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

28 February 1985

The Rt Hon Leon Brittan QC MP  
 Secretary of State for Home Affairs  
 Home Office  
 Queen Anne's Gate  
 LONDON SW1

A handwritten signature in dark ink, appearing to read 'Leon Brittan'.

**PAY OF POLICE CHIEF OFFICERS**

You wrote to me on 20 February, proposing that the pensions of officers who retire between 1 September 1984 and 30 August 1985 should be calculated as if the pay increase had been implemented in full on 1 September 1984.

I am afraid I cannot go along with this. With great difficulty we have established the principle that pay for pension purposes is pay at the time of retirement. Various groups such as the judges, senior officers in the armed forces - and indeed MPs - have all been already affected by this ruling. The Review Bodies are expected to recommend high increases this year and it is therefore possible that we shall again want to adopt some form of staging for the groups they cover. I simply do not see how I could ring-fence an exception for Police Chief Officers.

In agreeing to your proposal that the increases for Police Chief Officers should be staged, Peter Rees in his letter of 17 January pointed out that this would bring purely temporary benefits. A more lasting benefit would, of course, be gained if you were to abate all the proposed increases by 1 per cent and pay them from 1 September. The pensions problem would then disappear. Given the importance you have placed on staging in your discussions with the Association of Chief Police Officers, together with the importance I attach to upholding the position on pensions on the lines agreed by the Prime Minister on 13 April 1983, I think this might offer a way forward.

I am copying this letter to the Prime Minister, the other members of E(PSP), George Younger, Douglas Hurd and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Nigel Lawson'.

NIGEL LAWSON



Police : Police Pay

May 1977

ET MAR 1987





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QUEEN ANNE'S GATE LONDON SW1H 9AT

20 February 1985

*D. Nigel,*

PAY OF CHIEF POLICE OFFICERS

In my letter of 14 January I outlined the likely basis of the negotiations on the pay of senior police officers, following the review carried out by the Police Negotiating Board.

During the course of the negotiations there were some adjustments. For example, the number of salary bands for Chief Constables was cut from eleven to six, not seven; the effect of this was to give rather larger increases to the Chief Constables and Deputy Chief Constables of some provincial forces, including South Yorkshire, Northumbria, and South Wales, at a total cost of £15,750. However, there was no change in the proposed salary for the Chief Constables in the largest forces, which remained at £37,500. The difference in cost at the end of the negotiations and the official Side's original proposals is about £50,000 in a full year. We shall, of course, save far more than this in reducing the number of Commander posts in the Metropolitan Police.

The main difficulty arose over implementation. The Staff Side wanted the increases to be implemented in full from the settlement date of 1 September 1984. The local authorities were prepared to agree to this, but the Home Department's representatives reserved the Government's position. Because of this, the Staff Side were not prepared to make an agreement, thus keeping open the prospect of conciliation and arbitration.

I saw representatives of the Association of Chief Police Officers (ACPO) on 11 February. I made it clear that the Government believed that senior police officers should be properly paid and the negotiations had produced new salary levels which were acceptable to all those concerned. But I explained why we considered that pay increases of this order should be phased, pointing out that the last TSRB settlement of 6.5% had been phased. They told me that there were very strong feelings among their members on this issue. They considered the review had shown that substantial pay increases were justified; the responsibilities on senior police officers throughout the country had been exceptionally onerous in the last eleven months and therefore the increases should be paid in full from September, especially as the savings from phasing would be very small. (They are about £130,000 for the United Kingdom). I made it clear that, nonetheless, I must insist on phasing and that no useful purpose would be served by resort to arbitration, as I would have the right to overrule an award, and was prepared to do so.

ACPO then drew my attention to the particular unfairness to those senior officers who had just retired or would retire shortly. The Chief Constable of the West Midlands is retiring in the next few weeks, several months before he need do so, so that his successor can be in post for a year before the local government reorganisation in April 1986. The Deputy Commissioner of the Metropolitan Police had to retire last month on grounds of ill-health. The effect on these officers, and a number of others, would be a permanent reduction in their pensions. I made it clear that it was not Government policy to adjust pensions if pay increases were phased, and I referred to the Prime Minister's

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statement on 13 April 1984. They pointed out that this statement referred to the Review Bodies, that no similar statement had ever been made about police pensions and they were entitled to assume that an adjustment would be made, particularly as the Edmund-Davies Report had recommended that adjustments should be made to the pensions of those who retired if a pay increase was phased. That recommendation related to the specific pay award recommended by the Edmund-Davies Committee, but ACPO argued that it had never been stated that the same principle would not apply in future.

I know that the Prime Minister's statement referred to the general principle of basing pensions on rates of salaries payable and I am alive to the risk of repercussions resulting from any concession. However, I judge that a good deal of the difficulty over phasing would be removed if we could agree that on this occasion the pensions of those officers who retire between 1 September 1984 and 30 August 1985, should be calculated as if the pay increase had been implemented in full on 1 September 1984, while making it clear that no adjustments of this kind will be allowed on police pensions in future. I hope you will be able to agree to this: otherwise we may find ourselves in a public wrangle with ACPO, with accusations that the Government is treating senior police officers shabbily.

I am copying this letter to the Prime Minister, the others members of E(PSP), George Younger, Douglas Hurd and Sir Robert Armstrong.

