

SB  
431

PREM 19/248

Special Political Advisers

Pay of Special Advises

Part 1

GOVERNMENT

MACHIVERLY

APRIL

~~May~~ 1979.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>25.79</del>		<del>30.7.79</del>					
<del>10.5.79</del>		6.8.79					
<del>4.5.79</del>		<del>29.8.79</del>					
<del>10.5.79</del>		6.9.79					
<del>17.5.79</del>		14.9.79					
<del>20.5.79</del>		<del>27.9.79</del>					
<del>28.5.79</del>		2.10.79					
<del>4.6.79</del>		<del>23.10.79</del>					
<del>5.6.79</del>		2.11.79					
8.6.79		<del>6.11.79</del>					
11.6.79		<del>9.11.80</del>					
12.6.79		1.2.80					
<del>18.6.79</del>		<del>5.2.80</del>					
22.6.79		2.5.80					
<del>15.6.79</del>		9.7.80					
<del>2.7.79</del>							
<del>12.7.79</del>							
<del>24.7.79</del>		Ends					

PREM 19/248

Material used by  
official Historian  
DO NOT DESTROY

PART 1 ends:-

MAP to Transport 9.7.80

PART 2 begins:-

CAW to Buncraft, 29-9-80

~~<sup>s</sup>/s Trade to PVI 10.10.80~~

APPOINTMENTS IN CONFIDENCE

five

Govt March

2 May 1980

The Prime Minister has seen your Secretary of State's minute of 30 April, in which he proposes that Mr. David Young should be formally appointed as a Special Adviser in the expert category.

She is content with this proposal on the basis set out in the minute.

I am sending a copy of this letter to David Laughrin (CSD).

M. A. PATTISON

Ian Ellison, Esq.,  
Department of Industry.

APPOINTMENTS IN CONFIDENCE





PRIME MINISTER

DAVID YOUNG

As I think you know, David Young has been giving me advice on policy issues involving the use or disposal of property; he has also provided advice on the same subject to the Welsh Office and the Post Office. I find his advice invaluable and recently I have decided that I would like to broaden my recourse to him to cover all questions of a commercial and banking nature. This will mean that he will be spending the greater part of the week in the Department and I think it would be appropriate if he were formally appointed as a Special Adviser in the expert category.

If you accept my proposal no question of remuneration would arise. Subject to the company's agreement David Young would continue to be Chairman of Manufacturers Hanover Property Services Limited, the appointment which he has held since 1974. The Department will provide him with office accommodation and he has asked if we can reimburse the company for the proportion of the time his secretary spends on Government business.

I hope you will be able to agree to this appointment which I would like to announce soon.

I am sending a copy of this minute to Sir Ian Bancroft.

KJ

Department of Industry  
Ashdown House  
123 Victoria Street

K J  
30 April 1980

PRIME MINISTER

David Wolfson says that  
Mr Young has already  
provided valuable advice.

Yes not Agree to formalise (unpaid)  
appointment? MAF 30/10

D Wolfson



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30 APR 1960

Lab. - Blackburn

Mr Jack Straw: To ask the Minister for Civil Service, if he will list in the Official Report the names of all persons appointed since 4th May 1979 as special, political or policy advisers to the Prime Minister and Ministers, or who have been appointed on condition that their employment cannot extend beyond the life of the present administration, and in each case the Minister to whom such persons are responsible, their titles and brief functions, whether their salaries are paid from public funds, and the total salary bill for those so paid.

## MR PAUL CHANNON

The information requested about Special Advisers paid from public funds is given below. Political advisers not paid from public funds are:

No.10 Downing Street

Mr D Wolfson Chief of Staff  
Mr R Ryder Political Secretary

Department of Employment

Mr R Gilbert

Also, the Prime Minister has appointed Sir Derek Rayner as a part-time adviser to assist Departments in promoting efficiency and eliminating waste. He is located in the Cabinet Office.

## Special Advisers paid from Public Funds

Mr J Hoskyns	} Special Advisers to the Prime Minister
Mr N Strauss*	
Miss F Yonge	Special Adviser to the Chief Whip
Mr D Howe*	Special Adviser to the Paymaster General
Mr G Cardona	Special Adviser to the Financial Secretary to the Treasury
Mr P Cropper	Special Adviser to the Chief Secretary to the Treasury
Mr A Ridley	Special Adviser to the Chancellor of the Exchequer
Mr R Shepherd	Special Adviser to the Secretary of State for Employment
Mr M Portillo	Special Adviser to the Secretary of State for Energy
Mr T Baron	Special Adviser to the Secretary of State for the Environment (for 6 months from 1 October 1979).
Professor R Dyson*	Special Adviser to the Secretary of State for Health and Social Security

Mr R Sexton      Special Adviser to the Secretary of State for  
                         Education and Science

Mr I Heggie\*      Special Adviser to the Secretary of State for  
                         Transport

Sir Robert Cooke\*      Special Adviser to the Secretary of State  
                         for the Environment

\*Denotes part-time

Special Advisers' duties are those laid down by their Minister.  
The total annual salary cost for Special Advisers paid from  
public funds is £155,000

## BACKGROUND NOTE

Mr Straw, who was himself a Special Adviser under the last Administration, has also put down a Question to the Prime Minister for Answer on 5 February: a copy of that Question and the draft answer submitted is attached.

2. The main part of the draft reply has been drawn from the format approved by No.10 in October 1979 for a letter from the Minister of State to another former Special Adviser, Mr Roger Darlington (copy attached). Since then, there have been only two further appointments those of Mr Ian Heggie and Sir Robert Cooke. All those listed as "Special Advisers" in the draft reply have been appointed under the terms of the Memorandum issued with the Prime Minister's approval by Sir Ian Bancroft on 14 May 1979 and are civil servants. As Messrs Wolfson, Ryder and Gilbert and Sir Derek Rayner are not paid from public funds there is no need to discuss their terms and conditions of employment in the reply.



for  
Guthrie

10 DOWNING STREET

*From the Private Secretary*

1 February 1980

We have discussed the appointment of Professor Harold Rose as a part-time adviser to your Department, about which your Secretary of State wrote to the Chancellor on 25 January.

I can confirm that the Prime Minister did take note of the appointment when Sir Keith mentioned it to her in passing recently.

I understand that the Department has made consultancy arrangements for Professor Rose's services, although your Secretary of State's letter implied that he had been engaged as an expert special adviser. In cases where there is any question of an appointment falling into this latter category, it is obviously helpful for a proposal to be put in writing to the Prime Minister before arrangements are confirmed.

I am sending copies of this letter to Martin Hall (HM Treasury) and David Laughrin (Civil Service Department).

M. A. PATTISON

Ian Ellison, Esq.,  
Department of Industry.

TCR

PRIME MINISTER

I understand that Keith Joseph did mention to you his intention to take on Harold Rose as a part-time adviser.

The Department see him as a consultant to the Department, not a Special Adviser. I do not think that this is a valid distinction in a case like this. Do you agree that any appointment like this must be cleared with you before it goes ahead?

In this case, Keith Joseph mentioned to you, but nothing was set down in writing until after the event. If you do agree that Mr. Rose fits your definition of "Special Adviser", I will point out to Sir Keith's office that a written request before the event would have been helpful.

*MJP*  
The terms of the agreement seem more like consultancy than special adviser. I think K.J. probably has to me some time ago. Harold Rose is excellent but

31 January 1980



810

del CSD

Prime Minister

To note.

JU

R

28/1



DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

Secretary of State for Industry

25 January 1980

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
London SW1

*Dear Geoffrey,*

I should have let you know some weeks ago that Harold Rose has become a part-time adviser to me at a probable cost of about £1,000 a year. He and I meet every fortnight to discuss economic issues. As he is Economic Adviser to Barclays Bank, he obviously can't be consulted on some matters but, subject to that, he can provide a useful extra opinion on not only what I wish to refer to him but anything on which you would value his opinion.

I am copying this to the Prime Minister for information.

*Yours ever,*

*Kare*

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Machery  
RH

10 DOWNING STREET

*From the Private Secretary*

9 January 1980

APPOINTMENTS IN CONFIDENCE

Thank you for your letter of 4 January, about the time spent with the Department by your Minister's part-time Special Adviser on transport matters.

I can confirm that the Prime Minister has no objection to the arrangements which you propose, subject to any points on his precise terms of service which you may need to discuss with the Civil Service Department.

I am sending a copy of this letter to David Laughrin (Civil Service Department).

M. A. PATTISON

Miss E C Flanagan  
Department of Transport

GC

STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

*Got. Mach.  
P.A.  
M.P.*

Mike Pattison Esq  
10 Downing Street  
LONDON SW1

6 December 1979

*Dear Mike,*

PAY OF (EXPERT) SPECIAL ADVISERS - SIR ROBERT (ROBIN) COOKE

Thank you for sending us a copy of your letter of 27 November about the appointment of Sir Robert Cooke. I can confirm that CSD have now discussed with DOE the appropriate salary arrangements for their new "expert" Adviser.

His starting salary will be at the inclusive annual rate of £3156, equivalent to one-fifth of the maximum of 1 January 1980 Civil Service Senior Principal's scale inclusive of London Weighting. This will be adjusted as and when appropriate to follow any further changes there may be in Civil Service pay at that level.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE

APPOINTMENTS IN CONFIDENCE



MFT  
cc LPO  
CWO  
COJ

10 DOWNING STREET

*From the Private Secretary*

27 November 1979

The Prime Minister has seen your Secretary of State's minute of 26 November, proposing the appointment of Sir Robert Cooke as a Special Adviser to him on matters affecting accommodation in the Palace of Westminster.

She is content with this proposal, subject to agreement between your Department and the Civil Service Department on the financial arrangements.

I am sending copies of this letter to Jim Buckley (Lord President's Office), John Stevens (Chancellor of the Duchy of Lancaster's office) and Murdo Maclean (Chief Whip's Office).

M. A. PATISON

D.A. Edmonds, Esq.,  
Department of the Environment.

A handwritten signature, possibly 'D.A.', in blue ink.

4.

PRIME MINISTER

Mr Heseltine proposes the appointment of Sir Robert Cooke as a Special Adviser for the Palace of Westminster.

This would be a unique appointment. The Civil Service Department have pointed out that it would be a different role from those for which you have approved other Special Advisers. They have suggested that Sir Robert could be employed on a consultancy basis as and when required. They suggest that there could be some "jobs for the boys" criticism of the sort of arrangement now proposed.

I think that use of the Special Adviser arrangements could be justified in this case. But before you agree, you might wish to ask Mr. Heseltine to confirm that the "strong feeling in the House of Commons" to which he refers is all-party, and not simply on the Government's side.

*- I know that it's*

*MAD*

*Agreed not*

26 November 1979



Prime Minister

I should be grateful for your approval to appoint Sir Robert (Robin) Cooke special adviser for the Palace of Westminster, on all matters affecting accommodation. I have entrusted Ministerial responsibility for the Palace to Geoffrey Finsberg and Sir Robert would work very closely with him. I have consulted Norman St John Stevas, Christopher Soames and George Cholmondeley (as Lord Great Chamberlain) informally, and, of course, Sir Robert Cooke has indicated that he would be willing to serve, if asked, as a special adviser. I propose that the appointment be paid at the same rate as a Vice Chairman of a New Town Development Board, currently £2,835 per annum for 1 day per week; my officials are in touch with the Civil Service Department on this. Sir Robert would also be reimbursed expenses in the normal way.

I do not need to rehearse Sir Robert's very special knowledge and experience of the architecture, furnishing and history of the Palace of Westminster. His energy and talents were most notably displayed during the period of the last Government when he showed himself to be an outstanding Chairman of the Accommodation and Administration Sub-Committee of the House of Commons Services Committee. He was also an extremely valuable member of the House of Commons Works of Art Committee. There is a strong feeling in the House of Commons, which I share, that his talents should continue to be used. This is illustrated by the Early Day Motion (number 45) in the Order Paper for Friday 15 June 1979.





I am copying this to Christopher Soames,  
Norman St John Stevas and Michael Jopling.

*WJH*

MH

26 NOV 1979

STAFF IN CONFIDENCE

Good Machinery



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

Mr Wolfson

To see & return.

Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service

na MJD

Mike Pattison Esq  
10 Downing Street  
Whitehall  
LONDON SW1

2 November 1979

Dear Mike,

PAY OF SPECIAL ADVISER - A N RIDLEY

As the result of new evidence as to Adam Ridley's "market value" produced to us by David Wolfson, we have reassessed his starting pay as a Special  
... Adviser, and I enclose a copy of a letter notifying the new rate which we have just sent to his employ- ing department.

Yours sincerely,

David

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01 273 3576

Switchboard 01 273 3000

1 November 1979

C W France Esq  
HM Treasury  
Parliament Street  
LONDON SW1

*Dear Hans*

MR A N RIDLEY - SPECIAL ADVISER TO THE CHANCELLOR OF THE EXCHEQUER

I am writing to confirm my telephone call of yesterday when I told you that we have re-appraised Mr Ridley's rate of pay in the light of further information that has been provided, and that we can now agree that he should be paid at a rate equivalent to that of an Under Secretary plus Inner London Weighting.

So, with effect from the date of his appointment (10 May 1979), Mr Ridley may be paid a salary of £17494, increasing to £18780 from 1 April 1980. His pay may be adjusted in future, without prior reference to CSD, to reflect any further changes in the rates of Under Secretary pay and Inner London Weighting; but we should like to be informed, please, whenever you authorise a change.

This letter supersedes Fowler's of 27 June to Miss Randall.

*Yours sincerely  
Bob King*

N J KING  
PAY 5



file BK.  
Sub mach

10 DOWNING STREET

*From the Private Secretary*

2 October 1979

Thank you for your letter of 1 October, enclosing a draft reply for Geoffrey Green to send to Roger Darlington giving details of Special Advisers currently employed.

I can confirm that we are content with the proposed draft.

G.D. Rogers, Esq.,  
Civil Service Department



Civil Service Department

Whitehall London SW1A 2AZ

Telephone 01-839 7733 ext

Minister of State

M Pattison Esq  
10 Downing Street  
LONDON SW1

1 October 1979

*Mr Wolfson*

*Any comments?*

*MAP 2/x*

*Dear Mr Pattison*

SPECIAL ADVISERS: LETTER FROM MR R DARLINGTON

As you know, Mr Roger Darlington wrote on 9 August to the Minister of State seeking information about current Advisers including details of advisers "paid from party funds".

... Mr Channon has approved the attached Private Secretary reply to Mr Darlington but has asked that the draft be cleared with you before the letter is sent. I should be grateful if you would let me know whether you are content.

*Yours faithfully*

*pp* *Dods*

G D ROGERS  
Assistant Private Secretary

DRAFT LETTER FROM PS/MINISTER OF STATE TO

R Darlington Esq  
35 Richmond Road  
London E11 4BX

The Minister of State has asked me to thank you for your letter of 9 August.

I enclose a list giving the information requested about Special Advisers paid from public funds. Political advisers not paid from public funds are:

No 10:           Mr D Wolfson, Chief of Staff  
                  Mr R Ryder, Political Secretary

Department of Employment:

                  Mr R Gilbert (part-time)

Also, the Prime Minister has appointed Sir Derek Rayner as a part-time adviser to assist Departments in promoting efficiency and eliminating waste. He is located in the Cabinet Office.

I hope this is helpful.

G E T GREEN

SPECIAL ADVISERS : OCTOBER 1979

No 10	Mr J Hoskyns, 51 Mr N Strauss*, 42
Chief Whip's Office	Miss F Yonge, 58
Paymaster General's Office	Mr D Howe*, 45
Treasury	Mr G Cardona, 28 Mr P Cropper, 52 Mr A Ridley, 37
Department of Employment	Mr R Shepherd, 30
Department of Energy	Mr M Portillo, 26
Department of the Environment	Mr T Baron, 54 (for 6 months from 1 October 1979)
DHSS	Professor R Dyson*, 39
DES	Mr R Sexton, 44

\* denotes part-time

The current total annual salary cost for Special Advisers is £128,660. This figure is provisional: some rates have been offered but not yet accepted.



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12 OCT 1979

12 11 10 9 8 7 6 5 4 3 2 1



## CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.*  
*Head of the Home Civil Service*

Tim Lankester Esq  
 10 Downing Street  
 Whitehall  
 LONDON SW1

14 September 1979

*Dear Tim,*

## PAY OF SPECIAL ADVISERS

In Mike Pattison's absence you might like to have available an up to date salary table of the pay range used for setting salaries for ... Special Advisers (Annex A). This has been updated to take account of the increase in Inner London Weighting to £780.

You may also like to have a list of the salaries agreed so far for ... Special Advisers (Annex B). Despite the extraordinary report in today's Economist, it is in fact the case that 10 out of the 12 Special Advisers' salaries have been settled amicably and the only two cases outstanding are those of Mr Ridley and Mr Howe. Mr Howe's post has recently been inspected and revised offer is about to be made to him of a salary of £12177 (nine-tenths of the second point in the 1 January 1980 Civil Service Senior Principal scale inclusive of London Weighting.) We do not know if he will accept this. The salaries are of course linked to appropriate Civil Service salary points.

*Yours sincerely,*  
*David*

DAVID LAUGHRIN  
 Private Secretary

*NAM cc Mr Wilton*

*Goot Mach.*

TABLE OF SPECIAL ADVISERS' SALARY POINTS

POINT	SALARY (INCLUSIVE) £ pa		CS ANALOGUE SCALE POINT
29	22500		DS
28	18780		US
27	17780	}	(Max
26	17280		(Min + 3
25	16530		AS (Min + 2
24	15780		(Min + 1
23	15030	}	(Min
22	14530		SP (Min + 2
21	13530		(Min + 1
20	12530		(Max
19	12030	}	(Min + 6
18	11530		(Min + 5
17	11130		Prin (Min + 4
16	10730		(Min + 3
15	10330		(Min + 2
14	9980		(Min + 1
13	9630		(Min
12	8030	}	(Max
11	7630		(Min + 4
10	7355		HEO(A) (Min + 3
9	7130		(Min + 2
8	6930		(Min + 1
7	6730		(Min
6	6480	}	(Max
5	6105		(Min + 4
4	5830		(Min + 3
3	5530		AT (Min + 2
2	5280		(Min + 1
1	4980		(Min

## INCREMENTS

- 1 for entrants on Points 19-26  
 2 for entrants on Points 13-18  
 3 for entrants on Points 1-11 (provided Point 12 not exceeded)

Pay 5 Division  
 30 August 1979

## LIST OF SPECIAL ADVISERS AT 30 AUGUST 1979

DEPARTMENT	NAME	AGE	SALARY
			£
Prime Minister's Office	J Hoskyns	51	16780 <sup>+</sup>
	N Strauss*	42	10800 (13500) <sup>+</sup>
Chief Whip's Office	Miss F Yonge	58	7130
Paymaster General's Office	N Howe*	45	11277 (12530)
Treasury	A Ridley	37	15030
	P Cropper	52	12530
	G Cardona	28	9630
Employment	R Shepherd	30	9980
Energy	M Portillo	26	9630
Environment	T Baron		26000 <sup>+</sup>
Education and Science	S Sexton	44	9630
Health and Social Security	Prof R Dyson*	39	2343 (11718) <sup>+</sup>

\*denotes part-time. Full-time salary shown in brackets.

<sup>+</sup> personal rate of pay

119 SEP 19



111





Gov. Mach. JLB  
c Mr Wolfson

10 DOWNING STREET

From the Private Secretary

6 September 1979

Thank you for your letter of 4 September, in response to my minute of 29 August to Sally Badham.

We have discussed this. Our concerns are as follows:

- 1) As I made clear to you, the Prime Minister has not approved any specific role for Professor Hague. It is part of No. 10 Policy Unit's remit to keep in touch with a number of people, and they have included Professor Hague amongst these. But he should not be included in any list of special appointments made on the Prime Minister's authority unless the Prime Minister in the future gives specific directions about an appointment for him.
- 2) We had included Henry James' name in one earlier response, where the question had been about "consultants". I agree that there is no need to refer to him in the context of special advisers as he fills a normal No. 10 role, and the special financial arrangements do not bring him within the accepted concept of "special adviser".
- 3) We agreed that Sir Derek Rayner should perhaps not be defined as a "special adviser", but I asked that he should be included in the reply to Mr. Darlington with a special description, as we have no wish to be accused of excluding any special appointments made by the Prime Minister which are charged to public funds.
- 4) We agreed that, although Messrs Wolfson and Ryder need not, strictly speaking, be included in a reply to Mr. Darlington, it would be useful to do so while stressing that they were not special advisers, but political advisers who are not paid from public funds.

I hope this clarifies the position and provides a consistent basis for handling such enquiries in the future. I am sorry that there has been some confusion, but this has arisen in part from the different approaches of the various questions we have had to answer to date.

MSP  
el



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01 273 3233  
Switchboard 01 273 3000

M A Pattison Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
LONDON SW1

4 September 1979

*Dear Pattison,*

I have seen a copy of your minute of 29 August to Sir John Herbecq's Private Secretary, Miss Badham, concerning the draft reply from CSD to Mr Roger Darlington about current Special Advisers. As Principal Establishment Officer for CSD it falls to me to draft replies to PQs and queries concerning Special Advisers at No 10 and I think we need to agree which of the staff at No 10 should be mentioned in such replies, and which should not.

2. Members of Parliament and the public have always been unclear about the term 'Special Adviser' and will, no doubt, continue to be so. Many of their queries tend therefore to concern not only those 'Special Advisers' who are appointed and paid for by the Civil Service but also the Prime Minister's other advisers, for example, her political and economic advisers. In order to avoid giving MPs and members of the public what might appear to be conflicting information I believe we should attempt to adopt a more consistent approach to such queries than we have done in the past.

3. Since the start of the present Administration the Prime Minister's 'Special Advisers' have been mentioned in replies to 2 PQs. The first, given by the Minister of State, CSD (and cleared, of course, with No 10) on 18 May in reply to a question from Mr Robert Sheldon, mentioned the appointments of Messrs James, Hoskyns, Wolfson and Ryder (copy attached). The reply made it clear that only Mr Hoskyns had been appointed formally as a Special Adviser and that Messrs Wolfson and Ryder were not paid from public funds. This answer was used as a guideline in preparing the draft answer to a question from Mr Cryer concerning the Prime Minister's 'economic advisers', and all the staff mentioned in the answer of 18 May were included in the draft answer together with Mr Strauss and Professor Hague, who had been appointed after 18 May. The draft answer was, however, changed at No 10 and only Messrs Hoskyns and Strauss' appointments and Professor Hague's position were mentioned in the reply given on 27 July (copy attached). You have now suggested that in response to Mr Darlington's letter, the appointments of Messrs Wolfson, Hoskyns, Strauss, Ryder and Sir Derek Rayner, but not Professor Hague, should be mentioned. Thus, on each occasion when we have been asked to list the Special Advisers at No 10 a different list has appeared. Whilst none of the replies have been inaccurate, taken together they are somewhat confusing and it might help if we could clarify which 'advisers' should be included in such replies.

4. I suggest that Messrs Hoskyns and Strauss be included in all replies to queries about Special Advisers at No 10, with it being made clear that Mr Strauss has been appointed on a part-time basis. I understand that Messrs Wolfson and Ryder advise the Prime Minister on policy and political matters and suggest that they also be included in all replies, with it being pointed out that they are not paid from public funds. I was surprised to



see that you wished Sir Derek Rayner to be included in the reply to Mr Darlington since it was my understanding that he was not a Special Adviser but had been appointed to carry out a specific project. Could you please confirm that he should be included in all future lists of Special Advisers at No 10? Nor is Professor Hague's position clear. I had understood from John Hoskyns that Professor Hague was to help the No 10 Policy Unit 'on a part-time but regular basis' and although he is not paid from public funds, he would be carrying out a Special Adviser type function. Could you please confirm that you would wish him to be excluded from all future replies apart perhaps, from those which specifically concern 'economic' advisers such as the reply to Mr Cryer's recent PQ? Mr James, I think, could be excluded from all replies, (and perhaps we can hope that there will not be another question before his term of office comes to an end).

5. In conclusion therefore I would be grateful if you could let me have your views on these proposals, and confirm that you would still wish Sir Derek Rayner, Messrs Wolfson, Hoskyns, Strauss and Ryder, and not Professor Hague, to be included in the reply to Mr Darlington. If Sir Derek Rayner is to be included, and since he is formally attached to No 10, could you also let me know where he should appear in the list of Special Advisers at No 10?

*Yours sincerely*  
*K C Lawrance*

K C Lawrance

ENCS

EXTRACT FROM HANSARD

DATE 18.5.79

VOL 967

Col 57-8.

#### Ministerial Advisers

Mr. Robert Sheldon asked the Minister for the Civil Service if he will give the names, terms of appointment and salaries of all special advisers to Ministers.

Mr. Channon: My right hon. Friend the Prime Minister has approved the following:

Mr. Henry James, Press Secretary, 10 Downing Street

Mr. John Hoskyns, Special Adviser, 10 Downing Street

Mr. Adam Ridley, Special Adviser, HM Treasury

Mr. Peter Cropper, Special Adviser, HM Treasury

Mr. Robert Shepherd, Special Adviser, Department of Employment

Mr. Michael Fortillo, Special Adviser, Department of Energy.

The terms of employment are, as appropriate, those applicable to civil servants, and in all cases service terminates at or before the end of the current Administration. It is not the practice to publish details of individual salaries.

My right hon. Friend has also appointed Mr. David Wolfson to be her chief of staff and Mr. Richard Ryder to be her political secretary, but neither will be paid from public funds.

Other appointments will be announced as they are made.

*Jim Sills*

HOUSE OF COMMONS  
HANSAKD 27.7.79  
WA COL 515.

#### ECONOMIC ADVISERS

Mr. Cryer asked the Prime Minister if she will list her economic advisers; whether they work full- or part-time; and what is the scope of the advice they provide.

The Prime Minister: I have not appointed any economic advisers on a full- or part-time salary basis.

I have two special advisers: John Hoskyns who works full-time and Norman Strauss who is part-time. Professor Douglas Hague assists the Policy Unit at 10 Downing Street but receives only expenses.

5 SEP 1973

12 1 2 3 4  
5 6 7 8 9

*Government Machinery*  
61 ✓



10 DOWNING STREET

*From the Private Secretary*

Miss Badham

Thank you for your letter of 28 August with a draft reply from CSD to Mr. Roger Darlington about current Special Advisers.

The reference to Professor Hague is incorrect. We have discussed this with CSD in another context recently. Professor Hague is one of a number of people consulted on occasion by the Prime Minister's Special Advisers. John Hoskyns specifically asked the CSD about payment of expenses: this may have given a misleading impression, but Mr. Hague's status is no different from that of other people from whom Ministers and officials seek advice and to whom their travelling expenses are refunded. He should therefore be excluded from this list, and from replies to any future enquiries on this theme.

