

MR SCHOLAR8 July 1983

cc Mr Mount

POLICE PAY

The police have done well out of the Edmund-Davies formula which links their basic pay to average earnings. The basic pay of a constable (a rank which counts for 80% of federated ranks) working outside London is currently between £6190 and £9800. He would in addition probably receive £15-25 a week from his 2-4 hours overtime, plus a tax-free weekly rent allowance of £30-40. This last allowance is based on the out-dated assumption that the policeman is required to live on his beat and is provided with a police house for this purpose. In fact, most policemen prefer to buy their own houses near to but not necessarily in their own beat. In these circumstances, the rent allowance has a doubtful justification.

Police pay may now be in excess of the level needed to recruit and motivate. It is no surprise that this is so because the Edmund-Davies formula excludes consideration of these factors. The Home Secretary's memorandum proposes a review, linked to a quick settlement based on the Edmund-Davies formula. It will be important to set the terms of reference for this review correctly if the Government is to avoid setting up a situation in which the police win all the arguments. There would be little point in asking the Police Negotiating Board to carry it out, composed as it is of the police representatives, local authorities cushioned against the cost of excessive police pay by the Exchequer and a sympathetic Home Office. The composition of the Review Body needs to go wider than this, and its terms of reference must include recruitment. Fortunately, the Edmund-Davies report provides a useful peg: paragraph 46 of the report specifically refers to recruitment as a subject which would need to be considered by a review of this kind.



In my view it is too late to do anything at all about the 1983 settlement. It might be possible to substitute for the year-on-year increase in earnings to May (which is boosted this year by back pay) an alternative, slightly lower figure based on "underlying earnings". This could, at most, reduce the settlement from 8% to 7%. However, the Police Federation would regard this substitution as sharp practice. The May figure has been used up till now. If the Government wished to change the formula it would have had to secure agreement before the figures were actually known. Tactically, given that the police settlement is an embarrassment which should be got out of the way with the minimum of fuss, the Government might be unwise to embark on an argument about less than a percentage point which they might well fail to win.

The priority now is to begin preparing for a review which will succeed in injecting market considerations back into the pay negotiations. The Home Secretary should be invited to consult colleagues at the earliest opportunity; delay will land us in 1984 in the same uncomfortable position we are in now. This review should embrace rent allowances (and their fictional basis).

He is  
consulting  
Mem. in P(SP)

MCS

On handling, the settlement should, as is suggested, be linked to the review on pay but nothing should be said which committed the Government to the form which this review might take.

NICHOLAS OWEN