



10 DOWNING STREET

From the Principal Private Secretary

22 October 1980

See Brian,

QUEEN'S FLIGHT

The Prime Minister held a meeting this morning with your Secretary of State, Mr. Pattie and the Chief of the Air Staff to discuss the possible re-equipping of the Queen's Flight.

The Defence Secretary said that although the Andovers of the Queen's Flight still had a lot of life left in them, they were ageing and the opportunity to replace them with BAe 1-11s, once lost, would not recur. Moreover, the operating costs of BAe 1-11s would be lower than those of the VC10 and of the Andover. It was important that when The Queen and Senior Ministers went abroad, they travelled in high quality modern British aircraft. On the other hand, the present pressure on the Defence Budget made it virtually impossible for the Ministry of Defence to find the £14m capital cost of the two aircraft, and if it were decided to go ahead with their purchase, he would expect other departmental budgets to contribute towards their cost. But even if some arrangement for sharing the capital costs on these lines could be agreed, there remained the question whether it would be politically wise to spend money buying the BAe 1-11s at a time when there were severe constraints on public expenditure generally. On balance, his instinct was against acquiring the aircraft now.

Mr. Pym added that it had been suggested that rather than buy the two new aircraft which British Aerospace had available, we should re-equip the Queen's Flight with second-hand BAe 1-11s which would be brought up to standard by refurbishment. But he personally did not like this idea: sending The Queen and senior Ministers abroad in second-hand aircraft would not improve our standing overseas.

Mr. Pattie said that not only would the BAe 1-11s be cheaper to operate than both the VC10 and the Andover but it was likely that the capital cost of the aircraft would be partly offset by selling to British Aerospace three Andovers and possibly one HS125. We did not yet have a firm figure for the price we would get, but £3m was the outside figure and it was more likely to be

/£2m or less.

£2m or less. More generally, it might be possible to make out a better case for buying the BAe 1-11s if the re-equipping of the Queen's Flight was seen as part of a wider reorganisation of the RAF's communications aircraft capability as a whole. It was desirable to come to a fairly early decision about the purchase of the BAe 1-11s because British Aerospace had had an enquiry from another potential customer and had made them an offer for the sale of the aircraft which they were now considering.

The Chief of the Air Staff said that there was no defence requirement as such for the BAe 1-11s. If the Air Force Budget had to bear the capital cost of these aircraft, this would mean that there would be less money to spend on the RAF's operational capability.

The Prime Minister said she was in favour of re-equipping the Queen's Flight with the two BAe 1-11s provided their purchase could be justified on economic grounds. She would therefore be grateful if the Defence Secretary could set out as fully as possible the economic arguments for buying the aircraft. In particular it would be important to show how quickly the capital costs could be recovered by savings in running costs. If it was eventually decided to acquire the aircraft, it would be important to bring out that this was the last opportunity for many years to re-equip the Queen's Flight with modern British aircraft.

John ...

Steve Whitman.

Brian Norbury, Esq.,
Ministry of Defence

MR WHITMORE

Miss Stephen

3 October 1980

Defence

To note.
7/10. New box.

Any idea when the meeting on Queen's Flight and SSPF with Francis Pym is likely to happen?

JP

JOHN HOSKYNS

Mr Hoskyns.

Dr was in on 1045 on Wednesday
22 Oct.

Would you like to be there?

Yes please - I

that I should be, being
got P. M. involved in the self thing.
It

the

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In diary
8.10.