

cc MOD  
KMT

KU



10 DOWNING STREET

THE PRIME MINISTER

7 February 1983

Dear Sir David,

Thank you for your letter of 18 January in which you set out the Armed Forces Pay Review Body's recommendation on London Weighting for members of the Armed Forces from 1 April 1982.

I am writing to tell you that the Government will be implementing your recommendations accordingly. I am grateful to you and your colleagues for your advice on this matter.

Yours sincerely

Raymond Barber

Sir David Orr, M.C.

KU





Faint, illegible text centered at the top of the page, possibly a header or title.

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COPIES

1953

Michael

Margaret O'Mara phoned about  
the SIS Defence's letter to  
PM of 28 Jan about  
London Weighting for the  
Armed Forces

The Chancellor disagrees  
that "the Government  
accepts the arguments  
put forward", & thinks  
the <sup>draft</sup> reply should be  
amended.

Nicky.



✓ 52

MO 4/4

PRIME MINISTERLONDON WEIGHTING FOR THE ARMED FORCES

I have seen your Private Secretary's letter of 18th January which covered the Armed Forces Pay Review Body's recommendations on London Weighting from 1 April 1982.

2. I agree with Sir David Orr's observation that those members of the Armed Forces who serve in London have no choice in their posting, and should not be put at a financial disadvantage relative to their colleagues serving elsewhere. Their position is clearly very different from that of other London-based public employees, and for this reason I believe that the Government should be prepared to implement the Review Body's recommendations in full. The cost of doing so (some £618,000) can be met from within cash limits.

/ 3. A draft reply to Sir David Orr is attached which assumes that you will accept this recommendation. I understand that the Treasury and Department of Employment are content with the proposed increase.

4. I am copying this to the Chief Secretary, the Lord Privy Seal, the Secretary of State for Employment and Sir Robert Armstrong.

Ministry of Defence  
28th January 1983

pl type

DRAFT LETTER FROM THE PRIME MINISTER TO SIR DAVID ORR

Thank you for your letter of 18 January in which you set out the Armed Forces Pay Review Body's recommendation on London Weighting for members of the Armed Forces from 1 April 1982.

I am writing to tell you that the Government ~~accepts the arguments you have put forward~~ and will be implementing your recommendations accordingly. I am grateful to you and your colleagues for your advice on this matter.

Defence Forces  
Armed PAY 142

31 JAN 1968



Defence

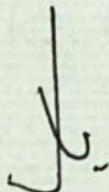
*CF pl plan  
letter from In D Dir.*MR SCHOLAR

cc Mr Mount

LONDON WEIGHTING FOR THE ARMED FORCES

I suggest that the Prime Minister should wait for comments from the Chancellor and the Secretary of State for Defence before deciding on the recommendation of the AFPRB on Armed Forces' London Weighting from 1 April 1982.

However, I see nothing particularly controversial about this. The increases recommended vary from 6.1% to 9.8%, which are in general within the 9.4% increase in the London Weighting indices published by the Department of Employment. Even the 9.8% increase proposed for the Inner London basic rate is within the range of London Weighting generally awarded last year. And the cost of the award is small.

19 January 1983





Defence  
Jub

10 DOWNING STREET

From the Private Secretary

18 January 1983

REVIEW BODY ON ARMED FORCES PAY:  
LONDON WEIGHTING

I attach a copy of a letter the Prime Minister has received from Sir David Orr, Chairman of the Review Body on Armed Forces Pay, about London Weighting for members of the Armed Forces from 1 April 1982.

~~CSK~~  
I would be grateful if you would let me have a draft reply for the Prime Minister's signature, agreed with the Treasury and the other Departments concerned as soon as possible.

I am copying this letter to John Gieve (Chief Secretary's Office), Mary Brown (Lord Privy Seal's Office), Barnaby Shaw (Department of Employment) and Richard Hatfield (Cabinet Office).

M. C. SCHOLAR

Richard Mottram, Esq.,  
Ministry of Defence.



Exp

10 DOWNING STREET

*From the Private Secretary*

18 January 1983

I am writing on behalf of the Prime Minister to thank you for your letter of 18 January.

I will place this before her at once and a reply will be sent to you as soon as possible.

M. C. SCHOLAR

Sir David Orr, M.C.



Prime Minister<sup>2</sup>  
I will let you  
have a draft

OFFICE OF MANPOWER ECONOMICS  
22 KINGSWAY  
LONDON WC2B 6JY  
Telephone 01-405 5944

cc 52  
Defence

reply. M/S 18/1

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
London SW1

18 January 1983

mt

Dear Prime Minister

REVIEW BODY ON ARMED FORCES PAY: LONDON WEIGHTING

1. The Review Body has recently considered evidence from the Ministry of Defence on the level of London weighting for members of the armed forces with effect from 1 April 1982. In accord with previous practice, it seems appropriate to convey our recommendations on this subject by letter rather than in the form of a supplement to our 1982 report: only a very small proportion of men and women in the Services is affected.

2. Since 1974 London weighting for the armed forces has been calculated on the basis proposed by the Pay Board<sup>1</sup> but modified to take account of the specific circumstances of the armed forces. The elements in the Pay Board formula covering the additional costs of housing and travel to work in London are excluded from the basic armed forces rates because Service accommodation is provided at a cost standardised throughout the country and there is some reimbursement of the additional costs of travelling to work. Higher rates, which allow for the housing element, are payable to those who are owner-occupiers and travel daily from their homes to work in London. Taking this as our basis, we feel that the following rates of London weighting are appropriate with effect from 1 April 1982 (current rates in brackets):

	Inner London	Outer London
	£	£
Basic Rate	569 (518)	325 (296)
Owner-Occupier Rate	850 (788)	434 (409)

3. In their evidence to the Review Body on this subject, the Ministry of Defence drew attention to the fact that a number of public service employees received increases in London weighting last year which were below the levels indicated by the Department of Employment indices. We have borne this in mind in considering the levels appropriate for the armed forces. However, we have also been very conscious that servicemen and servicewomen are

<sup>1</sup> Pay Board Advisory Report 4, London Weighting, Cmnd 5660, July 1974.



compulsorily posted (on a temporary basis) to London. In this respect, members of the armed forces are in a different position from most people who receive London weighting. Consequently, we take the view that they should not be put at a financial disadvantage relative to Service colleagues elsewhere and that London weighting in their case is more in the nature of a reimbursement of additional costs than a payment aimed at recruitment, retention and motivation in a particular locality.

4. We conclude that the rates of London weighting set out above are appropriate and we recommend their implementation with effect from 1 April 1982. We estimate the additional annual cost arising from this recommendation to be £618,000.

Yours sincerely  
*David Orr*

SIR DAVID ORR, CHAIRMAN  
REVIEW BODY ON ARMED FORCES PAY

Defense Forces Army,  
Armed pt 2.



BRITISH  
POST  
JAN 1967