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cc: Mr. Hoskyns

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Prime Minister

MR. SCHOLAR

Should I address two questions - (i) and (ii) below -
to the Home Secretary's office?

POLICE PAY

Yes please
MS 8/4

I have not been able to consult others in Whitehall this afternoon about the Home Secretary's letter of 8 April to the Chancellor, because my normal contacts have started their holiday. But I would like to offer two immediate comments:

i) The conclusion of the official side that the police have not "significantly improved their position" is to put it mildly a little surprising: the police had increases of 13.5% in 1979, 21.3% in 1980, and 13.2% last year. I think we should ask to see the report of the officials who have conducted this review. 7

How they have reached their conclusion.

ii) The review appears to conclude that there should be an increase in police pension contributions, and I confirm that that would be in line with the conclusions of the Official Committee on Pensions (but it applies to all the so-called "fast accrual groups"). The Home Office seem unduly tentative about their ability to negotiate this increase, and it is not immediately clear why it should not form part of the main package of negotiations.

It is true that the Prime Minister reaffirmed the commitment to the Edmund Davies arrangements on 19 March. This formally links police pay to the May average earnings index. I think the Home Office are optimistic in seeing the bottom end of that range as low as 7% this year: it seems to me to be far more likely to be close to double figures. But no decision is called for on these issues yet.

J.M.M. Vereker
8 April 1982

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