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PRIME MINISTER

CABINET, 30 APRIL : REVIEW BODIES

I am sure that from the point of view of our general approach to public sector pay the recommendations of Lord Soames, Mr. Nott and Mr. Jenkin on the TSRB, AFPRB and DDRB respectively are right. But Cabinet ought to look at the consequences for next year.

TSRB

However strong the case for now implementing last year's recommendations of the TSRB, so as to reduce next year's problem, to offer anything more than 7% would make it much harder to settle for 7% this year with the rest of the Civil Service. To offer only 6% to the TSRB groups would be unfair, given the 12½% shortfall on last year's recommendations. So 7% is right.

The TSRB have warned that they will submit a "full report" next year. Its recommendations are bound to be embarrassingly high. That is a further reason for including the TSRB groups in any inquiry into Civil Service pay.

AFPRB

Mr. Nott does not argue the case for acceptance of the AFPRB recommendations; given the strength of the Government's commitment to them, and the fact that the net cost can be presented as being in single figures even though some of the pay increases are much higher, that case is overwhelming.

Acceptance of the AFPRB recommendation will make it harder to settle for 7% with the civil servants; but since the decision is bound to get out there is no point in trying to hold it back until the Civil Service dispute is over. It would however be useful to make it clear in announcing the decision that no similar commitment exists for next year's AFPRB.

/ DDRB

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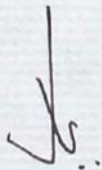
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DDRB

Rejection of the DDRB's recommended 9% pay rise across the board is perhaps more controversial, given the DDRB's more independent role. But the doctors and dentists did very well in the last two years, and the rest of the health service is being asked to settle within the 6% cash limit. Six per cent for doctors and dentists will also considerably help the climate for a settlement with the nurses and the civil servants. For that reason an announcement of the Government's decision should not be too long delayed.

There must of course be no question of giving the DDRB any assurance about the way in which their reports will be dealt with in the future. Reconciliation of the DDRB system with cash limits needs further examination.



J.M.M. VEREKER

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