

await RTA
advise

AO
JV

(1)



Prime Minister

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

Past papers attached.
Please see Sir R Armstrong's
Do you wish advise
(Mug. I)
to see the Chairmen
yourself, with the
Chancellor?

PRIME MINISTER

I think it is a mistake to
see them regularly. I wonder if a
letter would be better, stating

Or would you prefer that

THE PAY REVIEW BODIES

that we shall refer in powerful
economic evidence etc.

John Mott, Norman Fowler, and the
Chancellor saw them?

A couple of months ago the Sub-Committee on Public Service
pay (E(PSP)) discussed what the Government's attitude to
the pay review bodies should be in the present pay round;
and I minuted you on 30 October about the outcome of that
discussion. One of the conclusions which I recorded was
that there would be advantage in your and my meeting the
Chairmen of the review bodies, as we did before they produced
their 1981 reports.

MES 15/1

Flag A

2. In responding to my minute, your office reported - on
11 November - that you were doubtful about this suggestion,
but had come to no firm conclusion. We do now need to come
to a decision both on whether there should be Ministerial
contacts with the review bodies in advance of their 1982
reports, and if so on which Ministers should be involved.

Flag B

3. My view remains that we should proceed as last year,
and that you and I should see the Chairmen. The Secretary
of State for Defence strongly supported this view in his
minute of 9 November. The handling of the review body reports
may be more difficult this year than last, and we do not want
to give the review bodies the impression that we attach less
importance this year to getting recommendations which can
be reconciled with our wider economic objectives.

Flag C



4. But if you feel otherwise, I think we must ensure that there is at least some Ministerial contact with the Review Bodies. What I would suggest is that the Ministers most closely concerned should see the respective Chairmen. (John Nott, Norman Fowler, and myself for the AFPRB, DDRB, and TSRB respectively.) I would be grateful for your views.

5. I am copying this minute to other members of E Committee, to the Lord Chancellor, and to the Secretaries of State for Scotland and Wales, and to Sir Robert Armstrong.

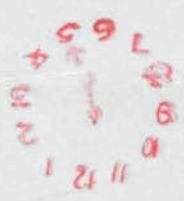
A handwritten signature in black ink, appearing to be 'G.H.' with a flourish.

(G.H.)

15 January 1982



GORDON



15 JAN 1982

File

ds



10 DOWNING STREET

From the Private Secretary

21 January 1982

cc CO
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The Pay Review Bodies

The Prime Minister was grateful for the Chancellor's minute of 15 January about the possibility of a Ministerial meeting with the Chairmen of the Review Bodies.

The Prime Minister thinks that it would be a mistake for Ministers to see the Chairmen regularly in the way proposed, and has suggested instead that letters be sent stressing that the Government will be putting in powerful economic evidence to the Review Bodies.

I am copying this letter to the Private Secretaries to the other members of E Committee, Michael Collon (Lord Chancellor's Office), Muir Russell (Scottish Office), John Craig (Welsh Office) and David Wright (Cabinet Office).

M. C. SCHOLAR

John Kerr, Esq.,
HM Treasury.

CONFIDENTIAL

He

bc J. Vencker

MR SCHOLAR

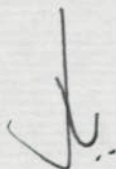
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P. 9. (PM saw
and did not comment)

MUS 22/1

TSRB: ECONOMIC EVIDENCE

I do have one comment on the draft evidence for the TSRB suggested by the Treasury. Para 9 makes considerable play of affordability. Both because Ministers may wish to treat the TSRB groups rather differently this year, and because the staff involved are a tiny proportion of the total staff covered by cash limits, I think this paragraph is best omitted (and ^{the} related ~~the~~ Annex 2A).



J. VEREKER

20 January 1982

Ref. A07182

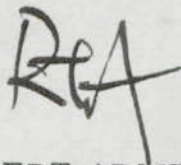
MR WHITMORE

TPM - The Chancellor of the Exchequer sent me a copy of his minute of 15 January, expressing the view that the Prime Minister and he should see the Chairmen of the three pay review bodies.

2. For reasons which I indicated to you when his suggestion was first made in November (my minute of 11 November A05937), I think that it would be preferable for the Prime Minister not to see the Chairmen on this occasion - or, at any rate, not to see the Chairman of the Top Salaries Review Body.

3. I should be in any case inclined to think that it would be a mistake to get into any kind of habit whereby the Prime Minister regularly saw the Chairmen of the review bodies at this stage of their reviews; if it were to become a habit, it would be very difficult to discontinue it without disproportionate significance being read into that.

4. If there is to be any Ministerial contact with the review bodies of a kind which is intended to put the Government's point of view on public sector pay and cash limits, one possibility might be that it should come from the Ministers principally concerned, as suggested in paragraph 4 of the Chancellor's minute. It is arguable, however, that that would put at least the Secretaries of State for Defence and Social Services in an invidious position vis-a-vis the groups whose salaries the review bodies are advising on. Moreover, on that basis it would be arguable that the Chairman of the TSRB should be seen not only by the Chancellor of the Exchequer but also by the Lord Chancellor and the Secretary of State for Defence (because they deal with the judiciary and with senior officers in the armed services). These difficulties could be avoided if all three Chairmen were to be seen, either together or in turn, by the Chancellor of the Exchequer.



ROBERT ARMSTRONG

18 January 1982



Bevan P. 1
✓ JV

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

29 January 1982

Michael Scholar Esq.
10 Downing Street
LONDON
SW1

CF.

No further action.

Dear Michael,

Mus 29/1

THE PAY REVIEW BODIES

Thank you for your letter of 21 January.

The Chancellor has asked me to point out that economic evidence has already been submitted to the DDRB, and will be submitted very shortly to the other review bodies. It might therefore best meet the Prime Minister's wishes if economic evidence submitted to the TSRB and AFPRB were to go under cover of letters, from the Chancellor and the Secretary of State for Defence respectively, emphasising the importance the Government attaches to the arguments in it. Government representatives giving oral evidence to the review bodies would of course repeat this message.

Unless he hears to the contrary, the Chancellor will assume that this is acceptable to the Prime Minister.

I am sending copies of this letter to the other recipients of yours.

Yours ever
J.O. Kerr

J.O. KERR
Principal Private Secretary

29 JUN 1982



COMPTON