

10 June 1981

Policy Unit

PRIME MINISTER

CIVIL SERVICE PAY: INDEPENDENT INQUIRY

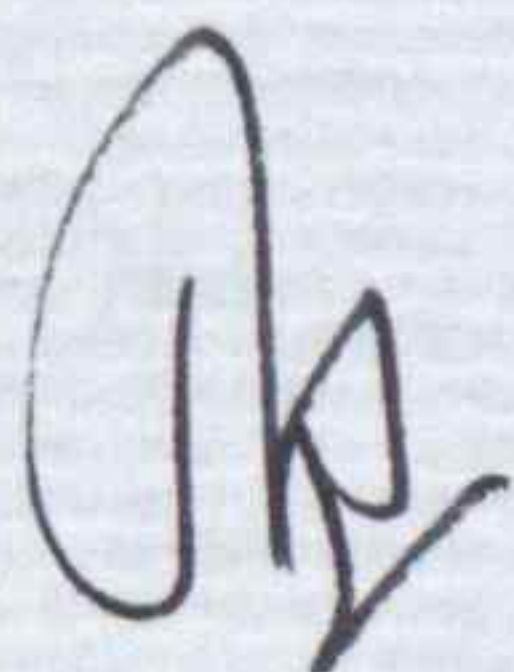
At the meeting of Ministers this morning, we reached tentative agreement on most of the possible members of the Inquiry.

On reflection, it seems to me that we may still be a little short on managers with experience in the personnel field and in particular with the problems of regional variations in pay, to reflect local labour market conditions, since this is one of the main problems in determining Civil Service pay across the country.

I do not know to what extent Ford's, for example, face this problem. Certainly Len Peach, excellent man though he is, will have a rather different experience. As I understand it from Eddie Nixon, IBM individually counsels, appraises and remunerates every one of its 350,000 employees world wide - an almost too perfect model of how it should really be done, and can be done when there is no trade unionisation.

Walter Goldsmith has stressed the need for someone on the Inquiry to be well-versed in this aspect of the problem. He mentioned in particular someone called Peter Brown of Reward Regional Survey as a potentially useful member. I know nothing of him myself, but mention his name in case we want to check him out.

I am copying this minute to those attending today's meeting, and to Sir Robert Armstrong.



JOHN HOSKYNS

*Please make further enquiries, not*