Secondly, I note that you have not included Sir Derek Rayner. This should be corrected.

I also have one minor comment on presentation. I note that you have used alphabetical order. In the particular case of No.10, I think it would be preferable to list Mr. Wolfson first, then Messrs. Hoskyns, Strauss, and finally Mr. Ryder.

M. A. PATISON

*SP.*

29 August, 1979.

MANAGEMENT IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

TELEPHONE 01-273 3434

Sir John Herbecq K.C.B.  
Second Permanent Secretary

Mr Wolfson  
Any comment?  
Exclude Prof Hague?  
MAD 24/8/79

24 August 1979

M A Pattison Esq  
10 Downing Street  
LONDON SW1

D Rayner  
why D Hague

Dear MIRE

SPECIAL ADVISERS

I attach a copy of a letter received from Mr Roger Darlington seeking more comprehensive information about current Special Advisers than we have so far provided, and should be glad to know whether you have any comments on the draft list, annexed to this letter, which we have prepared in response.

2. The information which Mr Darlington seeks as to the names, ages, Departments and total annual salary bill of Special Advisers paid from public funds is of the kind supplied in answer to Parliamentary Questions under the last Administration. Mr Darlington also requests details about those "paid from party funds" (including their ages which, as we shall have to explain, we do not know). I enclose for comparison copies of the two Parliamentary Questions on Special Advisers which have arisen under this Administration; also a copy of Mr Darlington's "Times" article of 18 July 1978.

Yours sincerely  
S F Badham

Miss S F Badham  
Private Secretary

No 10	Professor D Hague, No 10 Policy Unit (receives only expenses)
	Mr J Hoskyns, 51, Special Adviser
	Mr R Ryder, Political Secretary (not paid from public funds)
	Mr N Strauss, 42, Special Adviser*
	Mr D Wolfson, Chief of Staff (not paid from public funds)
Chief Whip's Office	Miss F Yonge, 58, Special Adviser
Paymaster General's Office	Mr D Howe, 45, Special Adviser
Treasury	Mr G Cardona, 28, Special Adviser
	Mr P Cropper, 52, Special Adviser
	Mr A Ridley, 37, Special Adviser
Department of Employment	Mr R Gilbert (not paid from public funds)*
	Mr R Shepherd, 30, Special Adviser
Department of Energy	Mr M Portillo, 26, Special Adviser
Department of the Environment	Mr T Baron, 54, Special Adviser (for 6 months from 1 October 1979)
DHSS	Professor R Dyson, 39, Special Adviser*
DES	Mr S Sexton, 44, Special Adviser

\* denotes part-time

The current total annual salary cost for Special Advisers is £127,260. This figure is provisional: some rates have been offered but not yet accepted.

35 Richmond Road,  
London E11 4BX  
9 August 1979

Mr Paul Channon, M.P.,  
Minister of State,  
Civil Service Department

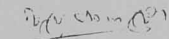
Dear Mr Channon,

I was a Political Adviser to a member of the previous Labour Cabinet. I have written a number of articles about the role of Political Advisers in Whitehall (such as one in the "Times" on 18 July 1978) and I am now in the process of drafting another one.

I am writing to ask if you would be kind enough to supply me with the kind of information that was provided in answers to Parliamentary Questions from time to time during the life of the last Labour Government. I should like to know the names of all Special Advisers currently in post under the present Conservative Government with in each case the age of the Adviser and the Department in which he serves. Also I should like to know which Advisers are paid from party funds, which Advisers are paid from public funds, and the total annual salary bill for those paid by public funds.

I look forward to hearing from you and I thank you for your assistance.

Yours sincerely,



ROGER DARLINGTON





EXTRACT FROM HANSARD

DATE 18.5.75

VOL. 967

Cols 7-8

#### Ministerial Advisers

Mr. Robert Sheldon asked the Minister for the Civil Service if he will give the names, terms of appointment and salaries of all special advisers to Ministers.

Mr. Channon: My right hon. Friend the Prime Minister has approved the following:

Mr. Henry James, Press Secretary, 10

Downing Street

Mr. John Huskyns, Special Adviser, 10

Downing Street

Mr. Adam Ridley, Special Adviser, HM

Treasury

Mr. Peter Cropper, Special Adviser, HM

Treasury

Mr. Robert Shepherd, Special Adviser,

Department of Employment

Mr. Michael Porillo, Special Adviser,

Department of Energy.

The terms of employment are, as appropriate, those applicable to civil servants, and in all cases service terminates at or before the end of the current Administration. It is not the practice to publish details of individual salaries.

My right hon. Friend has also appointed Mr. David Wolfson to be her chief of staff and Mr. Richard Ryder to be her political secretary, but neither will be paid from public funds.

Other appointments will be announced as they are made.

X ECONOMIC ADVISERS X

Mr. Cryer asked the Prime Minister if she will list her economic advisers; whether they work full- or part-time; and what is the scope of the advice they provide.

The Prime Minister: I have not appointed any economic advisers on a full- or part-time salary basis.

I have two special advisers: John Hoskyns who works full-time and Norman Strauss who is part-time. Professor Douglas Hague assists the Policy Unit at 10 Downing Street but receives only expenses.

X X

## Why there, should be more special advisers in Whitehall

There is now little doubt that special advisers are here to stay. They have proved to be a lasting feature of successive administrations, a real assistance to many cabinet ministers, and broadly acceptable to the career Civil Service.

Nevertheless the special adviser system is still evolving and its potential has not yet been fully developed. The approach of a general election seems an appropriate time to review the effectiveness of the system and, I suggest, consider a number of proposals for reform.

The first proposal is for at least one special adviser in each main Whitehall department, so that a comprehensive political network is created. The present Cabinet of 24 has only 13 ministers with one or more special advisers (one non-cabinet minister Judith Hart, has a special adviser). It is particularly surprising that a Labour Government should have no special advisers at the departments of employment, industry and trade.

The partial nature of the system weakens the effectiveness of special advisers in post. For instance, if they are briefing on a Cabinet paper from a department without a special adviser, it is difficult for them to find out the political background to the paper and the thinking of the minister who is the author of the document.

Of course, Cabinet ministers cannot be made to appoint special advisers but greater knowledge of the experience of those who have and open encouragement by the Prime Minister would assist in the establishment of a more extensive special adviser system in Whitehall.

The second need is for those ministers who see the value of the special adviser system to think more in terms of a team than a single appointment. It is simply not possible for one person to be involved in all the major issues of a typical Whitehall department or to brief on more than a fraction of the Cabinet committee papers received by the minister.

---

Ministers who see  
the value of  
the special adviser  
system should  
think more in  
terms of a team  
than a single  
appointment. One  
person cannot be  
involved in all  
the major issues  
of a Whitehall  
department...

---

advisers to engage in normal political activities

They are classed as temporary civil servants and subject to the same political restrictions as senior career civil servants. Theoretically they cannot write articles or deliver speeches on matters of national political controversy and they cannot become parliamentary candidates or even canvass for one.

In practice, a few special advisers ignore some of these restrictions but it is illogical, unreasonable and counter-productive that persons appointed because of their political commitment should be required to abandon most of the activities that demonstrate this commitment, since it is through such activities that they retain their political sensitivity.

In fact of 13 Cabinet ministers who do have special advisers, six of the prime minister has three and Mr David Ennals has three. Since July 1975, there has been a rule (in a minute from Harold Wilson) that Cabinet ministers should not employ more than two special advisers, but it is time that this instruction was relaxed. There is need for 3.5 depending on the size of the department and the seniority of the minister. If there were this number, the minister could appoint a variety of special advisers with different backgrounds and skills. If almost all Cabinet ministers appointed between three and five of these advisers, one would be talking of around 100, four times the present number and rather more than double the peak number of 38 in June 1974.

Thirdly, there should be more cooperation and coordination between special advisers. At present, not all of them know one another, bilateral contacts are spasmodic, and meetings are rare and poorly attended.

There are many reasons for this. There is a steady turnover of special advisers, so that over the past four years more than 30 have been and gone which is more than the number presently in post. Special advisers work in buildings scattered throughout central London and do not have the occasions for regular meetings which ministers have. Finally, the political differences between special advisers are at least as deep and sharp as those between their ministers.

If they are to make a real impact on interdepartmental issues like economic strategy, industrial policy and public expenditure, they need to act much more as a group.

A fourth development that is desirable is allowing special

Special advisers put this view to the Armitage committee on the political activities of civil servants which accepted that special advisers should be subject to separate rules issued by the Prime Minister.

The fifth and final requirement is that the constitutional status of special advisers should be clarified and this could be achieved by creating a separate category of Crown servant.

This is already desirable because in the short term the five-year temporary civil servant status of some special advisers will soon expire and in the longer term the haphazard nature of their salaries requires rationalization through a separate scale.

However, it would be even more necessary if the earlier proposals for reform were accepted, since the Civil Service unions and members of Parliament would be more likely to accept a substantial increase in the number of special advisers and a more overtly political role for them if they were seen to be quite separate from the career Civil Service with perhaps the numbers and salaries being subject to some kind of overall parliamentary control.

Towards the end of 1974, some consideration was given by a Cabinet committee to the creation of a distinct category for special advisers and the Prime Minister is now reconsidering it.

One must beware of ever making too great a claim for the value of the special adviser system. Nevertheless it is a useful one which still has enormous potential that could be developed through these reforms.

### Roger Darlington

*The author was Special Adviser at the Northern Ireland Office from 1974 to 1976 and at the Home Office from 1976 to 1978.*  
© Times Newspapers Ltd, 1978

Govt Mach

2.



10 DOWNING STREET  
PRIME MINISTER

We had suggested that David Howell might see you after Cabinet tomorrow, to discuss the Chairmanship of BNOC, and his need for further independent economic advice.

I now understand that Mr. Howell is not yet ready to cover the ground fully with you. We will therefore not put such a meeting in the diary although he may well seek to have a word with you as the meeting breaks up.

mi

MAP

9 August 1979

Copy in Apples.



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

Mike Pattison Esq  
10 Downing Street  
Whitehall  
London SW1

9 August 1979

*Dear Mike*

PAY OF SPECIAL ADVISERS: MR TOM BARON

Thank you for sending me a copy of your letter of 6 August about the arrangements for Mr Tom Baron. I can confirm that CSD have discussed with DOE the appropriate reimbursement arrangements for the payment to Mr Baron who begins his six month period of employment on 1 October.

The total agreed is £15,125 and there may be an additional payment for the employers National Insurance contribution. VAT will also be chargeable. However this seems fully in line with the views of the Prime Minister about the remuneration that would be appropriate to secure Mr Baron's services. I am copying this letter to David Edmonds in the Department of the Environment.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

*Cost -  
Machinery*

- 1. Mr Watson to see*
- 2. Pa*

*MA 10/vm*

9 AUG 1979



PRIME MINISTER

~~Home~~ See Mr Howell straight  
after Cabinet on Friday,  
(and before see Carter Keeble at  
12:30)? MAF Mrs [unclear]

MIKE PATTISON

Following a conversation which I had with David Howell over the weekend, I gather that he would greatly value half an hour with the Prime Minister (perhaps before or after Cabinet on Friday) to discuss BNOC in particular, and political advice in general.

1. David Howell is predictably concerned about the Chairmanship of BNOC and the underlying rumblings of discontent. I understand he would like to talk to the Prime Minister about this question as soon as possible.

He will be breaking his holiday in Wales to attend Cabinet on Friday and if the Prime Minister could spare half an hour it would, I think, be very worthwhile.

2. The other subject he wants to raise concerns political advice. As you know Michael Portillo fulfills a role in the Energy Department as a Political Assistant. But David Howell would appreciate a market economist from the IEA School in addition.

If you like, I will speak to him in Wales about names for BNOC and the economist jobs.

I will not do so until you have arranged a time and agreed to my speaking to him again about these matters.



Richard Ryder

6th August 1979

Copy in App's.



APPOINTMENTS IN CONFIDENCE



WB  
Gork. Mach

10 DOWNING STREET

*From the Private Secretary*

6 August 1979

Thank you for your letter of 3 August, about the arrangements for the engagement of Mr. Tom Baron as an expert special adviser for a six-month period.

On the assumption that the Civil Service Department are satisfied with the arrangements now in hand, I am sure that the Prime Minister will be entirely content.

I am sending a copy of this letter to David Laughrin (Civil Service Department).

M. A. PATTISON

D. A. Edmonds, Esq.,  
Department of the Environment.

APPOINTMENTS IN CONFIDENCE

WB



2 MARSHAM STREET  
LONDON SW1P 3EB

APPOINTMENTS IN CONFIDENCE

My ref:

Your ref:

3 August 1979

*Dear Sir*

You wrote to me on 9 July conveying the Prime Minister's approval to the appointment of Mr T Baron as an expert Special Adviser for a six-month period and, at the Prime Minister's request, drawing particular attention to paragraph 11 of the memorandum on guidance on the appointment of Special Advisers dealing with the risk of conflict of interest. The Prime Minister wishes particular care to be taken to ensure that information made available to Mr Baron in his role as a Special Adviser will not put him in a compromising position when he returns to his private business.

I can now confirm that having discussed this matter very thoroughly with Mr Baron the Secretary of State is satisfied that there will be no problem in this respect. There will be no question of Mr Baron being consulted about individual contracts or planning applications or land acquisitions/disposals. Nor will he see information about individual companies or other information which might give him an unfair advantage on his return to his own company. Additionally, Mr Baron will be resigning as Chairman and Managing Director of Christian Salvesen (Properties) Ltd on taking up his appointment as a Special Adviser and he has already been granted leave of absence by the Board of the parent company, Christian Salvesen Ltd for the period of his secondment as the Secretary of State's Special Adviser. He has also undertaken to execute a trust deed in respect of his shareholdings in Cristian Salvesen (Properties) Ltd. I might also add that there will be no problem in relation to political activities, either national or local, Mr Baron having ceased to be a member of a local authority some years ago, and having no public offices in a political Party. Agreement has also been reached with him and the Civil Service Department regarding salary superannuation etc (copy of CSD's letter of 2 August attached).

The proposal now is that Mr Baron should take up his appointment on 1 October next. My Secretary of State proposes to issue a short press notice with the announcement.

*for sure*  
*D A Edmonds*  
D A EDMONDS  
Private Secretary

Mike Pattison Esq  
10 Downing Street

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-3 AUG 1979

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CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01 273 3576...  
Switchboard 01 273 3000

2 August 1979

N H Calvert Esq  
Director General, Organization and Establishments  
Department of the Environment and  
Department of Transport  
2 Marsham Street  
LONDON SW1P 3EB

*Dear Calvert*

APPOINTMENT OF "EXPERT" SPECIAL ADVISER TO THE SECRETARY OF STATE FOR THE ENVIRONMENT  
- MR TOM BARON

Thank you for your letter of 27 July giving particulars of the proposed reimbursement package for your Secretary of State's Special (Expert) Adviser, Mr Baron, whose 6 month period of employment begins on 1 October.

We have no objection to his Company's being reimbursed his salary and the employer's contributions to his superannuation scheme and BUPA, making a total of £15125, for the period of the appointment; you may be asked to reimburse also the employer's National Insurance contribution and this would be acceptable.

We would expect VAT to be charged on this staff loan transaction, although this is really a matter for settlement between the Company, Customs and Excise, and your own department.

*Yours sincerely,*

A handwritten signature in dark ink, appearing to read "N J King".

N J KING  
PAY 5



UNITED STATES GOVERNMENT  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D. C. 20250

August 1979

Dear Sirs:  
Reference is made to your letter of August 1, 1979, regarding the proposed  
acquisition of certain lands in the State of Utah. The Bureau is currently  
conducting a study of the proposed acquisition and will advise you of the  
results of this study in the near future.



UNITED STATES GOVERNMENT  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D. C. 20250

Thank you for your letter of August 1, 1979, regarding the proposed  
acquisition of certain lands in the State of Utah. The Bureau is currently  
conducting a study of the proposed acquisition and will advise you of the  
results of this study in the near future.

Very truly,  
Sincerely,

UNITED STATES GOVERNMENT  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D. C. 20250

55

-35 AUG 1979



55

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STAFF IN CONFIDENCE

*Govt Machinery*



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*na.*  
*MAP*  
*31/VII*

*Sir Ian Bancroft G.C.B.*  
*Head of the Home Civil Service*

Mike Pattison Esq  
10 Downing Street  
Whitehall  
London SW1

30 July 1979

*Dear Mike,*

PAY OF EXPERT SPECIAL ADVISERS - PROFESSOR DYSON

As part of our general arrangement for keeping you in touch with salaries agreed for Special Advisers, I attach a copy of a letter which our pay division has sent to the Department of Health and Social Security about the rate of pay appropriate to Professor Roger Dyson whose appointment was agreed in your letter of 11 June to Brereton. Professor Dyson is to be a part time expert Special Adviser on industrial relations in the National Health Service.

*Yours sincerely,*

*David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE



Civil Service Department  
Whitehall London SW1A 2AZ

Telephone (Direct dialling) 01-273 5156  
(Switchboard) 01-273 3000

---

Mrs J E Morehen  
EP4  
DHSS  
10 John Adam Street  
LONDON WC2N 6HD

Your reference  
SE 0111/53 Part III  
Our reference  
  
Date  
27 July 1979

---

PAY OF SPECIAL (EXPERT) ADVISER - PROF DYSON

Thank you for your letter of 20 July giving particulars of your Secretary of State's proposed Special (Expert) Adviser.

Since Prof Dyson is being seconded from his University for only one day per week, we have no objection to the reimbursement arrangements proposed in your letter, viz one-fifth of the actual salary paid him by the University (currently £10612 but rising to at least £11718 from 1 October), plus one-fifth of the employer's superannuation and NI contributions.

I would be grateful if you would keep us informed of all future changes in the rate of reimbursement paid for Prof Dyson's services.

G H E FOWLER  
PAY 5



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

*Gent. re  
Mr Wolfson Mach MAF  
To see & return  
MAF  
24/vii*

M Pattison Esq  
10 Downing Street  
London SW1

24 July 1979

*Dear Mike,*

PAY OF SPECIAL ADVISERS

Thank you for your letter of 17 July.

I note that you are content with the rates of pay that we have authorized for the most recently-appointed Special Advisers; though, as you may know, Derek Howe is unhappy about his rate, and David Wolfson has spoken about it directly to our Pay people.

As regards Rob Shepherd, we can agree that he may be placed one point further up the scale in order to give him a higher rate than Michael ... Portillo. We have informed his department accordingly, and a copy of our letter to them is attached.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary



STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITTHALL LONDON SW1A 2AZ

Telephone Direct line 01 273 3570  
Switchboard 01 273 3000

22 July 1979

D Shipton Esq  
Estabs A  
Department of Employment  
12 St James's Square  
LONDON SW1Y 4AC

*Dear Sir,*

PAY OF SPECIAL ADVISER - MR SHEPHERD

Further to Geoffrey Fowler's letter of 31 May, and John Pestell's of 15 June to Rhys Robinson, Mr Shepherd's starting pay as a Special Adviser has been reconsidered. As a result I can now advise that he may be paid a salary from his commencing date at the inclusive annual rate of £9724; equivalent to the second point of the 1 January 1960 Civil Service Principal's scale inclusive of London Weighting, which may be adjusted as and when appropriate to follow any further changes there may be in Civil Service pay at that level during his first year of service. On both the first and second anniversaries of his appointment he may receive an increment equivalent to one additional point on the same scale, and his salary thereafter may be adjusted automatically to keep him precisely in line with Civil Service remuneration at the appropriate new level.

I suggest his formal letter of appointment be re-worded accordingly.

The last paragraph of our letter dated 31 May still applies.

*Yours sincerely*

N J KING  
PAY 5

STAFF IN CONFIDENCE

STAFF IN CONFIDENCE

24 JUL 1979



STAFF IN CONFIDENCE

PRIME MINISTER

You asked for further advice about Sally Oppenheim's request to appoint Simon Burns as her political adviser.

In favour

Mrs. Oppenheim stresses her need for adequate political briefing for her politically sensitive portfolio: she wants to have her adviser readily accessible to her within the Department.

Against

1. You want to limit severely the number of non-specialist or political advisers, and have ruled that you will only approve them for Cabinet Ministers, and then only one per Minister.
2. You could avoid breaching this if Mr. Nott used Mr. Burns as his allocation for generalised special adviser, but assigned to him to work with Mrs. Oppenheim. But he is not keen to use this arrangement, nor does he seem keen on the appointment in any form.
3. You have allowed only one non-expert special adviser outside the Cabinet ranks, in the special case of George Cardona for the Financial Secretary.
4. Mrs. Oppenheim has offered to continue to pay Mr. Burns, if he were able to sign the Official Secrets Act. You have previously wished to restrict access to papers to those advisers who become temporary civil servants.
5. It is possible to make arrangements for some special advisers to be partly paid from official funds and partly from other sources. But this has so far been used only for academics who want to retain links with their academic bases. (There are of course dangers in doing this for industrialists.) Special advisers appointed for general political work should perhaps be firmly located at Central Office or within the civil service, and not left as hybrids.

/Conclusion

*W. Wolfson*  
*You were intending to speak to*  
*Mrs Oppenheim.*

*MAD 27/11*

*NFA for*  
*now MAD*  
*A.A. MAD 27/11*

Conclusion

You could;

1. Agree that Mrs. Oppenheim should continue to employ Mr. Burns herself, and should give him space in the office, but without access to classified papers; or
2. Appoint him as special adviser, topped up from Party funds if necessary, but clearly making another breach in the guidelines you have used so far; or
3. Allow him to sign the Official Secrets Act and have access to official papers, although not employed as a temporary civil servant.

None of these is attractive. The first option would be least damaging to the principles you have applied so far, if you feel that some effort should be made to meet Mrs. Oppenheim's wishes.

19 July 1979



10 DOWNING STREET

*From the Private Secretary*

17 July 1979

Thank you for keeping us in touch with salary scales of special advisers. We are content with the arrangements for Messrs. Cardona, Howe, Ridley and Cropper set out in your letters of 16 and 5 July and 25 June.

I spoke to you a few days ago about Mr. Shepherd. Mr. Prior has made strong representations that Mr. Shepherd should not be placed on an exactly equal footing with Mr. Portillo. We have already agreed that this was a borderline case, and I would be grateful if you could reconsider the possibility of putting Mr. Shepherd one further up the scale. David Wolfson agrees that this would place him more fairly alongside other advisers being paid in that region.

*MAP*

D.P. Laughrin, Esq.,  
Civil Service Department.

STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

*MW Wolfson to see*

*MAP 17/11*

*na MAP*

Mike Pattison Esq  
10 Downing Street  
London SW1

16 July 1979

*Dear Mike,*

SPECIAL ADVISERS' PAY

... In view of our standing arrangement to keep you in touch with Special Advisers' pay rates, I attach a copy of a letter sent by CSD to the Treasury last week about the pay proposed for Mr Cardona.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE



Civil Service Department  
Whitehall London SW1A 2AZ

Telephone (Direct dialling) 01-273 5156  
(Switchboard) 01-273 3000

---

Mrs M Connolly  
EO Group  
Treasury Chambers  
Parliament Street  
LONDON SW1P 3AG

Your reference

Our reference

Date

13 July 1979

---

PAY OF SPECIAL ADVISER - MR G S CARDONA

With reference to your letter of 11 July and our subsequent telephone conversation about Mr Cardona's starting pay as a Special Adviser, I can confirm that he may be paid a salary from 22 June (his commencing date) at the inclusive annual rate of £9374, equivalent to the minimum of the 1 January 1980 Civil Service Principal's scale inclusive of London Weighting, which may be adjusted as and when appropriate to follow any further changes there may be in Civil Service pay at that level up to and including 21 June 1980. On the first and second anniversaries of his appointment he may receive an increment equivalent to one additional point on the Principal's scale, and his salary thereafter may be adjusted automatically to keep him precisely in line with Civil Service remuneration at the appropriate new level.

I suggest his formal letter of appointment be worded accordingly.

Although future changes in the salary and London Weighting allowance applicable to Mr Cardona's then current Civil Service pay analogue may be passed on to him automatically, ie without prior reference to CSD, we should like to be informed, please, whenever his remuneration changes. If, of course, any doubt should arise as to his entitlement, we should wish to be consulted.

G H E FOWLER  
PAY 5



sfue

10 DOWNING STREET

From the Private Secretary

B.E. 23/7

9 July 1979

The Prime Minister has seen your Secretary of State's minute of 2 July, proposing the appointment of Mr. Tom Baron as an expert special adviser for a six-month period.

The Prime Minister is prepared to approve this appointment. She has, however, asked me to draw particular attention to paragraph 11 of the Memorandum of Guidance on the Employment of Special Advisers, which deals with the risk of conflict of interest. She would wish Mr. Heseltine to take particular care to ensure that the specific information made available to Mr. Baron in his role as a special adviser will not put him in a compromising position when he returns to his private business. I would be grateful if you would confirm that your Secretary of State is aware of this point and is satisfied that there will be no problem in this respect.

I am sending a copy of this letter to David Laughrin (CSD).

M. A. PATTISON

D. A. Edmonds, Esq.,  
Department of the Environment.



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*Free*

10 DOWNING STREET

From the Private Secretary

6 July 1979

*B/F 10-7-79  
to check is Make if before  
heard*

Thank you for your letter of 5 July, drawing attention to several points of which the Prime Minister should be aware before agreeing to the Secretary of State for the Environment's proposal to appoint Mr Tom Baron as an expert adviser.

The Prime Minister notes that Mr. Baron's salary level could well be in excess of the Permanent Secretary rate. In the case of a short-term appointment such as is proposed, she considers that no embarrassment need be caused by this. The rate which will be paid for his short period of loan to the Government will be in accord with the salary which he could command outside both before and after his period as a special adviser. The Prime Minister takes the view that if the Government wishes to engage the best expert advice in specific fields, then it must be prepared to pay the going rate for that advice.

The Prime Minister recognises that the question of the relationship of Mr. Baron's work in Government to his business interests is more delicate. But she does not wish to debar her Ministers from using the services of those who have been successful in the private sector at tackling problems which are relevant to the Government's strategy. She has, therefore, asked that Mr. Heseltine should be reminded of the need to be particularly careful to avoid putting Mr. Baron in a compromising position in respect of specific information made available to him for his work as a special adviser, bearing in mind the existing guidance. I will do this in conveying the Prime Minister's approval.

Perhaps you could confirm to me as soon as possible that Sir Ian Bancroft sees no difficulty in going ahead with the appointment now that the Prime Minister has taken account of these potential difficulties.

M. A. PATTISON

*CTP*

David Laughrin, Esq.,  
Civil Service Department.

**STAFF IN CONFIDENCE**



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

Mike Pattison Esq  
10 Downing Street  
LONDON SW1

*seen*  
*Mr Wolfson*  
*To see*  
*NAJ slv*  
*2. re NAJ.*

5 July 1979

*Dear Mike,*

SPECIAL ADVISERS' PAY

... For your records, I attach a letter about the pay proposed for Mr Howe, Special Adviser to the Paymaster General at the Privy Council Office - David Wolfson's letter to the Paymaster General of 1 June refers.

