



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

29 May 1984

The Rt. Hon. Leon Brittan QC MP
Secretary of State for the Home Department

Leon Brittan

POLICE PAY

You wrote to me on 15 May about the police pay review. I have also seen the separate correspondence which you have been having with Norman Tebbit about police allowances.

I understand that the pay review is proceeding reasonably satisfactorily, and that the Official Side will be contributing material on the lines we have agreed. I think it is important to bring the review to an early conclusion, so that its results can be taken into account in this year's pay negotiations and we are able to fulfil our commitment not to conclude a pay settlement until the review is completed. I look forward to seeing your proposals on the handling of the negotiations and hope we can reach a settlement fairly quickly in view of the possible repercussions. As you have said in your letter of 8 May to Norman Tebbit, we shall want to take account of police allowances in this context, since they are an important element in the remuneration of police officers.

My proposal on "disregard", which I am glad to see that Patrick Jenkin supports, was made in the context of the pay negotiations rather than the review itself. We need to ensure the local authorities take on board the message on "disregard" before the negotiations get under way. I do not see why it should jeopardise the review itself.

I agree that we do not want the Government held responsible, if the local authorities threaten to reduce police manning levels. But I think we can avoid this while still injecting a note of financial reality into the police pay negotiations. Local authorities are not able to cut existing police numbers except by reducing recruitment. Starting salaries for the police are generally agreed to be very high and one of our objectives in this year's pay negotiations might therefore be to secure agreement that they should increase by less than police pay in general. By indicating our position on "disregard", we might rally the local authorities behind us on recruitment pay.

A copy of this letter goes to the Prime Minister and to the Secretaries of State for Employment, Environment, Trade and Industry, Scotland and Northern Ireland and to Sir Robert Armstrong.

NIGEL LAWSON

Nigel Lawson

CC 2/10

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Police : Pay : May 79.

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QUEEN ANNE'S GATE LONDON SW1H 9AT

15 May 1984

N. Mignel,

POLICE PAY

Thank you for your letter of 18 April about the review of police pay.

I am glad you are content with the arrangements for the pay review and that I should use the financial information which you provided in the negotiations which will follow the review, rather than in the review itself.

I think, however, that it would be counter-productive to commit ourselves at this early stage to a position on a "disregard" (or any other special arrangements) for the police pay award in 1984/85. I have assured the Police Federation that we are approaching the review with an open mind: Edmund-Davies recommended a certain method of updating police pay and the purpose of the review is to establish whether or not that method is working satisfactorily. Any suspicion that we had determined in advance in effect to place financial restrictions on this year's pay settlement would probably bring the review to a premature end.

I am sure that the wisest course is to let the review proceed. When we have the results, we can consider what line I should take over the negotiations and the implications for local authority expenditure, and for police manpower. Given the stress which we, as a Government, have up to now placed on increasing police manpower levels, we shall need to guard against the possibility that local authorities might try to find the money for pay by reducing police manpower levels. I am making it clear that the period of general expansions in police manpower is over, but we should be in real political difficulty if police forces began to shrink and the responsibility for this was laid at our door.

Copies of this letter go to the Prime Minister, the Secretaries of State for Employment, Environment, Scotland and Northern Ireland and to Sir Robert Armstrong.

N. Mignel,

The Rt Hon Nigel Lawson, MP

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
LONDON

5 June 1984

Dear Nigel,

POLICE PAY

I have seen Leon Brittan's letter to you of 15 May about the financial arrangements in 1984/85 to take account of the next police pay award.

I must say I do think that it would be unwise for us to take firm decisions now, even before the outcome of the pay review is known, on our attitude towards the question of disregard or any other special arrangements. I agree that, at the right time, the local authority employers should not be in any doubt as to our position; but that time is not yet near, and we should not pre-empt our position by taking decisions now. I therefore suggest that we return to these questions when the results of the review become available.

I am copying this letter to the Prime Minister, the Home Secretary, the Secretaries of State for Employment, Environment and Northern Ireland and to Sir Robert Armstrong.

Yours truly,
George

