be fully met if the form of words suggested in paragraph 14 of Sir Robert Armstrong's minute of 20 December were extended in scope and simplified to read:

"Any Treasury Minister who is responsible under the Chancellor of the Exchequer for taxation matters relating specifically to Lloyds should not be a member of Lloyds."

3. This wording embraces both direct and indirect tax insofar as it specifically affects Lloyds and Ministerial responsibility in respect of the present legislative provisions relating to Lloyds.

4. I should then designate the Economic Secretary (who is not a Member of Lloyds) as the Treasury Minister responsible (under



me) for all aspects of Lloyds' affairs including taxation. The Revenue Departments would deal exclusively with him (and me) on those matters. The Financial Secretary would continue to deal with all other Inland Revenue matters and the Minister of State with all other Customs and Excise questions. There could clearly be no conflict of interest under these arrangements, and relocation of responsibilities among Treasury Ministers would be very minor, and need not be announced.

5. If the specific is separated from the general in this way, it would not, I imagine, be necessary to ask any of the Treasury Ministers to change their Lloyds' membership. It would then be a matter of general policy for you to decide how many Ministers who are members of Lloyds should in future be posted to the Treasury. To make the system work, we must always have at least one Treasury Minister (apart from your Chancellor) who has no connection with Lloyds, but that would also be sensible on wider grounds.

6. I am sending a copy of this minute to Sir Robert Armstrong.

*John Kew*

pp.

(N.L.)

20 January 1984

*Written by the Chancellor: signed in his absence.*

Ministers May 79  
Outside interests



20 JAN 1984

CONFIDENTIAL

hu



CC HUTT

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

Treasury Ministers and Lloyds

The Prime Minister has seen the Chancellor of the Exchequer's minute of 20 January, and considers that the formula suggested in paragraph 2 of his minute offers a neat and effective solution to the problem, unless you see any snags in it. She has also suggested that we ought perhaps to make sure that the Chairman of Lloyds is content with it, since previous changes in the rules were cleared with Sir Peter Green.

I am copying this minute to Mr. Kerr (H.M. Treasury).

E. E. R. BUTLER

23 January 1984

CT



10 DOWNING STREET

Prime Minister

I gather that you did not discuss this with the Chancellor last night.

Content with it, subject to clearing with Sir R. Armstrong and the administration of Lloyd?

FERR

23.1.

Prime Minister



Ref. A084/291

MR BUTLER

*MB*

Treasury Ministers and Lloyd's

Thank you for your minute of 23 January.

2. I too think that the Chancellor of the Exchequer's formula offers a neat and effective solution to the problem. I will write to the Chief Executive of Lloyd's to let him know of this change.

3. I am copying this minute to Mr Kerr at the Treasury.

*RA*

Approved by  
ROBERT ARMSTRONG  
and signed

27 January 1984

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10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

Treasury Ministers and Lloyd's

Thank you for your minute of 27 January (A084/291). The Prime Minister would be grateful if you could proceed as you propose and, on the assumption that the Chief Executive of Lloyd's raises no objection, incorporate the change in the next issue of Questions of Procedure for Ministers.

E. B. BUTLER

30 January 1984

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