

PO-CH/NL/0285

PART A

Part A.

CONFIDENTIAL
(Circulate under cover and notify REGISTRY of movement)

begins: 3/8/89.
Ends: 25/9/89.

APPOINTMENTS - IN - CONFIDENCE.

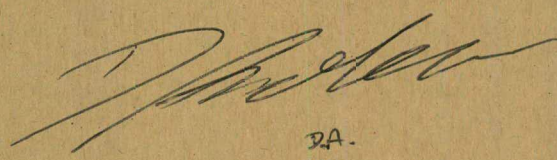

PO -CH /NL/0285

PART A

Chancellor's (Lawson) Papers:

NEW GOVERNMENT BROKER AT
THE BANK OF ENGLAND

Disposal Directions: 25 Years



2A.
18/10/95.

PO -CH /NL/0285
PART A

PRIVATE AND CONFIDENTIAL



BF Thursday

NATIONAL DEBT OFFICE,
ROYEX HOUSE,
ALDERMANBURY SQUARE,
LONDON, EC2V 7LR

~~Mr Gieve~~
Mr Schuster " Sir PEM

Advice please

JC

3 August 1989

The Chancellor of the Exchequer
The Rt. Hon. Nigel Lawson, M.P.
H.M. Treasury
Parliament Street
LONDON
SW1P 3AG

Dear Chancellor,

I am writing to you in your capacity as one of the Commissioners for the Reduction of the National Debt to inform you that Sir Nigel Althaus, Senior Broker to the Commissioners (usually known as the Government Broker), wishes to retire on 28 September 1989.

Since 1985, just prior to changes made to the operation of the gilt-edged market coincidental to the reorganisation of the Stock Exchange, the post of Senior Broker has resided within the gilt-edged division of the Bank of England.

Sir Nigel has recommended that Ian Plenderleith, Assistant Director and Head of Gilt-edged Division at the Bank of England, should be appointed Senior Broker in his place. I understand that the Governor and Deputy Governor of the Bank are content with this recommendation, which I endorse.

I now ask if you will give your approval to the appointment which, if you are in agreement, will enable me to take the necessary action.

Yours sincerely

Ian Peattie

I H Peattie
Secretary and Comptroller General
to the National Debt Commissioners

a -> Mr Schuster

Should the Chancellor send a formal response? If so please supply draft by close on Wednesday.

J.G. Gieve

cu/ see my note on page 2.

I agree. I do not think it is

FROM: R J DEVEREUX (FIM1)
 DATE: 4 August 1989
 EXT: 4648

- 1. MR SCHOLAR *worth the effort to quarrel with his*
- 2. CHANCELLOR *harmless, but pointless,*

cc Sir P Middleton
 Mr Peretz
 Mr Walsh o/r

proposal - Sir P Middleton concurs. MCS 4/8

Not @ G!

GOVERNMENT BROKER

Sir Nigel Althaus, the Government Broker, is due to retire on 28 September. The Bank and Mr Peattie, the Secretary of the Commissioners for the Reduction of the National Debt (CRND), propose that the title of Government Broker should then be transferred to the head of the Bank's Gilt-edged Division (Mr Plenderleith).

2. The Government Broker is the Senior Broker to the CRND, and Mr Peattie has written to seek your approval, as a Commissioner, to Mr Plenderleith's appointment. The Governor and Deputy Governor, who are also both Commissioners, are content with the recommendation.

3. There are no references in legislation to a Government Broker, nor does the position appear in case law. His functions as an independent broker effectively disappeared when the gilt market was reorganised in 1985. At that stage Sir Nigel moved from being Senior Partner at Mullens to being an employee of the Bank. His title still appears in some gilt prospectuses, where he is recorded as certifying the middle market prices paid by the Bank for tranches issued by the Treasury. He has a similar role in valuing the assets of the Issue Department each quarter to determine the Department's profits (which are paid to the Treasury).

4. The certification of prices by the Government Broker had a certain logic in the days of when he was at Mullens; he was in effect a third party between the Bank and the Treasury. It is perhaps a little odd for a Bank employee to now certify the prices of certain transactions between the Bank and the Treasury.

APPOINTMENTS IN CONFIDENCE

DRAFT LETTER

I H Peattie Esq
Secretary and Comptroller General
to the National Debt Commissioners
National Debt Office
Royex House
Aldermanbury Square
London EC2V 7LR

August 1989

Thank you for your letter of 3 August 1989. I am content for Ian Plenderleith to be appointed Senior Broker to the Commissioners for the Reduction of the National Debt.

N L

APPOINTMENTS IN CONFIDENCE

UNCLASSIFIED

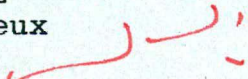
FROM M C SCHOLAR
DATE 20 SEPTEMBER 1989
EXTN 4389

CHANCELLOR

cc Sir Peter Middleton
Mr Peretz
Mr Devereux

GOVERNMENT BROKER

ch/OK?

OK an 

[Michael Scholar sees no absolute
necessity to write to No 10 if
you don't wish to] *MS*

I attach letters

- (i) to Mr Peattie, agreeing that Mr Plenderleith be appointed Government Broker
- (ii) to Sir N Althaus, on his retirement
- (iii) to No 10, informing them of these changes.

