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*C JV*  
Prime Minister (1)

PRIME MINISTER

*Yes mt*

Agree X (see John Verheij's note, attached)?

MEGAW AND THE FUTURE OF THE TOP SALARIES REVIEW BODY

*MUS 15/10*

Ahead of the meeting on the Megaw Report which we both envisage, it would be useful to reach an early decision on whether we intend to continue to use the TSRB to advise us on the pay of the Higher Civil Service.

The urgency arises because the TSRB are already preparing for their reviews for 1983 (including this time a special review of the pay of MPs and Ministers). We need to tell them whether we look to them to report on the pay of the Higher Civil Service as at 1 April 1983.

I believe that they have a continuing role in this area. Megaw argued that it would be inappropriate for rates of pay for the Higher Civil Service to be settled by negotiation and that decisions should be taken by the Government in the light of external and published advice. I agree with this, and if we are to seek external advice there is much to be said for leaving the task with the TSRB.

The TSRB will also want to know whether we expect them to take into account this time Megaw's various recommendations on the pay structure of the Higher Civil Service (including for example the proposal that there should be varied rates of pay for Permanent Secretaries and Deputy Secretaries according to the weight of individual jobs). I am sure that we need more time to form our views on these recommendations; not least because, in some cases, there are links with issues affecting the pay of lower grades which will not be resolved quickly. I concluded that we should tell the TSRB that we do not expect them to reflect these Megaw recommendations in their advice on the pay rates for 1983.

X /



If it is agreed, we might announce our decision on the continuing role of the TSRB as soon as the House returns, perhaps by a low key PQ.

I am copying this minute to other members of MISC 83, the Lord Chancellor and the Lord President.

(G.H.)

13 October 1982



cc: HMT *Econ Pol* *289*  
 DHSS  
 D/M  
 LPS  
 M/S, MOD  
 Mr. Le Cheminant (HMT)  
 CPRS



10 DOWNING STREET

bc: Mr. Vereker

*From the Private Secretary*

18 October 1982

The Prime Minister considered over the weekend the Chancellor's minute of 13 October about the role of the TSRB in decisions on the pay of the higher Civil Service.

The Prime Minister agrees that the TSRB have a continuing role in this area; and that they should be told that the Government does not expect them to reflect Megaw's various recommendations on the pay structure of the higher Civil Service in their advice on pay rates for 1983.

I am sending copies of this letter to the Private Secretaries to the other members of MISC 83, David Staff (Lord Chancellor's Office) and David Heyhoe (Lord President's Office).

M.C. SCULLAR

Miss Margaret O'Mara,  
 H.M. Treasury.





DEPARTMENT OF HEALTH & SOCIAL SECURITY  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522

*From the Secretary of State for Social Services*

Prime Minister (2)

NHS 9/11

8 November 1982

The Rt Hon Sir Geoffrey Howe QC MP  
 Chancellor of the Exchequer  
 Treasury Chambers  
 Great George Street  
 LONDON  
 SW1

*Dear Geoffrey*

*mf*

I have seen a copy of your minute of 13 October to the Prime Minister on how we should handle the question of the future of the Top Salaries Review Board. The first point I should make is that I do not think decisions on that issue need affect our handling of NHS pay issues.

My second point is that I entirely agree that we should not allow decisions on TSRB recommendations to pre-empt, or to appear to pre-empt, longer-term decisions on Civil Service pay, before we have fully considered the Megaw proposals and their implications.

Lastly, I agree that there could be advantage in maintaining a body such as the TSRB. Not following the Board's recommendations can of course cause difficulties to arise, but I think these are preferable to establishing other arrangements which might in effect involve Ministers in negotiating with their top official advisers on their pay.

I am copying this to the Prime Minister, members of MISC 83, the Lord Chancellor and the Lord President.

*Norman Fowler*

NORMAN FOWLER

Recor Pel, T3RB, P+4

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Administrative Planning, Research & Statistics, Washington, D.C.

From the Director of Health & Social Security

Director of Health & Social Security  
Washington, D.C.

I have been advised that you are interested in the work of the  
Department of Health & Social Security in the area of  
health care delivery. The Department is currently conducting  
a study of health care delivery in the United States.

The study is being conducted in order to determine the  
current status of health care delivery in the United States  
and to identify areas for improvement. The study will  
include a review of the current literature on health care  
delivery and a survey of health care delivery in the United States.

The study will be completed in the next few months and  
the results will be published in a report. The report will  
provide information on the current status of health care  
delivery in the United States and on areas for improvement.

If you have any questions or would like to see a copy of  
the report, please contact the Director of Health & Social Security  
at the address listed above.

Sincerely,  
Director of Health & Social Security

Enclosure

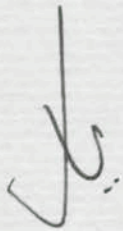


MR SCHOLAR

cc Mr Mount

MEGAW AND THE FUTURE OF THE TOP SALARIES REVIEW BODY

I am sure the Chancellor is right to conclude, in his note of 13 October, that we should tell the TSRB to proceed normally this year, and not to take into account the Megaw recommendations on the pay structure of the higher civil servants. Apart from the reasons the Chancellor gives, there are two other very important considerations. First, we do not yet want to imply acceptance of any part of Megaw; and second, one of the Megaw recommendations is that "Governments should pay more attention than in the past decade to the recommendations of the review body", which would make it quite difficult not to accept the TSRB's recommendations if we tell them to reflect the other Megaw proposals.



15 October 1982