



10 DOWNING STREET

THE PRIME MINISTER

4 June 1979

Mr Edward,

I am writing to let you know, before any public announcement is made, of the Government's decisions on the recommendations contained in the Review Body's Eleventh Report which you sent to my predecessor. May I also take this opportunity to thank you and your colleagues on the Review Body on Top Salaries for the extremely valuable job that you are doing in this whole area. We are grateful.

The Government has accepted as appropriate the salaries you recommended for 1 April 1979, and while we do not feel that it would be practicable to pay them in full from that date we shall introduce them for pension purposes with effect from 1 April 1979. We also accept your recommendation that the actual salaries to be paid as from 1 April 1979 should be those actually in payment prior to your recommendations under the existing staging arrangements plus the difference in each case between the salary you recommended for 1 April 1978 and the 1 April 1979 salary which you now recommend.

I should add that while we have noted that you remain of the view that the completion of the staging process on 1 April 1980 should result in salary levels that are appropriate at that date we have not thought it right to take a decision on that at this stage.

/The Government's

The Government's decisions will be announced by Press Notice at 2.30 tomorrow, Tuesday 5 June, and the report will be published at the same time.

Yours

Raymond

The Right Honourable
The Lord Boyle of Handsworth