

E

5

SECRET

A086/1381

PRIME MINISTER


Pay Review Body Reports 1986

You are meeting the Ministers primarily concerned, to consider the Government's response to this year's review body reports, on Thursday 8 May 1986. The paper attached to my minute to you of 7 May 1986, which is being copied to all the other participants in the discussion, summarises the recommendations in each case and sets out some options available to Ministers in responding to them.

Questions to be settled

2. The Government needs to reach a view on

- (i) whether the Government should adopt a common approach to all the groups covered by the reports;
- (ii) whether the recommended salary awards should be accepted;
- (iii) whether the awards should be paid in full on 1 April 1986, or their implementation should be deferred or staged;
- (iv) how the money is to be found;
- (v) arrangements for discussion of the issues by the Cabinet;
- (vi) the timing and content of any announcements.


SECRET

It may be helpful to tackle these questions in the order listed above.

A common approach

3. The paybill effects of the 1985 recommendations varied between 6.3 per cent for doctors and dentists and approaching 15 per cent for the top salaries group taken as a whole. Because these widely differing recommendations, which for the most part incorporated substantial elements of pay restructuring, had widely differing implications for the services concerned, the Government adopted different approaches to the armed forces, doctors and dentists, the other medical professions and the top salaries group. This year the paybill increases range from 6.5 per cent in the case of the top salaries groups to just over 8 per cent in the case of the professions allied to medicine (PAMs), with increases of about 7.5 per cent being recommended for the large majority of those concerned. It would thus be much more difficult than last year to explain and justify sharply different treatment for the different groups, given that broadly comparable percentage increases are proposed in each case.

4. The possible exception is the top salaries group, where the Government faced heavy criticism last year for accepting the large increases proposed for the most senior members of the judiciary, civil service and the armed forces. The Chancellor of the Exchequer suggested last autumn that the TSRB should be abolished, leaving the armed forces review body to make recommendations about the pay of the most senior officers, senior civil servants' pay to be settled alongside that of the rest of the civil service, and a new review body to be established to advise on judicial salaries, with the main criterion being whether enough people of the right calibre were willing to accept appointment to the bench. It subsequently emerged that the TSRB were unlikely to make recommendations this year far out of line with what was happening elsewhere in the economy, and officials were therefore asked to



consider, in a longer timescale, possible changes in the TSRB's remit which would emphasise the importance of market factors rather than comparability in determining appropriate pay levels.

5. It would be for the Chancellor of the Exchequer to report in due course on the future of the TSRB. Meanwhile he has suggested that, while the other groups might be treated similarly, the TSRB recommendations should be rejected and the individuals concerned given instead a flat percentage increase broadly in line with expected inflation over the current financial year. The question for Ministers now is whether the benefit from being seen to make an example of the top salaries group would outweigh the difficulty of explaining why such an exception was justified, given the Government's acceptance and defence of the case for last year's major pay restructuring. It is relevant that the distribution of the TSRB's recommendations this year is deliberately skewed to give larger proportionate increases to Grades 2 and 3 (Deputy and Under Secretaries) than to Grade 1 (Permanent Secretaries): Grades 2 and 3 received much more modest increases last year than Permanent Secretaries and High Court Judges (recently promoted Under Secretaries received practically no increase at all), have not had the benefit of the system of performance-related discretionary increments proposed for them last year by the TSRB.

6. I have no doubt that, if the Government decides to abate, stage or defer the Review Bodies' recommendations on the basis of a common approach, the senior civil servants, service officers and judges whose salaries are covered by the TSRB would readily accept that the same approach should apply to them. I think that they would find it hard to understand why a more restrictive approach should be applied to them than to the groups covered by the other Review Bodies: though the figures were high last year, they were (like those for the nurses) part of a restructuring which the Government accepted. Whatever the

political expediency of discriminating against them, it is not clear what objective arguments could be used to justify doing so.

7. If nonetheless you and your colleagues think it necessary to apply more restrictive treatment to the TSRB groups than to the others, I hope that you will consider an alternative approach to the overall abatement suggested by the Chancellor of the Exchequer. That could be to apply the same approach as is applied to other Review Body groups to Grades 2 and 3 in the Civil Service, and to their service and judicial counterparts (Lieutenant General and below, and Circuit Judges) and to give no increases at all to Grade 1 and their service and judicial counterparts (General and above, and High Court Judges and above). That would in effect be to give a sharper skew to the distribution recommended by the TSRB. I do not know what the judiciary would think about this, but I have no doubt that Permanent Secretaries would prefer any discrimination against the TSRB groups to take that form rather than the form proposed by the Chancellor of the Exchequer.

