

NEW THINKING
ON THE
NATIONALISED
INDUSTRIES

Which Direction?

Board Appointments in Nationalised Industries

Centre for Policy Studies

This study was prepared for the Nationalised Industries Study Group of the Centre For Policy Studies by Trevor Morse. Research for this publication was undertaken by the Institute for Policy Research.

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July, 1984

ISBN 0 - 905880 - 61 - 7

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I INTRODUCTION

Inadequate salaries and continued governmental intervention in the running of nationalised industries have actively discouraged able men from accepting senior management responsibility in the nationalised industries. The temptation to blame defective management and disruptive workforces for all the ills of nationalisation frequently disguises the fact that governments are at least equally responsible for the plight of ailing state industries. Governments have never satisfactorily reconciled the contradictions inherent in having Chairmen and boards answerable to Ministers, civil servants and the pressures of short-term economic necessity rather than to shareholders and market forces.

This study is based on a series of interviews with senior civil servants, board members and politicians who have been responsible for appointing the heads of nationalised industries. It examines the methods by which candidates are recruited and discusses the terms and conditions of their appointments. The study goes on to consider the size and composition of boards and the role which is played by non-executive members. The two appendices set out the biographical details and career backgrounds of members of public corporations boards as at February 1984. The concluding section draws together the themes which emerge from the study and proposes recommendations to remedy the difficulties which have perennially plagued relations between Ministers and nationalised industry boards.

II THE IDENTIFICATION OF POTENTIAL CANDIDATES

Under the various nationalisation Acts, board appointments are made by the Secretary of State for the Sponsor Department. Many of the Acts are twenty or thirty years old, and lay down only the vaguest terms of reference to guide a Minister in his choice. For example, the Coal Industry Nationalisation Act, 1946, the model for subsequent legislation, provided that the Minister should appoint members: "from among persons appearing to him to be qualified as having had experience of, and having shown capacity in, industrial, commercial or financial matters, applied science, administration or the organisation of workers".

In 1975 the Airports Authority Act used an almost identical form of words, adding only a clause relating to "representation of the interests of consumers".

Occasionally changes have been introduced into the statutory framework, for instance to allow for an experimental 'industrial democracy' board to be set up at the Post Office, but in theory Ministers have almost unfettered discretion. Almost anyone could be held to come under the terms of the relevant Act.

In practice, of course, the Minister is constrained by a series of obligations: to consult the Treasury about the appointment of Chairmen, Deputy Chairmen and Finance members; to involve Chairmen in making appointments of members; and in the case of a particularly sensitive appointment, to carry his Cabinet colleagues with him. He may also have to defend his choice in the House or to the media.

The need for Ministers to be as well-informed as possible on the range of alternative candidates available has long been recognised. Undoubtedly the situation has improved since 1967, when the Ministers of Power and Transport both made strident criticisms of the official advice they received in their evidence to the Select Committee on Nationalised Industries (SCNI).¹

Richard Marsh² revealed that there were no suitable lists of potential candidates available, and that he had "started from scratch" when looking for men to appoint to the board of the new British Steel Corporation. Barbara Castle³ told the Committee that in the next three years she would have to find 25 first-class full-time members, and 160 part-time members of equal standing for various boards and institutions within her Departmental responsibility. There was, she said, "no machinery for doing so", and that a Minister was

compelled to rely "on any available knowledge that may be knocking about", either through personal recommendations or general hearsay.

Mrs Castle also said that her Department had begun to compile a list of names, but that some form of central list available to all Departments was necessary, and was being discussed. However, it was not until 1975 that such a list came into being.

In that year the **Public Appointments Unit** was established with the following terms of reference:

"In conjunction with Departments generally and in consultation with representative bodies to improve the recruitment of able people from all sections of the community for public service."

The Unit was initially part of the Civil Service Department, and when this was abolished it was incorporated into the Manpower and Personnel Office. At present it has a full-time staff of 8, including the Principal.

No Minister is required to consult the Unit, but it is frequently asked to supply names for nationalised industry appointments. The active, or Central List, contains about 5,000 names (as against about 3,500 in 1979), and is expanding at the rate of approximately 800 per annum. A further 15,000 names are recorded, some of whom are people now over official retirement age, or who have not been thought sufficiently suitable to be included on the Central List.

Names are accumulated from a wide range of sources. Many are suggested by Government Departments (one former senior civil servant remarked tartly that Departments supply more names to the Unit than they receive). Others are recommended by people from all walks of life, and by professional associations or other bodies. Individuals can also nominate themselves for inclusion - they are asked to fill in a form and submit the names of two referees.

At periodic "list meetings" new names are considered for inclusion on the Central List on the basis of details provided either by the individuals themselves or information supplied by third parties. Names considered suitable for inclusion on the Central List are then put on computer. Personal and career details are stored by means of a numerical classification, each particular attribute, achievement or area of interest being allocated a code number. When a request for names is received, the qualities specified are matched as closely as possible to the computer classification and a preliminary list of names extracted (perhaps as many as two or three hundred).

The Unit also keeps files for each individual on the Central List containing all available information, including references and comments by others on the person's performance in current or previous posts where these have been forwarded. The most appropriate of these comments are reproduced anonymously on a front-sheet attached to the file. Once the staff of the Unit has sifted the files produced by the initial computer search and come up with a short-list

(which can vary from a handful to perhaps 20 names) the relevant front-sheets and curricula vitae are forwarded to the Department for consideration.

Departments may also ask for further information at a later stage, and for the source of a particular comment if an individual is being seriously considered, in order to be able to attach weight to the opinion volunteered.

The process is extremely fluid, and names can be added at every stage. Departments may also ask the Unit for information on those whose names they may already have received from other sources, including their own lists. In some cases the Unit may be asked to supply sets of names over a long period if a particular appointment is hard to fill - for example it supplied names to the Department of Transport for the Chairmanship of British Rail from early 1982 until August 1983.

The Unit is aware that it has been the subject of criticism from a number of quarters for several years. It has been attempting to make the Central List more representative by encouraging trade associations, professional bodies and other organisations to submit names. It has also been taking steps to increase the number of women (now at about 16%).

Nevertheless the Unit is still almost entirely passive in the way it accumulates names and data. Since the channels through which names are forwarded are so diverse, the information at its disposal may vary from a detailed C.V. to little more than a name and address. Many would not know their names were on the list. There is no active updating and unless a particular file comes under scrutiny for some reason, or a member of staff happens to come across the individual's name in *Who's Who* or another source, career details may be badly out of date. It is possible for names to remain on the list for some years after the person's death, particularly if the individual has died prematurely.

The Unit is aware that its information may not be up to date, and places the onus on the Department requesting names to ensure that details are updated. The Unit's reputation is not particularly high amongst users in Sponsor Departments, though some admit that it performs a useful function as part of a wider trawling process. The Unit defends its role as a 'clearing house', disseminating names and information from Department to Department, and as a net to catch names which might not otherwise reach individual Departments.

Against this weighs the Unit's cost (at present approximately £250,000 per annum), the haphazard way in which information is collected, the almost complete lack of any updating procedure (partly a function of pressures on staff resources), and the fact that it is unlikely to provide the names of top-quality young people in industry or commerce who are not already known to officials in the Sponsor Department, to Ministers or to headhunters.

The major Sponsor Departments also now keep lists of names, accumulated by personal contact or recommendation. Ministers may meet or hear of individuals on visits, at conferences, or in the course of other activities. Officials

may also receive recommendations in a similar way. Though more specifically related to the activities of the Department, names gathered in this way are no more likely to be comprehensive or representative of the pool of available talent than those already known to the Public Appointments Unit. Furthermore, it is possible that the kind of people who come to the notice of Departments may be those from industries which need financial support, not those thriving outside the Government orbit.

