

MASTER **CONFIDENTIAL**

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10 DOWNING STREET

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20 July 1983 *CO*
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From the Private Secretary

Dear Tony,

Police Pay

The Prime Minister had a word with the Home Secretary this morning about police pay.

The Prime Minister said that, if the proposals agreed in the Ministerial Sub-Committee on Public Sector Pay (E(PSP) would cause difficulties with the police, she wondered whether it might not be better to seek a larger prize - e.g., a review body arrangement for the police, or their inclusion within the Armed Forces Pay Review Body. The Home Secretary said that the proposals, although within the Edmund Davies framework, might well cause difficulty with the police. But a review body solution would be much more troublesome, since it would involve the abandonment of Edmund Davies. He believed that Sir Harold Atcherley's efforts would be the best agency for reform, and that if Sir Harold discovered that the present system had led to a steady upward ratchet for police pay, he would do all he could to correct it. The Government should, meanwhile, hold back for a short time agreement to this year's pay increase as a lever to encourage the police to agree to Sir Harold Atcherley's review.

The Prime Minister said that she was content with this approach.

I am sending copies of this letter to the Private Secretaries to other members of E(PSP), the Secretary of State for Scotland and to Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

A.R. Rawsthorne, Esq.,
Home Office.

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