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John

LOCAL AUTHORITY PAY

file with BP

I have read with interest Chris Patten's letter of 5 September to you.

I agree that the option of devising a more direct central Government involvement within the pay negotiation process should be discounted. It would clearly cause considerable difficulty both now and in the future.

Of the other options, all five appear to bear to some degree on the crucial issue of freeing up pay negotiations and increasing flexibility and efficiency. Actively encouraging the spread of pay bargaining more sensitive to the local labour market seems to be the most promising approach, coupled with Chris's suggestion for a positive campaign emphasising the potential benefits.

I am copying this letter to the Prime Minister, other members of E(PSP), Malcolm Rifkind, David Hunt and to Sir Robin Butler.

John

Michael

MICHAEL HOWARD



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