*Yours sincerely*  
*David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE  
STAFF IN CONFIDENCE



Civil Service Department  
Whitehall London SW1A 2AZ

Telephone (Direct dialling) 01-273 5156  
(Switchboard) 01-273 3000

C E S Horsford Esq  
Establishment Officer  
Privy Council Office  
Whitehall  
LONDON SW1A 2AT

Your reference

Our reference

Date

4 July 1979

*Dear Horsford*

PAY OF SPECIAL ADVISER - MR HOWE

With reference to your letter of 20 June to Bert King and our subsequent telephone conversation about Mr Derck Howe's starting pay as a Special Adviser, I can confirm that he may be paid a salary from 1 June 1979 (his commencing date) at the inclusive annual rate of £12274, equivalent to the maximum of the 1 January 1980 Civil Service Principal's scale inclusive of London Weighting, which may be adjusted as and when appropriate to follow any further changes there may be in Civil Service pay at that level up to and including 31 May 1980. On the first anniversary of his taking up post he may receive an increment, (at present £1000), which will bring him into line with the second point on the Senior Principal's scale, and his salary thereafter may be adjusted automatically to keep him precisely in line with Civil Service remuneration at that new level.

I suggest his formal letter of appointment be worded accordingly.

Although future changes in the salary and London Weighting allowance applicable to Mr Howe's then current Civil Service pay analogue may be passed on to him automatically, ie without prior reference to CSD, we should like to be informed, please, whenever his remuneration changes. If, of course, any doubt should arise as to his entitlement, we should wish to be consulted.

*Yours sincerely*

*C. H. Fowler*

C H E FOWLER  
PAY 5

PRIME MINISTER

I showed you last night the attached proposal from Mr. Heseltine to appoint an expert adviser. You agreed.

Sir Ian Bancroft's office have drawn my attention to two potential problems. First, Mr. Baron's pay is likely to be arranged by reimbursement of his present employers. The rates involved may well be higher than those of Civil Service Permanent Secretaries. This could give rise to some adverse comment on that point. My own view is that if the Government wants the best expert advice in specific fields, it must pay the rate which the candidate can command. That is much more justifiable in the case of a short-term engagement such as is proposed here than it might be for a longer contract, where it might be asked whether the candidate can genuinely still command a high rate in the outside employment market.

There is also a problem that the guidance on employing special advisers suggests that they should neither have access to the kind of information (e.g. about individual companies) nor be involved in the kind of business (e.g. contracts) which underlies the needs for the rules applicable to career Civil Servants. Mr. Baron's appointment will put him very close to Government policy directly relevant to his business field. But once again, I think that you will wish to allow your Ministers to employ advisers who are successful in private business in fields where it is your policy to place emphasis on a switch from public sector to private sector activity. At the same time, we should ask Mr. Heseltine to be particularly careful to avoid putting Mr. Baron in a compromising position in respect of specific information made available to him for his job.

I thought that you should be aware of both these points. I do not consider that they make it necessary for you to reconsider your approval. Agree?

5 July 1979

MAD JLT

APPOINTMENTS IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

Mike Pattison Esq  
10 Downing Street  
London SW1

5 July 1979

*Dear Mike,*

EXPERT SPECIAL ADVISER FOR THE SECRETARY OF STATE FOR THE ENVIRONMENT

Thank you for sending across to me a copy of the Minute from the Secretary of State for Environment about the appointment of Mr Tom Baron as an expert adviser. There are two points which arise in connection with this appointment over pay and propriety.

On pay, we should welcome your views on the nature and level of Mr Baron's remuneration. From a pay management standpoint we would not object to DOE's proposal that his present employers should continue to pay him during his secondment to the department, with DOE reimbursing them for his salary, superannuation costs and any other costs which we would regard as an acceptable charge on public funds. As you know we have already agreed some reimbursement arrangements. However, we are concerned about the size of the sum we might have to reimburse. We shall, of course, look very hard at the proposed reimbursement package and hope to drive the hardest bargain we can but, even so, it seems we still might arrive at a figure in excess of the Permanent Secretary rate. Strictly speaking, we should not object to this in principle, since it is in line with our general market rate approach to fixing the starting salaries of Special Advisers, but we had not envisaged going beyond the Deputy Secretary rate. I should welcome your comments on this, and also as to whether or not you would see any objections on presentational grounds to paying a Special Adviser at or above the Permanent Secretary rate.

On propriety, the proposed appointment raises the question of a possible conflict of interest. The Memorandum of Guidance on the Employment of Special Advisers says (paragraph 11) that the rules about business appointments do not apply to Special Advisers "but, as a corollary, they should neither have access to the kind of information (eg about individual companies) nor be involved in the kind of business (eg contracts) which underlies the need for the rules applicable to career civil servants." In your reply to DOE you may like to draw this to their attention.

APPOINTMENTS IN CONFIDENCE

APPOINTMENTS IN CONFIDENCE

- 2 -

Finally, perhaps I can add a word on handling. Your predecessors found it helpful to consult us before submissions were put to the Prime Minister so that any points of this nature could be drawn to her attention when she made her decision. I know I accepted earlier - in the days when very urgent action was necessary to appoint the first group of Special Advisers - that this would not always be possible. But now, and particularly in the case of expert advisers - where pay and propriety may frequently arise - I would hope you could revert to the earlier practice.

Yours sincerely,  
David.

DAVID LAUGHRIN  
Private Secretary

APPOINTMENTS IN CONFIDENCE

PRIME MINISTER

1.



*This sounds like a genuine "category 2" proposal.  
Agree?*

*MAD 24/7/79*

PRIME MINISTER

I should like your permission to appoint Mr Tom Baron, FRICS, the Managing Director of Christian Salvesen (Properties) Ltd of Leigh, Lancs, as a special adviser, for a six-month period.

Getting more homes built is, of course, one of our major priorities. A great deal of work is already in hand, designed to remove restraints and to encourage more and faster building. Mr Baron is the Managing Director of a large and successful housebuilding concern, and is the moving spirit behind the Volume House Builders Study Group. He has impressed John Stanley and me by his grasp of the challenges facing the housebuilding industry, and by the range and imagination of his ideas. We envisage making intensive use of his abilities to devise a new range of policies.

Mr Baron falls into the second group of advisers defined in your Private Secretary's letter of 7 May - experts in a professional or expert category. My Permanent Secretary is in touch with the Civil Service Department about the terms and level of the appointment. I hope that Mr Baron's company will be prepared to release him for a period: it will, of course, be necessary for him to divest himself of his interests during his period as a special adviser.

*Agreed  
and.*

*with*

MH

2 July 1979

*For Laughlin CSD*

F4 JUL 1979





MANAGEMENT IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service

*Govt. Mach.*  
*M. Wolfson.*  
*YAP*  
*25/VI.*  
*na MP 26/VI*

M Pattison Esq  
10 Downing Street  
London SW1

25 June 1979

*Dear Mike,*

PAY OF SPECIAL ADVISERS

You spoke to me this morning about your interest in the offers likely to be made to the Special Advisers in the Treasury. I promised to let you know the proposals before the negotiations with the individuals began.

wish You will therefore/to know that our Pay Division propose to recommend, subject to your views, that Mr Ridley should be paid at the rate of £14774 - equivalent to the minimum of the 1 January 1980 Civil Service Assistant Secretary scale, inclusive of London weighting. On the first anniversary of his taking up post he would be given an increment equivalent to one additional point on the Assistant Secretary scale. His salary would be adjusted automatically thereafter to keep it in line with Civil Service pay at that new level.

In the case of Mr Cropper, our Pay Division propose a salary of £11774 which is equivalent to the penultimate point of the 1 January 1980 Principal scale, inclusive of London weighting. Again he would receive an increment on the first anniversary of his appointment and his salary would thereafter be adjusted automatically to keep in line with Civil Service pay at that level.

... For information, I also attach a list of pay points being used by our Pay Division in settling Special Advisers' pay according to the regime approved by the Prime Minister.

I look forward to hearing any comments you may have on these proposals. When we have your views, we will give the Treasury authority to go ahead and negotiate the rates with the individuals.

*Yours sincerely,*  
*David*

DAVID LAUGHRIN  
Private Secretary

MANAGEMENT IN CONFIDENCE

MANAGEMENT IN CONFIDENCE

TABLE OF SPECIAL ADVISERS' SALARY POINTS FROM 7 MAY 1979

Point	Salary (Inclusive) £ pa		CS Analogue Scale Point
29	22500		DS
28	18524		US
27	17524	)	(Max
26	17024	)	(Min + 3
25	16274	) AS	(Min + 2
24	15524	)	(Min + 1
23	14774	)	(Min
22	14274	)	(Min + 2
21	13274	) SP	(Min + 1
20	12274	)	(Max
19	11774	)	(Min + 6
18	11274	)	(
17	10874	) Prin	(Min + 5
16	10474	)	(Min + 4
15	10074	)	(Min + 3
14	9724	)	(Min + 2
13	9374	)	(Min + 1
		)	(Min
12	7774	)	(Max
11	7374	)	(Min + 4
10	7099	)	(Min + 3
9	6874	) HEO(A)	(Min + 2
8	6674	)	(Min + 1
7	6474	)	(Min
6	6224	)	(Max
5	5849	)	(Min + 4
4	5574	) AT	(Min + 3
3	5274	)	(Min + 2
2	5024	)	(Min + 1
1	4724	)	(Min

INCREMENTS

- 1 for entrants on Points 19-26
- 2 for entrants on Points 13-18
- 3 for entrants on Points 1-11 (provided Point 12 not exceeded)

Pay 5 Division  
21 June 1979

STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

*Govt  
Machinery*

M Pattison Esq  
10 Downing Street  
SW1

22 June 1979

*Dear Mike,*

*p.a.*

SPECIAL ADVISERS

Thank you for your letter of 19 June.

...

As requested I attach copies of the CVs  
for Messrs Portillo, Sexton and Shepherd.

*Yours sincerely*

*David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE

CURRICULUM VITAE

MICHAEL PORTILLO

BACKGROUND

Father Spanish (British subject since 1957): law don at Salamanca University; subsequently BBC radio producer and H.M. Civil Servant.

Mother British: school teacher.

DATE OF BIRTH

26th May 1953.

NATIONALITY

British

EDUCATION

1964 - 1971: County School, Harrow, Middlesex

1972 - 1975: Peterhouse College, Cambridge.  
(Open Scholar).

QUALIFICATIONS

"A" levels:      History                    (Grade A)  
                         English Literature        (Grade A)  
                         Spanish                    (Grade A)  
                         French                     (Grade B)

First Class Honours in History  
Winner of College History Essay Prize 1975.

CAREER

Temporary Employment

- 1971 Trollope and Colls (City) Ltd. (Builders)  
P.A. to main board director; recruited and organised unit conducting audit of major building project.
- 1972 - American Express, TWA and others  
1978 Tour director throughout Western Europe.

Permanent Employment

- 1975 - Ocean Transport and Trading Ltd. (Shipping, air freight  
1976 and distribution)

Management training: assistant manager of air charters section, buying and selling freight space, handling customer relations and analysing marketing performance.

- 1976 - Economic Section of the Conservative Research Department  
1979 (the secretariat of the Conservative Shadow Cabinet), with special responsibility for energy and trade policy.

Functions include:

Personal assistant to Shadow Spokesmen on Energy and Trade, providing briefing and analysis, liaising with industry, civil servants, trade organisations and City, handling press relations, writing speeches and articles and assisting in policy work.

Secretary to policy groups on oil, gas, coal, electricity, energy conservation; overseas trade, company law and competition.

Work on energy has concentrated on oil policy, with a particular study of oil operations in the North Sea and in the United States.

Briefs for party leader and Shadow Cabinet on energy and trade matters. General speech writing for Mrs Thatcher.

Responsible for briefing material for all Conservative candidates at General Election. Secretary of election strategy planning group.

Responsible for briefing of Mrs Thatcher during election campaign, pre-press conference and for television appearances.

LANGUAGES

Fluent Spanish and French  
Working knowledge of Italian  
Rudimentary German and Russian

INTERESTS

Opera, travel.

Stuart Edward Sexton  
 "Hurnford Cottage"  
 Sanderstead Road  
 Sanderstead  
 S Croydon CR2 0JP

Telephone: 657 7316

Date of birth: 14-9-34 <sup>44</sup>

## CV

- 1952-1955 Imperial College of Science and Technology  
 BSc, ARCS - Chemistry
- 1955-1956 Temporary position as chief chemist to a copper mine  
 prospect at Amlwch, Anglesey.
- 1956-1958 National Service  
 Royal Air Force  
 Commissioned, Flying Officer  
 Head of Chemistry Dept, RAF Technical College, Henlow
- 1958 Joined Shell International Chemical Co  
 Marketing Executive
- 1963-1965 Transferred to Shell Italiana, Genoa, as marketing  
 executive for chemicals in Italy.
- 1972 Left Shell having moved into the marketing end of  
 Research and Development when Shell at that time  
 cut back all R&D work.
- 1972-1975 Development Manager, KW-Revai Chemicals Ltd  
 (a subsidiary of RTZ)
- July 1975 Joined Mr Norman St John Stevas, the then Conservative  
 spokesman for education. I had previously been advising  
 him in an informal and unofficial manner, based on many  
 years in local government and local education committees.
- November 1978 Continued as the Conservative adviser on education,  
 transferring to Mr Mark Carlisle when he took over from  
 Mr St John Stevas.
- To date Continued as adviser and personal assistant to Mr Carlisle.

## INCOME

On becoming a full-time assistant on education matters to the Conservative Opposition I was paid a small retaining fee as some kind of payment, but both sides recognised that this was not a salary and was not anything like sufficient to live on. This fee was paid out of the so-called "Short" money paid for Opposition research.

On joining in 1975 I was paid at the rate of £2,000 pa and last month this was raised to the level of £3,000 pa.

Apart from a small income my wife brings in on her own account, the remainder of our annual income has been made up of accumulated savings from my better-off days in Shell.

When I left Shell at the end of 1971, my salary was £4,850 pa, and had I stayed, would at least be that amount updated for inflation assuming no promotion.

In KW-Reval the total income was confused because of "perks" like a car added in, but was about £5,000.

## PENSION COVER

I have no pension payments at present. My "fee" was paid gross and out of that small sum I could not afford to make any pension arrangements. However I did of course complete 14 years' pensionable service with Shell and a reduced pension (unfortunately based on salary levels at that time) is payable to me when I reach the age of 60.

S E SEXTON

30.5.79



Full Name: Shepherd, Robert James  
 Date of Birth: 14th February 1949  
 Place of Birth: Solihull, Warwicks  
 Marital Status: Married  
 Nationality: British

EDUCATION:

Tudor Grange G.S., Solihull, Warwicks

September 1960 - December 1967

9 'O' levels (1964-5)

4 'A' levels (1967) :

History	(Grade A)
English Lit	(Grade A)
Economics	(Grade B)
General Studies	(Grade B)

University of Kent at Canterbury,

October 1968 - June 1971

Politics and Government BA (Hons),  
 Upper Second Class

University of Kent at Canterbury

October 1971 - September 1972

Awarded Social Science Research Council  
 Quota Award for one year MA in Politics,  
 comprising courses in:

Comparative Political Institutions  
 West European Politics  
 International Relations

The subjects of my two dissertations were:

Modern Democratic Theory  
 Public Opinion and the EEC

The MA was awarded in June 1973.

EMPLOYMENT:

Cambridge Tutors Educational Trust Ltd, Water Tower Hill,  
Croydon, CR0 5SX  
September 1972 - June 1975

Tutor in British Government and Political System  
Sociology  
Oxbridge Entrance

Responsibilities also included considerable amount  
of pastoral work and assisting overseas students.

Member of Tutor's Committee (1974-5)

Other responsibilities at Cambridge Tutors:

- organised and lectured in European Politics,  
Summer School in British and European Studies  
(Summer 1973).
- organised and chaired discussion, Workshop  
for lecturers and teachers of British  
politics (June 1974).

OPEN UNIVERSITY Academic Year 1975, (Feb-Oct)

Course Tutor in the Social Sciences, London Region.  
(This post had to be surrendered after joining  
Conservative Research Department, due to pressure  
of work)

Other Academic Activities:

Lectured and led seminar discussion on  
Public Opinion and the EEC, University of Kent  
Lent Term 1973.

Member of Professor Bernard Crick's seminars on  
Political Education, Birkbeck College, University of  
London, 1973-4. (see also publications, listed below).

\* see also footnote on page 5

Conservative Research Department, July 1975 - May 1979.

Foreign Affairs Section:

July 75 - Nov 75: Officer responsible for the Americas  
Far East, Australasia, Third World, International  
Organisations and Economic Issues.

Dec 75 - Aug 77: Officer responsible for Africa, the Middle  
East, Portugal, Spain, Third World, International  
Organisations and Economic Issues.

Aug- Sept 1977: Officer responsible for briefing Mrs Thatcher  
on foreign affairs and US political situation for her  
visit to USA.

March 1976: With the Hon Douglas Hurd, Lady Elles,  
represented Conservative Party at Annual Party Conference  
of CDS Portugal.

June 1976: visited European Commission, Brussels, with  
Mr Christopher Tugendhat, for two days of talks on  
aid, trade and development policy.

June 1977: undertook two-week fact-finding visit to South Africa  
reported back to Mr Maudling (the then Shadow Foreign  
Secretary) and Lord Carrington.

My responsibilities in Foreign Affairs included regular attendance  
at Parliamentary Party Foreign Affairs Committee; servicing relevant  
Policy Groups; writing Party publications on overseas affairs; briefing  
front-bench spokesmen; preparing briefs for parliamentary debates;  
briefing diplomats and journalists on British politics and  
Conservative policies.

During my period in the Foreign Affairs section, I was a member of:  
The Royal Institute of International Affairs  
The International Institute for Strategic Studies.

Economics Section:

Sept 77 - May 79: Officer responsible for Employment, Industrial Relations and Pay Policy.

My responsibilities in the Economics section included regular attendance at Parliamentary Party Employment Committee; servicing relevant Policy Groups; writing Party publications on employment, industrial relations and pay policy issues; briefing front-bench spokesmen, preparing briefs for parliamentary debates; and regularly briefing journalists on the Party's attitude/position on relevant issues. I also worked directly to Mr Prior, advising on speeches, correspondence, attending meetings etc.

November 1978: lectured and led seminar discussion on Conservative Industrial Relations policy, LSE Graduate seminar on Industrial Relations.

Publications:

1. 'Public Opinion and European Integration'

Saxon House, DC Heath Ltd; Farnborough, Hants, and Lexington, Mass, 1975 (249pp).

2. Articles and Pamphlets:

'Winning Support for the Community', European Community October 1973.

'Leadership, Public Opinion and the Referendum', Political Quarterly, Vol 46, No 1, Jan-March 1975

'Global Interdependence', Old Queen Street Paper, Conservative Research Department Nov 1976

Books Reviewed: 'The 1975 Referendum' (by David Butler and Uwe Kitzinger) and 'Full-Hearted Consent' (by Philip Goodhart), International Affairs, Vol 53, No2, April 1977.

Broadcasts:

'World at One' (April 1975) and 'The World Tonight' (June 1975)  
BBC Radio 4; interviewed on public opinion towards  
British membership of the European Community.

Conferences:

"Young Königswinter": Sept 1977 - selected as a British  
participant for the annual conference of young people from  
Britain and West Germany on current issues (Berlin).

Other Responsibilities:

February 1976 - : elected member of the Association,  
Cambridge Tutors Educational Trust Ltd.

February 1979 - : elected member of the Council [equivalent to  
Board of Governors], Cambridge Tutors Educational  
Trust Ltd.

- Participant in, and presented paper on European Integration,  
at European Consortium for Political Research, annual meeting,  
workshop on mass/elite attitudes to European integration  
(LSE, April 1975).



CF No.

CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service

*David Wilford*  
*He (at 10- asked for 72 246*

Tim Lankester Esq  
Private Secretary  
10 Downing Street  
London SW1

22 June 1979

*Dear Tim,*

ADMINISTRATION GROUP PAY RATES

I understand you would like a schedule setting out Administration Groups pay rates from EO to Permanent Secretary level, showing the increases paid on 1 April 1979, 1 August 1979, and 1 January 1980. This I now attach.

You will see that we have shown the three Permanent Secretary rates payable to Second Permanent Secretaries, Permanent Secretary Heads of Departments and the four "super-Permanent Secretaries, respectively. Where scales are payable - Assistant Secretary and below - we have shown the maximum and minimum.

If you have any further questions, no doubt you will let me know.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

PERMANENT SECRETARY

Salary for Pension Purposes	Salary from		Revised Salary for Pension Purposes	Revised Salary from	
1.4.78	1.4.79	1.4.80	1.4.79	1.4.79	1.4.80
£	£	£	£	£	£
23,500	21,311	23,500	26,000	23,811	26,000
26,000	23,386	26,000	28,500	25,886	28,500
28,000	25,211	28,000	31,000	28,211	31,000

DEPUTY SECRETARY

Salary for Pension Purposes	Salary from		Revised Salary for Pension Purposes	Revised Salary from	
1.4.78	1.4.79	1.4.80	1.4.79	1.4.79	1.4.80
£	£	£	£	£	£
20,000	17,814	20,000	22,500	20,314	22,500

UNDER SECRETARY

Salary for Pension Purposes	Salary from		Revised Salary for Pension Purposes	Revised Salary from	
1.4.78	1.4.79	1.4.80	1.4.79	1.4.79	1.4.80
£	£	£	£	£	£
16,000	14,714	16,000	18,000	16,714	18,000

ASSISTANT SECRETARY

Scale from 1.4.78	Revised Salary Scale for Pension Purposes	Revised Scale payable from		
	1.4.79	1.4.79	1.8.79	1.1.80
£	£	£	£	£
10,043	14,250	10,947	11,449	14,250
to	to	to	to	to
12,273	17,000	13,378	13,991	17,000



SENIOR PRINCIPAL

Scale from 1.4.78	Revised Salary Scale for Pension Purposes	Revised scale payable from		
	1.4.79	1.4.79	1.8.79	1.1.80
£	£	£	£	£
9,057	11,750	9,872	10,325	11,750
to	to	to	to	to
10,809	15,000	11,782	12,322	15,000

PRINCIPAL

Scale from 1.4.78	Revised Salary for Pension Purposes from		Revised scale payable from	
	1.4.79	1.4.79	1.8.79	1.1.80
£	£	£	£	£
6,791	8,850	7,402	7,742	8,850
to	to	to	to	to
8,729	11,750	9,515	9,951	11,750

SENIOR EXECUTIVE OFFICER

Scale from 1.4.78	Revised Salary for Pension Purposes from		Revised scale payable from	
	1.4.79	1.4.79	1.8.79	1.1.80
£	£	£	£	£
5,937	7,350	6,471	6,768	7,350
to	to	to	to	to
7,032	8,900	7,665	8,016	8,900

HIGHER EXECUTIVE OFFICER

Scale from 1.4.78	Revised Salary for Pension Purposes from	1.4.79	Revised scale payable from	
	1.4.79		1.8.79	1.1.80
£	£	£	£	£
4,842	5,950	5,279	5,520	5,950
to	to	to	to	to
5,718	7,250	6,233	6,519	7,250



EXECUTIVE OFFICER (MAIN SCALE)

Scale from 1.4.78	Revised Salary Scale for Pension Purposes		Revised scale payable from	
	1.4.79	1.4.79	1.8.79	1.1.80
£	£	£	£	£
3,113	4,200	3,445	3,601	4,200
to	to	to	to	to
4,579	5,700	5,043	5,272	5,700

22 JUN 1978



22 June 1979

The Prime Minister has seen your letter of 19 June to me and agrees that Mr. George Cardona should be appointed as a Special Adviser to the Financial Secretary.

C.A.W.

*cc To Jy Chundler  
CSJ*

A.M.W. Battishill, Esq.,  
H.M. Treasury.

*AMW*

PRIME MINISTER

Mr George Cardona

The Chancellor of the Exchequer sought your agreement on 17 May for the appointment of Mr. George Cardona as an Adviser to him (letter at Flag A). You turned down the Chancellor's request, saying that you saw no reason for the appointment, <sup>and</sup> that the Treasury already had its ration of one Adviser per Cabinet Minister (the comments you made at the time are on the letter at Flag A).

We have now had the attached letter from the Treasury which says that you subsequently discussed Mr. Cardona with the Chancellor and agreed, on reflection, that he could be appointed as an Adviser, but to the Financial Secretary not to the Chancellor. If this is what you agreed with the Chancellor I will reply saying that you are content.

*Agreed  
mt.*

*ms.*

22 June 1979

1. MR. WOLFSON (seen)
2. PRIME MINISTER



Sally Oppenheim seeks <sup>15/6</sup> your agreement to the appointment of Mr. Simon Burns as a Political Adviser to her. She offers the options of employing him in the Department, or alternatively of employing him personally but with access to papers.

Richard Ryder tells me that Mr. Burns worked with Mrs Oppenheim throughout her period as Shadow Prices Minister, knows the subject well, and has the right political antennae. But he is not convinced that you would regard the appointment as necessary.

It may be indiscreet to mention this to you, but I have the distinct impression that Mr. Nott's "consent and approval" was not all that easily forthcoming in this case.

The option of Mrs Oppenheim employing Mr. Burns on her personal staff outside the Department, but giving him access to papers, would breach the line you have taken on several other proposals.

Mr. Burns would clearly fall into the non-expert category of political advisers. You made it very clear that you were not very much in favour of these, but that you would allow Cabinet Ministers to have one if they felt a real need. Mr. Nott has no intention of appointing one for himself, but I doubt whether you had it in mind that there should be a Departmental allocation of one such general political adviser, which the Cabinet Minister could pass on to the Minister of State if he did not himself want to appoint one.

All in all, I do not think that this appointment fits <sup>[tidily] ~~SW~~</sup> into the approach you have authorised for Special Advisers. I suggest that you should only approve it if you feel that there is a strong argument for making a special exception in the case of Mrs Oppenheim.

MAF

I will have a further word with John Nott re

STAFF IN CONFIDENCE



578  
BF 26-6-79

10 DOWNING STREET

*From the Private Secretary*

19 June 1979

Thank you for your letter of 14 June, with information about salaries agreed for Special Advisers appointed to date.

It would be helpful for David Wolfson here if you could let me have copies of the CVs which were provided when CSD were considering salaries in the case of Messrs Portillo, Sexton and Shepherd.

11

MAF

David Laughrin, Esq.,  
Civil Service Department.

9B



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

19<sup>th</sup> June 1979

Dear Anne,

Mike Pattison and Martin Hall exchanged letters a month ago about the position in the Treasury of Mr George Cardona, (ending with Mike Pattison's letter of 22 May) and I subsequently discussed the matter with Ken Stowe after the Chancellor and the Prime Minister had had a further word just before the Budget.

