

PRIME MINISTER

LLOYDS

Mr Ian Hay-Davison has resigned.

Mr Miller, Chairman of Lloyds, came with Sir Kenneth Berrill (who has a role at Lloyds as well as being Chairman of the Securities and Investments Board) to see Mr Brittan to tell him this. It seems that Lloyds may have been looking to reduce the independence of Mr Hay-Davison's position, and to make him more directly controlable by the membership.

A development of that kind would of course be of concern to DTI as the regulatory authority. But the immediate public line if asked is that his resignation is of course a matter for Mr Hay-Davison, though the Government will necessarily want to take a close interest in developments.

ms

[Handwritten signature]

DAVID NORGROVE

11 November 1985

Lloyds

11/11



CONFIDENTIAL

11/11

Pamie Christie

Newcastle, we should be concerned about proposals to reduce the independence of the Chief Executive.

CONFIDENTIAL

12 November 1985
c. Prof. Griffiths

MR NORGROVE

DBS
12/4

LLOYD'S

I understand that Ian Hay Davison read out his letter of resignation at yesterday's Council Meeting. When it was suggested that some modification might be desirable, he said that he had already sent out copies; and it transpired that he had already seen the DTI without the Chairman or the Council being aware.

I gather that it had always been expected that he would go in 1986, as he had said all the year that he would do so. There was criticism of the administration, particularly the Regulatory Services Department. A Committee was set up under Sir Kenneth Berrill to make recommendations, and it was agreed that the elected Chairman and Deputy Chairman, Ian Hay Davison and certain senior executives, would put recommendations together for this Committee. Disagreement here led Davison to resign.

It was clear that a new Chief Executive would need different terms of reference, because circumstances had changed.

Temporarily Retained.

J. Gray
13/4/2014

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David Hobson

DAVID HOBSON

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