

MR. SCHOLAR

We shall have to be content with higher pension -

To note.

Do you wish to take this further
cc: Mr. Mount

POLICE PAY

As you know, it was left to the Chancellor and the Home Secretary to discuss the application of the Edmund Davies formula this year, and longer term arrangements for determining police pay. The Treasury has shown me on a personal basis their record of the discussion, which was not copied to the Prime Minister. I think you should ask for it: it shows that the Chancellor agreed - to my considerable surprise - to the application yet again of the Edmund Davies formula this year, in return for a rather unspecific agreement on the Home Secretary's part to look at longer term arrangements.

now - eg my probing the prospect of my pushing the prospect but it is tough at X on the grounds of expressing disquiet?

MCS 21/6

The Prime Minister really ought to be aware of this. The effect of applying the Edmund Davies formula this year will be an announcement, probably in September, i.e. at the very beginning of the new pay round, of a 10% pay rise for 135,000 police. This will be the third year running that the pay round has got off to an appalling start as a result of the Government's totally unnecessary commitment to police indexation. The police had 21.3% on 1 September 1980, and 13.2% on 1 September 1981. If we are serious about achieving a level of pay settlements in the public services in the next round that will contribute both directly and by example to a recovery in employment, we simply cannot allow the pace to be set with a 10% settlement.

X

The Home Secretary will argue that it is impossible for him to do more this year than extract higher pension and rent contributions (which should have been increased long ago anyway). At the very least, the price of a 10% settlement this year must be a decision to end indexation and replace it by including the police within the remit of the AFPRB.

Could we float this for next year?

21 June 1982