Other Government agencies keep lists which can be consulted for particular appointments. The **Chief Whips Office** maintains a list of 'political' names (retired or unseated MPs for example) who may be suitable for certain posts. It also likes to be consulted by Sponsor Departments at a preliminary stage when names are being considered for submission to the Ministers.

The **Department of Employment** keeps a list of trade unionists which may be of use where a union representative sits on a nationalised industry Board.

Recruitment consultants have been employed on a number of occasions over the last two decades, though even as long ago as 1967 the Chief Secretary to the Treasury⁴ stressed that expense was a major consideration. As one would expect senior officials feel that the cost is rarely justifiable, except to confirm what is already known or to establish the availability of individuals who might otherwise be put off by a direct approach from the Sponsor Department. In recent years headhunters have been used more frequently, at the direction of Ministers, but in a number of well-publicised instances have not been successful in finding external candidates for top posts. Generally it has to be shown that headhunters can add significantly to the information available, and the consent of the Treasury is required before they can be retained.

1. First Report, Parliamentary Select Committee on Nationalised Industries, Session 1967-1968. *Ministerial Control of the Nationalised Industries*, HC 371.
2. *Ibid*, Vol. II, pp. 357-377
3. *Ibid*, Vol. II, pp. 431-449
4. *Ibid*, Vol. II, pp. 727

III APPOINTING THE RIGHT CANDIDATE

The Minister responsible for making an appointment is under no statutory duty to follow set procedures, and as a consequence practice varies according to a number of particular factors and circumstances. Some of these are likely to be political rather than strictly commercial or industrial, though usually the lines of demarcation are blurred.

A Minister's first decision may well be to decide whether an existing appointment is to be renewed or not. In some cases the question will not arise - if the incumbent is approaching retirement age or has made clear his wish to stand down. Recently a number of executive board posts have been allowed to lapse. In other circumstances it may be the Minister's wish to inject new blood into the industry, or at least to investigate potential alternatives before deciding whether or not to re-appoint.

Ideally these decisions will be taken in good time, partly to avoid last minute appointments and partly to let the existing incumbent know the Minister's intentions where re-appointment may be in doubt. The target date for this phase is generally about 6 months before the expiry of a current term, though in practice Departments find that such certainty is rarely achieved. Frequently new appointments are not announced, or existing ones renewed, until a matter of weeks, occasionally days before the expiry of the current term.

Although the Minister has ultimate responsibility, his decisions will be influenced by the need to take account of the views and recommendations of other individuals and agencies, depending on the kind of appointment to be made, the political and economic climate prevailing, and the effects these considerations may have on Government policy towards the particular industry.

Thus, for example, when the Conservative Government came into office in 1979, there was a general feeling amongst Ministers that new blood was needed, particularly in the older and larger industries such as coal, gas, electricity and steel. This was not only because the new Government held an ideologically different view of nationalised industries to its predecessor, but also because it was felt that some existing Chairmen and board members had become weighed down by the threat of union militancy and entrenched in the belief that Treasury cash was always available on demand to bail out over-manned and unproductive industries. (For the changes in Board structure which were set in

train see Section V).

If the Minister has a particularly articulate view of the direction in which an industry should move, he may also have certain individuals in mind who share his opinion and whom he might seek to appoint as Chairmen or key board members. In some cases these may be known to him personally, or they may be recommended by friends or colleagues of like mind. It is undoubtedly the case that several of the best appointments in recent years have been made in this way. The system is sufficiently flexible to allow terms or timing to be negotiable in order that a Minister's firm choice can be lured away from his existing commitments, as long as the other disadvantages of serving in the public sector are not seen as insuperable obstacles.

The appointments of Ian MacGregor at the NCB, Walter Marshall at the CEGB and Philip Jones at the Electricity Council were all made in this way. The widespread view amongst senior officials is that Nigel Lawson was notably successful in making top appointments in his period at the Department of Energy. One former official described the MacGregor appointment as a "brainwave at Ministerial level", and said that once Lawson had decided on MacGregor as the right man for the job the major problem was negotiating his departure from BSC. It had to be decided whether he had finished there, if there was any chance he could combine both jobs, and precisely when he could become available.

Similarly, once it had been decided to inject a more radical and dynamic leadership at the CEGB, Walter Marshall's name was introduced into the discussion at Ministerial level and the operation to transfer him from the UKAEA moved quickly and smoothly (though the Department had previously approached a number of others who had been unable or were unwilling to consider the post).

The appointment of Philip Jones as Chairman of the Electricity Council was rooted in a previous professional relationship with Nigel Lawson within the Department of Energy.

Other appointments of this kind could be mentioned - Philip Shelborne at BNOC, Sir John (now Lord) King at British Airways and Graham Day at British Shipbuilders, for example. In each case the Minister had an obvious target already known or recommended to him. Things become more difficult, however, when no obvious candidates present themselves. In these circumstances (still the rule rather than the exception, it should be added) a search will be necessary (this will usually be done even when a particular individual has been earmarked, as a fail-safe in case negotiations fail or circumstances alter). As already mentioned The Public Appointments Unit may be approached and asked to submit names on the basis of a job description drawn up by the Minister and his officials, outlining key points relating to the needs of the industry. The letter of request may also include preferred personal or career attributes to

further guide the Unit. The Department will also consult its own lists of names, and seek to accumulate further suggestions on the grapevine. Names are likely to be added at every stage. Headhunters may also be retained, either to extend the trawl net or to act as go-betweens.

The names collected from various sources, together with such career and other information as may be available at the preliminary stage, are then sifted and a short-list drawn up to be presented to the Minister, with the Permanent Secretary's personal recommendations amended. The short-list will be discussed at a meeting between the Minister and senior officials, perhaps up to a year before the appointment is due to be made. Some names may be rejected as unsuitable, or others added, and if any are considered potentially acceptable it may be decided to make discreet soundings. These are done informally, often by a senior official, occasionally by the Minister himself, and may initially be conducted through intermediaries. In the first instance an attempt would be made to approach the individual with the Government's broad objectives for the industry, and try to assess his availability of willingness to be considered for the post.

Experience suggests that an individual's initial reaction tends to be final. If he is prepared to be considered the precise details can be negotiated later. If not, there is very little that can be done to turn disinterest or hostility into enthusiasm.

The manoeuvring may be particularly delicate and protracted if a Chairman is being sought for an industry going through a traumatic phase. It is well known that the threat of political interference is a major disincentive and that many talented individuals in the private sector will refuse to contemplate taking jobs in the nationalised industries.

For this reason the present Conservative Government, like previous governments, has had problems in filling top board posts, despite its willingness to arrange top management structure to fit the individual rather than vice versa, and to offer some flexibility on remuneration. Before Ian MacGregor was appointed as Chairman of BSC in May 1980 Sir Keith Joseph, then Industry Secretary told Parliament that a number of senior industrialists had declined to be considered, and that three had turned it down.¹ Earlier, in March the same year, the appointment of the Chairman of British Shipbuilders was extended for three months because the Government had not been able to find a successor. More recently, Sir Alistair Frame turned down the Chairmanship of BSC, reportedly because of premature leaks that he was being considered, and the Government was unable to name a successor to Sir Peter Parker at British Rail until the very last minute.