I understand that on this last occasion the Prime Minister gave her agreement to Mr Cardona joining the Treasury as a third special adviser and that, notwithstanding the third paragraph of Ken Stowe's letter of 7 May to Private Secretaries, he could be appointed as a special adviser to the Financial Secretary.

Both the Chancellor and the Financial Secretary would be happy with this arrangement, and I should be glad of your confirmation that it may go ahead with the Prime Minister's approval. A short Press Notice in the usual form would seem appropriate in due course.

*Agreed as*

*Yours sincerely,*

*Anthony Batten*

(A.M.W. BATTISHILL)

C.A. Whitmore Esq.

20 JUN 1978





APPOINTMENTS IN CONFIDENCE

FILE

Govt Mach

18 June 1979

This letter is to place on record the fact that you spoke to No. 10 over the weekend about Press articles on Mr. Stuart Sexton. The Prime Minister is aware of the background. She has noted the way in which Mr. Carlisle proposes to handle this, and is content.

M. A. PATTISON

Philip Hunter, Esq.,  
Department of Education and Science.

APPOINTMENTS IN CONFIDENCE

*[Handwritten initials]*

PRIME MINISTER

You may already have seen the story in yesterday's Daily Star (attached) about Mr. Stuart Sexton. It has been picked up by one or two other papers, but not with the same degree of prominence.

Mr. Carlisle's Private Secretary tells me that when Mr. St. John Stevas recommended Mr. Sexton to Mr. Carlisle, he told him that Mr. Sexton had "a domestic problem", but did not spell out the details. I am also told that, apart from that, the report is essentially accurate.

Mr. Carlisle's view is that the fuss will blow over, and that there are insufficient grounds for him to invite Mr. Sexton to resign. Although it is obvious that it would have been better if the appointment had not been made, Clive Whitmore (with whom I have discussed the question) and I agree that there is no overwhelming case for requiring him to go. I understand that he has no intention of submitting his resignation voluntarily.

*I doubt it - he may find it difficult to carry on.*

X | Are you content that we should play down the story in the hope that it will go away?

*Yes yes*

*MJS*

*I told P Hunter X by phone on 18/61  
MJS*

17 June 1979

# A TOP TORY'S AMAZING LOVE LIFE



Stuart Sexton... "happily married"

Extract from the  
Daily Star  
Saturday 16 June 1979

**TOP Tory Stuart Sexton, named yesterday as the new Government's chief education adviser, was recently involved in a storm over his amazing love life.**

He was forced to quit a council after a headmistress had his love-child.

The 44-year-old father of five became Miss Christine Aplin's lover when they sat together as councillors at Croydon, Surrey.

And they left the council last May—11 months after Miss Aplin gave birth to Mr. Sexton's son, Edward.

Education Secretary Mark Carlsle was told of the love affair before appointing Mr. Sexton as his senior adviser.

And Cabinet Minister Norman St. John Stevas also backed the appointment.

Mr. St. John Stevas, a leading Catholic, is one of Mrs. Thatcher's closest aides.

He employed Mr. Sexton as his personal

assistant at the time Miss Aplin had the baby.

Mr. Sexton has never admitted being little Edward's father, but he is recorded as the father on the birth certificate.

And the boy has been given his surname.

Mr. Sexton was yesterday settling into his office at the Department of Education, where he

## Education boss and teacher in baby scandal

STAR EXCLUSIVE by ANTHONY SMITH

has just taken over his £7,500 to £9,500 a year job.

He told me: "There was a stir campaign against me in Croydon. I deliberately stood aside from the controversy."

"It was the only thing to do because otherwise people would have been hurt."

He went on: "I don't see that all this has any bearing on my appointment."

### Confidence

"I became the Tory's education adviser in 1976. I have continued ever since until getting this new appointment now the Conservatives have come to power."

"The situation has made no difference to either Mr. St. John Stevas or Mr. Carlsle. They are both aware of this, they have con-

ference in me, and they have stood by me."

Asked about his affair with the headmistress, Mr. Sexton, of Sanderstead, Surrey, said:

"I have purposely said absolutely nothing about it from the beginning."

"I am still living happily at home with my wife and family. Nothing of that has changed and never did."

### Friendly

"Miss Aplin and myself were the best of friends for 20 years, and we represented the same ward together. I am still friendly with her."

He claimed that the "stir campaign" against him when he lost his council seat, was led by members of the local Conservative Association.

"There was a disagreement because I tried to encourage them to follow Conservative policies, and they didn't like it," he said.

"Then they dragged up and inflated various stories about me."

Mr. Sexton is a career

life

Mr. Sexton failed to tell again. was no stir and their was not a tion. tion simply our selection when there es to the ward are there will but congratul- at die has this 'appoint-

Turn to Page 2

car's under leaf

# A TOP TOP AMA LOVI

Extract from the  
Daily Star  
Saturday 16 June 1979



Phil Read



Donna Hatley

and are, in short, a secretary of the National Union of Sea-men, who led an unofficial strike in the 1960s and was branded as a political Wilson. Another union boss to be honoured is Wilfred Barker, president of the A life centre goes to John Davies, former Tory MP for Roulston. Shadow Foreign Secretary until a brain operation forced his retirement from politics last autumn. Sir Stephen Miller, the man who advised the Queen on her half-moon glasses when she opened the Candidate's Parliament in Silver Knight Command of the Order.

## ury's amazing love life

From Page One

politician. He served on Croydon Council for seven years and tried to get elected as Tory M.P. for Banbury, Lancs. His main interest has always been education and for a brief period he was a member of the Inner London education authority. He also masterminded the anti-comprehensive battle by Tory councillors

in Tameside, Greater Manchester. Miss Applin, an attractive platinum blonde in her thirties, resigned as headmistress at a private girls' school in Ashstead Surrey, before she had the baby. She said at her home in Woodstock Road, Croydon yesterday: "There is no statement I want to make to any newspaper. Local Tory chairman Brian Ford said last

night: "Both Mr. Sexton and Miss Applin failed to get nominated again. "There was no slur campaign and their association was not a public question. "Mr. Sexton simply failed in our selection procedure when there were changes to the ward boundaries. "I am sure there will be nothing but congratulations that he has achieved this appointment."

## KARL MARX AND RUDOLPH VALENTINO THE WORLDS GREAT LOVERS?

How totally different their lives were. The founder of Marxism and the dopest screen lover. Both were born under the sign of Taurus, which according to the laws of Astrology, should make them very similar. So is a sociology to be taken seriously or is it just harmless fun? Is our future and character determined by the stars? Or is there some greater force that controls the destiny of mankind? We have prepared a special booklet that gives a considered account of Astrology and its implications. It will be of interest to everyone with an open and enquiring mind. Simply post the coupon today and we'll send you a copy free.



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HOUSE OF COMMONS  
LONDON SW1A 0AA

FROM THE RT HON. SALLY OPPENHEIM, M.P.

PERSONAL  
STRICTLY PRIVATE AND  
CONFIDENTIAL

15th June, 1979

*Dear Margaret,*

I do apologise for having to trouble you but I am writing with John Nott's consent and approval.

I am seeking your permission to appoint Simon Burns, who has been my Assistant for the last four years, as my Political Adviser. If possible, in the Department, if not I would continue to pay him myself if he could come into the Department with me on the basis that he is my employee but would sign the Official Secrets Act.

I know that I don't have to tell you how politically sensitive my position is and I do not feel that Departmental Officials can provide adequate political briefing and having my Adviser outside the Department does create difficulties when quick briefings are necessary.

I understand there are precedents for the course of action that I am proposing.

*Yours Ever*  
*Sally*



STAFF IN CONFIDENCE



CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

Mike Pattison Esq  
10 Downing Street  
Whitehall  
London SW1

14 June 1979

*Dear Mike,*

SPECIAL ADVISERS' PAY

We spoke this morning about Special Adviser's pay and you asked for information on the rates so far settled. I attach a list.

In future I will ensure that copies of letters confirming salaries are sent to you as the decisions are made.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

STAFF IN CONFIDENCE

## STAFF IN CONFIDENCE

NAME	DEPARTMENT	PROPOSED (FULL-TIME) STARTING PAY	NO OF SUBSEQUENT INCREMENTS
Michael PORTILLO	D EW	1. £6224 until 26/5/79	1
		2. £9374 from then (his 26th birthday)	
Stuart SEXTON	DES	£9374	2
Robert SHEPHERD	DE	£9374	2
Felicity YONGE	CHIEF WHIP'S OFFICE	£6874	3
John HOSKYNS	NO 10	£18524	-
Norman STRAUSS	NO 10	£14024 (subject to review)	1
Adam RIDLEY	HMT)	Proposal deferred	)
	)	until CS AS and SP	)
Peter CROPPER	HMT)	scales agreed	)
			?1

1977 JUN 15  
11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

1977 JUN 15





bc Mr Wilson

Govt Mach

10 DOWNING STREET

*From the Private Secretary*

12 June 1979

*Dear Ian*

The Prime Minister has seen your letter of 11 June, reporting your Secretary of State's conversation with her about the appointment of Mr. Robbie Gilbert as an unpaid special adviser.

The Prime Minister has noted that Mr. Prior has it in mind that Mr. Gilbert should work for him in a part-time capacity, and that he would not be allowed access to classified papers. The Prime Minister has approved the appointment on this basis.

I am sending a copy of this letter to Jim Buckley (Lord President's Office).

*Yours ever  
Mike*

Ian Fair, Esq.,  
Department of Employment

APPOINTMENTS - IN CONFIDENCE



8 ST. JAMES'S SQUARE LONDON SW1Y 4JB

Telephone Direct Line 01-214 6025

Switchboard 01-214 6000

PRIME MINISTER

*Mr Prior raised this with you last week. He has taken account of your*

*comments about access to papers.*

*Agree? MAF/v.*

M A Pattison Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

11 June 1979

*Dear Mike*

Ken Stowe's letter of 7 June recorded that the Prime Minister and Mr Prior discussed the possible appointment of a second special adviser at the Department of Employment when they met on 6 June. You asked that a formal proposition be now put to the Prime Minister about this appointment.

As you know, the person whom Mr Prior wishes to appoint is Mr Robbie Gilbert about whom there has already been correspondence between us. What Mr Prior now has in mind is that Mr Gilbert should work for him in a part-time capacity unpaid by HMG. Shell, Mr Gilbert's present employer, is prepared to bring him to London, and to employ him on work which will allow him to devote part of his time upto half the week to assisting Mr Prior, whilst paying him a full salary.

My letter of 17 May described Mr Gilbert's previous experience. Mr Prior would look to him as a source of advice on industrial relations matters and in particular would want him to service the small informal group of industrial relations experts from both sides of industry which Mr Prior wishes to establish. Mr Prior understands that it would not be possible for Mr Gilbert if employed in this capacity to be allowed access to classified papers or information.

Mr Prior would be glad to know whether the Prime Minister is prepared to agree the appointment of Mr Gilbert on the basis described in this letter.

I am sending a copy of this letter to Jim Buckley (Lord President's Office).

*Yes - agreed  
ms.*

*Yours sincerely  
lawfair*

I A W FAIR  
Private Secretary

ALBANY, N.Y.





*Govt Machinery*  
*cc D. Welfson*

10 DOWNING STREET

*From the Private Secretary*

11 June 1979

The Prime Minister has seen your letter of 8 June reporting your Secretary of State's wish to appoint Professor Roger Dyson as his consultant adviser on industrial relations.

The Prime Minister is content that Professor Dyson should be appointed as a part-time special adviser in the expert category. She regards this as an excellent appointment.

I am sending a copy of this letter to David Laughrin (Civil Service Department).

*M.A.P.*

Don Brereton, Esq.,  
Department of Health and Social Security.



10 DOWNING STREET

PRIME MINISTER

Mr Jenkins proposes to  
appoint Prof. Dyson as part-time  
Special Adviser on industrial  
relations.

Dyson is eminent in the  
field: the question is  
whether there should be  
Special Advisers on  
industrial relations outside  
Depts of Employment or  
Industry.

Do you approve this  
appointment?

Yes - excellent

MJP

8/11 vi. views of  
NUPU etc  
not



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

Mike Pattison Esq  
Private Secretary  
10 Downing Street

8 June 1979

Dear Mike

We spoke on the telephone about my Secretary of State's proposal to appoint Professor Roger Dyson as his consultant adviser on industrial relations.

Professor Dyson, who is Director of the Department of Adult Education at Keele University, is a specialist in economics and industrial relations, and has done a considerable amount of advisory work on industrial relations in the National Health Service. He has achieved some good results and his reputation in the Service is deservedly high.

It is clear to my Secretary of State that industrial relations in the NHS is an area of crucial importance which must be handled with skill and imagination. Failure here could prejudice the successful achievement of the changes he wishes to secure in various aspects of the Service. Professor Dyson's general skills, combined with his particular knowledge of the NHS and its industrial problems, will be of great value. Because of his experience of tackling actual NHS problems, and the wide range of contacts which this has brought him, he can provide a kind of expertise which is not otherwise available within DHSS, and which my Secretary of State feels it is essential he should have at his disposal.

You will understand from this that Professor Dyson would fall into the second of the two classes of adviser mentioned in the enclosure to Ian Bancroft's letter of 14 May to Douglass Wass - ie he would be dealing entirely with professional matters and would not be entering the political arena.

The proposal is that Professor Dyson should make himself available on average for one day a week. The adequacy of this arrangement can be reviewed later in the light of experience, and of the demands of his university work. The next step would be for us formally to ask the University of Keele to second him to DHSS to this extent, on the basis that we would reimburse one-fifth of the gross cost of his employment (salary, superannuation contributions etc). This at present would be about £2,500 a year. We would also reimburse Professor Dyson's travelling etc expenses.

I should be grateful if you would confirm that it is acceptable for my Secretary of State to proceed on these lines. I am sending a copy of this letter to George Moseley (CSD).

Yours sincerely  
D. Brereton

D BRERETON  
Private Secretary



CONFIDENTIAL



File Govt  
March  
BF 18/6/79  

---

med.

10 DOWNING STREET

From the Private Secretary

8 June 1979

SPECIAL ADVISERS

David Bowie wrote to me on 15 May clarifying questions raised in a meeting here with David Wolfson and Ken Stowe.

This further advice has been helpful. As I mentioned to you on the telephone, we may want to take a different line from that recommended by Mr. Bowie: the Prime Minister may wish to approve certain part-time special adviser appointments, but these would probably be from an academic, not industrial, background, and we would hope that no conflict of interest would arise.

Mr. Bowie commented in his letter (paragraph 4) that the starting pay of each new special adviser appointment would be individually assessed by your pay division in consultation with No. 10 and your establishment division. As I mentioned to you recently, we have not so far been kept informed of the agreed starting points. I would now be grateful for a list of these, which would be for the confidential information of the Prime Minister and her political chief of staff. Could you also make sure that I am kept informed of starting points agreed for further special advisers as they are appointed.

M. A. PATTISON

D.P. Laughrin, Esq.,  
Civil Service Department.

CONFIDENTIAL



CONFIDENTIAL



Sec p 2

10 DOWNING STREET

From the Principal Private Secretary

Top Copy on: Ind. Ad.

7 June 1979

May 79,  
Ind-Relations Legislation-

Dear Ian.

This is to record the main items discussed, and the conclusions reached, at your Secretary of State's meeting with the Prime Minister on Wednesday evening at 10 Downing Street.

Mr. Prior told the Prime Minister that Sir John Methven had expressed some concern to him about the possibility that the Government might make too substantial an increase in VAT "in one go". Mr. Prior said he had passed this on to the Chancellor and the Prime Minister noted what he said.

Mr. Prior reported his recent conversation with Mr. Murray about the two Orders which he wished to make under the Employment Protection Act which the TUC would not find welcome but which he thought, if handled expeditiously, could be referred to them for consultation without creating a major row. The Prime Minister agreed with your Secretary of State's suggestion that he should circulate forthwith to colleagues on E(EA) Committee, to clear out of Committee urgently, the proposals, which he would want to put to the TUC and other bodies concerned, for consultation, for amending the "60-day" and "26-week" provisions in the existing legislation. This would enable him, if colleagues agreed, to inform the TUC in time for them to have the matter considered by their Employment Policy and Organisation Committee and the General Council during the course of this month. On the substance of the proposals, after considerable discussion, the Prime Minister agreed that Mr. Prior should propose the substitution of 30 days for 60 days and the substitution of 52 weeks for 26 weeks, with an extension to two years for those under the age of 18. Mr. Prior should press this special provision for the under-18s on the merits of the case for improving the employment prospects of young people by so doing, but it was agreed that it might ultimately be necessary to concede this point. The Prime Minister also asked Mr. Prior to look urgently at the question whether the extension to two years could also be applied to employment which was being taken up solely for the purposes of training or work experience. Finally, the Prime Minister emphasised the importance of consulting others, including the Small Businesses Council, simultaneously with the TUC.

/On industrial

CONFIDENTIAL

CONFIDENTIAL

On industrial relations legislation, Mr. Prior said that he would be bringing proposals to E Committee on Tuesday 19 June: both he and the Prime Minister would have preferred this to be sooner if possible. He said that he would be making proposals going further than the Manifesto commitments in order to have a negotiating position in which he could make concessions while leaving his basic position intact. The Prime Minister recognised the force of this but insisted that the Government's ultimate position must be not less than that set out in the Election Manifesto. She recalled that she had made this perfectly clear to Mr. Murray. Mr. Prior suggested, and the Prime Minister agreed, that the Solicitor General ought to come to E Committee for this discussion; the Prime Minister did not, however, wish Departmental Junior Ministers to attend.

Mr. Prior made some suggestions on personnel matters to the Prime Minister and, in particular, he raised the question whether it would be appropriate for him to have the services of a part-time consultant who would be employed in the industrial relations division of Shell. The Prime Minister did not dissent from this proposition, although she referred to the difficulty about access to papers, and we await a substantive proposal on it.

I am copying this letter to Sir John Hunt.

*John Hunt.*

*Kan Stow.*

Ian Fair, Esq.,  
Department of Employment.

CONFIDENTIAL



cc w/ PJS  
10

10 DOWNING STREET

*From the Private Secretary*

5 June 1979

STAFF IN CONFIDENCE

You wrote to Ken Stowe on 1 June about arrangements for Felicity Yonge to join the Chief Whip's Office.

The Prime Minister recognises that the case of Miss Yonge is unique. For administrative convenience, she is therefore prepared to agree that Miss Yonge should be treated as a Special Adviser to the Chief Whip.

I am sending a copy of this letter to Jim Buckley at the CSD, with whom you will wish to be in touch about Miss Yonge's precise terms of service.

M. A. PATTISON

Murdo Maclean, Esq.,  
Chief Whip's Office.

KRS

PRIME MINISTER

The Chief Whip wishes formally to take on to his staff Felicity Yonge. It was agreed before the election that this would be arranged. It is now suggested that this should be under the Special Adviser arrangements, which would involve making a special exception for the Chief Whip as a non-Cabinet Minister.

This may be slightly outside the terms of your instructions on Special Advisers. Nevertheless, the services Miss Yonge can offer the Chief Whip are very similar to those which other non-expert Special Advisers can offer their Ministers. If you can agree that, with your approval, Miss Yonge should be appointed within the Special Adviser scheme, this would be administratively simple, and would avoid starting an additional category of temporary Civil Servants engaged for the life of this administration. (In practice, Miss Yonge is due to retire in about 18 months anyway.)

Do you therefore agree that Miss Yonge should be appointed as a Special Adviser to the Chief Whip?

MAP

She is unique - Agree  
rob.

4 June 1979

cc Minister May 79  
(Stalin) H.O. (Tans)

Govt Mach.

cc  
SD

58



10 DOWNING STREET

From the Private Secretary

4 June 1979

You wrote to Ken Stowe on 1 June asking whether your Minister is entitled to propose the appointment of Special Advisers under the Prime Minister's instructions.

Mr. Fowler is regarded as a member of the Cabinet for all practical purposes, subject only to the legal barrier on paying an additional Cabinet salary. He is therefore entitled to the same treatment as any other Cabinet member in matters such as this.

I am sending a copy of this letter to Martin Vile (Cabinet Office) and David Laughrin (Civil Service Department).

M. A. HUTTON

Mrs E.C. Flanagan,  
Department of Transport.

AKM



Government Chief Whip  
12 Downing Street, London SW1

STAFF IN CONFIDENCE

1 June 1979

*Dear Ken,*

As you know, there was an agreement with the then Chief Whip, Mr Humphrey Atkins, that if the Conservative Party won the election, Miss Felicity Yonge would join the staff of the Government Chief Whip's Office.

Miss Yonge has now joined the office and has a room in No.12 as well as sharing my office in the House of Commons. But there is still a question about her status here and the terms and conditions of her employment. I have been in touch with the Civil Service Department who inform me that the only basis on which Miss Yonge could be employed is as a special adviser. Under the criteria set out in your letter of 7 May, about the appointment of special advisers, the Chief Whip would not, I think, be entitled to make such an appointment and he has asked me to enquire whether, notwithstanding the rules, the Prime Minister would be prepared to agree to Miss Yonge being appointed as his special adviser.

I should like to add from a personal point of view that I believe that Miss Yonge would make a very positive contribution to this office.

*yours ever,*  
*Michael Maclean*  
(M MACLEAN)

K Stowe Esq CB  
Office of the Prime Minister  
10 Downing Street  
SW1



Ken Stowe Esq CB  
Principal Private Secretary to  
The Prime Minister  
10 Downing Street  
LONDON SW1

4

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

PRIME MINISTER.

You would wish Mr  
Fowler to be treated like  
any other Cabinet Minister  
in this matter?

Yes - usually

ats · 1 June 1979

MAD  
4/11.

Dear Ken

My Minister would very much like to appoint a part-time expert adviser. He has in mind someone, probably from the academic world, who would be able to give him independent professional advice on a range of transport issues. But he has not yet approached anyone because he is not sure whether the rules allow this. As I understand them, only Cabinet Ministers may appoint advisers and Mr Fowler is, as you know, not a full member of Cabinet, although he has Cabinet rank and attends all Cabinet meetings.

I should be very grateful if you could let me know whether such an appointment would be regarded as falling within the rules.

I am copying this letter to Martin Vile and David Laughrin.

Yours

Gene

MRS E C FLANAGAN  
Private Secretary



1 - JUN 1979





Govt. <sup>Tm</sup>  
Machinery

10 DOWNING STREET

From the Private Secretary

31 May 1979

The Prime Minister has seen your letter of 29 May, seeking her approval for the Lord President's appointment of a Personal Assistant.

She has considered this in the context of the Special Adviser arrangements, where each individual appointment needs her approval. She is not convinced that there is a case for approving a Special Adviser for the Lord President. For your personal information, she has turned down a similar request from the Chancellor of the Duchy of Lancaster in relation to his duties as Leader of the House of Commons. She is confident that the Lord President's Private Office can meet his needs in respect of his Departmental responsibilities, and she takes the view that the functions of Leader of either House do not justify the appointment of a Special Adviser within the terms she has approved.

If the Lord President wishes to make some other arrangement in respect of Miss Chapman within normal Civil Service procedures, I assume that this could be done without invoking the Special Adviser arrangements.

MAP

Jim Buckley, Esq.,  
Lord President's Office.

GB

PRIME MINISTER

*The Director  
Purch. Office do have  
thing & research  
any potential  
work?*

Lord Soames would like to appoint  
Miss N.R. Chapman as a Personal Assistant,  
under the Special Adviser arrangements.

There could be difficulties here.  
My understanding is that he wants to bring  
with him his Rothschild Secretary, but is not  
content to have her engaged as a temporary  
Civil Servant at the rates of pay for which  
her experience and skills would qualify her  
in the Civil Service. But if we use Special  
Adviser arrangements, the criteria for settling  
her point on the pay scale should be the same  
as those that would apply if she were to be  
made a temporary Civil Servant.

*No  
that  
is  
make  
Special  
adviser*

Are you content to approve this appointment,  
or would you like me to seek more details as to  
how Lord Soames proposes to have her treated for  
salary purposes?

30 May 1979

*MAD But I have  
been down a special  
adviser for the budget  
the Commons. There has not  
been a report of doubt understood  
the reason for it.*

APPOINTMENTS IN CONFIDENCE



Civil Service Department

Whitehall London SW1A 2AZ

01-273 4400

29 May 1979

Mike Pattison  
Private Secretary  
10 Downing Street

*Dear Mike,*

I have discussed with the Lord President the contents of Mr Stowe's minute of 7 May.

??  
The Lord President does not wish to appoint a political adviser as normally understood but would like to have a Personal Assistant to deal with that part of his work which is not departmental but falls more into the wider political scene. He is particularly anxious to have someone close to him who knows his life and contacts and who can assist with the large number of arrangements which need to be made in these wider areas outside the Department's business.

With the Prime Minister's approval, the Lord President would like to appoint Miss N R Chapman.

*Yours sincerely,  
Jim Buckley.*

J BUCKLEY  
Private Secretary

GOVT MACH


22 May 1979

The Prime Minister has seen the Chancellor of the Duchy's minute of 21 May, in which he asked for her approval for the appointment of a Special Adviser to assist with his duties as Leader of the House.

As I told you on the telephone, the Prime Minister takes the view that there is no strong case for a Special Adviser to the Leader of the House. As she made clear in her initial guidance on the subject of Special Advisers, she wishes to keep their numbers to a minimum. Against this background, the Prime Minister is not prepared to agree the proposal on the basis submitted by the Chancellor of the Duchy.

M.A. PATTISON

John Stevens, Esq.,  
Chancellor of the Duchy of Lancaster's Office.





## 10 DOWNING STREET

*From the Private Secretary*

22 May 1979

The Prime Minister has seen your letter of 17 May, about the proposed appointment of Mr. George Cardona as an adviser to the Chancellor.

As I told you on the telephone, the Prime Minister is not prepared to approve this appointment on the basis on which it has been submitted. There are two reasons for this. First, Mr. Cardona does not appear to fall in the category of expert advisers, which the Prime Minister wishes to reserve for distinguished academics and industrialists. The other category of advisers has been limited to one for each Cabinet Minister, and two have now been appointed to the Treasury. Secondly, the Prime Minister does not wish to allow those who are outside the rules applicable to Civil Servants (and temporary Civil Servants) to have access to official documents, even in cases where the individual is known and trusted by Ministers.

I am sending copies of this letter to Jim Buckley (Lord President's Office) and Martin Vile (Cabinet Office).

M. A. PATHISON

M.A. Hall, Esq.,  
H.M. Treasury.

KRB



10 DOWNING STREET

*From the Private Secretary*

22 May 1979

The Prime Minister has seen your letter of 17 May, conveying your Secretary of State's wish to appoint Mr. Robbie Gilbert as a Special Adviser on industrial relations and employment matters.

