

MR SCHOLAR

CONFIDENTIAL

30 July 1982

cc Mr Mount  
Mr Walters

NATIONALISED INDUSTRY BOARD PAY

In his note to the Prime Minister of 28 July, the Chancellor reports that his small group of Ministers have tentatively identified the range of 5-15% as being appropriate for nationalised industry board pay increases for the coming pay round. You will recall that the conclusion of E(NI) was that sponsor Ministers should make case-by-case proposals to the Chancellor; and no specific guidance was agreed. But you did conclude that where increases were going to be substantial, they would need to be carefully justified - you said it should be "a tough fence to climb".

I think that the range suggested by the Chancellor is sensible. We would have difficulty in justifying publicly increases for board members much in excess of what we gave to the TSRB, particularly in industries where we are going to have to make a substantial effort to keep general pay rises down; but any increases at the upper end of this range would need to be justified in terms of being necessary to retain the services of particular individuals.



JOHN VEREKER

CONFIDENTIAL

*Not Incl*

MR M HALL  
Treasury

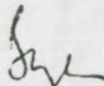
cc Mr Scholar ✓  
Mr Vereker  
Mr Mower

PAY OF NI BOARD MEMBERS

This is a highly sensitive issue in the context of the next pay round and needs, as E(NI)(82)6 recognises, the most careful handling.

I hope your group will take it on board and ensure effective coordination across Departments.

We shall need to know who is going to announce what when and have defensive briefing.



B. INGHAM

29 July 1982