Acceptability of the Awards

8. The question here is whether the proposed increases would create difficulties for Government policy and for the development of the United Kingdom economy sufficient to justify overturing the normal presumption that the Government will accept them unless there are most compelling reasons in the national interest for not doing so. If the recommendations were to be rejected (rather than staged or deferred), the alternative would be for the Government to substitute some pattern of lower increases. The paper canvasses the possibility of 6 per cent increases all round, ie broadly the same as the settlement for the bulk of the Civil Service. Accepting the recommendations (even with staging or deferment) might encourage those Health Service employees whose pay is collectively bargained to hold out for increases comparable with those proposed for nurses and

doctors; but it is questionable whether the difficulty of these negotiations would in practice be greatly increased by acceptance of the Review Body recommendations - the other NHS employees already have before them the example of the local authority manual workers' increase of over 8 per cent, while a settlement at the same level as the Civil Service would be much nearer the increase awarded to the medical professions than has been their experience in recent years.

Deferment or Staging

9. Given acceptance in principle of the Review Body's recommendations, it would still be open to the Government to mitigate their public expenditure effects during the current financial year by deferring their implementation or staging the increases. The problem here is essentially one of Health Service finance: the Ministry of Defence say that they can accommodate within their PES provision this year anything up to implementation of the AFPRB recommendations in full from 1 April 1986. The cost of meeting the DDRDB and NMRB awards in full would be about £200 million more than the Health Departments have available consistently with the achievement of their plans for service improvement (the total NHS budget is about £16.5 billion). As the paper notes, deferment of the increases to 1 July would just about get the cost within this year's cash limits, although this would mean foregoing the planned 1 per cent improvement in the Service. Staging, with a first payment of 6 per cent in line with the Civil Service settlement, would mean cuts in services or a call on the Reserve (or a construction of the two). The argument against deferment or staging is the resentment either would create among the groups affected (and also within the review bodies); deferment creates a particular inequity in the case of members of the armed forces and the judiciary retiring between 1 April 1986 and the date of implementation, since these individuals would thereby be deprived permanently of all benefit from the increases. Staging would have a comparable, but of course much smaller, effect.



Impact on Public Expenditure Programmes

10. The paper makes clear the Treasury's strong determination to prevent the Review Body recommendations from resulting in payments out of the Reserve. In the case of defence, where the proportion of total expenditure absorbed by equipment has increased substantially in recent years, the costs of the award can be found without too much difficulty by trimming expenditure on equipment. It appears that the Ministry of Defence were expecting to have to find the resources to meet a 7 per cent increase in armed forces' pay; the cost of the recommendations over and such an increase is only about £13 million. In the case of the Health Service, implementation in full on 1 April would inevitably result in cuts in services or a claim on the Reserve, and even in the case of staging Ministers would face this difficult choice to some degree, unless the first stage from 1 April was something less than 6 per cent. The proposed increases for senior civil servants and military officers present no particular financial problems, but there is a difficulty in the case of judicial salaries where the Lord Chancellor's Department apparently have no flexibility to transfer funds to meet the excess costs of about £½ million in 1986-87.

Discussion by the Cabinet

11. Provided that the Minister directly concerned are in agreement on a response to the Review Body recommendations, it is intended that the matter should be put before Cabinet next week (on 15 May). If, however, there are significant differences of view, it may be necessary to hold a further informal meeting in advance of the Cabinet discussion. But there is no advantage in postponing Cabinet consideration; the only effect would be to delay progress on other public sector pay negotiations, and there would be a risk of increasing speculation in the meanwhile about the contents of the reports: there have been leaks over the weekend, which the Treasury are

inclined to attribute to the Ministry of Defence and the Ministry of Defence are inclined to attribute to the Treasury.

Method and Timing of an Announcement

12. The normal arrangement in recent years has been for you to announce the Cabinet's decision by Written Answer on the day of the Cabinet discussion. This forestalls speculation, and limits the scope for questioning. No Parliamentary procedure is required to implement any of the decisions, except that

Affirmative Resolutions are required to maintain the Lord Chancellor's £2,000 a year pay lead over the Lord Chief Justice.