The search for a replacement for Sir Derek (now Lord) Ezra is an interesting illustration of the difficulties facing Ministers and their officials, and how compromises have to be made between an ideal selection and a realistic one. Initially it had been decided, largely on political grounds, that an external

candidate would be preferable. In particular it was felt that leadership at the NCB had become badly enfeebled over a period of several years. However, no suitable outside candidate could be persuaded to accept the job, despite an extensive trawl and the endeavours of headhunters. Just as it became apparent that such a candidate would not emerge in time senior officials at the Department of Energy came to the conclusion that a Siddall-Cowan combination would prove an acceptable arrangement. Norman Siddall's emphatic insistence that he would only consider a limited term made this a satisfactory interim measure, allowing Ian MacGregor's subsequent disengagement from BSC to be conveniently negotiated.

Full-time executive posts are still primarily filled from within the individual industry, (as Appendices illustrate) and Ministers rely heavily on the advice of Chairmen in making these appointments. In evidence to the Select Committee on Nationalised Industries in 1979 Chairmen generally expressed themselves satisfied with the degree of co-operation and consultation between themselves and Ministers, though occasionally there are disputes.²

In certain circumstances on the other hand it may be decided to appoint an executive member from outside the industry if specialist talents are required which cannot be identified internally, or if new men can bring strength to key posts (for example Finance or Personnel member if an industry is experiencing severe financial or industrial relations problems). Whether such individuals are located by personal contacts or by trawl depends on the kinds of circumstances already outlined.

Non-executive positions are relatively easy to fill. Levels of remuneration, political interference and exposure to public criticism do not represent disincentives, and indeed the desire to serve the common weal appears to be present in even the most hard-headed industrialist as long as this does not conflict with his career prospects. Recognition in the form of honours may also be a temptation. The present Government has sought to increase the role of non-executive members and to appoint them from the higher echelons of industry and commerce (see Section V). The pool of such people is extremely small, and as a consequence names will be readily at hand. Frequently individuals will already be personally known to Ministers and senior officials at a personal or professional level.

1. Hansard, 15 May 1980, col. 1825-29.

2. Parliamentary Select Committee on Nationalised Industries, Session 1978-1979, *Relationships between Ministers, Parliament and the Nationalised Industries*, HC 169 i-viii.

IV CONTRACTS AND CONDITIONS OF EMPLOYMENT

Members of public boards have long been dissatisfied with the terms and conditions of their appointments.¹ It has been felt that they share none of the salary benefits of board members in the private sector and that they are saddled with several additional disadvantages arising from contractual insecurity. Chairmen and board members (both executive and non-executive) receive a Departmental Minute broadly stating the date and term of the appointment, and specifying that it is made subject to the appropriate regulations governing appointments in that industry. A typical example of these, the Electricity (Central Authority and Area Boards) Regulations, 1947 (as amended 1957), states that the Secretary of State may declare a post vacant if the member is absent from meetings for more than six months without adequate explanation, if he "becomes in the opinion of the Minister unfit to continue in office or incapable of performing his duties", or if he persists in particular business or other activities against the express wishes of the Minister. On the other side a member may resign with a minimum of three months written notice.

Regulations of this kind were subsequently modified to provide for compensation to be paid "in special circumstances" if an appointment is terminated before its expiry date. Sir Leslie Murphy and another former member of the NEB unsuccessfully attempted to bring an action of this kind following the resignation of the whole Board in November 1979.

None of the Acts lays down terms or conditions of employment, nor do they give guidance on the question of re-appointment. Sir Francis Tombs described terms of employment as "very antediluvian" in his evidence to the SCNI in 1979.² By tradition full-time members are usually appointed for five year terms, and part-time members for three years, unless age or other considerations dictate otherwise. In 1967 the SCNI concluded that these terms were "about right", and suggested that members should normally be re-appointed at the end of their initial period of service.³ Members were especially concerned with the loss of pension rights resulting from premature retirement from an industry in which they had spent a lifetime.

Dependence on the whim of Ministerial discretion remains a source of considerable anxiety amongst Members. Both the Nationalised Industries' Chairmen's Group (NICG) and the Association of Members of State Industry Boards

(AMSIB) have lobbied successive Governments for more realistic salaries and greater security and certainty of tenure. The NICG argued, in a memorandum submitted to the SCNI in February 1979⁴ that

“such insecurity is not something inherent in their industrial situation, since those holding similar appointments in comparable private sector companies appear better placed in this regard. Neither is it something inherent in the fact of Ministerial involvement, since markedly greater stability of tenure applied in the other three public service categories covered by the Top Salaries Review Body. The situation appears, rather, to be one which has grown up by chance, without ever having been seriously examined”.

The NICG proposed a more formal code of practice which would have thrown the onus on the Minister to show good reasons why an existing member should **not** be re-appointed. They also suggested that individuals under consideration for board appointments should receive in advance written specification of the terms and conditions of employment, closer in form to the kind of service contract offered in the private sector. AMSIB went further, and argued that the provisions of the 1978 Employment Protection Act should be applied to full-time executive members.⁵

In its 1982 submission to Government AMSIB urged “active consideration” to be given to the problem of contracts, salaries and conditions of employment. In particular, it drew attention to the comments in Report 14 of the TSRB (1980), which urged that full-time members

“should have the benefit of service contracts which include adequate notice of the renewal of appointments. This contract should extend to the question of re-employment as a senior executive or compensation, where a Board appointment is not renewed”

AMSIB concluded that members:

“have been called upon to accept sacrifices in inverse proportion to the relative gains secured by other sections of the working community”.

This echoes complaints made to successive governments over a number of years, the substance of which has remained unchanged and undiminished in its vehemence.

It is worthy of note, however, that representatives of public boards have consistently re-affirmed their belief that appointments should be the responsibility of the Secretary of State. Suggestions that Parliament as a whole, or the relevant Select Committee should have powers to oversee appointments or interview potential candidates have been stoutly resisted.

The problem of salaries has dogged both Conservative and Labour Governments for many years. Since the inception of the Top Salaries Review Body in 1971 governments have usually found excuses to disregard its recommendations.

When the present Government came into office in 1979 it was met with an almost immediate revolt, particularly on the issue of ‘inverse differentials’ between board members’ salaries and those of senior executives. In July 1980 the Prime Minister announced that she was removing board members’ salaries from the remit of the TSRB, but the announcement was swiftly followed by a 7% award, substantially below the TSRB’s recommendations.

In April 1981 it was announced that henceforth salaries would be determined by market considerations, but again increases were on the whole well below expectations. The effect of the change has been to introduce some flexibility, especially when setting salary levels for new appointees, but many members are still dissatisfied and it was only recently reported that the new Chairman of British Rail has faced problems recruiting new executive members because of the old problem of inverse differentials.

1. Parliamentary Select Committee on Nationalised Industries, Session 1978-1979, *Relationships between Ministers, Parliament and the Nationalised Industries*, HC 169 i-viii
2. *Ibid*, Minutes of Evidence, p. 135
3. *Ibid*, Vol. I, p. 71
4. *Ibid*, Minutes of Evidence, pp 83-88
5. *Ibid*, Minutes of Evidence, pp 108-114

V SIZE AND COMPOSITION OF BOARDS

Board size is set by the various nationalisation Acts, some of which have been subsequently amended to provide for alterations in size or composition (such as the industrial democracy experiment at the Post Office). The Acts usually set size within maximum and minimum limits, the actual number of Members at any one time varying according to the current requirements or difficulties in filling vacancies. In certain instances the Acts determine size or composition more precisely - for example, the board of the Electricity Council consists largely of ex-officio members, namely the Chairman and two members of the CEGB plus the 12 Area Board Chairmen.

In some cases boards include members of other public corporations with common interests (for example the Deputy Chairman of the National Bus Company and the Scottish Transport Group sit on each other's boards).