We discussed this yesterday. I have explained to the Prime Minister that your Secretary of State sees different roles for Mr. Shepherd and Mr. Gilbert within his work. Nevertheless, the Prime Minister does not consider that Mr. Gilbert can be placed in the category of Expert Advisers, which she wishes to reserve for those from the academic world or with long industrial experience. This means that both Mr. Shepherd and Mr. Gilbert would come in the other category of Special Advisers, and the Prime Minister has only authorised Cabinet Ministers to make one such appointment. In these circumstances, the Prime Minister is not prepared to approve the appointment of Mr. Gilbert in addition to that of Mr. Shepherd.

I am sending a copy of this letter to Jim Buckley (Lord President's Office).

M. A. PATTISON

Ian Fair, Esq.,  
Department of Employment.



10 DOWNING STREET

PRIME MINISTER

You said below that Mr. Gilbert could not be appointed in the expert category. ( I said that this would be necessary as Mr. Prior has already engaged Mr. Shepherd as his one permitted "non-expert" assistant.)

I understand that Mr. Prior wishes to use the two in different roles : Mr. Shepherd would be his assistant on political relationships etc., whilst Mr. Gilbert would be engaged to provide substantial advice on industrial relations and employment matters.

Nevertheless, Mr. Gilbert has fairly limited experience in industry, and it is therefore difficult to place him in the category of expert advisers which you have authorised.

Do you wish to tell Mr. Prior to stick to the letter of your instructions on special advisers, and therefore to engage either Mr. Shepherd or Mr. Gilbert but not both?

*MAP*

21 May 1979



*Has any leader  
in the House ever  
had a special  
adviser? I can  
see no reason*

PRIME MINISTER

*Mr. St. John Stevas wishes to appoint  
David Nicholson as Special Adviser  
to help in the leader of the House  
role. Agree?*

PRIME MINISTER

*for it.  
what's even. Indeed it  
MAD 24/6  
just last Jan. out*

Special Adviser

*Heads are role a special adviser  
just last Jan. out*

I very much hope that you will be kind enough to agree to the appointment of a special adviser to assist me with the wide range of responsibilities which now fall to me. I fully appreciate the need to keep the appointment of non-expert political advisers to a minimum and I have both given the matter careful thought and waited to see how things were working out in practice before deciding to approach you. The truth of the matter is that I am in real need of help.

With regard to the arts I do not need special help as I have my own expertise in this field and I can draw upon the civil servants in the arts branch whom you have agreed should be transferred to the Duchy of Lancaster. We face some difficulties here of communication owing to the geographical separation but I trust that these can eventually be overcome.

Where I need help is in my work as Leader of the House. I have an excellent private office and I am seeking to reorganise it so that my work as Minister responsible for the arts can be fitted in with my primary duty as Leader of the House. However, the officials really are fully stretched and cannot do some of the work which I believe is vital to the success of my role. I intend to spend most of my time in the House and to be available to all Members, especially supporters of the Government. When Members come to see me they raise a variety of points which need to be quickly pursued and disposed of. Furthermore, as we get into the more controversial legislative field and our programme is implemented more and more representations will come to me from Members. Some of the points will be legal and constitutional and others will be political. It would be of very great assistance to me and also to our parliamentary party if I had within my office a full time political adviser with recognised links with the party. I need someone committed to our philosophy and aims who is aware of the difficulties in our path and who can help me overcome them. I want to establish close links with the Central Office and the Research Department. In this way I can be kept closely in touch with political and party developments, especially those which occur while the House is sitting.





There is a further point. As Leader of the House I receive representations about the policies the government are or should be pursuing from individuals and groups outside the House. Many of these representations will be coming from our own supporters and here too, the assistance of a special adviser who has openings to the party would be invaluable.

My third point is this. I intend to do as much speaking as I can outside the House in order to explain our philosophy and approach. The arts apart, I have no departmental responsibility and will be ranging across the general political field. It would be of very great help to have someone who can keep me in touch with developments in party thinking and with other Ministers and their work. I also need help with research and advice on speeches although like yourself, I prefer in the end to write my own speeches or at any rate, their final versions!

In making this application I have taken into account the fact that I have only a very small staff, that I have no Junior Minister, and that the civil servants allotted to me are principally in the arts field.

The person I would like to help me is David Nicholson, whom you will recall did excellent political work for us in the Conservative Research Department. He is totally loyal and discreet and at the same time is able to initiate. He gave me some particular help during the election which was of high quality. He does not intend to pursue a permanent career within the Research Department so there are no problems about his re-employment should we ever have to leave government.

I hope that you will give this your favourable consideration and let me know your decision as soon as is convenient as I wish to complete the reorganisation of my office and this is an important piece of the jigsaw that be fitted in if my suggestion finds favour with you.

NSJS

NSJS



PRIME MINISTER

Are you content that Mr. Cardona should be appointed to work with the Chancellor as at 'A' below?

Do you wish Special Advisers like Mr. Cardona, who are not to be on the public payroll, to have a different label, e.g. "consultant"? This would allow some distinction to be made in public presentation of such appointments.

*MAP*

*No - the 204 -  
or - 204 -  
m*

21 May 1979

File

25



10 DOWNING STREET

*From the Private Secretary*

21 May 1979

The Prime Minister has seen your letter of 18 May, recording your Secretary of State's wish to appoint Mr. Stuart Sexton as a Political Adviser.

The Prime Minister has no objection to this appointment. She has, however, asked me to point out that Mr. Sexton's post at Central Office will have to be filled, and that he will therefore have to take his chance on what might happen at the end of this Parliament.

I am copying this letter to Jim Buckley (Lord President's Office), with whom you will wish to discuss the details of Mr. Sexton's terms of service.

M. A. PATTISON

KRPB

Philip Hunter, Esq.,  
Department of Education and Science.



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Mike Pattison Esq  
10 Downing Street  
London  
SW1

18 May 1979

PRIME MINISTER L.  
Content? I assume  
that this would not  
be in the professional  
category.)

MJP  
18/5/79  
V

Dear Mike,

My Secretary of State has concluded that it would be of great assistance to him and to this Department if he were able to appoint a Political Adviser. He is very anxious to appoint Mr Stuart Sexton to this post.

As the Prime Minister will know, Mr Sexton has since June 1975 worked full time for the Conservative Central Office research department. His work has mainly been concerned with local authorities who were in dispute with the previous administration over the effect of the 1976 Education Act, and he has taken an active part in the negotiations with outside bodies on the proposed Assisted Places Scheme. My Secretary of State and others on the Opposition team were highly impressed by the standard of work he produced in briefing for the 1976 and 1978 Education Bills and during the Election period. In view of the heavy programme of legislation before us, my Secretary of State thinks that it is essential that full use is made of his extensive knowledge of the education system during the next year or two.

Mr Sexton also advised the late Mr Airey Neave on education matters in Northern Ireland, in which capacity he visited the province on a number of occasions.

My Secretary of State has discussed this matter with the Permanent Secretary, Sir James Hamilton, who agrees that the appointment of Mr Sexton would be of value to the Department.

Yours  
Philip Hunter

P J HUNTER  
Private Secretary

if he wishes. - He does  
require that he shall have  
to replace him in the Central Office  
and he will therefore have to  
take his leave on what happens at  
the end of this Parliament.  
MJP

LIBRARY  
OF THE  
BUREAU OF  
LAND MANAGEMENT  
WASHINGTON, D.C.

602.444.8

NOTE ON MR STUART SEXTON

Mr Sexton is aged 44, married and has 5 children. He has a B.Sc in chemistry from Imperial College, London. His National Service was in the RAF, as Head of the Chemistry Department at the RAF Technical College, Henlow. Following this, Mr Sexton took up a career in the chemicals industry with Shell International Chemicals, including two years marketing chemicals in Italy with Shell Italiana. During this time, he took an increasingly active part in politics and served seven years on Croydon Council on the Education Committee. He specialised in education and administration. He also served on the London Boroughs Association.

In July 1975 he joined St John Stevas, the then Opposition spokesman on education. He continued as education adviser and assistant throughout the period of Opposition. His duties included writing the amendments and briefings for the Opposition to the 1976 Education Bill, and for the 1978 Education Bill.

Govt  
Machinery

17 May 1979

You wrote to me about Mr. Robert Sheldon's Question for priority written answer tomorrow, about special advisers to Ministers.

I enclose a modified draft answer. The Prime Minister is content that Mr. Channon should reply on these lines. The list of appointments included is accurate at present.

If you think that the final line of the answer might be interpreted as committing your Minister of State to further Parliamentary announcement of appointments, we are open to suggestions for modification.

MAP

D.P. Laughrin, Esq.,  
Civil Service Department.



MANAGEMENT IN CONFIDENCEDRAFT ANSWER

My Right Hon. Friend the Prime Minister has approved the following appointments, ending when the current administration ceases to hold office:

Mr. Henry James, Press Secretary, 10 Downing Street

Mr. John Hoskyns, Special Adviser, 10 Downing Street

Mr. Adam Ridley, Special Adviser, H.M. Treasury

Mr. Peter Cropper, Special Adviser, H.M. Treasury

Mr. Robert Shepherd, Special Adviser, Department of Employment

Mr. Michael Portillo, Special Adviser, Department of Energy.

The terms of employment of these temporary Civil Servants are those applicable to Civil Servants generally. It is not the practice to publish details of individual salaries.

My Right Hon. Friend has also appointed Mr. David Wolfson to be her Chief of Staff and Mr. Richard Ryder to be her Political Secretary, but neither will be paid from public funds.

Any other appointments will be announced as they are made.



CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01 273 3233

Switchboard 01 273 3000

Principal Establishment Officer and Principal Finance Officer

*I have spoken separately MAF*  
*Mr S. Goble*  
*Mr W. Wilson*  
*Miss Edmunds*  
*What about Mr. James?*  
*DAV*

*To see and return, please*  
*MAF 18/5*

17 May 1979

*na MAF*

STAFF: IN CONFIDENCE

M Pattison Esq  
No 10 Downing Street  
LONDON SW1

*Dear Peter.*

SPECIAL ADVISERS

We have managed to accommodate the facts about Special Advisers within the general form of words in the draft answer to Mr Sheldon's PQ which you sent over to David Laughrin. I think however that it would be as well if we were all aware of the position about Henry James, so I am writing to you to put this on the record.

2. Because of the need to pay Miss Plumb from public funds, coupled with the inadvisability of making her a Special Adviser, and the impossibility of recruiting her in any other way at a reasonable salary, we have reached the following position.

Mr Henry James and his secretary are serving in No 10 on the basis that we are purchasing their services from their employers Messrs Vickers Ltd, whose expenses in this respect we are reimbursing and which therefore are a charge to public funds. But they are not employed by the Prime Minister or the Civil Service Department, and we do not pay their salaries - for which their employer (Vickers) continues to be responsible.

3. We for our part will see that all answers to enquiries are dealt with consistently with this formula.

*Yours sincerely*  
*Keith Lawrence*

K C LAWRENCE

STAFF: IN CONFIDENCE



8 ST. JAMES'S SQUARE LONDON SW1Y 4JB

Telephone Direct Line 01-214 6025

Switchboard 01-214 6000

PRIME MINISTER

Mr Gilbert would have to be in "expert" category. I believe you know him, so I have not asked for a full c.v.

Approve?

MAP 18/6.

M A Pattison Esq  
Private Secretary  
10 Downing Street

17 May 1979

Dear Mike

My Secretary of State would like to appoint Mr Robbie Gilbert as a special adviser to him in the Department on industrial relations and employment matters. Mr Gilbert dealt with these subjects for some time in the CBI Social Affairs Directorate and the Conservative Research Department and has since 1977 been employed by Shell Chemicals on industrial relations work.

Mr Prior would be glad to know whether the Prime Minister would be content for this appointment to be made.

I am sending a copy to Jim Buckley in the Lord President's Office.

Yes - not in the expert category - what is for academic industry not needed.

Yours sincerely  
Law Fair

LAW FAIR

~~He is~~ He is not really a professional and I think that 2 special advisers for or department of let. min. is in construction.



Treasury Chambers, Parliament Street, SWIP 3AG  
01-233 3000

17th May 1979

Dear Mike,

MR. GEORGE CARDONA

A. We discussed the other day the appointment of Mr. George Cardona as an adviser to the Chancellor, and we agreed that I would write to you, seeking the Prime Minister's agreement to the arrangements under which he works in the Treasury. His salary is paid by Conservative Central Office, and a room is provided in the Treasury for his use. I should be grateful to know whether these arrangements meet with the Prime Minister's approval, and whether she is content that he should have access to any official documents which the Chancellor may wish to show to him.

It would also be helpful to have guidance on the presentation of Mr. Cardona's appointment. As you know, we have announced that Messrs. Ridley and Cropper have been appointed Special Advisers, to the Chancellor and the Chief Secretary respectively. My understanding is that Mr. Cardona does not fall into the category of "expert advisers". It will clearly be necessary and in any case desirable, that he should be given some title which distinguishes him from the Special Advisers, which can be used in e.g. office directories and publications listing Treasury staff.

I am copying this letter to Jim Buckley, and to Martin Vile.

Yours ever  
M.A. Hall

(M.A. HALL)

We cannot have someone for CCO having access to official documents. However much we may trust him personally, I see no reason whatever for this appointment. I had talked this over in detail with the Treasury and it is clear that the Treasury has its own 7 2.

Mike Pattison, Esq.,  
No.10, Downing Street

no reason whatever for this appointment. I had talked this over in detail with the Treasury and it is clear that the Treasury has its own 7 2.

18 MAY 1979



1.

PRIME MINISTER

Mr. Robert Sheldon has tabled a Question for priority Written Answer on Friday as follows:

"To ask the Minister for the Civil Service, if he will give the names, terms of appointment and salaries of all Special Advisers to Ministers."

It would be possible to reply offering to write to the Hon. Member with a full list in due course, but I assume that you would prefer to have confirmed in Parliament those appointments which have already been announced, to avoid any possible misunderstanding or Press speculation. (I have discussed this with Henry James and David Wolfson.) Should we suggest that Mr. Channon should reply on the following lines:

"My Right Hon. Friend the Prime Minister has approved the following appointments, ending when the current administration ceases to hold office:

- Mr. Henry James, Press Secretary, 10 Downing Street
- Mr. John Hoskyns, Special Adviser, 10 Downing Street
- Mr. Adam Ridley, Special Adviser, HM Treasury
- Mr. Peter Cropper, Special Adviser, HM Treasury
- Mr. Robert Shepherd, Special Adviser, Department of Employment
- Mr. Michael Portillo, Special Adviser, Department of Energy

The terms of employment of these temporary Civil Servants are those applicable to Civil Servants generally. It is not the practice to publish details of individual salaries.

/My Right Hon. Friend

My Right Hon. Friend has also appointed Mr. David Wolfson to be her Chief of Staff and Mr. Richard Ryder to be her Political Secretary, but neither will be paid from public funds.

Any other appointments will be announced as they are made."

*MAD*

*Speed  
ms.*

16 May 1979



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

Mike Pattison Esq  
Private Secretary  
10 Downing Street  
London SW1

16 May 1979

*Dear Mike*

SPECIAL ADVISERS

I mentioned to you the Question by Mr Robert Sheldon for Priority Written Answer tomorrow:-

"To ask the Minister for the Civil Service, if he will give the names, terms of appointment and salaries of all Special Advisers to Ministers."

As the list of Special Adviser appointments made under the Memorandum of Guidance approved by the Prime Minister is not yet complete, it may be that a reply on the lines of that given by Mr Sheldon himself - Hansard extract attached - at the beginning of the previous Administration, would be appropriate. We suggest:-

"As these appointments have not been completed it would not be appropriate to give a list at this stage. However I will write to the Hon Member as soon as a useful list can be prepared."

On the other hand, as a number of announcements have been made you thought the Prime Minister might wish the Minister of State to give as full a reply as possible. I therefore attach an alternative draft Answer. This is a list of all those personal appointments made by Ministers of which we are aware. However this list includes some who are not paid from public funds and have not been appointed under the terms of the Memorandum: it also includes Mr James. We should therefore be grateful for advice as to whether such people who may perform functions similar to those of Special Advisers and may be popularly thought so to be, should be included in reply to Questions about Special Advisers. If these people are to be omitted, there may well be further Questions, for instance about the status and terms of appointment of some of these staff at No 10. In that case it would be helpful to know how the Prime Minister would like such Questions handled: she would not, of course, be obliged to give details of such personal appointments since public funds are not involved.

Further, in the past it has not been the practice to publish details of individual salaries of Special Advisers. We have assumed that the Prime Minister would wish to continue this practice.



Given the timescale for this answer it would be most helpful to have your reaction on the telephone tonight or early tomorrow morning at the latest.

Yours sincerely,  
Janet.

DAVID LAUGHRIN  
Private Secretary

P.S. The Trade Office have just telephoned to say the PR is for answer on Friday not tomorrow; so we now have a little more time. I look forward to hearing from you in the course of tomorrow.

DRAFT

CIVIL SERVICE DEPARTMENT - PM5

WRITTEN PRIORITY

Lab. - Ashton under Lyne

Mr Robert Sheldon: To ask the Minister for the Civil Service if he will give the names, terms of appointment and salaries of all special advisers to Ministers.

MR PAUL CHANNON

The following Ministerial appointments, ending when the current Administration ceases to hold office, have been made:

No 10 Downing Street

Mr John Hoskyns  
Mr Henry James  
Mr David Wolfson \*  
Mr Richard Ryder \*  
Mr Patrick Rock \*  
Mr Derek Howe \*

Treasury

Mr Adam Ridley  
Mr Peter Cropper  
Mr George Cardona\*

Department of Employment

Mr Robert Shepherd

Department of Energy

Mr Michael Portillo

\* not paid from public funds

Those appointed who are paid from public funds are civil servants and the terms of their employment are those applicable to civil servants generally. It is not the practice to publish details of individual salaries.

EXTRACT FROM HANGARD.

DATE ..22..3..74.....

COL ..175..-6..Written..Answers .

Political Advisers

Mr. Norman Lamont asked the Minister for the Civil Service whether he will publish in the OFFICIAL REPORT a list of official political advisers brought into different departments by the new Government with an indication of their responsibilities.

Mr. Sheldon : As has been the practice in recent administrations, some members of the Government are appointing special advisers. As these appointments have not all been finalised it would not be appropriate to list them yet. However, when a meaningful list can be prepared, I will write to the hon. Member.



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

✓  
na  
MAD  
17/4

Mike Pattison Esq  
Private Secretary  
10 Downing Street  
London SW1

16 May 1979

*Dear Mike,*

SPECIAL ADVISERS

... Toby Churchill telephoned to you some information on the numbers and costs of Special Advisers employed by the Ministers of the previous Administration. I attach at the annex a chart which sets out these figures.

As you will appreciate while comparison can easily be made between numbers of advisers appointed at particular times, cost comparisons are more difficult because rates change from time to time. In particular the rates for the new Advisers are likely to be higher than those of the previous Administration because only the first stage (1 April 1979) of this year's Civil Service increases was extended to the former Advisers.

If you want any more information no doubt you will come back to us.

*Yours sincerely,*

*David*

DAVID LAUGHRIN  
Private Secretary

NUMBERS AND COSTS OF SPECIAL ADVISERS -

YEAR TO 3 MAY 79

<u>All Advisers</u>	<u>Number</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
At 3 May 79	19 full-time 5 part-time 1 unpaid	£196153	£16346
Peak in 12 months to 3 May 79 ie 1 June 78	21 full-time 6 part-time	£221554	£18463
<u>Advisers at</u> <u>No 10</u>			
At 3 May 79	5 full-time	£47153	£3929
Peak in 12 months to 3 May 79 ie 29 Sept 78	6 full-time	£58879	£4907

Notes

1. The cost figures may have to be adjusted upwards for the period 1 April 79 to 3 May 79 if Civil Service 1 April 79 Deputy Secretary and Under Secretary rates are increased.

2. Costs are based on rates of pay which were adjusted at 1 April 79 to match the Civil Service increase of 9% at that date, except for Advisers who were linked to Deputy Secretary and Under Secretary, or whose 1978/79 review dates came after 3 May 1979.

MR. WOLFSON

File T  
Govt  
Machinery

SPECIAL ADVISERS

As at 3 May 1979, the previous Administration were employing 19 full-time advisers, 6 part-time advisers and 1 unpaid adviser. The annual cost was £196,193.

The number of special advisers had reached a peak on 1 June 1978, when there were 21 full-time and 6 part-time at a cost of £221,554 per annum.

At No. 10, there were 5 full-time advisers as at 3 May, at a cost of £47,153: there had only been 6 full-time advisers at a cost of £58,879.

(The figures for 3 May 1979 are based on salaries including the 9% payable from 1:4:79 in line with the first stage of the recent Civil Service settlement: advisers now appointed under the new Administration are to be put straight on scales which will not be reached until 1:1:80 - the date of the third and final phase of the pay increase-for the Civil Service as a whole.)

M. A. PATTISON

16 May 1979

CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
TELEPHONE 01-839 7733 EXTM Pattison Esq  
10 Downing Street  
LONDON SW1

15 May 1979

*Don Pattison*

## SPECIAL ADVISERS

Amongst the subjects raised when I saw Messrs Wolfson and Stowe on 9 May were Special Advisers' rates of pay.

2. You will recall that the Prime Minister has said that "non-expert" Special Advisers should be paid on a defined point in a recognised scale; and that "expert" Advisers too should be on a recognised scale appropriate to their qualifications; though some in this category might require individual treatment.
3. Our Pay people have devised a pay scale, which is inclusive of Inner London Weighting, and which they hope will accommodate adequately all Special Advisers except those for whom special arrangements are needed. A copy of the scale is attached for information. You will see that it has been constructed from recognised Civil Service scales and it is intended that in future it will be revised to reflect changes in these scales. The rates at the top of the scale are at present under review in the light of TSRB 11.
4. The starting pay of each new Special Adviser will be individually assessed by our Pay Division in consultation with you and us. We would like to be informed whether an Adviser is a "non-expert" or an "expert" and in determining pay the following considerations will be taken into account:
  - Place in the structure
  - Age
  - Relevant background, including current remuneration.
5. On the subject of topping up, Mr Stowe suggested at the meeting on 9 May that part-time employment of Special Advisers might have advantage over straight 'topping up' of full-time Special Advisers' pay on the grounds that part-time employment by the company provided ready justification for the payment of the difference between company salary and Special Adviser salary. Although this is probably a satisfactory solution in some cases it could be undesirable and unsatisfactory where the individual's parent company is one which is, or could be said to be, a direct beneficiary of Government decisions. If it is eventually decided that some Special Advisers should be part-time only, any further activities on their part

would need to be looked at in the light of the rules appropriate to other civil servants' private occupations, particularly to ensure that there is no conflict with official duty (Guide, para 4073 b. refers).

6. In view of the difficulties and disadvantages applying to part-time, which are mentioned in the previous paragraph, it would probably be preferable for individuals to work full-time as Special Advisers. Any 'topping up' paid by a company in such full-time cases might be assailed but this course could reasonably be justified as a gesture by a good employer, as a recognition of past service or more importantly a lien on the employees goodwill for his eventual return to the company. Indeed there are precedents of cases of loans - on a full-time basis - from industry to the Civil Service in which the outside employer has 'topped up' pay.

7. On balance our conclusion is that full-time work with 'topping up' is more readily defensible than part-time work.

*Yours sincerely*

*David Bowie*

D Bowie  
Deputy Establishment Officer

ENC



MANAGEMENT IN CONFIDENCE

TABLE OF SPECIAL ADVISERS SALARY POINTS FROM 7 MAY 1979

Point	Salary (£ pa)		CS Analogue Scale Point
29	20000*		DS
28	16524*		US
27	15974*	)	(Min + 4
26	15424*	)	(Min + 3
25	14874*	)	AS (Min + 2
24	14324*	)	(Min + 1
23	13774*	)	(Min
22	13224*	)	(Min + 1
21	12674*	)	(Min
20	12274	)	(Min + 7
19	11774	)	(Min + 6
18	11274	)	(Min + 5
17	10874	)	Prin (Min + 4
16	10474	)	(Min + 3
15	10074	)	(Min + 2
14	9724	)	(Min + 1
13	9374	)	(Min
12	7774	)	(Min + 5
11	7374	)	(Min + 4
10	7099	)	(Min + 3
9	6874	)	HEO(A) (Min + 2
8	6674	)	(Min + 1
7	6474	)	(Min
6	6224	)	(Min + 5
5	5849	)	(Min + 4
4	5574	)	(Min + 3
3	5274	)	AT (Min + 2
2	5024	)	(Min + 1
1	4724	)	(Min

\* Subject to review

16 MAY 1979

12  
11  
10  
9  
8  
7  
6  
5  
4



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.*  
*Head of the Home Civil Service*

Mike Pattison Esq  
No 10 Downing Street  
LONDON

15 May 1979

*Dear Mike,*

SPECIAL ADVISERS

We have discussed the difficulties currently arising over clearance of the appointments of Special Advisers, and agreed that the inevitable pressures at the beginning of a new administration mean that in some cases you will have to clear the appointment of a particular adviser with the Prime Minister and indicate her assent before details of pay and conditions have been settled.

Nonetheless I would like to register with you the desirability, where possible, of public announcements of appointments being held back until all the details have been settled. Difficulties can arise in settling on suitable rates of pay and other conditions and it would clearly be potentially embarrassing if such problems did occur after an appointment had been announced. Similar problems could arise over vetting.

*Yours sincerely,*  
*David.*

DAVID LAUGHRIN  
Private Secretary

15 MAY 1979  
11 12 1  
9 8 7 6 5 4 3 2 1  
9 8 7 6 5 4 3 2 1



SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ 211 6402

Mike Pattison Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

5 May 1979

Dear Mike,

SPECIAL ADVISER

You asked me to write concerning the appointment of Mr Michael Denzil Xavier Portillo as his adviser on energy matters. This appointment was made on the basis of a note handed to my Secretary of State by Mr Wolfson (copy attached). In accordance with this instruction a Press release was made on 10 May (copy attached) on the basis that as Mr Portillo had worked since 1976 in the Conservative Research Department in support of a shadow spokesman for energy he would fall into the professional or expert category of special advisers.

A copy of this letter plus attachments goes to David Laughrin in Sir Ian Bancroft's office.

Yours sincerely,

Bill

W J Burroughs  
Private Secretary

Mr Wolfson confirmed that Mr Portillo does not come into PM's expert category. I told Mr Burroughs & CSD. No further action necessary as this does not invalidate ~~the~~ Den press release. MAF 16/6

TO DAVID HOWELL  
FROM DAVID WOLFSON



10 DOWNING STREET

Dear David,

- ① P. M. happy for you  
to take Michael Patillo.
- ② Michael Patillo delighted  
to join you.

