



Mike

PRIME MINISTER

## PAY AND PERFORMANCE

I was interested to see the Lord President's minute to you of 28 November suggesting that officials should work out alternative proposals for a scheme to introduce performance-related pay for Assistant Secretaries and Principals in 1982.

2 This is, I think, a much better approach to the problem which I welcome as a useful start to achieving a more flexible system of rewards for Civil Servants. I hope that this work can be completed as quickly as possible to allow for full consultation before introducing any new arrangements in April 1982.

3 I am copying this minute to Cabinet colleagues, to the Minister of Transport, Sir Robert Armstrong and Sir Derek Rayner.

KJ

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8 December 1980

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