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

The Rt Hon Patrick Jenkin MP  
Secretary of State for the  
Environment  
Department of the Environment  
2 Marsham Street  
London SW1P 3EB

21 February 1985

A handwritten signature in dark ink, appearing to read 'Patrick Jenkin'.

**NATIONALISED INDUSTRY BOARD MEMBERS PAY: BRITISH WATERWAYS BOARD**

You wrote to me on 6 February about nationalised industry Board members' pay. We can certainly take the particular circumstances of the water authorities into account when we discuss Board pay at E(NI).

As far as the British Waterways Board is concerned, you have suggested we should take account of the fact that the Board received no pay increase in 1984 when their 1985 pay is considered. I generally prefer Board members' pay to be reviewed regularly in order to avoid large increases which can be presentationally difficult. However, I recognise that there are advantages in not pressing for a review of British Waterways Board members' pay at this time, and I acknowledge that lack of a 1984 award is one factor which may need to be taken into account when considering proposals for 1985. That said, pay levels for the British Waterways Board in 1985 will, of course, need to be justified on merit in the same way as those for members of other Boards.

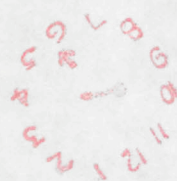
I am copying this letter to the Prime Minister, other E(NI) members and to Sir Robert Armstrong.

NIGEL LAWSON

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



Nat Ind: Board Salaries #3.



22 FEB 1985





NRPM

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CCAO

2 MARSHAM STREET

LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

6 February 1985

Dear Nigel,

I have seen a copy of Peter Walker's letter of 10 December to you commenting on the arrangements for the determination of nationalised industry board members' pay and your reply of 16 January suggesting a meeting of E(NI) when the 1984 pay round is complete.

British Waterways Board pay is not strictly outstanding for 1984. We decided that it was premature to consider an increase. With your agreement I would like to take account of this in discussion of the 1985 pay when we hope to assess the merit and performance of recent and prospective appointments.

As far as the water authorities are concerned, we have had some difficulties in applying the 1981 procedures. These were exacerbated partly by the change in structure under the Water Act 1983 which brought the authorities fully into the national industry fold and partly by the structure of the industry. The latter does not lend itself easily to the pay review procedures envisaged in 1981. We are about to commission a study jointly with the water authorities that will, I hope, clear away some of the uncertainties which the 1983 changes inevitably created and lay the foundation for a new approach, particularly in such areas as inter-authority comparisons.

I therefore welcome Peter Walker's proposal with the caveat that whatever improvements we agree must be sufficiently flexible to take account of the peculiar structure of the water industry.

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

Yours  
Patrick

PATRICK JENKIN



- 7 FEB 1985