In view of Guardian Article  
today, will you <sup>①</sup> Press Release  
as soon as possible? <sup>②</sup> Contact  
Michael Yarnell?

David

C.C. PRIME MINISTER.

DEPARTMENT OF

# ENERGY

Reference No 75

May 10, 1979

Thames House South, Millbank, London SW1P 4QJ. Telephone: 01-211 3000  
Press Office Direct Line: 01-211 4545 (10 lines) (Out of hours: 01-215 7877)

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## PRESS NOTICE

ENERGY ADVISER FOR SECRETARY OF STATE FOR ENERGY

Mr Michael Portillo, who formerly worked in the Conservative Research Department, will become an adviser on energy matters to the Secretary of State for Energy. He will take up his new post forthwith.

Mr Portillo, who is 25, has worked on energy subjects at the Conservative Research Department since May 1976. Before that he was employed by the Ocean Transport and Trading Company Ltd. He was educated at Peterhouse, Cambridge.

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16 MAY 1979





CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.*  
Head of the Home Civil Service

cc (Miss Badham  
(Mr Burrett  
(Dr Allen  
(Mr King  
(Mr E J Morgan  
(Mr J K Moore  
(Mr Hart  
(Mr Russell  
(Mr Buckley  
(Mr Green  
(Mr Pattison —  
without attachments  
with Memorandum only  
with two attachments  
(Mr Lawrance  
(Mr Davie + pps  
SAs File

Sir Douglas Wass KCB  
HM Treasury  
Parliament Street  
London SW1

14 May 1979

*Dear Douglas,*

SPECIAL ADVISERS

... With the Prime Minister's approval I now attach a Memorandum on the employment of Special Advisers which incorporates the basic guidance provided to Ministers in Ken Stowe's "Dear Private Secretary" letter of 7 May. I would draw your attention particularly to the guidance on pay in paragraph 9.

... I also attach a draft model letter of appointment for use in connection with Special Advisers in Category i. ie those who are appointed to assist Ministers with that part of their work which is partly governmental and partly political. For those in Category ii. ie who are appointed because they are recognised as distinguished experts in their particular professional field, a personally tailored letter of appointment will probably be necessary in each case. Accordingly no appointment letter should be issued to such Advisers without prior consultation with CSD (PM5 Division).

I am copying this letter to all Permanent Secretary Heads of Departments, with the request that the Memorandum should be made available to Ministers' Private Secretaries as required, and that the Memorandum and draft model letter of appointment should be made available to Establishment Officers.

*I'm evh,  
Ian*

IAN BANCROFT

INTRODUCTION

There will be two categories of Special Adviser:

- i. Those who can assist Ministers with that part of their work which is partly governmental and partly political; and
- ii. those who are recognised as distinguished experts in their particular professional field.

Only Cabinet Ministers may appoint Special Advisers and each such appointment should be made personally by the Minister following consultation with the Permanent Head of the Minister's Department and after the Prime Minister's approval has been secured.

2. Each Cabinet Minister may appoint only one Special Adviser in category i.; subject to the Prime Minister's approval there is no such limitation for those in category ii.
3. Special Advisers will have direct access to their Minister, and will normally be outside the departmental hierarchy; that is, they should not work directly under a permanent civil servant, nor, apart from the usual secretarial assistance, should permanent civil servants work directly for them unless the Prime Minister so decides. The Minister should lay down the duties of each Special Adviser appointed.

APPOINTMENT PROCEDURE

4. The Minister must seek the Prime Minister's approval of a proposed appointment. No commitment as to salary should be given until Civil Service Department (CSD) approval of the salary to be paid has been obtained (see paragraph 9 below). Details of the appointment should subsequently be provided to CSD (PM5 Division) for central records. All Special Advisers must be positively vetted.

DURATION OF APPOINTMENT

5. Special Advisers' appointments automatically cease either:
  - i. with the end of the Administration under which they were appointed, ie when the Prime Minister resigns; or
  - ii. when there is a General Election, on the day after Polling Day; or
  - iii. when the appointing Minister leaves his or her present appointment.
6. If termination of appointment is brought about by any of these circumstances but there is not a change of Government, there will be an opportunity to review Special Advisers' appointments and, if it is wished, to make re-appointments, subject to the Prime Minister's approval. Fresh letters of appointment should be issued in all such cases. The date on which re-appointment takes effect will be the date on which it is made by the Minister concerned save that, where a Special Adviser has not resigned (eg to take part in an Election campaign) and is re-appointed to serve either in the same department, or under the same Minister, the date of re-appointment may be such that there is no break in service.

7. Special Advisers are members of the Civil Service, are paid from public funds, have the same conditions of service and are subject to the same rules of conduct as other civil servants, with the exception of the rules governing the acceptance of outside business appointments after resignation or retirement (see para 11 below) and certain aspects of the rules on political activities, (see para 14 below). All other provisions of the Civil Service Pay and Conditions of Service Code therefore apply to Special Advisers, who should be given access to a copy of the Code on appointment or to departmental staff regulations if these stand in place of the Code. Details of the application of some particular rules are given in paragraphs 12-18 below; these details, and the particular location of the Code and/or staff regulations should be brought to the specific attention of Special Advisers on appointment.

8. As with other civil servants, the Permanent Secretary of the department will be responsible for bringing the rules to the notice of Special Advisers, and ensuring that they are observed.

#### PAY AND CONDITIONS OF SERVICE

9. The rate of pay is subject to CSD approval. Regard will be had to the nature of the post to be filled and the age and relevant background of the person concerned. Special Advisers may be covered by the Principal Civil Service Pension Scheme but where the Special Adviser is a member of some other scheme the CSD should be consulted as to whether the employers contribution may be met from public funds.

10. The terms and conditions of service may vary slightly according to the circumstances. A model draft letter of appointment will be available from CSD (PM5 Division).

#### OUTSIDE OCCUPATIONS ON LEAVING THE SERVICE

11. The rules about business appointments following resignation or retirement (Code para 9961) will not apply to Special Advisers. But, as a corollary, they should neither have access to the kind of information (eg about individual companies) nor be involved in the kind of business (eg contracts) which underlies the need for the rules applicable to career civil servants.

#### POLITICAL ACTIVITIES

12. Subject to certain specific exceptions (see para 14), the Civil Service rules on political activities should be adhered to as closely as possible by all Special Advisers. For the purposes of the rules, which are set out in Code paragraphs 9923-9950, Special Advisers will be members of the "politically restricted" group.

13. In particular:

- a. Advisers publicly identified as Parliamentary candidates or prospective candidates by adoption by a political party must thereupon resign their appointments (see Code paras 9923a, 9948);

b. Advisers who wish to take part in a general or by-election campaign, or to help in a Party headquarters or research unit during such a campaign, must first resign their Civil Service appointments (Code paras 9923a-e);

c. it is essential that public funds (including departmental resources) should not be used in any way for party political purposes.

14. There are, however, two areas of political activity where Special Advisers may be allowed more freedom than other civil servants in the "politically restricted" group. With the approval of their Ministers, Special Advisers may:

a. attend Party functions (although they may attend the Party Conference only as observers) and maintain contact with Party members;

b. take part in policy reviews organised by the Party, or officially in conjunction with it, for the purpose of ensuring that those undertaking the review are fully aware of the Government's view and their Minister's thinking and policy; it would not be open to Special Advisers to advocate policies going beyond or departing from those of the Government as a whole.

In maintaining these political connections, Special Advisers must at all times observe discretion and aim at avoiding public controversy. They must not identify themselves with criticism of the Government or its policies.

15. Subject to the approval of the Minister concerned, Special Advisers will be permitted to undertake or to continue to undertake, all forms of local political activity (see Code para 9924). This does not include local activities in support of national politics as defined in Code paragraph 9923. The decision should be taken in each case by the Minister concerned who is responsible for ensuring, in consultation with colleagues as necessary, that no questions of conflict arise either with the policies for which the Minister is responsible or those of colleagues (Code para 9927).

16. Special Advisers who are allowed to take part in local political activities must observe the code of discretion set out in Code para 9929. In particular, if they serve on a local authority they should bear in mind the following points, which should be brought to their attention by the Permanent Head of their Department:

a. they should not speak publicly or in the Council or vote on matters for which their own Minister has responsibility;

b. they should not serve on any committee considering such matters;

c. they should not take part in deputations or other representations to their Ministers;

- d. they should declare an interest in relation to any case or application which comes before the Council and in which their department is involved;
- e. they should observe great discretion in relation to policies for which other Ministers are responsible, in order to avoid causing them embarrassment;
- f. they should not disclose to the Council privileged information which they obtained in the course of their duties.

#### OUTSIDE ACTIVITIES

- 17. Advisers who wish to take part in any outside activity where information or experience gained in the course of their work as an Adviser is likely to be relevant must first seek permission from the Permanent Head of their Department (Code para 9910).
- 18. Observance of the general principles of conduct required of all civil servants (Code para 9870) will also have a bearing on the activities engaged in by Special Advisers whether as part of their official duties or in a private capacity. Their position as Advisers to Ministers in no way frees them from the need to avoid public or political controversy (Code para 9870e) and they should at all times act with moderation and discretion on the matters referred to in Code paragraph 9929.

#### ACCESS TO PAPERS

- 19. Special Advisers should not have access to sensitive, security or intelligence reports, or to papers relating to civil servants personally, eg on appointments, reports on efficiency etc. The rules applying to Ministers as regards papers of a previous Administration apply to Special Advisers also. With these exceptions and that discussed in paragraph 11, Special Advisers may have access, at the Minister's discretion, to all papers submitted to the Minister. In order to facilitate their work they may be encouraged to join in departmental deliberations on matters which are in course of preparation for submission to the Minister.



1979  
MAY  
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15 MAY 1979

C. M. David Wolfson  
Gert Maulinery



10 DOWNING STREET

*From the Private Secretary*

11 May 1979

The Prime Minister has seen your Secretary of State's minute of 10 May, requesting approval for the appointment of Mr. Rob Shepherd as a Special Adviser.

The Prime Minister is pleased to approve this appointment, which she regards as an excellent choice. She agrees that he belongs in the "non-expert" category but would not wish you to use this somewhat inelegant phrase in public description of the appointment.

I note that you will be negotiating pay arrangements with the Civil Service Department, and I am therefore sending a copy of this letter to Jim Buckley in the Lord President's Office.

M. A. PATTISON

I.A.W. Fair, Esq.,  
Department of Employment.



10 DOWNING STREET

PRIME MINISTER.

David Wolfson knows of, and supports, this proposal.

- 1. Is it necessary to label Mr Shepherd "non-expert" as he has been working on these matters?
- 2. Are you content with the appointment? *no*

*not*

*MAD*

This is to

indicate that he is neither  
"willed" nor academic!  
He is excellent and I am very happy  
with the appointment.



PRIME MINISTER

Your Private Secretary's letter of 7 May set out the basis on which special advisers could be appointed. Following discussions with Adam Ridley, who encouraged the idea, I should like to appoint as a special adviser in the "hon-expert" category, Rob Shepherd who has worked with me on employment and industrial relations matters in the party's Research Department for some time now. I would see him principally as providing a link with the party and with your group of political staff at No 10.

I should be grateful for your early agreement to this appointment. If this is forthcoming my Department will of course then negotiate with the CSD a suitable point for Mr Shepherd on a recognised pay scale on the basis you wish.

J P  
10 May 1979

*Delighted* - Can we think of a better name  
than "non-expert" - What about  
'personal assistants'  
pub



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TO MAY 1979



FILE H8

cc Press

Gard  
Mach

10 DOWNING STREET

*From the Private Secretary*

10 May 1979

Special Advisers

We spoke about Special Adviser appointments which you would like to announce quickly.

The Prime Minister has agreed that Mr. Adam Ridley should be appointed as a Special Adviser to the Chancellor of the Exchequer and Mr. Peter Cropper as a Special Adviser to the Chief Secretary. Detailed arrangements on salary and conditions of service will be made between the Treasury and the CSD.

We are content that your announcement should go ahead on this basis. Could you please coordinate with the Press Office here in releasing the announcement.

I am copying this letter to David Laughrin (Civil Service Department).

M. A. PATTISON

Tony Battishill, Esq.,  
H.M. Treasury.



## 10 DOWNING STREET

*From the Private Secretary*

10 May 1979

Thank you for your letter of 8 May, enclosing a draft memorandum which incorporates the Prime Minister's instructions on Special Advisers.

The Prime Minister agrees that the detailed guidance contained in the memorandum should be available to Ministers as required, but she would prefer that this should be circulated by Sir Ian Bancroft to Permanent Secretaries and Private Offices. The Prime Minister considers that the basic guidance provided to Ministers in Ken Stowe's "Dear Private Secretary" letter of 7 May is sufficient for most purposes for Ministers, and that the additional guidance should simply be available to be drawn upon when required.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

David Laughrin, Esq.,  
Civil Service Department.

PRIME MINISTER

SPECIAL ADVISERS

In the light of your comments on Sir Ian Bancroft's submission (Flag A), Ken Stowe circulated your instructions to Cabinet Ministers in the letter at Flag B. Sir Ian Bancroft now offers the promised "more detailed memorandum" (Flag C), which he suggests it might be circulated under a covering note from you.

Past experience shows that some awkward questions on propriety can arise, and the memorandum does contain helpful advice. On several other issue of basic guidance, you have commented that Ministers should not be expected to plough through such detailed guidance.. As Ken Stowe's letter has already made your basic instructions clear to Ministers, would you prefer to ask Sir Ian Bancroft to circulate the detailed guidance himself to Permanent Secretaries and Private Offices as amplification of the basic instruction you have already given to Ministers? *Yes please Sir.*

*MAJ*

9 May 1979

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THIS DOCUMENT IS THE PROPERTY OF  
HER BRITANNIC MAJESTY'S GOVERNMENT

C(PR)(79)

Copy No:

CABINET: PROCEDURE

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APPOINTMENT OF SPECIAL ADVISERS

Note by the Prime Minister

---

I circulate herewith a memorandum on the arrangements governing the appointment of Special Advisers.

I ask my colleagues to take note of my views on the two different categories of Special Advisers. I welcome the appointment of professional or expert advisers to assist Cabinet Ministers, but I do not wish to encourage the widespread use of "non expert" political advisers. I recognise, however, that some Cabinet Ministers will wish to have a personal assistant who is known to them who can help them to tackle that side of their work which is partly governmental and partly political.

In each case, I wish to have recommendations submitted to me for my approval.

10 Downing Street  
May 1979

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CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ  
Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

M Pattison Esq  
10 Downing Street  
LONDON SW1

8 May 1979

*Dear Mike,*

SPECIAL ADVISERS

Thank you for your letter of 7 May.

- ... With Sir Ian Bancroft's approval I now attach a draft Memorandum which incorporates the Prime Minister's instruction.

In view of such practical difficulties as those recognised by the Prime Minister in establishing starting pay, the Memorandum envisages that pay will be settled administratively by the CSD. The Department will ensure that any agreements which are concluded will be in accordance with the Prime Minister's instructions. Draft letters of appointment which take account of these arrangements are being prepared and will be made available to departments as and when required.

If the Prime Minister is content with this Memorandum, Sir Ian recommends that it should be issued to Ministers under cover of a Note by the Prime Minister in the same series as Questions of Procedure for Ministers.

- ... I attach a draft of the covering note. I am sending a copy of this letter and enclosures to Martin Vile.

*Yours sincerely,  
David*

DAVID LAUGHRIN  
Private Secretary

CONFIDENTIAL

INTRODUCTION

There will be two categories of Special Adviser:

- i. Those who can assist Ministers with that part of their work which is partly governmental and partly political; and
- ii. those who are recognised as distinguished experts in their particular professional field.

Only Cabinet Ministers may appoint Special Advisers and each such appointment should be made personally by the Minister following consultation with the Permanent Head of <sup>the Minister's</sup> Department and after the Prime Minister's approval has been secured.

2. Each Cabinet Minister may appoint only one Special Adviser in category i. ; subject to the Prime Minister's approval there is no such limitation for those in category ii.

3. Special Advisers will have direct access to their Minister, and will normally be outside the departmental hierarchy; that is, they should not work directly under a permanent civil servant, nor, apart from the usual secretarial assistance, should permanent civil servants work directly for them unless the Prime Minister so decides. The Minister should lay down the duties of each Special Adviser appointed.

APPOINTMENT PROCEDURE

4. The Minister must seek the Prime Minister's approval of a proposed appointment. No commitment as to salary should be given until Civil Service Department (CSD) approval of the salary to be paid has been obtained (see paragraph 9 below). Details of the appointment should subsequently be provided to CSD (PM5 Division) for central records. All Special Advisers must be positively vetted.

DURATION OF APPOINTMENT

5. Special Advisers' appointments automatically cease either:
- i. with the end of the Administration under which they were appointed, ie when the Prime Minister resigns;
  - or
  - ii. when there is a General Election, on the day after Polling Day; or
  - iii. when the appointing Minister leaves his or her present appointment.



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6. If termination of appointment is brought about by any of these circumstances but there is not a change of Government, there will be an opportunity to review Special Advisers' appointments and, if it is wished, to make re-appointments, subject to the Prime Minister's approval. Fresh letters of appointment should be issued in all such cases. The date on which re-appointment takes effect will be the date on which it is made by the Minister concerned save that, where a Special Adviser has not resigned (eg to take part in an Election campaign) and is re-appointed to serve either in the same department, or under the same Minister, the date of re-appointment may be such that there is no break in service.

7. Special Advisers are members of the Civil Service, are paid from public funds, have the same conditions of service and are subject to the same rules of conduct as other civil servants, with the exception of the rules governing the acceptance of outside business appointments after resignation or retirement (see para 11 below) and certain aspects of the rules on political activities, (see para 14 below). All other provisions of the Civil Service Pay and Conditions of Service Code therefore apply to Special Advisers, who should be given access to a copy of the Code on appointment or to departmental staff regulations if these stand in place of the Code. Details of the application of some particular rules are given in paragraphs 12-18 below; these details, and the particular location of the Code and/or staff regulations should be brought to the specific attention of Special Advisers on appointment.

8. As with other civil servants, the Permanent Secretary of the department will be responsible for bringing the rules to the notice of Special Advisers, and ensuring that they are observed.

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PAY AND CONDITIONS OF SERVICE

9. The rate of pay is subject to CSD approval. Regard will be had to the nature of the post to be filled and the age and relevant background of the person concerned. Special Advisers may be covered by the Principal Civil Service Pension Scheme/where the Special Adviser is a member of some other scheme the CSD should be consulted as to whether the employers contribution may be met from public funds.
10. The terms and conditions of service may vary slightly according to the circumstances. A model draft letter of appointment will be available from CSD (PM5 Division).

OUTSIDE OCCUPATIONS ON LEAVING THE SERVICE

11. The rules about business appointments following resignation or retirement (Code para 9961) will not apply to Special Advisers. But, as a corollary, they should neither have access to the kind of information (eg about individual companies) nor be involved in the kind of business (eg contracts) which underlies the need for the rules applicable to career civil servants.

POLITICAL ACTIVITIES

12. Subject to certain specific exceptions (see para 14), the Civil Service rules on political activities should be adhered to as closely as possible by all Special Advisers. For the purposes of the rules, which are set out in Code paragraphs 9923-9950, Special Advisers will be members of the "politically restricted" group.
13. In particular:

- a. Advisers publicly identified as Parliamentary candidates or prospective candidates by adoption by a political party must thereupon resign their appointments (see Code paras 9923a, 9948);

b. Advisers who wish to take part in a general or by-election campaign, or to help in a Party headquarters or research unit during such a campaign, must first resign their Civil Service appointments (Code paras 9923a-e);

c. it is essential that public funds (including departmental resources) should not be used in any way for party political purposes.

14. There are, however, two areas of political activity where Special Advisers may be allowed more freedom than other civil servants in the "politically restricted" group. With the approval of their Ministers, Special Advisers may:

a. attend Party functions (although they may attend the Party Conference only as observers) and maintain contact with Party members;

b. take part in policy reviews organised by the Party, or officially in conjunction with it, for the purpose of ensuring that those undertaking the review are fully aware of the Government's view and their Minister's thinking and policy; it would not be open to Special Advisers to advocate policies going beyond or departing from those of the Government as a whole.

In maintaining these political connections, Special Advisers must at all times observe discretion and aim at avoiding public controversy. They must not identify themselves with criticism of the Government or its policies.

15. Subject to the approval of the Minister concerned, Special Advisers will be permitted to undertake or to continue to undertake, all forms of local political activity (see Code para 9924). This does not include local activities in support of national politics as defined in Code paragraph 9923. The decision should be taken in each case by the Minister concerned who is responsible for ensuring, in consultation with colleagues as necessary, that no questions of conflict arise either with the policies for which the Minister is responsible or those of his colleagues (Code para 9927).

16. Special Advisers who are allowed to take part in local political activities must observe the code of discretion set out in Code para 9929. In particular, if they serve on a local authority they should bear in mind the following points, which should be brought to their attention by the Permanent Head of their Department:

- a. they should not speak publicly or in the Council or vote on matters for which their own Minister has responsibility;
- b. they should not serve on any committee considering such matters;
- c. they should not take part in deputations or other representations to their Ministers;
- d. they should declare an interest in relation to any case or application which comes before the Council and in which their department is involved;
- e. they should observe great discretion in relation to policies for which other Ministers are responsible, in order to avoid causing them embarrassment;
- f. they should not disclose to the Council privileged information which they obtained in the course of their duties.

#### OUTSIDE ACTIVITIES

17. Advisers who wish to take part in any outside activity where information or experience gained in the course of their work as an Adviser is likely to be relevant must first seek permission from the Permanent Head of their Department (Code para 9910).

18. Observance of the general principles of conduct required of all civil servants (Code para 9870) will also have a bearing on the activities engaged in by Special Advisers whether as part of their official duties or in a private capacity. Their position as Advisers to Ministers in no way frees them from the need to avoid public or political controversy (Code para 9870e) and they should

at all times act with moderation and discretion on the matters referred to in Code paragraph 9929.

ACCESS TO PAPERS

19. Special Advisers should not have access to sensitive, security or intelligence reports, or to papers relating to civil servants personally, eg on appointments, reports on efficiency etc. The rules applying to Ministers as regards papers of a previous Administration apply to Special Advisers also. With these exceptions and that discussed in paragraph 11, Special Advisers may have access, at the Minister's discretion, to all papers submitted to the Minister. In order to facilitate their work they may be encouraged to join in departmental deliberations on matters which are in course of preparation for submission to the Minister.

18 MAY 1979





10 DOWNING STREET

CCO

From the Principal Private Secretary

7 May 1979

Dear Private Secretary,

Special Advisers

I set out below the procedure which the Prime Minister wishes Cabinet Ministers to follow when considering the appointment of Special Advisers. A more detailed memorandum will be circulated by the Civil Service Department in a day or so, and the Civil Service Department will also be circulating a model letter of appointment.

I should emphasise that no commitment should be entered into on levels of remuneration without prior consultation with the Civil Service Department. In practice, this question should not arise in the immediate future, as the Prime Minister's authority for any appointment will have to be obtained first.

The Prime Minister envisages two different categories of Special Advisers. There will be a limited number of Special Advisers in a "non-expert" category. She does not wish to encourage such political advisers, but is aware that some Cabinet Ministers would like a personal assistant who is already known to them and who can help them to tackle that side of their work which is partly governmental and party political. For such appointments, the Prime Minister intends that the following rules should apply:

- (a) Only Cabinet Ministers will be entitled to make such appointments and only then after personal approval of the proposed appointee by the Prime Minister. No Cabinet Minister will have more than one such Adviser.
- (b) These Advisers must be on a defined point in a recognised scale. There will be no cases in this category of special scales for individuals.
- (c) The Prime Minister recognises that there will be difficulties in establishing starting points, but is sure that satisfactory arrangements can be devised.
- (c) These Advisers must be positively vetted. Their access to papers will be determined by their own Minister.

The second group of Special Advisers will be in a professional or expert category. The Prime Minister welcomes such appointments.

/ Only Cabinet



CONFIDENTIAL

- 2 -

Only Cabinet Ministers will be entitled to recommend to her such appointments. Those appointed must be on a recognised pay scale suitable to their qualifications. The Prime Minister recognises that, in this category, there may be special cases requiring individual treatment. As with the first category, these Advisers must be positively vetted, and their duties are to be determined by the Minister to whom they will work.

I am copying this letter to the Private Secretaries to all members of the Cabinet, the Private Secretary to the Minister for Transport, and to Sir John Hunt and Sir Ian Bancroft.

*Your sincerely,*  
*K. R. Stowe.*

The Private Secretary

CONFIDENTIAL



PRIME MINISTER

Special Advisers

The attached submission from Sir Ian Bancroft seeks your decision on whether Ministers in your Administration should be able to appoint Special Advisers.

Are you content to agree in principle that they should be able to do so? And, if so, are you prepared to agree with Sir Ian Bancroft's suggestions in his paragraph 2?

You will see that his proposals include new arrangements for determining the pay of Special Advisers. This has been a cause of some difficulty in the past, and the proposed rationalisation would serve to avoid similar difficulties in future; but if you preferred to give this rather fuller consideration, it could be held over for the time being.

Are you content to accept all of Sir Ian Bancroft's proposals?

M<sup>5</sup>

4 May 1979

MR K R STOWE

## SPECIAL ADVISERS

The employment of Special Advisers is a matter on which the Prime Minister's personal views are essential. Experience has shown that early supervision from No 10 reduces the issues which need to be referred to the Prime Minister for resolution later. With this in mind I attach a paper which describes the role which Special Advisers can play in Government and outlines arrangements to provide them with equitable terms of employment. Ministers may also wish to make appointments terminating at or before the end of an Administration involving advisers who command unusually high salaries in the open market. Such appointments can, of course, be made exceptionally and on an ad hoc basis. But I should like to draw the Prime Minister's attention to the paper's conclusions in respect of the generality of Special Advisers' appointments.

2. The points which require the Prime Minister's decisions are:
  - a. which Ministers should be able to appoint Special Advisers and how many can they appoint? It is suggested that only Cabinet Ministers in charge of Departments should make such appointments up to a limit of two;
  - b. what arrangements should be made about pay? Previous arrangements have not been entirely satisfactory and I should like to recommend the alternative scheme which is suggested in the paper; this incorporates a wide range of starting pay, a measure of incremental progression and annual increases where appropriate;
  - c. what rules should govern Special Advisers' access to papers? It is suggested that Special Advisers should be positively vetted and have access to all papers to the extent laid down by the Minister concerned, bearing in mind any bar on sensitive, security or intelligence reports.
3. The paper concludes that once the Prime Minister has decided these points it will be possible to submit for her urgent approval a Memorandum which will promulgate the rules she wishes Ministers to follow when they appoint Special Advisers. In the absence of the Memorandum, of a decision on the pay regime, and of letters of appointment drafted in accordance with these, early appointments might be concluded in a way which could create difficulties in future.
4. I would be grateful for an early indication of the Prime Minister's wishes.