Last summer the need for this was used as the occasion for much criticism of the Government's decision on the TSRB recommendations. It is perhaps for consideration - particularly given that the TSRB recommendations for Permanent Secretaries, etc are the smallest of all this year's proposed increases - whether announcement by means of an oral statement might be effective in defusing criticism which would otherwise be made when the Order fixing the Lord Chancellor's salary is put before Parliament. On the other hand it would set a precedent which could be embarrassing in subsequent years.

HANDLING

11. Subject to any views of your own which you may wish to express at the beginning of the discussion, it would be appropriate to begin by inviting the Departmental Ministers primarily concerned - the Secretaries of State for Social Services and Defence and the Lord Chancellor - to indicate their positions on the Review Body Reports. The Chancellor of the Exchequer and the Chief Secretary, Treasury will then wish to make the case for excepting the TSRB Group from any common Government approach, and for action to reduce the paybill costs in the current financial year by deferment or staging. The Lord President and the Chancellor of the Duchy of Lancaster will wish to comment on the political aspects of the decision, and in particular on the acceptability of deferment or staging, and on



the consequences for the Health Service of the alternative options. The question may arise of the future of the TSRB, since rejection of that Body's recommendations might be thought to open the way to its abolition. Since no analysis of the possible options for future arrangements for determining the salaries of the groups concerned, and their implications, has yet been put before Ministers, it would seem preferable to avoid any hasty decision; this is an issue which can be tackled in a longer timescale, once the Cabinet has taken decisions on the immediate Review Body recommendations.

TAB

for ROBERT ARMSTRONG

7 May 1986

ECON. POL. TS RB PT 8.



COMPTROLLER

ST. LOUIS



SECRET

CC BA
B/UP
BAJP

for meeting folder
4

Ref. A086/1375

PRIME MINISTER

1986 PAY REVIEW BODY REPORTS

You are to have on 8 May a first discussion with the Ministers most directly concerned of the 1986 Pay Review Body Reports and the Government's response to them.

2. The attached paper has been prepared by the Cabinet Office following a meeting I had with the relevant Permanent Secretaries. It summarises the reports and sets out a variety of options for Ministers to consider. It has been arranged provisionally for the Cabinet to consider the reports at their meeting on 15 May, on the basis of a paper I would prepare in the light of the discussion at your meeting on 8 May.

3. I am sending copies of this minute, and of the attached paper, to the Lord President of the Council, the Lord Chancellor, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Defence and Social Services, the Chancellor of the Duchy of Lancaster, the Paymaster General, the Chief Secretary, Treasury and the Minister of State, Privy Council Office.

MS

for

ROBERT ARMSTRONG
Cabinet Office

7 May 1986

SECRET

PAY REVIEW BODY REPORTS 1986

Decisions are required on the five pay review body reports - armed forces, doctors and dentists, nurses, professions allied to medicine and top salaries - all of which have been received shortly after the due date of 1 April. The broad shape of the increases proposed in each report is summarised at Annex A. Annex B summarises the costs.

2. This note has been agreed with the Permanent Secretaries of the Departments concerned.

3. The main questions for Ministers to consider are:

- a. should the Government respond in a broadly similar way to all the reports, or should different policies be adopted in each case?
- b. What should be the Government's response to the proposals?
- c. Timetable for decisions and announcements.

Similar or different treatment

4. In 1985 the review bodies' reports proposed widely differing average increases for the groups concerned, with a substantial element of pay restructuring in all cases other than doctors and dentists. The Government accordingly responded differently to the individual reports; that for the armed forces was implemented in full on 1 April; doctors and dentists received their full increase on 1 June; and the other recommendations were staged in different ways. The 1986 reports contain only minor elements of salary restructuring (with somewhat higher increases proposed for hospital consultants and certain armed forces officers), and the increases and their paybill effects are in general close to the 7.5 per cent current rate of

increase in average earnings throughout the economy. But they are well above the 6 per cent settlement being accepted by non-industrial civil servants, and the Government's aim for other public service negotiations later in the round. Against this background it is suggested that on this occasion the Government should adopt a common approach to all the reports.

The options available

5. Assuming a common approach, it is suggested that the choice is between four possible courses of action (listed in declining cost order):

- a. to implement the proposals in full on the date recommended, i.e. 1 April 1986;
- b. stage the implementation of the recommendations, e.g. by giving increases of 6 per cent (the increase agreed for non-industrial civil servants) on 1 April and paying the balance in each case from, say, 1 February 1987;
- c. to abate all the recommendations to a common figure, e.g. 6 per cent (the increase to be paid to non-industrial civil servants) and implement the agreed increases from 1 April 1986;
- d. defer implementation of the proposed increases until 1 July, which would reduce the paybill cost in 1986-87 to just under 6 per cent;

The costs and the percentage increases in the paybill in 1986-87 are summarised in the attached table.

