

NOTE FOR THE RECORD

Top copy on
Parliament # 2
TSRB Members' Pay.

Note of a conversation between the Prime Minister and Lord Boyle at 1015 on 7 July.

The Prime Minister told Lord Boyle of the decisions the Government had reached about TSRB 14 and 15. She said that Ministers had felt it essential to give a lead in reducing public sector pay. In so doing, they had preserved the pattern of differentials the TSRB had recommended. She said that more and more cash was being drained from equipment and capital investment in the public sector to meet the ever growing public sector pay bill, and in her view the economic climate had changed even in the last four or five weeks. If the Government did not take a lead now, they were missing their main opportunity to influence the next pay round.

Lord Boyle said that he thought his members would be worried about High Court Judges, given the recruitment problems which existed. The Prime Minister said that Circuit Judges were getting the biggest increase of all. She acknowledged that there was a real difficulty, but pointed out that Judges got full inflation proofed pensions after only 15 years.

Lord Boyle said that his members were concerned about differentials between senior executives in the nationalised industries and the Board members. He was also concerned that MPs' pay had fallen in real terms: it was now 20% lower than it had been in 1964.

The Prime Minister said that at the same time Members' allowances had risen enormously. In any case, it was not a full-time job.

Lord Boyle asked how soon the TSRB would lose their nationalised industry remit. The Prime Minister said that it was not intended to refer the nationalised industries to them again. She said that she was enormously grateful to the members of the Review Body for all their work and that the Government hoped that they would continue to report on their remaining remits.

/The Prime Minister

The Prime Minister said that the Government was having to reject the PRU recommendations on Assistant Secretaries, which she described as ridiculously high. Lord Boyle said that he was pleased to hear that. It had been suggested that Lord Shepherd and he should form a two-man group to sort out the interface problem between Assistant Secretaries and Under Secretaries, but that had not seemed to him to go with his ^{view of the nature of his} work.

The Prime Minister said that the Government was prepared to refuse arbitration on the issue. She said that Lord Shepherd had done excellent work in this field.

The Prime Minister invited Lord Boyle to call in and see her when he was next in London, to talk about a number of matters. He said that she would be delighted to do so.

Finally, Lord Boyle asked the Prime Minister what was happening about university teachers' pay. The Prime Minister said that he had bowled her out and that she would have to look into the topic. She promised to do so.

MS

7 July 1980

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10 DOWNING STREET

From the Private Secretary

17 July 1980

The Prime Minister has agreed to see Lord Boyle on Monday. Lord Boyle has now sent the enclosed letter raising various points about the TSRB, and I would be grateful for a brief by tomorrow night.

I am sending a copy of this letter and enclosure to Martin Hall (HM Treasury) and David Wright (Cabinet Office).

I. P. LANKESTER

Jim Buckley, Esq.,
Lord President's Office.

TR

cc Mr. Whitmore



10 DOWNING STREET

PRIME MINISTER

Lord Boyle's office rang asking if he might come and see you for a short time the week after next. I have put him in the diary for half-an-hour on Monday 21 July at 1730 and hope that you have no objection to this?

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Lord Boyle will be writing to you specifying the subjects he wishes to raise.

Handwritten signature

10 July 1980

cc Mr. Whitmore



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10 July 1980