

SECRET

Prime Minister

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MR SCHOLAR

Cabinet, 6 May: TSRB

We agreed that it might be useful if I set out for the Prime Minister's convenience the main arguments she may wish to deploy with her colleagues tomorrow on the TSRB, covering both the size of any abatement to the award, and the timing of the announcement.

These arguments, which are not, of course, new to the Prime Minister, are summarised on the attached sheets.

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5 May 1982

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CASE FOR THE SMALLEST ABATEMENT TO THE TSRB AWARD

1. Colleagues may tend to think of the TSRB award mainly in terms of mandarins' pay. It isn't: over two-thirds (of the cost of the recommendations) is for the judiciary, for which the Lord Chancellor has made a convincing case. And a significant part is for the armed forces - surely this is the worst possible moment to cut back on the pay of service commanders?
2. Most top salaries are currently still at pre-1980 levels; only the TSRB groups have not had a full catching up settlement under this administration.
3. There is unlikely to be Parliamentary criticism of any TSRB award: MPs' pay has more than doubled already since this Government came to power. And colleagues may recall that they themselves have done far better than their senior civil servants since the Election. (Cabinet Ministers up 102 per cent to £35,955; Ministers of State in the Commons up 122 per cent to £27,905).
4. A big abatement would be inconsistent with the Government's commitment to improving the quality of management in the Civil Service. Low salaries and poor promotion prospects must mean lower quality - and the likelihood of more Crown Agents type problems.
5. The recipients of top salaries are too remote from the large pay groups such as NHS ancillaries to be regarded by them as comparators; anyway, whatever formula is used, the settlement will still be in double figures; 15½% - 22½% is not significantly more embarrassing than 13½% - 20½%.
6. There is no logical base for any of the abatement formulae suggested, because of the differing origins of current salaries.

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THE CASE FOR ANNOUNCING THE TSRB DECISIONS, TOGETHER WITH  
OTHER DECISIONS, ON 6 MAY

1. The longer we leave it, the harder it will become. If we do it now, it will be part of a much larger package of measures, and one which won't be much noticed during the Falklands crisis. If we leave it, together with MPs' pay, there will be increasing pressure to cut it back still further.
2. Since the case for cutting it back rests on the purported need to show that we are not treating doctors and dentists unfairly, there is no point in cutting it back unless we announce it at the same time as the DDRB.
3. If we make no announcement, there is bound to be speculation that the TSRB is going to be accepted in full, but that we are afraid to admit it now.
4. If it is substantially delayed, it will start to have adverse effects elsewhere: the teachers, the setting of the miners' pay claim at their annual conference, Nationalised Industry Board salaries, or even the next pay round.

5. It is likely to leak anyway - it is surprising that it  
has not done so yet.  
/ Mrs

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