Generally, the Acts do not specify the composition of a board, or the relative proportions of executive and non-executive members. The NCB is an exception - of its 8 - 14 members (excluding the Chairman) no more than 8 may be full-time.

In the past opinion has been divided on the merits of part-time members. The 1968 SCNI report on Ministerial Control of Nationalised Industries was lukewarm¹, conceding that they could play some useful role in certain industries, but only where the required expertise was not available internally. R. Kelf-Cohen, however, wrote in 1969 that "it would be surprising if part-time members can be of great value to a Board their influence can be no more than marginal", particularly on framing policy².

This view was shared by the NEDO in its 1976 report on the nationalised industries³, though the individual industries roundly trounced this opinion in their replies to NEDO's proposals⁴. The Labour Government also demurred, and in its 1978 White Paper stated its intention to "continue to appoint part-time non-executive members who are not representative of interest groups, but who have the experience to make an important contribution to the running of the industries".

As far back as 1955 the significant role which part-time members could play had been recognised by the Fleck Committee report on the coal industry⁶. This suggested that part-timers should assume definite responsibilities within the Board, should enjoy direct access to the Minister, and should advise him on the

appointment of all full-time members, including Chairman and Deputy Chairman.

The present Government thinks along similar lines, and one of its principal achievements has been to encourage the trimming of board size and to increase the proportion of non-executives in line with the recommendations in the secret CPRS report on nationalised industries, leaked to the press in August 1981⁷. Sir Robin Ibbs, the author of the report, suggested that top-quality men from the private sector should be appointed to form a majority on nationalised industry boards, and that each should have specific responsibilities for monitoring efficiency, appointments, salaries, etc. They could also form audit committees. More generally, they should "act as a surrogate for market forces".

Government proposals based on these recommendations were submitted to the NICG towards the end of 1981, and were announced in Parliament in March 1982. The Chairmen's response was lukewarm. Nevertheless the Government has had some success in carrying these proposals through, and the boards of several major industries have been radically restructured. The Department of Energy, for example, has made a significant attempt to apply the conclusions of the debate of which the CPRS report was part to the corporations within its responsibility.

The British Gas Corporation now has a majority of non-executive members. Under the Act it may have a Chairman and 10-20 members. In March 1978 it had a Chairman, Deputy Chairman, 5 full-time and 7 part-time members. Now it has a Chairman, Chief Executive, 3 full-time and 7 part-time members. Trade Union representation has been allowed to lapse with the retirement of Lord Scanlon, and recent part-time appointments from the private sector include Derek Birkin, Chairman of Tunnel Holdings, Martin Jacomb, Vice-Chairman of Kleinwort Benson, and Sir Leslie Smith, Chairman of BOC. A top management shake up in January 1982 created a kind of two-tier board, with senior executives who would previously have expected to be promoted to the full board now kept on the executive committee. The restructuring was made easier because some existing executive posts came up for renewal at a convenient time and were allowed to lapse.

Changes along similar lines have recently been made at the NCB. Ian MacGregor has added the newly-created office of Chief Executive to that of Chairman, and appointed the Deputy Chairman, James Cowan as Deputy Chief Executive. Executive members have been relieved of certain responsibilities, particularly overseeing operations in individual regions. Five new part-time members have been appointed since July 1983.

The transfer of shares in Britoil from BNOC to the Secretary of State in November 1982 precipitated a major board re-shuffle at BNOC. Nigel Lawson took the opportunity to bring in new members with wider experience in the oil industry, and the Board has been trimmed from the full complement of

Chairman, Deputy Chairman and 12 members in 1981 to a Chairman, Chief Executive and 8 members at present.

The CEGB now has a Chairman, Deputy Chairman, 2 executive members and 3 top-flight non-executives (under the Act it is permitted a Chairman and 7-9 members). The UKAEA now consists of a Chairman, Deputy Chairman/Chief Executive, 2 full-time and 8 part-time members (as against a statutory maximum of a Chairman and 17 members).

The restructuring evident in these industries reflects Nigel Lawson's personal drive to reduce overall board size and increase the level of non-executive expertise.

Similar changes have been effected in other corporations, particularly where strong Chairmen have been appointed by the present Government with a brief to implement radical changes in the industry. At British Airways, for example, Lord King has shaken the top management structure to its roots, both at board level and below, in preparation for privatisation. Under the British Airways Act 1977 there may be between 8 and 15 members. In early 1982 there were 6 full-time and 9 part-time members, but the Board has now been cut to 9 members overall, of which 6 are part-time (including both Chairman and Deputy Chairman).

At British Steel, Ian MacGregor achieved a considerable reduction in the size of his board. By law BSC is permitted a Chairman and 7-20 members. In March 1980, shortly before Ian MacGregor's appointment, there was a Chairman, Deputy Chairman, and 16 members. By April 1983 this had been reduced to a Chairman, Deputy Chairman and 11 members, and the Board now consists of the Chairman, Deputy Chairman and 8 members (of whom 5 are part-time).

The present Government has largely reversed the previous Labour administration's attempts to make boards more 'representative' by appointing employee directors, trade unionists, civil servants and representatives of consumer groups. At BSC, for example, employee and civil service members have not been replaced as their terms have expired, and the Audit Committee now consists only of non-executives.

VI CONCLUSIONS AND RECOMMENDATIONS

The boards of nationalised industries will always be susceptible to political manipulation as long as they remain within the public sector. The fundamental justification for retaining industries within the state sector is that it allows government as sole owner to exercise control over major policy matters. From the board's point of view it is important that any such intervention is explicit and that reasonable financial compensation is made for policies which are pursued on non-commercial grounds. It is possible to preserve a state corporation's independence from day-to-day interference but it is unrealistic to expect both government and parliament not to take an interest in key policy decisions. This reality needs to be recognised in any set of recommendations on future board appointments policy.

The present nationalised sector may be divided into two groups: those concerns which the Government intends to return to the private sector and those which are likely to remain within the state sector for the foreseeable future. In either case motivation of board members is critical.

To board members of industries destined for imminent privatisation the Government can offer the prospect of guiding a corporation into the private sector with all the opportunities that that provides. Free from the constraints of government control companies will be able to set their own corporate strategies including the remuneration packages for members of the board, subject, of course, to the agreement of the shareholders. Experience at Amersham International, Cable and Wireless and the National Freight Corporation show how rapidly members' salaries and other incentives improve once freed from the public sector.

That leaves those businesses which are less easy to sell: the Government will have to devise a satisfactory recruitment scheme for directors in these concerns.

There is ample evidence that governments have consistently found it difficult to attract the right individual to serve as a board Chairman or Director. This is of critical importance since if the Government fails to find a suitable Chairman, its whole strategy towards a particular nationalised industry is placed in jeopardy. Yet while asserting that nationalised industries should run on commercial lines, governments are often led by political considerations to intervene in the management of these businesses. Such interference coupled

1. Parliamentary Select Committee on Nationalised Industries, Session 1967-1968, *Ministerial Control of the Nationalised Industries*, HC 371-1, Vol. I, p. 74
2. *Twenty Years of Nationalisation*, R. Kelf-Cohen, 1969 p. 231
3. *A Study of UK Nationalised Industries: Their Role in the Economy and Control in the Future*, NEDO, 1976
4. *Second Special Report from the Parliamentary Select Committee on Nationalised Industries*, Session 1976-1977, HCP 345, 1977
5. *The Nationalised Industries*, Cmnd 7131, 1978, p. 12
6. *Report of the Advisory Committee on Organisation*, NCB., 1955, para. 68
7. *The Economist*, August 8th 1981

with uncompetitive rewards militates against candidates of suitable calibre accepting these appointments.