6. The Treasury has suggested that, whatever approach may be adopted for the other reports (they do not disagree that it should be a common approach), the TSRB groups should be given a lower increase. Last year, these groups had a levels survey; the principal recommendations made as a result of that survey, which gave an overall increase of about 12 per cent in the pay bill and much larger increases in salary rates at the highest levels, have now

been implemented.* The Treasury suggest that it should be sufficient this year to increase the salaries currently in payment broadly in line with inflation: this would mean abating the TSRB recommendations from 6.5 per cent to 4.2 per cent. This would still maintain adequate differentials between brigadiers and major-generals; and grades 5 and 3.

Relevant considerations

7. In reaching their decisions Ministers will need to take into account the finance available, the impact of alternative courses on the groups concerned and on the pay review bodies, and wider pay policy, political and presentational aspects. Very large sums of money are involved and the Treasury consider it to be of great importance that the cost of the awards should be accommodated without recourse to the Reserve this year and from within existing Departmental public expenditure provisions for both this and future years.

8. Payment in full on 1 April would be well received by the groups concerned and the review bodies; and although the increases are higher than we could wish, with the prospect of inflation falling below 4 per cent, they are not out of line with 'going rates' of increases in earnings elsewhere in the economy, or indeed with the figures agreed for teachers and for local authority manual workers (around 8 per cent). They would therefore seem unlikely to add significantly to the pay pressures in the trading sector of the economy. But, implementation in full, when the Civil Service unions are seen to be signing up on 6 per cent, would certainly add to the difficulties with the collectively-bargained NHS groups, and would undermine the Government's efforts to encourage local authority employers to seek moderate settlements. Above all, the problem is finance; while the defence budget could with difficulty absorb the 7.5 per cent increase proposed in the services paybill,** by reallocating funds from the equipment programme, in the case of the national health service (NHS) the increases could be met in full only by reductions in patient care or by the provision of additional

*The Government have not yet taken a decision on the recommendation in the 1985 TSRB report for discretionary performance-based increments for Civil Servants in Grades 2 and 3 (Deputy and Under Secretaries). The TSRB has this year recommended proportionately higher increases for these grades than for those in Grade 1 (Permanent Secretaries): abatement would thus bear more heavily on them, and would be seen as a second blow, coming on top of the failure so far to implement the recommendation for discretionary increments.

**Which accounts for about 18 per cent of the defence budget.

funding from the Reserve (or some combination of the two). The NHS has about 4.5 per cent available to meet higher wage costs, and up to a further 1 per cent might be found by drawing on efficiency savings at the expense of planned improvements in services. Beyond a 5.5 per cent increase in overall pay bill costs - i.e. for review body and non-review body groups together - ward closures, etc. could only be avoided by drawing on the Reserve.* Thus the NHS would in effect just about meet the cost of option d (deferment of implementation until 1 July) without reductions in patient care or calls on the Reserve: the other options would be increasingly difficult to finance. In the case of top salaries the amounts at stake are small in relation to the Government's total wages and salaries bill, and the increases are not far out of line with the allowances in Departmental running costs and the with the actual settlement being concluded with the civil service unions. But the Lord Chancellor's Department cannot absorb an increase of more than 3 per cent in judicial salaries without a claim on the Reserve.

9. Abatement would substantially reduce the financial problems, but would be widely resented by all the groups concerned, and would call in question the review body arrangements; the Government have undertaken to implement the review bodies' recommendations unless there are clear and compelling reasons for not doing so.

10. Deferment and Staging would also reduce the financial pressures in 1986-87 but - unlike abatement - not in later years. The report on doctors

* The Family Practitioner Service is not cash-limited, but demand-led, and would result in an automatic call on the Reserve.

and dentists complains strongly against the Government's repeated failure in recent years to implement its proposals in full on the due date. The Secretary of the Royal College of Nursing has argued that, following the lengthy delay imposed on nurses' receipt of the benefits of last year's pay restructuring, this year's award should as a matter of principle be implemented in full on the due date. So far as the armed forces are concerned, the Government has only once done other than implement the recommendations of the AFPRB in full: that was in 1984, when the implementation was staged.

