



NAPM AT 17/1

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Rt Hon Norman Tebbit MP
Secretary of State for Trade and Industry
Department of Trade and Industry
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16 January 1984

Dear Norman

NATIONALISED INDUSTRY REFERENCES TO THE MMC

We have already decided that "an aspect of British Rail" should be included in the 1984 programme of MMC references. The purpose of this letter is to seek agreement that we should refer the British Rail Property Board, and announce this firmly, along with the rest of the programme, next week.

I discussed this yesterday with the Chairman of BR. Bob Reid would welcome an MMC study of the Property Board. It is one of the largest property organisations in the country and administers an estate of some 190,000 acres. In recent years they have - at our instigation - been pursuing a policy of rapid sale of non-operational property, and have contributed nearly £200m to British Rail from that source since 1979. But we shall be coming to the end of that phase in the next year or two, as the bulk of the non-operational portfolio is sold, and the emphasis will need to switch to maximising the commercial return on the property that the railway needs to retain in any case, for its own purposes. In particular this will involve exploiting to the full the potential for commercial development of stations, including joint ventures with the private sector for offices associated with station sites, and the introduction of much more private participation in station catering and other retail outlets.

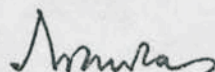
The reference of the Property Board to the MMC would chime very well with the objectives we set Bob Reid in October. We told him that:-

"I should welcome proposals for more private sector finance and participation in the development of stations..... The Board should continue to pursue a vigorous policy of property development and disposal."

So an MMC reference this year could give us a lot of help in stimulating and in evaluating the Board's efforts in these fields.

If colleagues are content I hope that the reference of "British Rail Property Board" can be included in the announcement of the programme early next week.

I am copying this to the Prime Minister, and to members of E(NI) and to Sir Robert Armstrong.



NICHOLAS RIDLEY