While both the Nationalised Industries' Chairmen's Group and the Association of Members of State Industry Boards remain anxious about security of employment and their vulnerability to Ministerial whim, Ministers feel they lack adequate powers to make board members more responsible to Government policy, and in the last resort to dismiss them if they repeatedly obstruct Ministerial requests.

In July 1980 the nationalised industries were removed from the Top Salaries Review Body's terms of reference and it was stressed that salaries should henceforth be fixed according to market considerations. The first result of this initiative was the appointment of Ian MacGregor as Chairman of BSC. subsequent appointments, (Graham Day at British Shipbuilders and Sir Austin Bide at BL), have indicated that the Government is now prepared to pay salaries which are commercially competitive.

Board members come from a broad range of backgrounds, (see pages 19-20) yet significantly there are no entrepreneurs amongst them. There is a strong case for casting the recruitment net wider to attract successful men and women who established and developed their own businesses. Many of them are likely to be younger than the typical board member, who tends to be in his mid to late fifties.

The following recommendations are proposed:

1. The first priority is to ensure that the right Chairman is recruited. It is important that the Government has the right to recruit a Chairman and board who are wholly sympathetic to its aims and objectives, for example, privatisation and the liberalisation of monopolistic practices. As sole shareholder it has every right to do so.
2. Many of the most successful Chairmen have been non-executive and sufficiently independent financially not to be over-concerned with the risk of dismissal. This allows them to argue an industry's case without undue personal anxiety. It is therefore recommended that the post of board Chairman should be part-time and non-executive. The day-to-day management of the industry should be the responsibility of a Chief Executive.
3. The trend towards streamlining board size and composition should be accelerated with non-executive directors forming the majority on all boards.
4. Where a specific expertise is required in carrying through aspects of Government policy towards an industry, boards should be encouraged to recruit qualified individuals from the private sector on short-term secondment. Secondment has been adopted with success in the private sector and would

have the advantage of inflicting no loss in pay or career prospects on an individual, who, if previous experience is a guide, might otherwise be reluctant to serve in the public sector.

5. All board members should be given proper contracts of employment which set out their terms of reference and any specific briefs, e.g. privatisation, decentralisation, etc. Terms of dismissal should be clearly set out so that both parties are clear about their rights. To avoid further problems in appointing managers to the board adequate severance compensation should be arranged for executive members.
6. The Public Appointments Unit inspires little confidence. Indeed Departments duplicate its work by operating their own lists of potential board candidates. The executive search performed by the Public Appointments Unit should therefore be discontinued, saving the taxpayer around £250,000 a year.
7. Sponsoring Departments, whose officials are the most likely people in Whitehall to know of successful figures in industry and commerce, should assume responsibility for providing Ministers with the names and details of potential candidates. Greater emphasis should be laid on monitoring able middle managers.
8. Developments in information technology can usefully be employed both to accumulate information within individual Departments and to exchange it between Departments. Wherever the Minister feels it beneficial outside consultants should be used to identify or attract potential candidates who may be unknown to the civil service. They may be particularly helpful in identifying successful entrepreneurs, who are currently underrepresented on these boards.

ANALYSIS OF NATIONALISED INDUSTRIES BOARDS: FEBRUARY 1984

Average Age	Industry	Board Numbers m=men w=women	No. of Full Time Members	No. of Part Time Members	Industrial Management	Engineering	Banking and Finance	Accountancy	Civil Service	Trade Union Officials	Manufacturing	Science	Personnel	Farming	Shipping	Oil Industry	Academics	Armed Services	Market Research/Marketing	Planning/Architecture	Law	Journalism	Others
57.6	BAA	9m 1w	4	6	2	4			1	1							1					1	
60.4	BA	9m	6	3	2	1	3	1	1										1				
55.7	B. Gos	12m	7	5	6	1	1	1			1		1			1							
54.6	BNOC	10m	1	9			2	1	3	1						3							
55.4	BR	10m 1w	4	7	4	2	1								1		1					1	1 catering
55.2	BS	11m	6	5	5		2	1	1	1			1										
59.6	BSC	10m	4	6	5	1			1	1	2												
54.0	BT	13m	10	3	5	1	2	1				1	1								1		1 c'puting
61.3	BW	8m		8	1	1		1			1				1			1		2			
59.4	CAA	8m	3	5	2	1	1	1	2									1					
57.3	CEGB	7m	4	3		1		1	1		2	1								1			
56.0	EC*	20m	4	16	2	1		2	1			1	1										
54.9	NBC	8m	2	6	3		2	2															1 politician
59.2	NCB	10m	4	6	5	1	1	2													1		
56.2	N of SHEB	8m 1w	1	8	3						1			2	1			1					1 teacher
55.3	PO	9m 1w	6	4	2		2		2	1			1										
55.5	STG	11m	2	9	2		2			1	1			2	1		1						1 politician
53.1	SSEB	8m 1w	2	7	2	1	1			1	1			1			1						1 h'sewife
59.1	UKAEA	12m	3	9		1		2	2	1		6											
56.8		193m 5w	73	125	51	17	20	16	15	8	9	9	5	5	4	4	4	3	3	3	2	2	6

No. of Honours: MBE 1
OBE 8
CBE 41
Knights 14
Peers 5
CB 4
CVO 2

1. Note: Information on 185 career details out of 198 appointments.
2. Note: On some boards there is a statutory requirement that at least one member should be a Civil Service representative.
3. Note: Many board members have more than one career.

* E.C. (Electricity Council) - this chart analyses career and age details for only 8 of the 20 members.

BRITISH AIRPORTS AUTHORITY

	Age	Career	First Appointed	Re-Appointed
Chairman				
Norman Payne CBE*	62	Engineering	4.71 8.72 Ch'Exec. 3.77 Ch'man	8.81 - 8.86
Deputy Chairman (P/Time)				
William Gregson CBE*	64	Electronic Eng.	12.75-12.78	12.78-12.81 12.81-12.84
Full-Time Members				
John Mulkern*	53	Airport Man'mt	6.79- 5.82	6.82- 5.87
Michael King*	54	Engineering	9.80- 8.85	
Donald Turner*	58	Civil Eng.	4.75	4.82- 3.85
Part-Time Members				
Patrick Shovelton CB*	64	Civil Service	1.82-12.83	1.84-12.85
Dr. Keith Bright*	52	Ind. Man'mt	1.82-12.83	1.84-12.85
Prof. John Heath*	59	Economist	6.80- 5.83	6.83- 5.86
Mrs. Helen Robinson	49	Fashion Writing	6.78- 5.81	6.81- 5.84
Sidney Weighell*	61	Trade Unionist	4.83- 4.86	

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £38,850

Deputy Chairman: £6,350

Board Members: 3 F/Time £30,000 - £35,000; 5 P/Time under £5,000

* Who's Who 1984 reference

BRITISH AIRWAYS

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Lord King*	63	Engineering	12.80- 1.84 Extended to 1.87	
Deputy Chairman (P/Time)				
Alexander Dibbs*	64	Banking	2.80- 1.84	2.84- 5.86
Chief Executive				
Colin Marshall*	49	Transport	5.83- 5.86	
Full-Time Members				
Gordon Dunlop*	55	Accountancy	5.83- 5.86	
Capt. Jack Jessop	62	Aircraft Ind.	4.77- 3.82	4.82-12.83 12.83-12.86
Part-Time Members				
Basil Collins*	60	Overseas Mark'ng	2.82-11.85	
Robert Henderson*	66	Invest. Man'mt	2.81- 1.84	2.84- 5.86
Sir Leo Pliatzky KCB*	64	Civil Service	4.80-11.83	12.83-11.85
Michael Davies		Accountancy	4.83- 5.86	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £30,820

Deputy Chairmen: £40,000 - 45,000 (F/Time); £5,000 - £10,000 (P/Time)

Board Members: 1 F/Time £80,000 - £85,000; 1 F/Time £60,000 - £65,000;
1 F/Time £30,000 - £35,000; 4 P/Time - under £5,000.

