



Prime Minister

J.V. (1)

I am not prepared to break the AFPRB for this small sum. I agree with *Delia*

PRIME MINISTER

Since Mr Nott cannot find offsets as you suggested, the Chancellor thinks we should overturn AFPRB and stick at 7%. See also John Vereker's note and his point

LONDON WEIGHTING FOR THE ARMED FORCES at (Aug A about teachers.

I have seen your Private Secretary's letter of 16th February giving your views on London Weighting for the Armed Forces - and we talked about this matter the other day.

Do you agree with Mr Nott or the Chancellor?

2. As you know, I share your concern that an AFPRB recommendation should not be overturned for this relatively small amount of money. Nevertheless, I recognise the presentational difficulties which this poses in respect of other groups in the public sector whose London Pay for 1981/82 has yet to be settled. Following our talk I have therefore looked again to see if we could make a minor variation of the recommendations and my officials have discussed with the Treasury your suggestion that some offsets may be found on the lines already agreed for the Police. Unfortunately, there are no extra allowances for the Armed Forces in London, as there were for the Police, which could be used for this purpose. Nor is it possible, without breaching the terms of the AFPRB proposals, to redistribute London Weighting amongst the four categories of recipients in such a way as to produce lower figures for the top end of the award.

3. The choice therefore is whether to restrict the award to the Armed Forces in an arbitrary way, which would certainly blemish our record in this area, or to implement the AFPRB's recommendations in full. Having convinced myself that we cannot act along the lines proposed for the Police I believe we have to accept the latter, and I have already agreed with the Chancellor that, if this is the decision, I will absorb the cost within the MOD cash limit. There would of course be no public announcement.



/ 4. A draft reply to Sir Harold Atcherley is attached which assumes your agreement to his recommendation.

5. I am copying this to Geoffrey Howe, Norman Tebbit, Willie Whitelaw, and Sir Robert Armstrong.

SW

Ministry of Defence

24th February 1982

conqueror

GR please type
DRAFT LETTER FROM THE PRIME MINISTER TO SIR HAROLD ATCHERLEY

I am sorry that I have not been able to reply before to your letter of 23 November 1981 in which you recommended increases in London Weighting for members of the Armed Forces effective from 1 April 1981.

The Government has now considered the Review Body's recommendations and agrees that the proposed new rates of London Weighting should be introduced.

It will not be necessary for any special announcement to be made and the Ministry of Defence is taking action to implement the new rates.

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