*Law,*  
*Law*

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Police: Police Pay: May 1979

21 FEB 1985







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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Leon Brittan QC MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London  
SW1H 9AT

17 January 1985

Dear Secretary of State,

**PAY OF CHIEF POLICE OFFICERS**

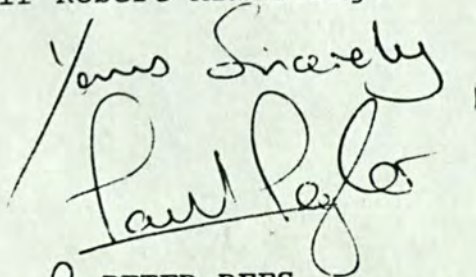
You wrote on 14 January to the Chancellor - who is abroad - about the pay of Chief Police Officers.

The increases which the PNB seems likely to recommend of course run directly counter to our general approach to pay. They are based on comparability and for any other public service group would be unacceptably high: some, as you point out, are over 10 per cent. Staging the awards as you propose has some presentational advantages, but purely temporary benefits. The base from which the September 1985 negotiations will start is unaltered.

Nonetheless, because of the current special circumstances, I agree that we should not attempt to moderate the proposals other than by staging them as you propose. I agree that you should implement the staging, if the PNB does not recommend it.

On a point of detail, I should be grateful if you, and your representatives in the PNB, would avoid endorsing suggestions that there is a "right" or minimum differential for Assistant Chief Constables. The justification for increasing pay for these posts should be the current problems of recruitment to them.

I am sending copies of this letter to the Prime Minister, the other members of E(PSP), the Secretaries of State for Scotland and Northern Ireland, and Sir Robert Armstrong.

Yours Sincerely,  


PETER REES

(Approved by the Chief Secretary  
and signed in his absence)



POLICE: Pay: May 79.

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QUEEN ANNE'S GATE LONDON SW1H 9AT

14 January 1985

*Nigel*  
PAY OF CHIEF POLICE OFFICERS

The two sides of the Police Negotiating Board took part earlier this year in a joint review of the pay of chief police officers, including an element of job evaluation. The Staff Side insisted that the results of the review should be taken into account in negotiating the 1984 pay settlement. A joint working party was therefore set up to consider the results of the pay review and to report back to the Board by the end of the year. The working party has completed its work and the Board will be meeting on 18 January to negotiate the 1984 pay settlement in the light of the working party's report.

Although the working party had no power to negotiate, its recommendations will clearly carry a good deal of weight. The review had highlighted two areas of particular difficulty - the pay of the chief constables in the largest forces, which was significantly less than that for posts of comparable weight in public and private sector organisations, and the narrow differential between Assistant Chief Constables' pay and that of Chief Superintendents, the rank immediately below them.

For the Chief Constables, the Working Party has proposed to reduce the present 11 band salary structure for chief constables (based on the population of force areas) into 7 salary bands, with the largest increases applying to the top band. The salaries for chief constables in England (and Scotland) would range from £29,500-£37,500. Deputy Chief Constables would continue to receive 80% of the chief constables' scale. This compares with the Metropolitan Police Commissioner's salary of £45,500, which is linked to the pay of Permanent Secretaries and was not covered by the Police Negotiating Board's review.

The ACC's differential has been a problem since the Edmund-Davies Committee reported. The differential they recommended was 8.2%. This was probably insufficient and it has since fallen to 6.9%. Police authorities are having increasing difficulty in attracting well qualified chief superintendents to apply for ACC posts. The Staff Side representatives on the working party took the view that, in order to overcome this problem, the differential needed to be increased to 15%. The Official Side agreed that the differential needed to be improved, but considered that this might best be achieved by the introduction of a three-point scale based on service in the rank, with the existing differential continuing to apply on promotion but rising to 10% after two years. The Staff Side accepted the principle of the three-point scale but in negotiation they are likely to press for a maximum differential of 15%. I believe that the Official Side's proposal is an ingenious and relatively inexpensive way of overcoming a difficult problem: it would add 6.7% to the pay bill for ACCs. I therefore propose to authorise my representatives on the Board to support it, but to reserve my position if the Official Side seem disposed to make further concessions.

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The Rt Hon Nigel Lawson, MP

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There would be comparable increases for the senior ranks in London.

Overall, a settlement on these lines would add 7.1% (£0.44m) to the senior officers' pay bill in a full year in England and Wales. Because of the restructuring, individual officers in the same rank would receive different percentage increases, but for the three main ranks the average increases would be 8.27% for Chief Constables, 7.2% for Deputy Chief Constables and 6.68% for Assistant Chief Constables. However, some officers would receive increases of less than 5% and a few, including the chief constables of the largest forces, increases of over 10%.

I consider that a settlement on these lines would be acceptable. Nevertheless, I believe that implementation should be phased, as was done with the 1984 TRSB settlement. I have in mind that 5% of the increases should be paid with effect from 1 September 1984 and the balance (if any) from 1 April 1985. This would not, of course, be welcome to the Staff Side, and it may not be possible to get a negotiated settlement incorporating phasing. If the Official Side seem disposed to negotiate an agreement which does not incorporate phasing, however, my representatives will be instructed to reserve my position on this point. If necessary, I would be prepared to impose a phased implementation, since any agreement is subject to my approval.

I am sending copies of this letter to the Prime Minister, other members of E(PSP), George Younger and Douglas Hurd, and to Sir Robert Armstrong.

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POLICE : Police "Ray" : May 1979

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