* Who's Who 1984 reference

BRITISH GAS CORPORATION

	Age	Career	First Appointed	Re-Appointed
Chairman				
Sir Denis Rooke CBE*	59	Gas Industry	8.66 Member Gas Council 9.72 D/Ch'man 7.76 Ch'man	7.81 - 6.86
Chief Executive				
Robert Evans*	56	Gas Industry	10.83 - 9.88	
Full-Time Members				
Charles Donovan*	50	Personnel Man'mt	3.81 - 2.86	
William Jewers CBE*	62	Gas Industry	12.76 - 12.81	12.81 - 12.84
James McHugh*	53	Gas Industry	1.79 - 12.83	1.84 - 12.88
Part-Time Members				
Derek Birkin	54	Textiles, Construction	5.82 - 5.85	
Roger Boissier	53	Engineering	4.81 - 4.84	
Richard Greenbury*	47	Retail Man'mt	5.76	- 5.84
Martin Jacomb*	54	Merchant Bank	12.81 - 12.84	
Harold Keating	61	Gas Industry	3.81 - 3.84	
Alastair Macleod-Matthews OBE		Oil Industry	10.75 - 10.78	- 10.84
Sir Leslie Smith*	64	Accountancy, Industrial Management	5.82 - 5.85	

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £56,500

Deputy Chairman: £37,325 - £47,240

Board Members: 3 F/Time £30,185 - £38,025; 7 P/Time £4,625; 1 P/Time nil

* Who's Who 1984 reference

BRITISH NATIONAL OIL CORPORATION

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Lord Croham*	66	Civil Service	7.78 P/Time Mem. 9.78 D/Ch'man 11.82 - 10.83 Ch'man	11.83 - 10.85
Chief Executive				
Ian Goskirk*	51	Oil Industry	8.82 - 7.85 11.82 Ch. Exec.	
Part-Time Members				
Christopher Finch	37	Audit Manager	1.83 - 12.85	
Ian Forbes Brown	54	Banking	7.83 - 7.86	
David Harcourt	61	Commodities	2.83 - 2.85	
Gavin Laird*	50	Trade Unionist	1.76 - 12.78	1.79 - 12.80 1.81 - 12.83 1.84 - 12.86
Graeme McLintock	63	Oil Industry	11.82 - 10.85	
James Stewart	60	Petrocem Industry	11.82 - 10.85	
Sir Philip de Zulueta*	59	Diplomat Serv, Finance	11.82 - 10.85	
Official Member				
John Wiggins*	45	Civil Service	11.82 Term at discretion of Secretary of State.	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £32,000

Deputy Chairman: £40,000 - £45,000

Board Members: 2 F/Time £31,625 - £35,486; 5 P/Time - under £5,000.

* Who's Who 1984 reference

BRITISH RAILWAYS BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman/Chief Executive				
Bob Reid CBE*	63	Railway Industry	1.77- 1.82 3.80 Ch. Exec. 1.83 D/Ch'man 9.83 Ch'man	1.82- 1.87
Deputy Chairman (P/Time)				
Sir Richard Cave*	63	Elect. Components	10.83- 9.86	
Vice Chairman				
Derek Fowler CBE*	55	Financial Admin.	4.75- 4.80 2.81 D/Ch'man	4.80- 4.85
Full-Time Members				
Geoffrey Myers*	53	Civil Eng., Railway Industry	3.80- 2.85	
James Urquhart CVO*	58	Railway Industry	1.77- 1.82	1.82- 1.87
Part-Time Members				
Ian Campbell CVO*	61	Railway Industry	1.77- 1.82 F/Time 1978- 3.80 Ch. Exec. 3.80 D/Ch'man	1.82- 1.87 1.83**
Simon Jenkins*	40	Journalism*	12.79-11.82	12.82-11.84
Lord Caldecote**	66	Aircraft Eng.	3.79- 2.82	3.83- 2.85
Prudence Leith*	44	Catering	10.80- 9.83 Extended to 9.84	
H.R. Macleod*	54	Shipping	6.80- 6.83	6.83- 6.86
Michael Posner*	52	Economist	1.77-12.79	1.80-12.82 1.82-12.84

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £63,600

Deputy Chairmen: £37,150

Board Members: 3F/Time £37,150; 1 P/Time £13,328; 2 P/Time £11,145;
2P/Time £6,664; 2 P/Time £4,160.

* Who's Who 1984 reference

** Ceased to be Vice-Chairman; became Part-time member

BRITISH SHIPBUILDERS

	Age	Career	First Appointed	Re-Appointed
Chairman/Chief Executive				
Graham Day*	50	Legal Profession, Shipbuilding, Transport	7.83 D/Ch'man 9.83- 8.86 Ch'man	
Full-Time Members				
Maurice Phelps*	48	Personnel, Industrial Rel.	11.81-11.84	
John Steele	46	Shipbuilding	6.79 P/Time Mem.	6.81- 6.84 3.82- 3.85 (F/Time)
Philip Hares*	56	Man'mt Services	5.81- 5.84	
Dr. Peter Milne*	47	Shipbuilding	3.81- 3.84	
Geoffrey Fuller*	56	Shipbuilding	4.83- 1.87	
Part-Time Members				
Roy Fox OBE*	63	Diplomatic Serv.	6.81- 6.84	
Stanley Harding	69	Accountancy, Comm. Finance	3.80- 3.84	
Tom Crispin	62	Trade Unionist	7.81- 4.84	
Norman Thomson	63	Financial Con.	9.83- 8.85	
John Gardiner	47	Insurance, Journalism, Shipbuilding	1.80- 1.83	9.83- 8.85

Annual salaries were within the following bands as at 1 September 1983:

Chairman: £80,000 plus a maximum £15,000 bonus.

Board Members: 4 F/Time £30,000 - £35,000; 1 F/Time £25,000 - £30,000;
5 P/Time - under £5,000.

* Who's Who 1984 reference

BRITISH STEEL CORPORATION

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Robert Haslam*	60	Chemicals Ind.	7.83 P/Time 9.83- 8.86 Ch'man	
Deputy Chairman/ Chief Executive				
Bob Scholey CBE*	62	Steel Industry	11.73 F/Time Member 9.76 D/Ch'man	9.81- 9.84
Full-Time Members				
Gordon Sambrook*	54	Steel Industry	9.78- 8.83	9.83- 8.88
Dr. David Grieves	51	Steel Industry	12.83-12.88	
Jake Stewart	52	Steel Industry	12.83-12.88	
Part-Time Members				
Sir John Boyd CBE†*	66	Trade Unionist	8.81- 8.84	
Rt. Hon. Lord Gregson*	60	Engineering	3.76	3.82- 3.85
Joseph Gross*	63	Diplomat. Service, Civil Service	8.78	11.80-11.83 11.83-11.86
Ronald Halstead CBE*	56	Food and Drink, Manufacturing	3.79- 2.82	3.82- 2.85
Ian MacGregor†*	72	Metal Industries	5.80 D/Ch'man 7.80- 6.83 Ch'man Extended to 8.83 9.83- 8.86 (P/Time Member)	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £48,500

