



cc [initials]

NBPm

PL 16 3/4

Treasury Chambers, Parliament Street, SW1P 3AG

David Mellor Esq MP  
Minister of State  
Home Office  
Queen Anne's Gate  
LONDON  
SW1H 9AT

2 April 1990

**PRIVATISATION OF THE IBA TRANSMISSION SYSTEM**

Thank you for your letter of 29 March. I am content for you to write to the IBA as you propose.

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

*Ben Jubbar*

PP PETER LILLEY

*Agreed by the Financial Secretary and signed in his absence.*



BROADCASTING :

Policy PG-11.



Price Minister 2  
Brian Griffiths has no  
comments on this.

ccp  
HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

22 JAN 1980

David Mellor

ffr6

30/3

will require if required  
ml

PRIVATISATION OF THE IBA TRANSMISSION SYSTEM

In your letter of 20 January, you suggested that we should consult our financial advisers about the kinds of incentive schemes we might try to secure for staff on the privatisation of the IBA's transmission system. We have now done so, and our officials have discussed the matter.

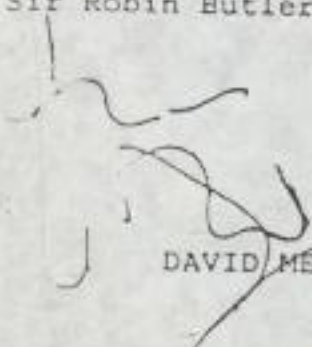
The IBA is to announce its manpower plans and voluntary redundancy package to its staff on 5 April. It would be very helpful if, at the same time, the IBA could report the Government's intention to invite bidders for the new company to include proposals for employee incentives in their bids.

... I attach a draft letter, which I should like to send to the Chairman of the IBA. You will see that it makes no commitment either to the size or form of the employee incentives, nor does it absolutely commit the Government to accepting only a bid including an incentive package. Nonetheless, I think it would be a useful means at this stage of encouraging highly skilled staff to stay: we must avoid a haemorrhage of staff in the run up to the privatisation.

Our officials have agreed that consideration of the cost of any incentive package, and its form, should wait until the time comes to invite and consider bids - we shall, of course, keep your officials closely informed. I share your view that any diminution in the purchase price as a result of offering an incentive scheme must be kept to a minimum.

In order to be able to make the necessary announcement to the IBA, I am afraid I must ask for responses by 2 April.

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

  
DAVID MELLOR

Peter Lilley Esq