11. Changing the recommendations, whether by deferment or staging would have a particularly sharp impact on the pensions of members of the judiciary and the armed forces (at all ranks) retiring between 1 April and the date of full implementation; this is because pensions are calculated on the basis of salaries in payment on the last day of service rather than on the average for the last twelve months of service. There would be comparable, although lesser effects on the members of the other groups. The report on doctors and dentists specifically makes this point.

1986 REVIEW BODY REPORTS: SOME OPTIONS

<u>Option</u>	<u>1986-87 Paybill (Cost (%))</u>					<u>1986-87 Paybill Cost (£m)</u>	
	<u>AFPRB</u>	<u>Nurses</u>	<u>PAMs</u>	<u>DDRB</u>	<u>TSRB</u>	<u>RB figures (which exclude ERNIC & Pensions for NHS RBs)</u>	<u>RB figures (plus allowance for ERNIC & Pensions for NHS RBs)</u>
1. Accept in full from 1 April 1986.	7.46	7.8	8.2	7.6	6.5	707	779
2. Abate to 6% from 1 April 1986.	6	6	6	6	6	554½	611½
3. Defer: Implement in full from 1 July 1986 reducing cost to about 6%.	5.6	5.85	6.15	5.7	4.9	530½	583½
4. Stage: 6% from 1 April 1986. Balance from 1 February 1987.	6.24	6.3	6.37	6.27	6.08	579½	638½

Notes

1. All options show similar treatment for all RBs. Greater differentiation would be possible.
2. Where actual recommended rates for individuals are below the option shown, the rate actually recommended would be paid. The costings of options 2 and 4 are therefore slightly overstated, but there are only a relatively very small number of rates involved and the effect is not material.

Pay Review Body Reports 1986Examples of Proposed IncreasesARMED FORCES PAY REVIEW BODY (AFPRB)

Individual increases range from 5.5 to 9.5 per cent. The number affected is 323,000.

2. Increases for selected ranks are:

	Current	Proposed	Percentage Increase
Brigadier and equivalent	29,401	32,160	9.4
Major and equivalent	15,443-18,509	16,721-20,049	8.3 →
Sergeant and equivalent	9,088-10,939	9,793-11,793	7.6-7.8
Private I and equivalent	6,344-8,026	6,811-8,625	7.4-7.5
Private IV	5,000	5,274	5.5

REVIEW BODY FOR NURSING STAFF, MIDWIVES, HEALTH VISITORS
AND PROFESSIONS ALLIED TO MEDICINE (NRB)

- a. NRB recommendations for nursing staff, midwives and health visitors

SECRET

3. The number affected is some 487,000. Individual increases range from 5.4 to 8.0 per cent.

4. Increases for selected grades are:

	Current	Proposed	Percentage Increase
Regional Nursing Officer (RI)	21,520-27,550	23,240-29,750	8.0
District Nursing Officer (England) (DHAI(T))	21,060-26-580	22,745-28,705	8.0
Nursing Sister II	<u>7,480-10,000</u>	<u>8,070-10,800</u>	8.0
Staff Nurse/Staff Midwife	<u>6,000-7,175</u>	<u>6,475-7,750</u>	8.0
Nursing Auxiliary/Assistant (age 18 or over)	3,950-5,120	4,265-5,525	8.0
Nursing Cadet/Student Nurse	3,680-4,945	3,880-5,290	5.4-7.0

b. NRB recommendations for professions allied to medicine (PAMs)

5. The number affected is some 38,000. Individual increases range from 6.5 to 8.0 per cent.

6. Increases for selected grades are:

	Current	Proposed	Percentage Increase
District I Physiotherapist etc	14,880-15,410	16,075-16,645	8.0
Basic Grade	<u>6,200- 7,450</u>	<u>6,695- 8,045</u>	8.0
Trainee Remedial Gymnast	5,300	5,645	6.5

DOCTORS AND DENTISTS REVIEW BODY (DDRB)

7. The total number affected is some 101,000; of these 56,000 are in the hospital and community health service and 45,000 in the family practitioner service. Individual increases range from 6.8 to 9.6 per cent.

8. Increases for selected grades are

	Current	Proposed	Percentage Increase
Consultant	21,460-27,700	23,500-30,340	9.5
General medical practitioner (intended average net remuneration after practice expenses)	23,440	25,080	7.0
General dental practitioner (<u>target average net income</u>)	20,280	<u>21,700</u>	7.0
Registrar	10,760-13,030	11,510-13,950	7.0
House Officer	7,610- 8,590	8,140-9,180	6.9

TOP SALARIES REVIEW BODY (TSRB) ON HIGHER CIVIL SERVICE, SENIOR SERVICE OFFICERS AND THE JUDICIARY

9. The numbers affected are some 660 higher civil servants of Under Secretary rank and above; 206 senior armed forces of the rank of Major General (and equivalent) and above; and 1,084 members of the judiciary. Individual increases range from 5.3 to 7.3 per cent.

