

CONFIDENTIAL

Local Govt
MR SCHOLAR ✓

Prime Minister

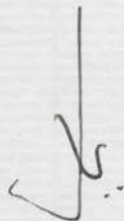
Local Govt
cc Mr Mount
Mr Ingham

Mus 28/2

LOCAL AUTHORITY MANUALS

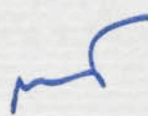
Today's settlement with the local authority manuals is good news - no-one would have been surprised if the unions had held out for more, following the water strike. But we must be careful not to welcome it, because it is considerably higher than the Civil Service is going to be offered (I have checked that Mr King has also been warned about that).

I am told that the employers stuck to the 3.25% on basic rates at the lower levels, but graded it up to 3.75% at the top end, thus raising the average earnings increase from 4.5% to 4.87%. I understand there are no hidden snags and that the deal is not dependent on consultation with members.



JOHN VEREKER

28 February 1983



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