



10 DOWNING STREET

THE PRIME MINISTER

20 June 1984

*file BM*  
*cc MOD*  
  
*Dear Sir David,*

Thank you for your two letters of 17 April sending me the Review Body's recommendations on the pay and charges of the Armed Forces from 1 April 1984.

I am sorry that it was not possible to give you advance written notice of my announcement in the House of Commons of the Government's decision to stage the Review Body's recommendations. However, I understand that Michael Heseltine managed to speak to you in New York on the afternoon of the announcement. I know that he explained to you the reasons for the Government's decisions, and told you that the full recommended pay scales will be in force well before the beginning of the next pay year. I understand that the first increases will be implemented this month.

I want you to know that although the Government decided not to implement the full recommendations at once, we are very grateful to you and your colleagues on the Review Body for the hard work you put in to the preparation of the report on Service pay. Would you

/ please pass *SSM*



please pass my personal thanks to all concerned?

I note that you will be submitting your report on the pay of Armed Forces Medical and Dental Officers, and look forward to receiving that in the near future.

Yours sincerely

Margaret D. Allen

Sir David Orr, M.C.





Prime Minister<sup>(4)</sup>  
Sir David Orr reluctantly accepts *Cliff*  
AT 28/2  
OFFICE OF MANPOWER ECONOMICS  
22 KINGSWAY  
LONDON WC2B 6JY  
Telephone 01-405 5944  
cc Richard Mahan  
MOD  
Margaret O'Mara  
HMT

28th June, 1984.

The Rt. Hon. Margaret Thatcher, M.P.,  
10 Downing Street,  
London, S.W.1.

*Dear Prime Minister*

Review Body on Armed Forces Pay

Thank you for your letter of 20th June and for your words of appreciation for the work of the Armed Forces Pay Review Body. I know that my colleagues will be grateful for what you say.

I did say to Michael Heseltine on the telephone that the Government's decision to stage the suggested rise in the pay of the Forces came as a disappointment to me, particularly as the recommendations of our Review Body have consistently been accepted in the past. I have since had an opportunity to discuss this with the other members. They share my concern, although we understand the Government's reasoning. We do welcome the fact that the full recommended rates of pay will be effective from 1st November this year and that we will thus be able to move into the next Review from the correct starting line. This should mean that our good relations with the Armed Forces and the credibility of the independent Review Body can be maintained.

I am grateful for your letter and for Michael Heseltine's call pointing out the reasons for the Government's decision.

Yours sincerely,

*David Orr*  
David Orr  
Chairman,  
Review Body on Armed Forces Pay.



DEFENCE: Armed Forces Pay Pt 2.

DEFENCE  
LONDON W1A 0AB  
UNITED KINGDOM

28 JUN 1984

1984  
JUN 28



GR M type ~~CCNO~~  
MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1A 2HB  
Telephone 01-218 2111/3 (Direct Dialling)  
01-218 9000 (Switchboard)

MO 4/4

18th June 1984

Dear David,

REVIEW BODY ON ARMED FORCES PAY

In response to your letter of 13<sup>th</sup> June  
I attach a draft letter for the Prime Minister  
to send to Sir David Orr thanking him and his  
colleagues for their report, and confirming  
the Government's decision on the staging of  
the award.

I am copying this note to Margaret O'Mara.

Yours ever  
Nick Evans

(N H R EVANS)

D Barclay Esq



DRAFT LETTER FROM THE PRIME MINISTER TO SIR DAVID ORR

Thank you for your two letters of 17th April sending me the Review Body's recommendations on the pay and charges of the Armed Forces from 1st April 1984.

I am sorry that it was not possible to give you advance written notice of my announcement in the House of Commons of the Government's decision to stage the Review Body's recommendations. However, I understand that Michael Heseltine managed to speak to you in New York on the afternoon of the announcement. I know that he explained to you the reasons for the Government's decisions, and told you that the full recommended pay scales will be in force well before the beginning of the next pay year. I understand that the first increases will be implemented this month.

I want you to know that although the Government decided not to implement the full recommendations at once we are very grateful to you and your colleagues on the Review Body for the hard work you put in to the preparation of the report on Service pay. Would you please pass my personal thanks to all concerned?

I note that you will be submitting your report on the pay of Armed Forces Medical and Dental Officers, and look forward to receiving that in the near future.



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22 KINGSWAY  
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
LONDON SW1

17 April 1984

*Dear Prime Minister*

REVIEW BODY ON ARMED FORCES PAY

*see folder at [unclear]*

I enclose the Review Body's Thirteenth Report, which contains our recommendations on the levels of military salaries, and on food and accommodation charges, that we consider appropriate at 1 April 1984 for members of the armed forces. As usual, we will put forward our recommendations on the pay of medical and dental officers at a later date, when decisions on the remuneration of general medical practitioners in the National Health Service are known.

*Yours sincerely*  
*David Orr*

SIR DAVID ORR  
CHAIRMAN  
REVIEW BODY ON ARMED FORCES PAY

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22 KINGSWAY  
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Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
LONDON SW1

17 April 1984

*Dear Prime Minister*

REVIEW BODY ON ARMED FORCES PAY

I have written to you separately today forwarding our recommendations on the pay and charges appropriate for members of the armed forces from 1 April 1984. There is, however, one matter we have considered during this review on which, in line with previous practice, we think we should put forward recommendations outside our main report. This relates to the additional pay for members of the Special Air Service Regiment and the Royal Marines Special Boat Squadron.

The Ministry of Defence have informed us that the current arrangements for these personnel are working satisfactorily and that, with one exception, they propose no change beyond maintaining the relative value of the payments (which our main report - paragraph 53 - provides for). The exception concerns payment of SAS pay to those members of 264 (SAS) Signal Squadron who are filling posts annotated 'must be SAS trained'. Currently, these personnel receive only the lowest rate of SAS pay (that awarded to Corporals and below on completion of basic training) regardless of rank or length of service. The MOD have proposed that the full structure of SAS pay should apply in such cases, so that such personnel receive rank-related payments and become eligible for the higher rates of SAS pay on the same basis as members of 22 SAS. We have noted the particular problems that exist in filling these annotated posts and we are convinced of the need to have them filled by fully-trained personnel. We therefore recommend, with effect from 1 April 1984 that the full structure of SAS pay should be available, on the same basis as for members of 22 SAS, to those members of 264 (SAS) Signal Squadron filling posts annotated 'must be SAS trained'. The full SAS pay arrangements should apply also to those members of 22 SAS and 264 (SAS) Signal Squadron who serve on attachment to any of the reserve units of the Special Air Service Regiment.

*Yours sincerely*  
*David*

SIR DAVID ORR  
CHAIRMAN  
REVIEW BODY ON ARMED FORCES PAY

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