Deputy Chairman: £40,125 - £52,700

Board Members: 2 F/Time £40,000 - £45,000; 1 P/Time £10,000 - £15,000;
5 P/Time - under £5,000

† Member of more than one nationalised industry board

* Who's Who 1984 reference

BRITISH TELECOMMUNICATIONS

	Age	Career	First Appointed
Chairman			
Sir George Jefferson CBE*	62	Aerospace Ind.	9.80- 8.85
Deputy Chairman			
Deryk Vander Weyer*	59	Banking	10.81 P/Time Member 10.83- 9.86 D/Ch'man F/Time
Vice-Chairman			
James Hodgson*	58	Post Office	7.81 10.83-10.86 D/Ch'man
Full-Time Members			
Michael Bett*	49	Personnel, Ind. Relations	7.81- 7.86
Douglas Perryman*	53	Corporate Fin.	7.81- 7.86
Iain Vallance*	40	Post Office	7.81- 7.84
John Alvey CB*	58	Missile Engin.	8.83- 7.85
Ronald Back*	57	Telecomm.	11.83- 4.86
Colin Crook	41	Computing	1.84-12.88
John King	50	Telecomm.	1.84-12.88
Part-Time Members			
Sir George Macfarlane*	68	Aviation Scient.	7.81-12.84
Graeme Odgers*	49	Indust. Finance	8.83- 7.86
John Goble*	58	Legal Profession	11.83-10.87

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £85,000

Board Members: 1 F/Time £45,000 - £50,000; 5 F/Time £40,000 - £45,000;
1 P/Time £15,000 - £20,000; 1 P/Time £5,000 - £20,000

* Who's Who 1984 reference

BRITISH WATERWAYS BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Sir Frank Price	61	Planning	4.67 Member 6.68 Ch'man	- 6.83 Extended to 12.83 and 6.84
Deputy Chairman (P/Time)				
Dr. Alan Robertson OBE*	63	Chemicals Ind.	10.83- 9.86	
Part-Time Members				
Rear Admiral David Dunbar-Nasmith CB*	63	Royal Navy	11.80-11.83	11.83-10.85
Peter Lisle OBE		Civil Eng., Waterways	11.81-10.83	11.82-10.84
Jeremy Weston		Chart. Surveyor	6.80- 5.82	6.82- 5.84
Michael Everard		Shipping	7.83- 6.85	
Hugh Aldous		Accountancy	1.83-12.84	
Leslie Young CBE*	58	Ind. Man'mt, Regional Dev.	1.84 (Ch'man from 7.84)	

The Board and the Department of the Environment were unable to supply the age of certain members.

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £18,750

Deputy Chairman (P/Time): £5,000

Board Members: 6 P/Time £3,000

* Who's Who 1984 reference

CIVIL AVIATION AUTHORITY

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
John Dent*	60	Armaments Eng.	6.82- 5.86	
Full-Time Members				
Capt. Frank Dell	60	Aircraft Industry	6.82- 5.85	
John Chaplin	57	Aircraft Industry	11.83-11.88	
Raymond Colegate*	56	Civil Service, Aviation	4.74	4.82- 4.87
Harry Partridge*	58	Accountancy, Fin. Management	1.74	1.82-12.85
Air Marshall Sir Ian Pedder*	57	RAF Air Traf. Con.	9.81- 8.84	
Part-Time Members				
Raymond Prosser*	64	Civil Service	8.80- 7.82	8.83- 7.85
Thomas McMillan	63	Banking	1.81-12.83	1.84-12.85

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £32,000

Deputy Chairman (P/Time): £12,800 (ret'd 31.12.83.)

Board Members: 2 F/Time £30,000 - £35,000; 1 F/Time £25,000 - £30,000
1 P/Time £15,000 - £20,000; 1 P/Time £10,000 - £15,000;
2 P/Time £ 5,000 - £10,000; 1 P/Time - under £5,000

* Who's Who 1984 reference

CENTRAL ELECTRICITY GENERATING BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman				
Sir Walter Marshall †*	51	Atomic Physics	7.82-6.87	
Deputy Chairman				
Frederick Bonner CBE †*	60	Accountancy, Electricity Ind.	1.69 Member 4.75 D/Ch'man	4.82- 4.84
Full-Time Members				
John Baker	46	Civil Service	9.80-9.85	
Gilbert Blackman CBE †*	58	Engineering, Electricity Ind.	4.77-3.82	4.82- 3.87
Part-Time Members				
Richard Giordano*	59	Gas Manuf.	7.82-6.85	
Eric Sharp CBE*	67	Chemicals Ind.	7.80-6.83	7.83- 6.86
Andrew Derbyshire*	60	Architecture, Planning	10.73	1.81-12.83

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £55,000 - £60,000

Deputy Chairman: £45,000 - £50,000

Board Members: 1 F/Time £35,000 - £40,000; 1 F/Time £30,000 - £35,000;
2 P/Time - under £5,000; 1 P/Time nil

† Member of more than one nationalised industry board

* Who's Who 1984 reference

ELECTRICITY COUNCIL

	Age	Career	First Appointed	Re-Appointed
Chairman				
Philip Jones CB*	52	Civil Service	4.83- 3.88	
Deputy Chairman				
Alan Plumpton CBE*	57	Electricity Ind.	2.81- 1.86	
Deputy Chairman (P/Time)				
Oliver Brooks*	64	Financial Man'mt	10.82-10.85	
Full-Time Members				
Roger Farrance*	50	Ind. Relations	11.79-10.84	
Rasin Ward Orson*	56	Electricity Ind.	1.76- 1.81	1.81-1.86
Ex-Officio Members CEGB				
Sir Walter Marshall †*, Ch'man				
Frederick Bonner †*, D/Ch'man				
Gilbert Blackman †*, Member				
+ 12 Area Board Ch'men				

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £55,000 - £60,000

Deputy Chairmen: £40,000 - £45,000 (F/Time); £20,000 - £25,000 (P/Time)

Board Members: 2 F/Time £35,000 - £40,000; 1 F/Time £30,000 - £35,000

† Member of more than one nationalised industry board

* Who's Who 1984 reference

NATIONAL BUS COMPANY

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Rt. Hon. Lord Shepherd PC*	65	Politician	10.78 P/Time Mem. 1.79-12.81 Ch'man	1.82-12.84
Deputy Chairman/ Chief Executive				
Robert Brook CBE*	55	Bus Industry	1.77 Member 4.87 D/Ch'man	-12.86
Full-Time Member				
Irwin Dalton*	51	Accountancy, Bus Industry	4.81-12.84	
Part-Time Members				
Geoffrey Heywood MBE	67	Actuary, Ins.	10.78	1.84-12.85
Ian Irwin CBE*	51	Accountancy, Industry	4.75	1.83-12.87
Miss K. Mortimer	36	Invest. Advisor	1.80-12.82	1.83-12.85
Geoffrey Parker*	46	Marine Transport	1.80-12.82	1.83-12.85
Sir Robert Lawrence CBE*	68	Property Develop.	1.83- 6.84 Extended to 12.85	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £25,100

