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

28 December 1984

The Rt Hon Peter Walker MBE MP
Secretary of State for Energy
Department of Energy
Thames House South
Millbank
LONDON SW1

NATIONAL COAL BOARD : 1984 PAY OF FULL-TIME MEMBERS

You wrote to me on 14 December about 1984 pay increases for Messrs Spanton and Harrison as full-time members of the National Coal Board.

I am content with your proposal to pay them salaries of £44,800 with effect from 1 November 1984. I leave you to judge how best to announce these increases.

You also mentioned that Ian MacGregor wishes to pursue with you the case for broader scales for full-time NCB members. I have asked my officials to study for the future the extent to which pay ranges remain appropriate for some members of nationalised industry Boards, so I should be grateful if your officials would keep the Treasury in close touch with Ian's intentions.

I am copying this letter to the Prime Minister, the other members of E(NI) and to Sir Robert Armstrong.

NIGEL LAWSON

NAT IND: Board Salaries
Pt 3

CC NO

NBPM

AT 17/12

01 211 6402

APPOINTMENTS IN CONFIDENCE

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
H M Treasury
Parliament Street
LONDON SW1P 3AG

14 December 1984

NCB - SALARIES OF FULL-TIME BOARD MEMBERS

Your letter of 10 December agreed that there should be a 5.2% increase in salaries to NCB Board members as from 1 November 1983. At the same time, as it happens, I received a further proposal from the Chairman of the Board relating to salaries from 1 November 1984. He and his non-executive Directors have recommended that the salaries of full-time Board members Mr Spanton and Mr Harrison should be increased by a further 5.2% from that date, in line with the settlement already reached with BACM, bringing their salaries to £44,800.

Bearing in mind that the basis now agreed for the 1983/84 salary increase was well below the level recommended to me, I suggest Mr MacGregor's proposal for this year's further increase is acceptable. I therefore endorse his recommendation.

Although the Chairman will be coming forward later with consequential recommendations in relation to the salaries of part-time Board members and wishes to pursue with me the case for broader scales for full-time members, I believe it would be right to agree rapidly the 1984/85 salary levels for Mr Harrison and Mr Spanton now proposed. There was good reason for the considerable delay in settling the 1983/84 salary increase but the circumstances are now different.

I should welcome your early agreement.

I am copying this letter to the Prime Minister, members of E(NI) and Sir Robert Armstrong.

PETER WALKER

Nat Ind: Board Salaries Pt3.