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10 DOWNING STREET

*From the Private Secretary*

Sir Robert Armstrong

HANDLING OF REVIEW BODY REPORTS

The Prime Minister has seen your minute to me of 9 April about handling of the Review Body Reports.

The Prime Minister agrees that the circulation of the reports should be kept to an absolute minimum at this stage. We discussed yesterday whether the Treasury could be allowed to see the two reports so far received and agreed that they should not. I have however told Peter Kemp and Mrs. Lomax the figures for the proposed increases in the Pay Bill for the people covered by the TSRB and AFPRB.

The Prime Minister agrees that when all the reports have been received the Cabinet Office should prepare a note to be considered by a meeting of Ministers. The Prime Minister is content with the cast list for that meeting suggested in your paragraph 7. However she would wish to invite the Chief Whip in preference to the Lord Privy Seal; she would be content for the Paymaster General to be invited in place of the Secretary of State for Employment if Lord Young would prefer that; and she would like Sir Keith Joseph also to be invited.

David Norgrove

15 April 1986

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*DM*



Prime Minister

Ref. A086/1081

MR NORGROVE

Content with these proposals?  
 (I shall have the senior printers prepare  
 the reports for publication, but without  
 actually running copies off, as they

Handling of Review Body Reports (cont'd.)

done 11/4.

Report No 23 of the Review Body on Top Salaries (TSRB) has just been delivered. - it proposes a 6 1/2% increase in the pay bill for people covered by the TSRB.

2. The other Review Bodies - Armed Forces, Doctors' and Dentists' and Nurses and Midwives, and Professions Allied to Medicine - are in the last stages of completion, and can be expected in the next two or three weeks.

3. The fact that the TSRB Report has been signed and delivered makes it unnecessary to have an early meeting on the subject of discretionary pay for Grades 2 and 3. I suggest that that meeting can now wait until after the Minister of State, Privy Council Office, returns from China. When we have that meeting, we shall have to take account of the Review Body's animadversions on the failure of Government to reach a decision and of their reiteration of their support for their recommendations last year.

4. Last year the TSRB's Report came in much later than the others and had to be dealt with separately, but the remaining reports, which came in more or less together at the end of April or early in May, were handled and dealt with together.

5. It seems to me that the sensible course would be to handle all the Review Body reports together this year. I envisage that, once they are all in, the Cabinet Office should be responsible for preparing a note setting out the various recommendations as a basis for discussion among Ministers directly interested. The conclusions and recommendations from



that meeting could then be circulated for discussion in the Cabinet. We should aim at a statement by the Prime Minister before the House rises for the Spring Bank Holiday Recess.

6. I suggest that, until all the reports are in, none of them should be circulated beyond 10 Downing Street and the Cabinet Office. The Treasury are reaching the last stages of the negotiations on Civil Service pay: I understand that the Chancellor of the Exchequer will be seeking authority to go to a final offer of an increase somewhere between 6 and 6 1/4 per cent on the pay bill, and believes that it will be possible to settle the claim on that basis. The recommendation in the TSRB Report for an increase of 6 1/2 per cent on the pay bill for the groups involved is already slightly uncomfortable in relation to that. My understanding is that the figures for the Nurses and Midwives and for the Armed Forces will be more embarrassing than that, and I dare say that the same will be true for the Doctors and Dentists as well. This argues in favour of keeping the circulation of the reports to an absolute minimum at this stage.

*now received - 7 1/2 %*

*7 1/2 % never has it.*

*David [unclear]*

7. When the time comes for a meeting of Ministers directly concerned, it ought to include the Prime Minister, the Lord Chancellor, the Chancellor of the Exchequer, the Secretary of State for Defence, the Secretary of State for Social Services and the Minister of State, Privy Council Office. It would probably be sensible to add to that list the Lord President, the Lord Privy Seal (or the Chief Whip), the Chancellor of the Duchy of Lancaster and the Secretary of State for Employment.

*There may be a case also for including Sir Keith Joseph - for Yes no this relevance to the teachers.*

*for*

ROBERT ARMSTRONG

9 April 1986

