

File

MR. TURNBULL

At the Prime Minister's meeting with the Lord President, the Lord Privy Seal, the Chief Whip and the Chairman of the Party this morning, she raised the proposed concessions on Members' pensions, and in particular the proposal to stage the implementation of the increase of contributions to 9%. The Prime Minister said that in her view this concession, coming on top of the others which had been made on Members' salaries, would be seen by the public as going too far, and would make it difficult for the Government to hold the line in relation to other pay matters, particularly on the forthcoming TSRB Report on Top Salaries.

The Chief Whip and the Prime Minister's other colleagues said that they saw considerable force in the Prime Minister's view on the merits. But the argument that the recommended increases in Members' pay had been staged, and it was therefore no more than fair that the increases in pensions contributions should be staged also, would carry great weight in the House. If the Government raised this aspect of the proposals, there was a high risk that they would be defeated. This would not only look worse, but would also raise the possibility of other even more damaging amendments being made.

The Prime Minister concluded that, in view of this advice, the proposals would have to be accepted. But she accepted this aspect with no enthusiasm or pleasure.

F.R.B.

9 April, 1984.

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cc:

bcc: Mr. Simon
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From the Private Secretary

Parliamentary Pension Scheme

The Prime Minister held a meeting yesterday with the Lord President, Lord Privy Seal and Chief Whip at which the Lord Privy Seal's letter of 2 April to the Lord President was discussed.

The Prime Minister expressed concern about the proposed concessions on Members' pensions, and in particular the proposal to stage the implementation of the increase in contributions to 9 per cent. She wondered whether this concession, coming on top of the others which had been made on Members' salaries, would be seen by the public as going too far, and would make it difficult for the Government to hold the line in relation to other pay matters, particularly on the forthcoming TSRB Report on Top Salaries.

In discussion, it was recognised that the Prime Minister's concerns were justified, but it was pointed out that in the House Members would argue that the staging in pension contributions was fair, given the staging of the increases in pay. There was a danger that if this aspect of the proposals were resisted, it would be defeated, thereby creating a opening for even more damaging amendments.

Summing up, the Prime Minister said that, in the light of these arguments, the proposals should be accepted.

I am copying this letter to Private Secretaries to members of H Committee and to Richard Hatfield (Cabinet Office).

David Heyhoe, Esq.,
Lord Privy Seal's Office

ANDREW TURNBULL

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