

CONFIDENTIAL

cc Mr. Hoskyns

Police

PA

MR. SCHOLAR

Prime Minister's meeting on pay on 27 April: police

There was some discussion in PSP(O) this morning about the issues that will have to be tackled by Ministers next Tuesday morning when they meet to discuss pay. These will of course be dominated by the decision that will be required on the outcome of the Civil Service Arbitration Tribunal, which will be known this week; and decisions, or at least broad and preliminary ones, will also be required on the recommendations of the three Review Bodies. Immediate decisions on NHS and teachers' pay will not be required, but the position for those groups will form part of the background to the other decisions.

In the light of all this, it seems to me highly unlikely that Ministers will find time to tackle police pay, as proposed in your letter of 19 April. Furthermore, the Home Office have now said that they will be responding later this week to our request for the detail lying behind their review of the current method of updating police pay, and the Treasury have made it clear that they still need to look at this very carefully indeed, and that the Chancellor will not easily be persuaded to agree to a reaffirmation of the Edmund-Davies commitment. I therefore suggested this morning to Peter Gregson, and he welcomed the idea, that I should put to you the proposition that, if the Prime Minister has no objection, you might indicate to Private Secretaries to members of E(PSP) that no substantial discussion of police pay is expected on Tuesday, and that no decisions will be taken, although of course the police pay issue does form part of the background to the other pay issues on the agenda.

Preparation of those other issues for that meeting will have to be done very quickly this Friday and on Monday 26 April: the Treasury do not propose to suggest that the Chancellor put in a paper, and the Cabinet Office will be providing something in the form of an annotated agenda. I will of course put in a note, drawing particular attention to the inter-relationship of the various issues.

21 April 1982

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J.V.
John Vereker



SC JV

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

12 May 1982

PS/Home Secretary
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9BW

Dear John,

POLICE PAY

16 April - 8 April

There was an exchange of correspondence between the Home Secretary and the Chancellor last month on the subject of police pay. Since then officials have been considering the issues raised by the review of the method of increasing police pay which has been undertaken by the Official Side of the Police Negotiating Board. The aim has been to clear the ground for discussion between the Home Secretary and the Chancellor before the matter is taken further at Ministerial level.

Officials had been working on the assumption that the Home Secretary might wish for an early discussion, so that he was in a position to give an indication of the Government's views when he addressed the annual conference of the Police Federation on 19 May. We now understand, however, that this is not his intention, and that he will refer only to the Government's record on police pay, without implying that the Edmund-Davies indexation formula will necessarily continue. Our Departments are in touch about the terms of this reference.

This means that there is now more time in which to arrange a discussion, which is helpful because the Chancellor would not in any case have been available this week. I am aware that the Home Secretary and the Chief Secretary are meeting on 19 May, but that is to discuss (inter alia) the separate (though related) question of cash limiting the police grant. I suggest that we now arrange a meeting between the Home Secretary and the Chancellor within the next couple of weeks, on the basis of the correspondence to which I have referred. Perhaps we could be in touch to arrange a time.

I am copying this letter to Mike Pattison (No. 10) and to David Wright (Cabinet Office).

*Yours ever
Peter*

P S JENKINS

3 MAY 1962

