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Ref. A03889

MR LANKESTER

PAY REVIEW BODIES

Print Minto

he had a word
about this yesterday.

If you agree, I will
go ahead and set
up the three
meetings.

When E Committee discussed the three Pay Review Bodies on 16 December they agreed on a sequence of events designed to put pressure on the Bodies to be moderate in their recommendations. The first step in each case was for the Review Body Chairman to be seen by Ministers so that they could be given an oral briefing of the Government's attitude. No decision was however taken on which Ministers should undertake this task, nor on who should co-ordinate briefing for the meetings. 17 27/12

2. I believe that the Prime Minister had in mind that the departmental Ministers concerned - the Lord President, the Defence Secretary and the Social Services Secretary - should each see the Chairman of his own body. Sir Robert Armstrong is not sure that this would be the best way of going about it. It would put the three Ministers into a potentially embarrassing position, if it became known to the "client" groups - the Civil Service trade unions and the Judges, the doctors' and dentists' unions and the armed forces - that they had thus been trying to "lobby" the Chairmen against their interests; and they might for this reason be less effective than one would wish. All three Review Bodies are appointed by and report to the Prime Minister, and Sir Robert Armstrong thinks - and the Departments concerned agree - that this is a task which she had better take on herself, with the departmental Ministers present. The most economical way - in terms of her time - would be for her to see them all three together; but if she could spare the time there would be something to be said for taking them on separately, starting with Lord Plowden (vice Lord Boyle), who is perhaps likely to be the most receptive.

3. If the Prime Minister agrees with his proposal, the Treasury - who should also be ministerially represented at the meeting (or meetings) - will co-ordinate the briefing. Perhaps you could send a Private Secretary letter round to the Ministerial Private Offices concerned, conveying the Prime Minister's decision.

D. J. Wright

D J WRIGHT

23 December 1980

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cc N Lykester -

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nyw

22 December 1980

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Dear Peter,

PAY REVIEW BODIES

In his absence on leave, Peter Dixon has asked me to write to you about the follow up to the decisions in E Committee (E(80)44th Meeting, Item 1) about Pay Review Bodies.

It seems to us that it would be helpful to have a discussion as soon as possible after Christmas in PSP(O) to go over the following matters.

(a) The E Committee minutes say that "Ministers" should approach the Chairmen of the Review Bodies to persuade them to take account of the present economic climate, but do not say which Ministers. There seem to be two possibilities: either individual sponsoring Ministers (Secretaries of State for Defence and Social Services and the Lord President), or the Prime Minister herself. We suggest that it would be best for the Prime Minister to make the approach. This will ensure that the approaches to the various bodies are consistent; the Review Bodies report to the Prime Minister; and, as the Prime Minister will presumably have to send the follow up letters envisaged by E, it would be simplest for her to make the initial approach.

(b) Whoever sees the Chairmen it will be necessary to concert briefing. It would probably be as well if the briefing contained the draft of appropriate follow-up letters, as mentioned in (a) above. There needs to be some discussion between departments.

(c) The Government evidence to all the Review Bodies will need to contain material on the economic situation and the importance of cash constraints. The terms of evidence on this point to all three bodies ought to be as similar as circumstances permit. We have put the preparation of a draft in hand, and will circulate it to PSP(O).

If you agree, no doubt the Cabinet Office will make the appropriate arrangements for a meeting.

I am sending copies of this letter to those shown on the attached list.

Yours sincerely,

M S BUCKLEY

M S BUCKLEY

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