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SUBJECT.



10 DOWNING STREET

From the Private Secretary

10 June 1981

CIVIL SERVICE PAY: INDEPENDENT INQUIRY

As you know, the Prime Minister held a meeting this morning to discuss the membership of the proposed inquiry into Civil Service pay. The following were present in addition to the Lord President: the Chancellor of the Exchequer, the Secretary of State for Employment, Sir Ian Bancroft and John Hoskyns. They had before them the Lord President's minute of 5 June.

Chairman

It was agreed that Mr. Justice Lloyd should be first choice for Chairman. The Lord President should consult the Lord Chancellor on whether he could be made available; he should also seek the Lord Chancellor's advice on how he should be sounded out. If Mr. Justice Lloyd proved unable or unwilling to serve, Sir Alastair Pilkington would be the next best choice. Even if he were not to take the chair, it might be desirable to include him in the membership.

Members

Of the names mentioned in the Lord President's minute, it was agreed that Sir Kenneth Berrill should be first choice. It was also agreed that Lord Shepherd should probably not be invited to be a member: it would be better for the inquiry to take his views in evidence.

Managers

It was agreed that Mr. Robert Ramsay should be first choice. The inquiry should also include a second manager: the best candidate seemed to be Mr. Len Peach of IBM. Another strong candidate might be Mr. G. Russell, Managing Director of Alcan and a member of the PRU Board. He would make a good "regional" representative, and if Lord Shepherd was not to be included, his choice would have the merit of including someone with direct experience of the PRU system. Mr. P.D. Carter of Littlewoods and Mr. Ian MacLaurin of Tesco might also be considered. It was agreed that Sir Derek Rayner should be asked for his views on all these names.

/ Small business

APPOINTMENTS IN CONFIDENCE

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Small business

It was agreed that the best candidate amongst the proposed representatives of small business was Mr. James Ackers. However, it would be desirable to seek Lord Boardman's views - he would know him because of their association of the ABCC. John Hoskyns was asked to do this.

Women

It was agreed that Detta O'Cathain was first choice; but it might be desirable to include a second woman. Daisy Hyams of Tesco and Margery Hurst of the Brook Street Bureau were mentioned. The Chancellor said that he would ask Lady Howe for her views on these and any other possible names.

Economists

It was agreed that Professor Tom Wilson of Glasgow University was first choice. Not only was he good, but he had the advantage of representing Scotland. On professional grounds, Professor Christopher Foster would make an excellent choice if Professor Wilson was not available.

Trade unionists

It was agreed that there should be two trade unionists on the inquiry. The first choice should be Mr. John Baldwin and Mr. David Warburton. Mr. John Chalmers would be a useful reserve.

The main action is now for the Lord President to consult the Lord Chancellor on Mr. Justice Lloyd as possible Chairman. It was agreed that none of the other possible candidates should be approached until a Chairman had been chosen: whoever it was would no doubt have his own views on the membership. The other immediate action is for John Hoskyns to consult Lord Boardman on Ackers, for the Chancellor to obtain Lady Howe's views on possible women members, and I will ask Sir Derek Rayner for his views on the possible manager members. It was also agreed that, bearing in mind the need to have adequate Scottish representation, Mr. Younger's views should be sought generally, and I will write to his office accordingly.

I am sending copies of this letter to John Wiggins (HM Treasury), Richard Dykes (Department of Employment) and David Wright (Cabinet Office).

T. P. LANKESTER

Jim Buckley Esq
Lord President's Office