Deputy Chairman (F/Time): £38,000

Board Members: 2 F/Time £31,995; 1 P/Time £4,665; 5 P/Time £3,575

* Who's Who 1984 reference

NATIONAL COAL BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman/Chief Executive				
Ian MacGregor†*	72	Metal Industry	9.83- 8.86	
Deputy Chairman/ Deputy Chief Executive				
James Cowan OBE*	64	Coal Industry	2.77 P/Time Mem. 7.80-12.83 F/Time 7.82 D/Ch'man	
Full-Time Members				
Fred Harrison CBE*	56	Accountancy	5.76- 5.81	5.81-5.86
Donald Davies CBE*	60	Coal Industry	10.73- 9.78	10.83-9.84
Harry Spanton OBE*	59	Coal Industry	10.80- 9.85	
Part-Time Members				
Tommy MacPherson CBE*	63	Commerce	9.83- 9.86	
Peter Michael CBE*	45	Electrical Eng.	9.83- 9.86	
Sir Melvin Rosser*	57	Accountancy	7.83- 7.86	
Colin Barker	58	Ind. Man'ment Lawyer	2.84- 2.87	
David Donne*	58	Ind. Man'ment	2.84- 1.87	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (F/Time): £59,325 (in addition special arrangements have also been agreed with Lazard Freres)

Deputy Chairman: £50,000 - £55,000; £45,000 - £50,000 (Mr John Mills retired March 1984)

Board Members: 1 F/Time £40,000 - £45,000; 2 F/Time £35,000 - £40,000;
3 P/Time £ 5,000; 2 P/Time nil

† Member of more than one nationalised industry board

* Who's Who 1984 reference

NORTH OF SCOTLAND HYDRO-ELECTRIC BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Michael Joughin CBE*	57	Farming, Agric. Devl'mt	1.83-12.86	
Deputy Chairman/ Chief Executive				
Kenneth Vernon CBE*	60	Electricity Ind.	1.70 1.73 D/Ch'man	1.81-12.85
Part-Time Members				
Colin MacLeod		Shipping	1.76	1.83-12.84
Mrs. Christine Davis		Teaching	1.80-12.82	1.83-12.85
Michael Walker			1.82-12.84	
Rear Admiral David Dunbar-Nasmith†*	63	Royal Navy	3.82- 2.85	
David Miller†*	56	Electricity Ind.	4.82- 3.87	
Andrew Tulloch	47	Textiles	2.84-12.86	
Stewart MacPhie	54	Farming, Food Processing	2.84-12.86	

The Board was unable, and the Scottish Office unwilling to divulge the age of certain members.

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £18,000

Deputy Chairman: £31,000

Board Members: 5 P/Time £3,050; 2 P/Time nil

† Member of more than one nationalised industry board

* Who's Who 1984 reference

POST OFFICE

	Age	Career	First Appointed	Re-Appointed
Chairman				
Ronald Dearing CBE*	53	Civil Service	5.80 D/Ch'man 10.81-9.86 Ch'man	
Deputy Chairman				
Sam Wainwright CBE*	59	Banking, Stockbroking, Journalism	5.77	10.81-9.86
Full-Time Members				
Robert Clinton*	52	Post Office	4.80-3.83	4.83-3.86
William Cockburn*	40	Post Office	10.81-9.84	
Anthony Garrett	55	Marketing	3.83-2.86	
Kenneth Young CBE*	52	Personnel Man'mt	1.72	1.84-2.86
Part-Time Members				
Eileen Cole	59	Market Research	4.80-3.83	4.83-3.86
Sir Clifford Cornford KCB*	65	Ministry of Def.	10.81-9.84	
Derek Gladwin*	53	Trade Unionist	1.72	4.83-3.86
Peter Moody CBE*	65	Invest'mt Man'mt	10.81-9.84	

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £57,137

Deputy Chairman: £47,860

Board Members: 4 F/Time £39,405 - £42,600; 4 P/Time £5,107 - £10,507; 1 P/Time £5,107

* Who's Who 1984 reference

SCOTTISH TRANSPORT GROUP

	Age	Career	First Appointed	Re-Appointed
Chairman				
William Stevenson*	62	Engineering, Food Manuf.	1.81-12.83	1.84-12.86
Deputy Chairman/ Managing Director				
Ian Irwin CBE†*	50	Bus Industry	4.75	1.83-12.87
Part-Time Members				
John MacDonald	53	Farming	1.71	-12.84
Richard Stewart CBE*	63	Labour Pty Agent	3.75	1.83-12.86
Robert Brook CBE†*	55	Bus Industry	1.77	1.82-12.86
Prof. A.W.J. Thomson	46	Economist	4.77	1.81-12.84
Andrew Forman OBE	67	Trade Unionist	2.81-12.84	
Ronald McNeill CBE	58	Commerce	2.81-12.84	
Ewan Brown	39	Financial Man'mt	1.83-12.86	
Harold Sim OBE	60	Farming	2.81-12.84	
Andrew McCallum CBE	57	Shipping	7.83-12.86	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £18,700

Deputy Chairman: £33,900

Board Members: 8 P/Time £3,000; 1 P/Time nil

† Member of more than one nationalised industry board

* Who's Who 1984 reference

SOUTH OF SCOTLAND ELECTRICITY BOARD

	Age	Career	First Appointed	Re-Appointed
Chairman				
Donald Miller†*	56	Electricity Ind.	1977 Member 1.80 D/Ch'man 4.82- 3.87 Ch'man	
Deputy Chairman				
Dr. Ian Preston	51	Electricity Ind.	2.83- 2.88	
Part-Time Members				
Andrew Barr		Trade Unionist	1.78-12.81	1.81-12.84
Michael Joughlin CBE†*	57	Agriculture	1.83-12.87	
Donald McLean	64	Motor Industry	1.82-12.84	
Mrs. Marjorie Thomson		Housewife	1.81-12.83	1.84-12.86
George Whyte	57	Agric. Eng.	1.81-12.83	1.84-12.86
Prof. Donald MacKay*	46	Planning Advisor	1.84-12.86	
Nicholas Kuenssberg	41	Corporate Fin.	1.84-12.86	

The Board was unable, and the Scottish Office unwilling to divulge the age of certain members.

Annual salaries were within the following bands as at 1 July 1983:

Chairman: £38,000

Deputy Chairman: £33,000

Board Members: 5 P/Time £3,050; 2 P/Time nil

† Member of more than one nationalised industry board

* Who's Who 1984 reference

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

	Age	Career	First Appointed	Re-Appointed
Chairman (P/Time)				
Sir Peter Hirsch*	59	Metallurgist	4.82 P/Time Mem. 9.82- 9.84 Ch'man	
Deputy Chairman/ Chief Executive				
Arnold Allen CBE*	59	Civil Service	7.71 Member 5.81 D/Ch'man 1982 Ch'Exec.	-11.84
Full-Time Members				
Dr. Lewis Roberts CBE*	62	Chemist, Atomic Energy Ind.	8.79- 7.84	
Dr. Thomas Marsham CBE*	60	Physicist	8.79- 7.84	
Part-Time Members				
Coningsby Allday CBE*	63	Research Chemist, Atomic Energy Ind.	3.76	3.82- 3.85
Frederick Bonner CBE†*	60	Accountancy, Electricity Ind.	7.77	4.81- 4.84
Sir John Boyd CBE†*	66	Trade Unionist	8.80- 7.83	8.83- 7.85
John Bullock	50	Accountancy	11.81-10.84	
Dr. Norman Franklin CBE*	59	Atomic Energy Ind.	1969 F/Time 4.71 P/Time	4.82- 3.85
Roy Roberts*	55	Engineering	9.81- 8.84	
Sir Alan Cottrell*	64	Metallurgist	9.83- 8.86	
Official Member				
Ivor Manley*	52	Civil Service	6.81 Term at discretion of Secretary of State.	

Annual salaries were within the following bands as at 1 July 1983:

Chairman (P/Time): £32,000

Deputy Chairman: £40,000 - £45,000

Board Members: 2 F/Time £31,625 - £35,486; 5 P/Time - under £5,000

† Member of more than one nationalised industry board

* Who's Who 1984 reference