*RS*

IAN BANCROFT  
4 May 1979

SPECIAL ADVISERSIntroduction

This paper concerns the employment of Special Advisers to Ministers, and invites the Prime Minister to indicate any changes which she would like to make in the arrangements described below.

Background

2. It is now a recognised feature of public life that the employment of Special Advisers on the one hand adds a political dimension to the advice available to Ministers, and on the other provides Ministers with the direct advice of distinguished experts specialising in a particular field of public administration. In the modern world, it is reasonable to make adequate arrangements to ensure that the staff whom Ministers personally select to undertake these tasks are properly remunerated for the services they provide.

3. Appointments made by a Minister in a non-Ministerial capacity are not appointments in the Civil Service. Thus the Civil Service has no part to play when, for example, a Minister in his capacity as a Member of Parliament employs a constituency secretary. In circumstances of this kind, terms and conditions of service, including remuneration, are settled by the parties concerned, who draw on such financial resources as they may command. Accordingly, some Ministerial advisers have not been civil servants and their remuneration, if any, has been drawn from other than public funds. Special Advisers on the other hand have been directly appointed by Ministers, have been members of the Home Civil Service, and have been paid from public funds.

4. In the latter case benefits of service take account of those of other members of the Home Civil Service. Accordingly, Special Advisers are entitled to the same allowances as Home Civil Servants; they are covered by Civil Service superannuation arrangements; some of them are paid ad hominem rates and some are paid as if they were members of broadly equivalent Civil Service grades. But there are differences. Where it is desirable, a measure of latitude is provided to enable them to fulfil the full range of their duties. Thus they have rather more freedom to participate in political activities than have other members of the Home Civil Service in similar positions of proximity to Ministers. Since it has been thought inappropriate that the rules which cover the taking up of business appointments by those who leave the Home Civil Service should apply to Special Advisers they neither have access to the kind of information (eg about individual companies) nor are involved in the kind of business (eg contracts) which underlies the need for such rules for career civil servants.

Tenure

5. There are other important respects in which the position of Special Advisers differs from that of the great majority of civil servants. They are one of a small number of groups of civil servants who are directly appointed by Ministers and whose appointments fall

outside the responsibility of the Civil Service Commissioners as it is legally defined in the Civil Service Order in Council 1978. This recognises that their tenure ceases when the Administration under which they were appointed no longer holds office, when there is a General Election, or when the appointing Minister leaves office, whichever of these eventualities occurs first. Their appointment is subsequently renewable should the incoming Administration be of the same political complexion as the outgoing (subject always to the Prime Minister's approval in each case).

6. In other respects legal provisions apply to Special Advisers as they do to civil servants. Accordingly Special Advisers must resign under the terms of the Servants of the Crown (Parliamentary Candidature) Order 1960, on being adopted as a parliamentary candidate or prospective candidate.

#### Relations within Departments

7. Within departments, working alongside other civil servants, Special Advisers have direct access to their Minister. Their duties are laid down by him. They are outside the departmental hierarchy, that is, they do not work directly under a permanent civil servant. And equally, apart from secretarial assistance, they have no permanent civil servants working directly for them.

#### Appointments

8. It is for the Prime Minister to decide which members of the Administration may appoint Special Advisers, and what limit should be placed on numbers, either per Minister or overall. It was the practice of the previous Administration to make provision in the following way. Only Cabinet Ministers in charge of departments appointed Special Advisers, and each such appointment was made directly by the Minister concerned, following consultation with his or her Permanent Secretary and after seeking the Prime Minister's approval. Each Cabinet Minister could appoint no more than two Special Advisers, except that, where there was more than one Cabinet Minister with departmental duties in a department, the Cabinet Minister in charge of the department could appoint more than two Advisers with the approval of the Prime Minister. The limit of two Advisers did not apply to Advisers who were recognised as distinguished experts in a particular field, but such appointments still required the approval of the Prime Minister. The Prime Minister will wish to indicate whether she intends to retain these rules in respect of appointments to be made under the new Administration.

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9. The pay of Special Advisers, like that of other civil servants, is subject to the control of the Minister for the Civil Service, namely, the Prime Minister, for whom pay rates are administered by the Civil Service Department. The appointing Minister may wish to discuss pay with a prospective Adviser, but his departmental officials will put any proposals to the CSD for consideration; and the Head of the Home Civil Service has hitherto sought the agreement of the Prime Minister for changes in existing rates of pay of Special Advisers.

10. There have been two methods of initially fixing and subsequently reviewing the pay of Special Advisers:-

a. the most senior, few in number, have been firmly linked for pay purposes to the Civil Service Deputy Secretary and Under Secretary grades and shared their adjustments and review dates. The current Inner London rates are:

1 April 1979

Deputy Secretary	£17,814
Under Secretary	£15,238

b. other Advisers who are not considered to warrant salaries as high as these have had their salaries fixed ad hominem so as to reflect their outside "market value" in terms of pre-appointment earnings, so far as these could be objectively determined. In most cases the rates fixed have been in a range encompassed by the Civil Service grades of Principal and Assistant Secretary - currently £7926 to £13,902 in Inner London but under review. The pay of each of these Advisers has been reviewed annually.

11. During the past few years the arrangements described in paragraph 10b. above have presented a number of problems:-

a. the criteria for fixing starting pay are not clear enough and this can lead to inconsistencies;

b. the system of individually-fixed rates does not provide scope for incremental progression;

c. a disparity arises from the fact that the pay of the most senior Advisers is linked to Civil Service grades, while that of the others is not;

d. difficulties have arisen over the determination of the basis of annual reviews.

12. In order to remove these difficulties the Prime Minister may now wish to introduce a more orderly framework for fixing and reviewing the pay of all Special Advisers. There is scope for a number of approaches to be adopted and proposals for an improved system are attached as an Annex to this paper. This system provides for each new Adviser to be placed on appointment on whichever one of 31 salary points, currently covering the range between £3969 and £17,814 per year, approximates most closely to the salary he or she could command in the open market. Each of these points corresponds to a specific scale point in the Administration Group, and moves automatically with changes in pay at equivalent levels in the Home Civil Service. Provision is also made for some incremental progression during the early years of service when the Adviser is learning and developing his job. The Prime Minister will wish to indicate whether the present pay arrangements are satisfactory; or whether the alternative arrangements outlined above should apply to new appointments.

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Severance Pay

13. Severance pay arrangements are not generally available to other civil servants but have been designed to compensate Special Advisers for the abrupt termination of their appointments. Accordingly, they have been payable should termination of an appointment be brought about automatically by any of the circumstances described at paragraph 5 above; also when a Special Adviser resigns to take part in an election campaign or resigns under the terms of the Servants of the Crown (Parliamentary Candidature) Order 1960 (paragraph 6 above). The severance payment is calculated on a scale according to age and length of service. Those aged under 34 receive a payment equal to three months' pay; those aged 35 and over receive three months' pay with an extra month's pay for each completed year of service after the first, subject to a maximum of six months' pay; those aged 34-35 receive payment half-way between these two rates.

Access to papers

14. The Prime Minister will wish to consider the degree of access to papers which will be appropriate. Hitherto, Special Advisers have been positively vetted and have had access to all papers to the extent laid down by the Minister concerned, bearing in mind any bar on sensitive, security or intelligence reports. They have not seen papers relating to other civil servants personally, for example, on appointments, nor have they seen papers which are sensitive in the context of business appointments (see paragraph 4 above).

Conclusion

15. The arrangements described above are not immutable, but they are based on recent practical experience and to that extent are judged to be workable. Before they can be promulgated, the Prime Minister's decision on the following points is requested:-

- a. what arrangements does she wish to prescribe governing which Ministers may appoint Special Advisers and in what numbers (paragraph 8)?
- b. are the present pay arrangements satisfactory, or should the alternative scheme detailed in the Annex to this paper be adopted forthwith (paragraphs 9-12)?
- c. are the existing rules covering access to papers satisfactory (paragraph 14)?

16. When the Prime Minister's decisions on these points are known:-

- a. a Memorandum describing the arrangements which will govern the employment of Special Advisers will be submitted for approval. The Memorandum may subsequently serve as formal guidance to Ministers on this subject;
- b. letters of appointment which fully take account of these arrangements will be sent by the departments concerned to all the Special Advisers on whose employment the Prime Minister and the appointing Minister have agreed.

*See annex.*

## 1. Special Advisers (Non-expert)

I do not like political advisers as such and have discouraged them. Nevertheless some Cabinet Ministers feel they would like a personal assistant who they know who can help them with technical that-side of their work which is partly government and partly political. For them, the following rules will apply

- a) Only Cabinet Ministers so entitled and only after personal approval of a named person by me. Not more than one each.
- b) They must be on a defined point in a recognised scale. We can't have a special scale for each person. The starting point will be difficult but not impossible to decide.
- c) Must be positively vetted. Rules to papers to be determined by own Ministers.

## 2. Professional (i.e. expert) Advisers.

I welcome these. Only Cabinet Ministers entitled to recommend. Must be on recognised pay scale suitable to their qualifications. There may be exceptions which have to be dealt with individually. Must be positively vetted. Rules to be determined by Ministers. A.S.

## PROPOSALS FOR A REVISED PAY SYSTEM FOR SPECIAL ADVISERS

Introduction

Experience gained over the last few years has allowed the essential features of stable pay arrangements for Special Advisers to be clearly identified. This is an area where formal regimes of the kind which govern the career Civil Service may appear unduly constrictive; but it is also the case that an unregulated approach - individual rates, adjustable not at all or only in response to personal or ad hoc pressures - would equally be unsatisfactory, to Ministers, to the taxpayer and to the Advisers themselves. It is desirable that starting pay should be fixed from the outset at a competitive and generally acceptable rate. Second, this rate should thereafter be automatically adjusted to take account of the movement of comparable rates elsewhere in the Civil Service, and to reflect to an appropriate degree the growth of an Adviser's expertise in his job. The operation of these procedures should continue to be subject to the Minister for the Civil Service, namely the Prime Minister, and administered on a day-to-day basis by the Civil Service Department.

The pay range

The proposed scheme provides for each Special Adviser to be placed on appointment on one of 31 salary points. These points currently take account of Inner London Weighting and cover a range between £3969 pa and £17,814 pa and each point equates to a point on a recognised and well used scale elsewhere in the Civil Service. The progression of points is more or less regular except for two discontinuities which divide the whole range into three unequal sections (see Table attached).

It is envisaged that the central section, consisting of 15 pay points, will accommodate nearly all Special Advisers; the two extremes will provide freedom to deal appropriately with exceptional circumstances. Thus, the top section consisting of the two top points will take the most senior Advisers. This is, those Advisers



who are agreed, because of their acknowledged eminence or status and consequent high market value, to merit remuneration above that of the majority of their colleagues. On the other hand, the bottom section of the range consisting of 14 points serves to accommodate Special Advisers who are under 26 years old when appointed, but who perform what are generally accepted as being the full duties of a Special Adviser. It is envisaged that should their 26th birthday occur during their appointment then they should move automatically on to the lowest point of the middle section. In addition, the bottom section of the range is appropriate for those, of whatever age, who are recruited to perform, within the foreseeable future, something less than the full duties of a Special Adviser.

#### Starting pay

The most senior Advisers will be appointed to one of the two highest salary points, equivalent to the rates for Deputy Secretaries and Under Secretaries in the Home Civil Service. For the other Advisers, starting pay will be individually calculated by the Civil Service Department in consultation with the employing department by reference to whichever is the lower of:

- (a) his estimated value to the employing Minister; and
- (b) a negotiated figure of not more than 10% of his market value objectively ascertained, chiefly by reference to his existing or previous outside remuneration. Liability for continuing outside pension scheme payments may be taken into account, but fringe benefits and fee earnings from writing and lecturing and so on will normally be set aside, since they are irregular and not reliably quantifiable. The actual salary to be offered will be the specific scale point which is most appropriate in the light of this "market value", and the proximity of the commencement date to 1 April, when the equivalent Civil Service rates are normally reviewed.

#### Salary progression

There are two kinds of salary progression only. All salaries are reviewed on the same date - 1 April - and will be adjusted to keep

pace precisely with their respective Civil Service analogues. In addition to this annual pay review, some incremental progression is considered to be appropriate for Advisers (other than the most senior) during their early years, as follows:

- (a) those on the bottom section of the range will receive one scale increment on each of his or her first three anniversaries of appointment, provided the top of that section is not thereby exceeded;
- (b) Advisers who enter at or below the 6th point of the middle section will receive two annual increments;
- (c) Advisers who enter at or above the 7th point of the middle section will receive one increment.

Salaries will not be increased for any other reason, for example, because "deserving of promotion", "up-grading", "graduation to more responsible duties", or because a Special Adviser stays with a Minister who moves to a more responsible post.

#### Procedure

It is proposed that the practice governing the initial determination and subsequent adjustment of Special Advisers' pay should be as follows:

- A. When a departmental Minister is considering making a new appointment, he should:
  - (i) not enter into any commitment whatever regarding the salary which may be payable to a particular candidate with whom he may be in communication;
  - (ii) when putting forward a name for the Prime Minister's approval, specify how he would like to see his nominee paid, whether from the middle section of the range (the normal case), or exceptionally from the top or bottom sections, and should give reasons if the preference is for either of the last two.

MANAGEMENT IN CONFIDENCE

- B. After the Prime Minister has authorised a new appointment the letter from No 10 saying so should specify the section from which pay is approved, and also include a reminder that the amount of salary payable must be agreed between the employing department and the CSD (Pay 5 Division) before an appointment is formally offered.
  
- C. Once a new Special Adviser's salary has been agreed with CSD, and he has taken up appointment, the employing department's Personnel Division may authorise whatever annual pay increases (from 1 April) and annual increments (from the anniversary of appointment) are allowable under these guidelines in each individual case, but should keep CSD (Pay 5 Division) informed of all adjustments made.

Table: Salary Points for Special Advisers (£ per annum; Inner London)

<u>From 1 April 1979</u>		<u>From 1 April 1980</u>
17,814*		20,000*
15,238*		16,524*

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	<u>From 1 August 1979</u>	<u>From 1 January 1980</u>	
13,902	14,515	} Not yet fixed	
13,559	14,157		
12,843	13,408		
12,127	12,659		
11,471	11,973		
10,993	11,474		
10,396	10,849		
10,039	10,475		12,274
9,680	10,100		11,774
9,352	9,757		11,274
9,053	9,445	10,874	
8,756	9,133	10,474	
8,457	8,821	10,074	
8,189	8,540	9,724	
7,926	8,266	9,374	

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6,757	7,043	7,774
6,541	6,817	7,374
6,350	6,617	7,099
6,159	6,418	6,874
5,969	6,218	6,674
5,803	6,044	6,474
5,567	5,796	6,224
5,254	5,469	5,849
5,044	5,207	5,574
4,785	4,978	5,274
4,565	4,747	} 5,024
4,345	4,518	
4,158	4,322	} 4,724
3,969	4,125	

\*Subject to review

covering confidential

*M*  
*MAK*

MR. STOWE

SPECIAL ADVISERS

- This weighty correspondence from Sir Ian Bancroft suggests
- (i) that the Prime Minister should be consulted specifically about Special Advisers immediately after the Election, and asks
  - (ii) whether the issue of Special Advisers should therefore cause delay in finalising Questions of Procedure for Ministers, or
  - (iii) whether substantive guidance on Special Advisers should be made separate, with only a passing reference in Questions of Procedure.

I think it right that Questions of Procedure should not contain the substantive guidance on Special Advisers, as the latter is much more likely to change at the whim of individual Prime Ministers than the bulk of matters covered in Questions of Procedure.

Sir Ian attaches draft papers on Special Advisers for (Flag A) an incoming Conservative Prime Minister and (Flag B) Mr. Callaghan on return. His main purpose seems to be to arrange for Special Advisers to have their own 17 step pay scale, into which each Special Adviser should be slotted at an appropriate point, and up which he or she should progress.

This is a tidying up process: or, you might think, an attempt by the bureaucracy further to absorb Special Advisers into the bureaucratic way of life. The Prime Minister may well be ready to accept this now, as there have obviously been awkward anomalies in the case of one or two Special Advisers of the current administration. You can judge better than me whether it would be judicious to put this to him. But I have reservations about the version of the paper prepared for an incoming Conservative Prime Minister. Given the noises made about bureaucracy in the Tory campaign, and the noises made about taking a firm grip on the bureaucracy, my reaction to paragraphs 2-4 of "Draft for the Prime Minister (Conservative)" is that it would confirm many worst suspicions if

/ it were

it were amongst the first papers to be seen by an incoming Prime Minister. I also suspect that the 17 point pay scale could be interpreted by a suspicious incoming Prime Minister as signs of a bureaucratic campaign to emasculate any Tory outsiders about to be let loose in Whitehall.

Do you want to suggest to Sir Ian that a shorter and brisker note on the subject might be a better starting point if we have a new Prime Minister?

MAJ

27 April 1979



CIVIL SERVICE DEPARTMENT  
 WHITEHALL LONDON SW1A 2AZ  
 Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.*  
*Head of the Home Civil Service*

Sir John Hunt GCB  
 Cabinet Office  
 Whitehall  
 London SW1

26 April 1979

*Dear John,*

SPECIAL ADVISERS

In your letter of 9 April about Questions of Procedure for Ministers you noted that the prepared text on Special Advisers may not be appropriate for a Conservative Administration, and asked whether we would have an alternative text available before the Election.

Whatever the colour of the new Administration I believe I must consult the Prime Minister immediately after the Election about Special Advisers. I would send him or her the appropriate paper under cover of a short personal minute. It would be for a new Prime Minister's own decision what arrangements should govern the employment of Special Advisers. The arrangements could vary from present practice either in a number of more or less detailed aspects (as to eg who may appoint Special Advisers, in what numbers, subject to what rules on access to papers) or quite fundamentally (eg taking Special Advisers out of the Home Civil Service). These considerations would hold were Mr Callaghan to return since the full set of arrangements has not yet received his formal approval. Also, whoever the incoming Prime Minister, I would wish to present the option of introducing new pay arrangements for Special Advisers from the start of the Administration. If a Labour Administration is returned Mr Callaghan may well wish to consult any Special Advisers who have been reappointed, before such arrangements are actually introduced. Accordingly I should prefer not to present a new Prime Minister with a draft text of arrangements that is as detailed as the present one before inviting his or her own decisions on points of this kind.

I have had prepared draft submissions for an incoming Prime Minister inviting decisions on these matters. These should go forward urgently to allow for the early and orderly appointment of Special Advisers. I enclose copies of these papers for your information and - especially - comments.

Thus on Questions of Procedure for Ministers, the options seem to be either to delay its issue until the Prime Minister has settled the arrangements for Special Advisers; or, if this timing presents you with difficulties, to issue the document with only a brief reference to Special Advisers, sufficient to prevent their unauthorised appointment.



If we adopt the latter course it would be open to us to issue later on an amendment to Questions of Procedure giving the full details. Alternatively, the detailed arrangements governing Special Advisers could be left out of Questions of Procedure, and reference made to a separate document (like the present 'Memorandum of Arrangements' issued from No 10 which at present constitutes the basic document of guidance). This would possibly entail some loss of convenience by reducing the coverage of Questions of Procedure, but I see several advantages. It would not be necessary to delay or revise Questions of Procedure. Moreover, the present duplication between this and the Memorandum would be eliminated. Thirdly while Questions of Procedure goes to all Ministers, only a limited circle (under the present arrangements at least) may appoint Special Advisers, so much of what is included is of limited application. And Questions of Procedure is mainly concerned with fairly stable matters of either basic principle or established convention, whereas experience over the last 10 years has shown that the arrangements governing Special Advisers - although they may possibly settle in time - are not of this nature.

It seems to me that a passage in Questions of Procedure like the following would in fact hold the position in either the short or the longer term, allowing us to choose between revision of Questions of Procedure or dealing separately with the detail on Special Advisers as seems sensible once we have the Prime Minister's decision:

"The employment of Special Advisers on the one hand adds a political dimension to the advice available to Ministers, and on the other provides Ministers with the direct advice of distinguished experts specialising in a particular field of public administration. Special Advisers are appointed directly by the Ministers they serve. No appointments of this kind should be made until the Prime Minister's approval has been secured in each case, and no commitments to make such appointments should be entered into in the absence of such approval. Guidance on the arrangements for the appointment and employment of Special Advisers is issued separately."

A copy of this letter and (inevitably lengthy) enclosures goes to Ken Stowe, for whose comments on substance and handling I should also be grateful. Hard tack for a Prime Minister to chew on in the first few days.

*W. C. B.*

*Ian*

IAN BANCROFT



## DRAFT FOR THE PRIME MINISTER (CONSERVATIVE)

SPECIAL ADVISERSIntroduction

This paper concerns the employment of Special Advisers to Ministers, and invites the Prime Minister to indicate any changes which she would like to make in the arrangements described below.

Background

2. It is now a recognised feature of public life that the employment of Special Advisers on the one hand adds a political dimension to the advice available to Ministers, and on the other provides Ministers with the direct advice of distinguished experts specialising in a particular field of public administration. In the modern world, it is reasonable to make adequate arrangements to ensure that the staff whom Ministers personally select to undertake these tasks are properly remunerated for the services they provide.
3. Appointments made by a Minister in a non-Ministerial capacity are not appointments in the Civil Service. Thus the Civil Service has no part to play when, for example, a Minister in his capacity as a Member of Parliament employs a constituency secretary. In circumstances of this kind, terms and conditions of service, including remuneration, are settled by the parties concerned, who draw on such financial resources as they may command. Accordingly, some Ministerial advisers have not been civil servants and their remuneration, if any, has been drawn from other than public funds. Special Advisers on the other hand have been directly appointed by Ministers, have been members of the Home Civil Service, and have been paid from public funds.
4. In the latter case benefits of service take account of those of other members of the Home Civil Service. Accordingly, Special Advisers are entitled to the same allowances as Home Civil Servants; they are covered by Civil Service superannuation arrangements; some of them are paid ad hominem rates and some are paid as if they were members of broadly equivalent Civil Service grades. But there are differences. Where it is desirable, a measure of latitude is provided to enable them to fulfil the full range of their duties. Thus they have rather more freedom to participate in political activities than have other members of the Home Civil Service in similar positions of proximity to Ministers. Since it has been thought inappropriate that the rules which cover the taking up of business appointments by those who leave the Home Civil Service should apply to Special Advisers they neither have access to the kind of information (eg about individual companies) nor are involved in the kind of business (eg contracts) which underlies the need for such rules for career civil servants.

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5. There are other important respects in which the position of Special Advisers differs from that of the great majority of civil servants. They are one of a small number of groups of civil servants who are directly appointed by Ministers and whose appointments fall

outside the responsibility of the Civil Service Commissioners as it is legally defined in the Civil Service Order in Council 1978. This recognises that their tenure ceases when the Administration under which they were appointed no longer holds office, when there is a General Election, or when the appointing Minister leaves office, whichever of these eventualities occurs first. Their appointment is subsequently renewable should the incoming Administration be of the same political complexion as the outgoing (subject always to the Prime Minister's approval in each case).

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#### Relations within Departments

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b. other Advisers who are not considered to warrant salaries as high as these have had their salaries fixed ad hominem so as to reflect their outside "market value" in terms of pre-appointment earnings, so far as these could be objectively determined. In most cases the rates fixed have been in a range encompassed by the Civil Service grades of Principal and Assistant Secretary - currently £7,315 to £12,797 in Inner London but under review. The pay of each of these Advisers has been reviewed annually.

11. During the past few years the arrangements described in paragraph 10b. above have presented a number of problems:-

- a. the criteria for fixing starting pay are not clear enough and this can lead to inconsistencies;
- b. the system of individually-fixed rates does not provide scope for incremental progression;
- c. a disparity arises from the fact that the pay of the most senior Advisers is linked to Civil Service grades, while that of the others is not;
- d. difficulties have arisen over the determination of the basis of annual reviews.

12. In order to remove these difficulties the Prime Minister may now wish to introduce a more orderly framework for fixing and reviewing the pay of all Special Advisers. There is scope for a number of approaches to be adopted and proposals for an improved system are attached as an Annex to this paper. This system provides for each new Adviser to be placed on appointment on whichever one of 31 salary points, currently covering the range between £3,637 and £17,814 per year, approximates most closely to the salary he or she could command in the open market. Each of these points corresponds to a specific scale point in the Administration Group, and moves automatically with changes in pay at equivalent levels in the Home Civil Service. Provision is also made for some incremental progression during the early years of service when the Adviser is learning and developing his job. The Prime Minister will wish to indicate whether the present pay arrangements are satisfactory; or whether the alternative arrangements outlined above should apply to new appointments.

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14. The Prime Minister will wish to consider the degree of access to papers which will be appropriate. Hitherto, Special Advisers have been positively vetted and have had access to all papers to the extent laid down by the Minister concerned, bearing in mind any bar on sensitive, security or intelligence reports. They have not seen papers relating to other civil servants personally, for example, on appointments, nor have they seen papers which are sensitive in the context of business appointments (see paragraph 4 above).

Conclusion

15. The arrangements described above are not immutable, but they are based on recent practical experience and to that extent are judged to be workable. Before they can be promulgated, the Prime Minister's decision on the following points is requested:-

- a. what arrangements does she wish to prescribe governing which Ministers may appoint Special Advisers and in what numbers (paragraph 8)?
  - b. are the present pay arrangements satisfactory, or should the alternative scheme detailed in the Annex to this paper be adopted forthwith (paragraphs 9-12)?
  - c. are the existing rules covering access to papers satisfactory (paragraph 14)?
16. When the Prime Minister's decisions on these points are known:-
- a. a Memorandum describing the arrangements which will govern the employment of Special Advisers will be submitted for approval. The Memorandum may subsequently serve as formal guidance to Ministers on this subject;
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## PROPOSALS FOR A REVISED PAY SYSTEM FOR SPECIAL ADVISERS

Introduction

Experience gained over the last few years has allowed the essential features of stable pay arrangements for Special Advisers to be clearly identified. This is an area where formal regimes of the kind which govern the career Civil Service may appear unduly constrictive; but it is also the case that an unregulated approach - individual rates, adjustable not at all or only in response to personal or ad hoc pressures - would equally be unsatisfactory, to Ministers, to the taxpayer and to the Advisers themselves. It is desirable that starting pay should be fixed from the outset at a competitive and generally acceptable rate. Second, this rate should thereafter be automatically adjusted to take account of the movement of comparable rates elsewhere in the Civil Service, and to reflect to an appropriate degree the growth of an Adviser's expertise in his job. The operation of these procedures should continue to be subject to the Minister for the Civil Service, namely the Prime Minister, and administered on a day-to-day basis by the Civil Service Department.

