

E.R.

cc B/JP

PRIME MINISTER

PAY REVIEW BODIES - PRESENTATION

This note on the presentation of the pay review body reports may be helpful in advance of your meeting tomorrow.

Assuming approval at Cabinet on Thursday, it is proposed that they should be announced as last year at 4pm on Thursday by Written Answer. I would propose to brief the Lobby at 3.45pm under strict embargo. This is OK because Lobby rules prevent anyone leaving until the briefing is over and that could not be before 4pm.

You will, however, wish to satisfy yourself that it is right not to make an oral statement; the precedents are against this.

In the absence of an oral statement, the Written Answer will be our main presentational vehicle. It therefore needs to put the Government's case in the simplest and most persuasive manner.

The issues which need meeting head on are:

- the justice of the decisions both as between review bodies and between others outside the public service
- why, given the Government's concern about the level of pay settlements, a better example is not being given - eg why should top salaried people get 4.2% when inflation is now 3%?
- is the Government going to ask the Review Bodies to take into account the lower level of inflation when they make their next recommendations. Does the

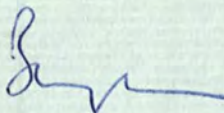


Government expect that much lower settlements will be recommended next year - eg would it expect the TSRB to cut next year's recommendation by 1.2% (difference between 3% and 4.2%)?

- how is it that yet again review boards have given, in most cases, more to those at the top and less to those at the bottom of the salary ranges under review?
- whether the system of review bodies is to continue unchanged, and if so why no abolitions?
- what effect does the Government expect its decision on the board reports to have on wider pay bargaining.

If these questions are not dealt with explicitly or implicitly in the statement they should be covered by a Q and A brief.

You may well feel there ought to be a speaking note for the Whips Office which deals with the overall justice of the Government's decisions and clearly brings out the different treatment of those on top salaries as compared with nurses. In addition, the note should set out all the good things that the Government has done for nurses.



**BERNARD INGHAM**

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