MS

M C SCHOLAR

UNCLASSIFIED

UNCLASSIFIED

LETTER FROM MR GIEVE TO

I H Peattie Esq
National Investment and Loans Office
Royex House
Aldermanbury Square
London EC2V 7LR

The Chancellor was grateful for your letter of 3 August.

He has asked me to let you know that he gives his approval to the appointment of Mr Ian Plenderleith as Senior Broker to the National Debt Commissioners, upon the retirement of Sir N Althaus from that post at the end of this month.

[JG]

UNCLASSIFIED

Letter from the Chancellor to

Sir N Althaus
Bank of England
Threadneedle Street
London EC2

I am writing to thank you for all you have done for the public service during your time as Government Broker, during a period of great change for the gilt-edged market and for the authorities.

I wish you a ~~long and happy retirement.~~

*happier & better & what you
choose to do next.*

[NL]

Letter from Mr Gieve to

P Gray - No 10 Downing Street

GOVERNMENT BROKER

The Chancellor has asked me to let you know that he has approved the appointment of Mr Ian Plenderleith, who is the Head of the Bank of England's Gilt-edged division to be Senior Broker to the National Debt Commissioners (the post usually known as Government Broker), upon the retirement of Sir N Althaus from that post at the end of September.

This is now an honorific rather than an operational ~~appointment~~,^{title,} but the Bank continue to find it useful, in their dealings with the markets, to retain ~~the post~~.^{It.} The appointment, ~~carries no~~^{which involves} ~~additional cost~~ for the Government, ~~The appointment~~ will be announced within the next few days.

no remuneration cost

[JG]

APPOINTMENTS IN CONFIDENCE



NATIONAL DEBT OFFICE,
ROYEX HOUSE,
ALDERMANBURY SQUARE,
LONDON, EC2V 7LR

22/9

CH/EXCHEQUE	
REC.	22 SEP 1989
ACTION	Mr Devereux
COPIES TO	Sir P Middlem
	Mr Scholor
	Mr Perez

imp

J Gieve, Esq
Principal Private Secretary to the
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

21 September 1989

Dear Mr Gieve

Thank you for your letter dated 21 September indicating the Chancellor's approval of the appointment of Mr Ian Plenderleith as Broker to the National Debt Commissioners.

As you are aware, Sir Nigel Althaus is retiring from the post on 29 September 1989 and it is usual on these occasions for the Chancellor, in his capacity as a National Debt Commissioner, to write a personal letter of appreciation. I would be grateful if you could arrange for this to be done and I enclose a draft which may be of assistance. The letter should be sent to:

Sir Nigel Althaus
Bank of England
Threadneedle Street
LONDON
EC2R 8AH

Yours sincerely

Ian Peattie

I H Peattie
Comptroller General



DRAFT

As you are about to retire from the post of Senior Government Broker to the National Debt Commissioners I, both personally and on behalf of my fellow Commissioners, would like to express my sincere appreciation of your distinguished service to the Commissioners and to H.M. Government during the seven years you have held that appointment.

I understand that you filled the position of Senior Broker at somewhat short notice following the sad and untimely death of your predecessor Lord Cromwell. Since your move on appointment from Pember and Boyle to Mullens you underwent further upheaval on the reorganisation of the Stock Exchange in 1986, with its consequential changes in the structure and operation of the gilt edged market, when you joined the staff of the Bank of England.

Your period of office has therefore spanned a time of considerable change and both I and my predecessor are most grateful for the assistance and guidance you have provided to the Government and for the professional expertise which you have made available to help us in carrying out our policies. I am pleased to say that you leave your appointment at a time when the Commissioners for the Reduction of the National Debt are once again living up to their official title!

I extend to you and your family my very best wishes for your new life in a long and happy retirement.

BANK OF ENGLAND
LONDON EC2R 8AH

Copy to **Mr John Gieve** (HMT)

21 September 1989

I H Peattie Esq
Secretary and Comptroller General
to the National Debt Commissioners
National Debt Office
Royex House
Aldermanbury Square
London
EC2V 7LR

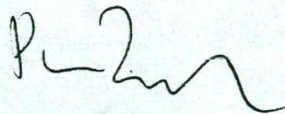
CH/EXCHEQUER	
REC.	22 SEP 1989
ACTION	Mr Devereux
COPIES TO	Sir P. Middleton
	Mr Scholar
	Mr Peretz

Dear Mr Peattie

I am writing to confirm that the Governor and the Deputy Governor of the Bank of England, as Commissioners for the Reduction of the National Debt, agree that, when Sir Nigel Althaus retires as Senior Broker to the Commissioners on 28 September 1989, he should be succeeded in that position by Mr Ian Plenderleith, an Assistant Director of the Bank of England and Head of Gilt-Edged Division.

I am copying this letter to John Gieve (HMT).

Yours sincerely



P M W Tucker
Private Secretary
to the Governor



imp

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 September 1989

Dear Sir,

GOVERNMENT BROKER

Thank you for your letter of 21 September which the Prime Minister has seen. She has noted that the Chancellor has appointed Mr Ian Plenderleith to be Senior Broker to the National Debt Commissioners.

*Yan,
P.G.*

PAUL GRAY

John Gieve, Esq.
H.M. Treasury

26/9

CH/EXCHEQUER	
REC.	26 SEP 1989
ACTION	M Devereux
COPIES TO	Sir P. Middleton
	Mr Scholar
	Mr Perez