The pay range

The proposed scheme provides for each Special Adviser to be placed on appointment on one of 31 salary points. These points currently take account of Inner London Weighting and cover a range between £3637 pa and £17,814 pa and each point equates to a point on a recognised and well used scale elsewhere in the Civil Service. The progression of points is more or less regular except for two discontinuities which divide the whole range into three unequal sections (see Table attached).

It is envisaged that the central section, consisting of 15 pay points, will accommodate nearly all Special Advisers; the two extremes will provide freedom to deal appropriately with exceptional circumstances. Thus, the top section consisting of the two top points will take the most senior Advisers. This is, those Advisers



who are agreed, because of their acknowledged eminence or status and consequent high market value, to merit remuneration above that of the majority of their colleagues. On the other hand, the bottom section of the range consisting of 14 points serves to accommodate Special Advisers who are under 26 years old when appointed, but who perform what are generally accepted as being the full duties of a Special Adviser. It is envisaged that should their 26th birthday occur during their appointment then they should move automatically on to the lowest point of the middle section. In addition, the bottom section of the range is appropriate for those, of whatever age, who are recruited to perform, within the foreseeable future, something less than the full duties of a Special Adviser.

#### Starting pay

The most senior Advisers will be appointed to one of the two highest salary points, equivalent to the rates for Deputy Secretaries and Under Secretaries in the Home Civil Service. For the other Advisers, starting pay will be individually calculated by the Civil Service Department in consultation with the employing department by reference to whichever is the lower of:

- (a) his estimated value to the employing Minister; and
- (b) a negotiated figure of not more than 105% of his market value objectively ascertained, chiefly by reference to his existing or previous outside remuneration. Liability for continuing outside pension scheme payments may be taken into account, but fringe benefits and fee earnings from writing and lecturing and so on will normally be set aside, since they are irregular and not reliably quantifiable. The actual salary to be offered will be the specific scale point which is most appropriate in the light of this "market value", and the proximity of the commencement date to 1 April, when the equivalent Civil Service rates are normally reviewed.

#### Salary progression

There are two kinds of salary progression only. All salaries are reviewed on the same date - 1 April - and will be adjusted to keep

pace precisely with their respective Civil Service analogues. In addition to this annual pay review, some incremental progression is considered to be appropriate for Advisers (other than the most senior) during their early years, as follows:

- (a) those on the bottom section of the range will receive one scale increment on each of his or her first three anniversaries of appointment, provided the top of that section is not thereby exceeded;
- (b) Advisers who enter at or below the 6th point of the middle section will receive two annual increments;
- (c) Advisers who enter at or above the 7th point of the middle section will receive one increment.

Salaries will not be increased for any other reason, for example, because "deserving of promotion", "up-grading", "graduation to more responsible duties", or because a Special Adviser stays with a Minister who moves to a more responsible post.

#### Procedure

It is proposed that the practice governing the initial determination and subsequent adjustment of Special Advisers' pay should be as follows:

- A. When a departmental Minister is considering making a new appointment, he should:
  - (i) not enter into any commitment whatever regarding the salary which may be payable to a particular candidate with whom he may be in communication;
  - (ii) when putting forward a name for the Prime Minister's approval, specify how he would like to see his nominee paid, whether from the middle section of the range (the normal case), or exceptionally from the top or bottom sections, and should give reasons if the preference is for either of the last two.

MANAGEMENT IN CONFIDENCE

- B. After the Prime Minister has authorised a new appointment the letter from No 10 saying so should specify the section from which pay is approved, and also include a reminder that the amount of salary payable must be agreed between the employing department and the CSD (Pay 5 Division) before an appointment is formally offered.
- C. Once a new Special Adviser's salary has been agreed with CSD, and he has taken up appointment, the employing department's Personnel Division may authorise whatever annual pay increases (from 1 April) and annual increments (from the anniversary of appointment) are allowable under these guidelines in each individual case, but should keep CSD (Pay 5 Division) informed of all adjustments made.



MANAGEMENT IN CONFIDENCE

Table: Salary Points for Special Advisers (£ per annum: Inner London)

17,814  
15,238

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12,797  
12,483  
11,826  
11,169  
10,567  
10,129  
9,581  
9,253  
8,924  
8,623  
8,349  
8,076  
7,802  
7,556  
7,315

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6,242  
6,044  
5,869  
5,694  
5,519  
5,366  
5,103  
4,816  
4,586  
4,385  
4,183  
3,982  
3,810  
3,637

CONFIDENTIAL

DRAFT FOR THE PRIME MINISTER (LABOUR)

SPECIAL ADVISERS

Introduction

This paper concerns the employment of Special Advisers to Ministers, seeks the Prime Minister's consent to the issue of a revised Memorandum on the subject to Ministers, and proposes some modifications in the pay regime to which Special Advisers are subject.

Background

2. Special Advisers are directly appointed by Ministers, are members of the Home Civil Service, and are paid from public funds. Their benefits of service take account of those of other members of the Home Civil Service. Special Advisers are entitled to the same allowances as other civil servants; they are covered by Civil Service superannuation arrangements; some of them are paid ad hominem rates and some are paid as if they were members of broadly equivalent Civil Service grades. But where it is desirable, a measure of latitude has been provided to enable them to fulfil the full range of their duties. Thus they have had rather more freedom to participate in political activities than have other members of the Home Civil Service in similar positions of proximity to Ministers.

The Memorandum to Ministers

3. The arrangements governing the employment of Special Advisers have been subject to some change and development since they were last promulgated in full in December 1974. A revised Memorandum

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of arrangements which consolidates past practice and brings it up to date is attached. The main changes concern Special Advisers' tenure of their appointments, the procedure for their appointment, the rules governing conduct and the terms on which severance pay is payable.

#### Tenure

4. Special Advisers are one of a small number of groups of civil servants who are directly appointed by Ministers and whose appointments fall outside the responsibility of the Civil Service Commissioners as it is legally defined in the Civil Service Order in Council 1978. This ensured that there would be no question of Special Advisers' appointments being terminated solely on the grounds of their having served for five years.

5. The 1974 Memorandum of arrangements did not clearly specify the occasions on which a Special Adviser's appointment is automatically terminated. The attached draft Memorandum makes it explicit that these are:

- (i) with the end of the Administration under which they were appointed, that is, when the Prime Minister resigns; or
- (ii) when there is a General Election, on the day after Polling Day; or
- (iii) when the appointing Minister leaves his appointment;

whichever of these eventualities occurs first.

6. It has been felt desirable that the Prime Minister should have the opportunity to review all Special Adviser appointments

in the circumstances described in (i) and (ii) above, even when the same Ministers may be continuing in office, in order to retain maximum flexibility in making appointments. The provision at (iii) above reflects the point that a Special Adviser is the personal appointee of one Minister and may or may not be able appropriately to serve another.

#### Appointment Procedure

7. The draft Memorandum includes provisions for ensuring that the Civil Service Department is consulted before any commitment is given to an appointee as to pay, and for improving the information about appointments which is available to CSD for the purpose of answering Parliamentary Questions and other queries.

#### Conduct

8. Special Advisers who are civil servants are generally subject to the same rules of conduct as other Home Civil Servants; the attached draft Memorandum states the exceptions, notably those relaxing certain aspects of the rules governing political activities, which have not hitherto been formally promulgated. The Report of the Armitage Committee on the political activities of civil servants (Cmnd 7057) has suggested rules for Special Advisers separate and distinct from those applicable to career civil servants, but it is recommended that consideration of this proposal await the outcome of discussions with the Staff Side on the Report's main recommendations. Guidance also included in the draft Memorandum is intended to clarify the principle that official resources must not be used for solely Party purposes.

Severance Pay

9. The draft Memorandum makes it clear that special severance payments are payable when termination of an appointment is brought about automatically by any of the circumstances described at paragraph 5 above; also when a Special Adviser resigns to take part in an election campaign or resigns, as he must do under the terms of the Servants of the Crown (Parliamentary Candidature) Order 1960, on becoming a parliamentary candidate or prospective candidate. The severance payment is calculated on a scale according to age and length of service. Those aged under 34 receive a payment equal to three months' pay; those aged 35 or over receive three month's pay with an extra month's pay for each completed year of service after the first, subject to a maximum of six months' pay; those aged 34-35 receive payment half-way between these two rates.

Pay

10. The pay of Special Advisers, like that of other civil servants, is subject to the control of the Minister for the Civil Service, namely the Prime Minister, for whom pay rates are administered by the CSD. The appointing Minister may wish to discuss pay with a prospective Adviser, but his departmental officials put any proposals to CSD for consideration; and the Head of the Home Civil Service seeks the agreement of the Prime Minister for changes in existing rates of pay of Special Advisers.

11. Over the past five years there have been two methods of initially fixing and subsequently reviewing the pay of Special Advisers:

CONFIDENTIAL

- (a) the most senior, few in number, have been firmly linked for pay purposes to the Civil Service Deputy Secretary and Under Secretary grades and share their adjustments and review dates. The current Inner London rates are:

	<u>1 April 1979</u>	<u>1 April 1980</u>
Deputy Secretary	£17,814	£20,000
Under Secretary	£15,238	£16,524

- (b) other Advisers have had individual salaries fixed initially so as to reflect their outside "market value" in terms of pre-appointment earnings so far as these could be objectively determined. In most cases the rates fixed for these Advisers have been in a range encompassed by the Civil Service grades of Principal and Assistant Secretary - currently £7,315 to £12,797 in Inner London but under review. The pay of each of these Advisers has been reviewed annually.

12. During the past few years the arrangements described in paragraph 11(b) above have presented a number of problems:

- (a) the criteria for fixing starting pay are not clear enough and this has led to inconsistencies, some of which were corrected as "anomalies" in 1978;
- (b) the system of individually-fixed rates does not provide scope for incremental progression; this has been a particular cause of concern to the younger Advisers;
- (c) a disparity arises from the fact that the pay of the most senior Advisers is linked to Civil Service grades while that of the others is not;

- (d) difficulties have arisen over the determination of the basis of the annual reviews.

13. Both the present and former Prime Minister have felt concern about the Special Advisers' pay arrangements and have expressed a desire for the introduction of a more rational and orderly system, but successive phases of incomes policy have prevented it. Proposals for an improved system are attached as an Annex to this paper. This system provides for each new Adviser to be placed on appointment on whichever one of 31 salary points, currently covering the range between £3,637 and £17,814 per year, approximates most closely to the salary he could command in the open market. Each of these points corresponds to a specific scale point in the Administration Group, and automatically attracts any annual salary increases which may become payable at equivalent levels in the Home Civil Service. Provision is also made for some incremental progression during the early years of service when the Adviser is learning and developing his job. The Prime Minister will wish to indicate whether he is content for these arrangements to apply to new appointments.

#### Conclusion

14. The Prime Minister is invited to give his decision as to whether:
- (a) the attached draft Memorandum of arrangements should be issued to Ministers;
  - (b) the attached proposals for improving the pay arrangements under which Special Advisers are employed, should now be adopted.



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5,519

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4,586

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4,183

3,982

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3,637

CONFIDENTIAL

DRAFT MEMORANDUM OF ARRANGEMENTS FOR THE APPOINTMENT OF SPECIAL ADVISERS TO MINISTERS

INTRODUCTION

Only Cabinet Ministers in charge of Departments should appoint Special Advisers and each such appointment should be made by the Minister himself following consultation with his Permanent Secretary and after the Prime Minister's approval has been secured.

2. Each Cabinet Minister may appoint no more than two Special Advisers, except that, where there is more than one Cabinet Minister with departmental duties in a department, the Cabinet Minister in charge of the department may appoint more than two Advisers with the approval of the Prime Minister. The limit of two Advisers will not apply to Advisers who are recognised as distinguished experts in a particular field (though such appointments will still require the approval of the Prime Minister).

3. Special Advisers will have direct access to their Minister, and will normally be outside the departmental hierarchy; that is, they should not work directly under a permanent civil servant, nor, apart from the usual secretarial assistance, should permanent civil servants work directly for them. The Minister should lay down the duties of each Special Adviser he appoints.

APPOINTMENT PROCEDURE

4. The Minister must seek the Prime Minister's approval of a proposed appointment. No commitment as to salary should be given until the CSD has been consulted. The Permanent Secretary must ensure that CSD approval of the salary to be paid is obtained (see paragraph 9 below) and that details of the appointment are subsequently provided to CSD (PM5 Division) for central records.

DURATION OF APPOINTMENT

5. Special Advisers' appointments automatically cease either:
  - i. with the end of the Administration under which they were appointed, ie when the Prime Minister resigns;  
or
  - ii. when there is a General Election, on the day after Polling Day; or
  - iii. when the appointing Minister leaves his present appointment.
  
6. If termination of appointment is brought about by any of these circumstances but there is not a change of Government, there will be an opportunity to review Special Advisers' appointments and, if it is wished, to make re-appointments, subject to the Prime Minister's approval. Fresh letters of appointment should be issued in all such cases. The date on which re-appointment takes effect will be the date on which it is made by the Minister concerned save that, where a Special Adviser has not resigned (eg to take part in an Election campaign) and is re-appointed to serve either in the department in which he was previously serving or under the Minister whom he was previously serving, the date of re-appointment may be such that there is no break in service.
  
7. Special Advisers are members of the Home Civil Service, are paid from public funds, have the same conditions of service and are subject to the same rules of conduct as other civil servants, with the exception of the rules governing the acceptance of outside business appointments after resignation or retirement (see para 11 below) and certain aspects of the rules on political activities

(see para 14 below). All other provisions of the Civil Service Pay and Conditions of Service Code therefore apply to Special Advisers, who should be given access to a copy of the Code on appointment or to departmental staff regulations if these stand in place of the Code. Details of the application of some particular rules are given in paragraphs 12-18 below; these details, and the particular location of the Code and/or staff regulations should be brought to the specific attention of Special Advisers on appointment.

8. As with other civil servants, the Permanent Secretary of the department will be responsible for bringing the rules to the notice of Special Advisers, and ensuring that they are observed.

#### PAY AND CONDITIONS OF SERVICE

9. The rate of pay is subject to CSD approval. Regard will be had to the nature of the post to be filled and the age and relevant background of the person concerned. Public funds may meet the employer's contribution where the Adviser is a member of FSSU.

10. The terms and conditions of service may vary slightly according to the circumstances but in general should follow the model draft letter of appointment of which a copy is attached at Appendix 1.

#### OUTSIDE OCCUPATIONS ON LEAVING THE SERVICE

11. The rules about business appointments following resignation or retirement (Code para 9961) will not apply to Special Advisers. But, as a corollary, they should neither have access to the kind of information (eg about individual companies) nor be involved in the kind of business (eg contracts) which underlies the need for the rules applicable to career civil servants.



POLITICAL ACTIVITIES

12. In general the role of Special Adviser is to add a political dimension to the advice available to Ministers; this necessarily involves them to some extent in maintaining contact with Party opinion in a way which would not be open to other civil servants in the "politically restricted" category. Nevertheless, subject to certain specific exceptions (see para 14), the Civil Service rules on political activities should be adhered to as closely as possible by all Special Advisers. For the purposes of the rules, which are set out in Code paras 9923-9950, Special Advisers will be members of the "politically restricted" group.

13. In particular:

- a. an Adviser publicly identified as a Parliamentary candidate or prospective candidate by adoption by a political party must thereupon resign his appointment (see Code paras 9923a, 9948);
- b. an Adviser who wishes to take part in a general or by-election campaign, or to help in a Party headquarters or research unit during such a campaign, must first resign his Civil Service appointment (Code paras 9923a-e);
- c. it is essential that public funds (including departmental resources) should not be used in any way for party political purposes.

14. There are, however, two areas of political activity where Special Advisers may be allowed more freedom than other civil servants in the "politically restricted" group. With the approval of their Minister, Special Advisers may:



- a. attend Party functions (although they may attend the Party conference only as observers) and maintain contact with Party members;
- b. take part in policy reviews organised by the Party, or officially in conjunction with it, for the purpose of ensuring that those undertaking the review are fully aware of the Government's view and their Minister's thinking and policy; it would not be open to Special Advisers to advocate policies going beyond or departing from those of the Government as a whole.

In maintaining these political connections, Special Advisers must at all times observe discretion and aim at avoiding public controversy. They must not identify themselves with criticism of the Government or its policies.

15. Subject to the approval of the Minister concerned, Special Advisers will be permitted to undertake or to continue to undertake, all forms of local political activity (see Code para 9924). This does not include local activities in support of national politics as defined in Code paragraph 9923. The decision should be taken in each case by the Minister concerned and he is responsible for ensuring that no questions of conflict arise either with the policies for which he is responsible or those of his colleagues (Code para 9927).

16. A Special Adviser who is allowed to take part in local political activities must observe the code of discretion set out in Code para 9929. In particular, if he serves on a local authority he should bear in mind the following points, which should be brought to his attention by the Permanent Head of his Department:

CONFIDENTIAL

- a. he should not speak publicly or in the Council or vote on matters for which his own Minister has responsibility;
- b. he should not serve on any committee considering such matters;
- c. he should not take part in deputations or other representations to the Minister;
- d. he should declare an interest in relation to any case or application which comes before the Council and in which his department is involved;
- e. he should observe great discretion in relation to policies for which other Ministers are responsible, in order to avoid causing them embarrassment;
- f. he should not prematurely disclose to the Council information which he obtained in the course of his duties.

OUTSIDE ACTIVITIES

17. An Adviser who wishes to take part in any outside activity where information or experience gained in the course of his work as an Adviser is likely to be relevant must first seek permission from the Permanent Head of his Department (Code para 9910).

18. Observance of the general principles of conduct required of all civil servants (Code para 9870) will also have a bearing on the activities engaged in by Special Advisers whether as part of their official duties or in a private capacity. Their position as Advisers to Ministers in no way frees them from the need to avoid public or political controversy (Code para 9870e) and they should at all times act with moderation and discretion on the matters referred to in Code paragraph 9929.

ACCESS TO PAPERS

19. All Special Advisers should be positively vetted. Subject to the exceptions discussed in paragraphs 11 and 20, Special Advisers may have access, at the Minister's discretion, to all papers actually submitted to the Minister. In order to facilitate their work they should be encouraged to join in departmental deliberations on matters which are in course of preparation for submission to the Minister.

20. Special Advisers should not have access to sensitive, security or intelligence reports, or to papers relating to civil servants personally, eg on appointments, reports on efficiency, etc. The rules applying to Ministers as regards papers of a previous Administration apply to Special Advisers also.

DRAFT LETTER OF APPOINTMENT

I am writing to offer you an appointment in the .....  
as ..... with effect from .....

2. Your appointment terminates:
- at the end of the present Administration; or
  - when the Minister who appointed you leaves the Government or moves to another appointment; or
  - in the event of a General Election, on the day after polling day;

whichever is the earliest. You may be re-appointed if any of these circumstances leads to termination of your appointment but is not accompanied by a change of Government.

3. Your duties will be those laid down by the Minister.

4. Your salary will be at the rate of £.... a year, including London Weighting and will be subject to review in the light of, and simultaneously with, changes in Civil Service pay at this level of remuneration.

Existing  
Arrangements

OR

4. Your salary will be at the inclusive rate of £ .... a year and will be subject to review annually on the anniversary of the date of your taking up post.

OR

4. Your salary will be at the rate of £ .... a year and it will be adjusted automatically to follow changes in Civil Service Open Structure/Administration Group pay at the level of remuneration equivalent to yours. On the 1st and 2nd and 3rd anniversary of your taking up post you will receive an increment rates to be specified in each case On your 26th birthday you will move to a rate of pay equivalent to the minimum of the Civil Service Principal grade scale.

New  
Arrangements

5. Your appointment will be subject to the appropriate terms and conditions of service in force in the Civil Service from time to time. You will normally work a ..... day week of ..... hours,

including meal breaks. You will have annual leave allowance of ..... working days as well as the 10½ public and privilege holidays. Sick leave may be allowed on full pay, less any National Insurance benefit received, for up to 6 months in any period of 12 months and thereafter on reduced pay, subject to an overriding limit of 12 months' sick leave in any period of 4 years or less. Those who work regularly not less than 18 hours a week, spread over a full working week or an equivalent basis, and who undertake to continue to give this attendance may be allowed sick leave on the same terms as full time advisers. Where, by agreement with the Department, attendance is not required on each day of the working week, sick leave allowance will be calculated pro-rata with fractions of days rounded up. Sick pay will be based on the normal rate of pay, either for the hours agreed for the part-time appointment or, where the hours are irregular (but not less than 18 hours in any week) on the average weekly hours over the immediately preceding quarter (13 weeks). National Insurance benefit will be deducted from this sick pay unless another employer pays the employer's contribution and the adviser produces a certificate that the amount of benefit is being deducted by him, or that no sick pay is in issue from that employer. 7

6. Although as an employee of the Crown you hold your appointment at the pleasure of the Crown, you can expect that, unless any of the circumstances in paragraph 2 above apply, or you are required to leave on disciplinary grounds, your appointment will not be terminated unless you have been given not less than 3 months' notice in writing. You may yourself terminate your appointment by giving not less than 5 weeks' notice in writing. Where the termination of your appointment results from any of the circumstances in paragraph 2 above, or where you resign in order to comply with the Servants of the Crown (Parliamentary Candidature) Order 1960, or to take part in an election campaign (as defined at paragraph 11 below), severance payment will be made, subject to your agreement that should you be re-appointed you will receive only the proportion of pay which corresponds

to the length of the gap between the two periods of employment.

7. The severance payment will be calculated as follows. Those aged under 34 will receive a severance payment equal to three months pay. Those aged 35 or over will receive three months' pay if termination occurs at any time during the first year of service, and thereafter an extra one month's pay for each completed year of service after the first, subject to a maximum of six months' pay. Those aged 34-35 will receive a severance payment at a rate half-way between three months' pay and the appropriate over 35 rate. The practical effect of this is set out in Annex 1 to this letter.

8. Your appointment will, from the outset, come within the provisions of the Principal Civil Service Pension Scheme, details of which are set out in Annex 2 to this letter.

OR

8. You will not be brought into the Principal Civil Service Pension Scheme but instead the ..... will contribute the employer's share of FSSU premiums.

OR

8. You will not be brought within the Principal Civil Service Pension Scheme but instead the ..... will make arrangements related to your existing superannuation position on lines to be set out 7.

9. You will be subject to the provisions of the Official Secrets Acts; and you will be required to conform with the security procedures in force in the .....

10. In common with all other civil servants you will be expected to abide by the provisions of the Civil Service Pay and Conditions of Service Code, with the exception of the rules relating to the acceptance of outside business appointments after resignation or retirement (Code para 9961) and certain aspects of the rules on political activities (see para 11 below). A copy of the Code

will be made available to you on acceptance of your appointment. I should particularly draw your attention to the rules governing participation in outside activities involving the use of official information or experience (Code paras 9910-9911) and the general principles of conduct to which all civil servants are expected to adhere at all times (Code para 9870). All queries arising from the rules of conduct in the Code should be addressed to the Permanent Head of your Department.

11. The rules on the political activities of civil servants are set out in Code paras 9923-9950. As a Special Adviser you will be subject generally to those provisions set out in these paragraphs which are applicable to civil servants in the "politically restricted" group. In particular:

- a. an Adviser publicly identified as a Parliamentary candidate or prospective candidate either by adoption by a political party or in any other way must thereupon resign his appointment (see Code paragraph 9923a, 9948);
- b. an Adviser who wishes to take part in a general or by-election campaign, or to help in a Party headquarters or research unit during such a campaign, must first resign his Civil Service appointment (Code paras 9923c to e);
- c. it is essential that public funds should not be used in any way for party political purposes, eg by the use of departmental resources for party political business.

12. However, subject to the approval of your Minister, you may be permitted:

- a. to attend Party functions (although you may attend the Party conference only as an observer) and to maintain contact with Party members;
- b. to take part in policy reviews organised by the Party, or officially in conjunction with it, for the purpose of ensuring that those undertaking the review are fully aware of the Government's view and your Minister's thinking and



policy; it will not be open to you to advocate policies going beyond or departing from those of the Government as a whole.

In maintaining these political connections, you must at all times observe discretion and aim at avoiding public controversy.

You must not identify yourself with criticism of the Government or of its policies. Should you wish to take part in political activities at a local level (Code para 9924) or to continue to do so if you are already involved, you should first obtain the approval of your Minister.

13. I am also required to bring to your notice the Government's decision that no-one may be employed in the Civil Service in connection with work vital to the security of the State if he is believed to be a member of the Communist Party or a Fascist organisation or associated with such a party or organisation in a way that raises legitimate doubts about his reliability.

14. I should be grateful if you would confirm that you are willing to accept, on these terms, the appointment that I have offered.



## Scale of severance payments

Years of service	Number of months pay in lieu of notice for those aged:		
	under 34	34 but less than 35	35 and above
Less than 1	3	3	3
1 but less than 2	3	3	3
2 but less than 3	3	3½	4
3 but less than 4	3	4	5
4 or over	3	4½	6

SUPERANNUATION BENEFITS

The following paragraphs give general guidance on the superannuation benefits provided under the Principal Civil Service Pension Scheme which (apart from widows' benefits) is non-contributory. For those who retire having reached the retiring age for pension purposes (usually 60) an annual pension is paid of one-eightieth of pensionable pay for each year of reckonable service; together with a once-for-all lump sum of three times the amount of the annual pension. (Pensionable pay is the pay earned in the best of the last 3 years of service.) The maximum pension which can be earned by the retiring age is one-half of pensionable pay, and the maximum lump sum is three times this amount; but further pension and lump sum can be earned by service after the retiring age. The Scheme is contracted-out under the Social Security Pensions Act 1975. A small deduction is made from the pension as from the State retirement age (which is 65 for men and 60 for women) which takes some account of the National Insurance flat-rate or basic pension.

For those leaving before the retiring age with 5 or more years' service, the pension and lump sum earned by service are preserved, and brought into payment at the retiring age of the Scheme. For those leaving after at least 2 but less than 5 years' service, there is a short service payment of three-eightieths of pensionable pay for each year of service, which is payable at the time of leaving. This short service payment must be refunded where there is further employment as a civil servant, and the break between employments does not exceed 6 months. Section 10 of the Scheme, which relates to benefits on premature retirement, does not apply to you; the severance payments shown in Annex 1 will apply instead.

Male civil servants are required to contribute 1½% of salary towards widow's pension, such contributions qualifying for income tax relief. If the civil servant is unmarried at the time his

service ends, in certain circumstances a refund of contributions in whole or in part may be possible. In return for the contributions paid the widow of a civil servant who dies after retirement is paid a pension at half the rate of his pension. If he dies in service, the widow's pension is one-half of what would have been the civil servant's pension if he had retired on ill health. A children's pension may be paid in addition if the civil servant had dependent children at the time of his death.

For all members of the Scheme who die in service, a lump sum death benefit of at least one year's pensionable pay is payable.

The Scheme includes arrangements for accepting the transfer of pension rights from another scheme, and can also transfer pension rights to another scheme if a member of the Scheme leaves before the retiring age.

27 APR 1978



