



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

PRIME MINISTER

LONDON WEIGHTING FOR THE ARMED FORCES

John Nott consulted me on a number of occasions about the case, set out in his minute of 24 February to you, for full implementation of the Armed Forces Pay Review Body's recommendation concerning London Weighting allowance for the armed forces.

2. As he knows, I do not accept it, for a number of reasons. First our commitment to the armed forces covers pay; it does not extend to allowances or conditions of service. Secondly, our commitment, if it were held to be relevant to London Weighting Allowance, is to maintain comparability. The proposed increase in this allowance is based on straight indexation, without reference to outside analogues. Thirdly the scale of the recommended increases - between 10.5 and 17.5 per cent - is so large by comparison with what we are permitting in the case of other public services groups that the repercussions could be considerable. In the Civil Service the London Weighting award was cut from the 14 per cent recommended (on the basis of similar indexation) to 7 per cent. And it appears that there is no scope for offsetting concessions elsewhere, as in the case of the 11.7 per cent increase for the police. Fourthly, while John may envisage no announcement, the fact is that news of the scale of the increase would be bound to get about; and it would convey precisely the opposite message to the one we need to get across at this delicate stage in the general pay round.

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3. In short, our first class record on Armed Forces pay would be unaffected by a 7 per cent increase in London Weighting Allowance; whereas increases of up to 17.5 per cent could prove very damaging.

4. A copy of this minute goes to John Nott.

A handwritten signature in dark ink, appearing to be "G.H." with a flourish.

(G.H.)

11th March 1982

CONQUEROR

12 MAR 1982

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COBOL

11



10 DOWNING STREET

From the Private Secretary

15 March, 1982.

London Weighting for the Armed Forces

The Prime Minister was grateful for your Secretary of State's minute of 24 February about the Armed Forces Pay Review Body recommendation on London Weighting for the Armed Forces.

The Prime Minister agrees with your Secretary of State's conclusion that the Government should implement the Armed Forces Pay Review Body's recommendations in full. She has commented that she is not prepared to overturn the AFPRB for such a small sum, in view of the Government's unblemished record so far with the Review Body.

I am sending copies of this letter to Peter Jenkins (HM Treasury), Barnaby Shaw (Department of Employment), John Halliday (Home Office), and David Wright (Cabinet Office).

M. C. SCHOLAR

David Omand, Esq.,
Ministry of Defence.

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