

CONFIDENTIAL

FILE

da



bc JV

10 DOWNING STREET

From the Private Secretary

10 December 1982

Dear Colin,

Call by Lord Plowden

Lord Plowden called upon the Prime Minister, at his request, this afternoon.

Lord Plowden said that morale in the police forces had been very low before the present police pay system was implemented. There had been pressure to abandon their no-strike rule, and many of the most able officers were then leaving the force or contemplating doing so. The Edmund-Davies pay formula had worked well. With hindsight, perhaps, the starting salary had been set too high, but efficiency had improved, there was no longer pressure for the right to strike, and numbers were well up to strength. The decision to increase pension contributions this year had been right, and had been accepted by the police, although with some resentment. It would be possible to make a similar move on rent allowances, which were too high and were tax free, but not before 1984. Lord Plowden said that he knew that the Treasury and one of the Prime Minister's advisers had suggested that the Edmund-Davies formula should be replaced by an Armed Forces Pay Review Body-type system. This would be very difficult, particularly since the decision on police pay was not a matter for the Government but for local authorities, some of whom would be happy to see a much less favourable position for the police. He urged the Prime Minister to make no change in the present system for two to three years. As inflation came down it would become progressively easier to live with. He hoped that it would be possible to keep the present system in place, and to confine negotiations to its fringes.

The Prime Minister said that all concerned would miss Lord Plowden when his appointment as Chairman of the Police Negotiating Board expired at the end of this year. He had done splendid work and she was most grateful to him. The link in the Edmund-Davies formula with average earnings over a preceding 12 month period had proved exceedingly favourable to the police, and had given them a better deal than virtually any other public sector group. This had created problems, for example, in relation to the nurses. She had been concerned at the comparison between the armed forces pay award and that for the police, in a year

Original in Appls.

/in which

CONFIDENTIAL

da

in which the armed forces had been put to a severe test. She had also felt disquiet at the Police Federation's reception a month or so ago of the Home Secretary and Sir Kenneth Newman. She saw, however, the force of Lord Plowden's point. The police needed to be properly compensated for having renounced the right to strike, for their unsocial hours and so on. It would certainly not be worthwhile to change the present system if the price were to be a loss of police morale. The Prime Minister concluded the meeting by again thanking Lord Plowden for his service on the Police Negotiating and other Boards.

I am sending a copy of this letter to Margaret O'Mara (HM Treasury), Muir Russell (Scottish Office), John Lyon (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar
—

Colin Walters, Esq.,
Home Office.