



Prime Minister (2)
This could come up at next
Questions.

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29/3

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

28 March 1984

Andrew Turnbull Esq
10 Downing Street

Dear Andrew,

**OME REPORT ON DATA TO INFORM CIVIL SERVICE
NON-INDUSTRIAL PAY NEGOTIATIONS**

It was agreed last September that the OME should collect data on pay movements in the private sector to inform, but not in any way constrain, the 1984 negotiations on pay for the non-industrial Civil Service.

The Prime Minister may like to be aware that we expect the OME to present their report to the parties (ie ourselves and the Civil Service unions) later this week, probably tomorrow.

Although we, the Civil Service unions and the OME have jointly agreed the scope and coverage of the report, we do not know what numbers it will contain. It is likely to be quite a complex document, with various tables and analyses. The picture it gives of developments on pay in the private sector over the last 9-10 months may well depend on which analysis is taken as being the most significant.

Despite the intention that the report should only be seen by the parties pending the conclusion of the pay negotiations in the Civil Service, there is a high probability that its content will become known, and Ministers may be asked questions about it. The union side cannot guarantee confidentiality; they need to distribute some 250 copies in order to carry out their internal consultations.

Assuming part or all of the contents of the report become public knowledge, the Chancellor suggests that Ministers and others should take the following line:

- (a) We have received the report. We regard it as confidential to the parties.
- (b) It was designed to inform, but not constrain, the Civil Service pay negotiations. It is not relevant to any other pay negotiations.
- (c) [If questioned about its contents] It is confidential to the parties. The report contains a good deal of material which needs to be considered carefully. It would not be right to comment at this stage on particular aspects of it.
- (d) We cannot anticipate the outcome of pay negotiations with the Civil Service unions. OME report is not only factual. Need also to take account of recruitment and retention and affordability as indicated by the 3 percent pay provision.

CONFIDENTIAL



(e) [If asked whether the report will eventually be published] The intention is that the report should be published in due course.

We shall provide more detailed briefing once we have seen the report and digested its contents.

I am copying this letter to the Private Secretaries to the other members of E(PSP) and to Richard Hatfield (Cabinet Office).

*Yours Sincerely,
Margaret O'Mara*

MISS M O'MARA
Private Secretary

Robin

Many thanks
Pl. put on file.

You were asking whether the PM ever met the unions in 1981 about the pay dispute. The answer is no, but Lord Soames (then Lord President) did meet the unions and on each occasion the minutes were sent to the Union side for clearance.

If you want any further details, Adrian Carter in Treasury Pay Division (2335226) is the contact.

Nicky