

✓ EC 3V
Prime Minister I.O.

MS 11/2

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

No 4 - 1/1 looks as if this offer will occur on the day that McLeath reports on ASLCT.

CIVIL SERVICE PAY OFFER 1982

You will recall that on 2 February you chaired a meeting of the Ministerial Group on Civil Service Pay Negotiations (MISC 66(82)2nd meeting) to consider the Government's offer in the 1982 pay negotiations for the non-industrial Civil Service and it was agreed that an offer should be made on the lines of Option B+ in MISC 66(82)6. I undertook to consider the tactical handling and in particular the question of what should be offered at the second meeting with the unions, now being arranged for Tuesday, 16 February, and what should be held in reserve for subsequent negotiation.

2. At a meeting of MISC 66 held today under my chairmanship (MISC 66(82)5th meeting) it was decided that the initial offer should consist of the whole of Option B+ together with the extra elements which had been approved (skill allowances, the shortage grades "kitty", improved leave, the allowance to replace luncheon vouchers, season ticket advances, and group discount for medical insurance). This amounts in practice to about 4 per cent of the pay bill although the offer will not be presented in that way and the increases will, as you know, range from nil to 5½ per cent. Within the 4 per cent cash limit there will still be room both to cover an eventual settlement on London Weighting and to offer a further ½ per cent on the pay bill, if need be, in negotiation.

/The presentation



3. The presentation of the offer next Tuesday both publicly and to the staff is extremely important, and various arrangements are being put in hand following discussion in MISC 66.

4. I am sending copies of this minute to the Secretary of State for Defence, the Secretary of State for Social Services, the Chancellor of the Duchy of Lancaster, the Secretary of State for Employment, the Minister of State, Treasury (Mr Hayhoe), Mr Ibbs and Sir Robert Armstrong.

(G.H.)

11 February 1982