10. Increases for selected grades are:

	Current	Proposed	Percentage Increase
Permanent Secretgary/General and equivalent	60,000	<u>63,500</u>	5.8
Deputy Secretary (after one year's service)/Lieutenant General and equivalent	42,000	44,500	6.0
Under Secretary (after two years' service) <u>Major General and equivalent</u>	<u>34,000</u>	<u>36.250</u>	<u>6.6</u>
Lord Chief Justice	75,000	79,000	5.3 .
High Court Judge	60,000	63,500	5.8 .
Circuit Judge	40,000	42,500	6.2 .

1986 REVIEW BODY REPORTS

<u>Review Body</u>	<u>GB Cost of Recommendations (£m)(a)</u>	<u>Numbers covered</u>	<u>Increase in paybill (%)</u>	<u>Range of increases (b) (%)</u>
Armed Forces	233.6 (c)	323,000	7.46	5.5 to 9.5
Nurses	280.8	482,000	7.8	5.4 to 8.0
Professions Allied to Medicine	26.2	36,190	8.2	6.5 to 8.0
Doctors and Dentists:				
(a) Hospital Service	89.0	53,300)	6.8 to 9.6
(b) Family Practitioner Service	72.0	48,000) 7.6	7.0
Total	<u>161.0</u>	<u>101,300</u>		
TSRB	4.9	1,951	6.5	5.33 to 7.38
	<u>706.5</u>	<u>946,641</u>		
NHS NICs and Superannuation (see footnote a)	<u>73.0</u>			
Total	<u>779.5</u>			

Notes

- (a) Costs taken from Review Body reports. The Nurses, PAMs and Doctors/Dentists costings exclude employer NICs and superannuation. The approximate cost (Treasury estimates) of including them are:

	<u>NICs/Superannuation</u>	<u>Total</u>
Nurses	45	325
PAMs	4	30
Doctors and Dentists	24	185

- (b) Increases for armed forces, nurses, PAMs, doctors and dentists are weighted in favour of the higher paid grades, who receive the highest percentage increases. The TSRB recommendations are weighted towards the lower paid grades within the groups covered with the largest percentage increases recommended for Under Secretaries and the lower judiciary. [Paybill increase for PAMs exceeds range because the range refers to basic salaries, whilst some are large (up to 30%) increases in allowances recommended.]
- (c) Gross cost of recommendations. Recommended increased changes of £16.2m give a net cost of £217.4m.
- (d) Defence Budget (cash-limited) £18,525m
Hospital and Community Health Services (cash-limited) £12,414m (GB)
Family Practitioner Services (non-cash-limited) £4,045m (GB).

COSTING OF OPTIONS

1986-87 Cost (£m)

Review Body Costings (ie excluding ERNIC/Superannuation for NHS RBs)

<u>Option</u>	<u>Nurses</u>	<u>PAMs</u>	<u>DDRB</u>	<u>NHS Total</u>	<u>AFPRB</u>	<u>TSRB</u>	<u>TOTAL</u>
1. Accept in full from 1 April 1986	281	26	161	468	234	5	707
2. Abate to 6% from 1 April 1986	216	19	127	362	188	4½	554½
3. Defer: Implement from 1 July 1986, reducing cost to about 6%.	211	20	121	352	175	3½	530½
4. Stage: 6% from 1 April 1986. Balance from 1 February 1987.	227	20	133	380	195	4½	579½

COSTING OF OPTIONS

1986-87 Cost (£m)

Review Body numbers plus an allowance for ERNIC/Superannuation for NHS RBs.

<u>Option</u>	<u>Nurses</u>	<u>PAMs</u>	<u>DDRB</u>	<u>NHS Total</u>	<u>AFPRB</u>	<u>TSRB</u>	<u>TOTAL</u>
1. Accept in full from 1 April 1986.	325	30	185	540	234	5	779
2. Abate to 6% from 1 April 1986.	251	22	146	419	188	4½	611½
3. Defer: Implement from 1 July 1986, reducing cost to about 6%.	244	22	139	405	175	3½	583½
4. Stage: 6% from 1 April 1986. Balance from 1 February 1987.	263	23	153	439	195	4½	638½