

SRW

27 January 1986

**THE FURTHER EXTENSION OF UNIFIED GRADING
IN THE CIVIL SERVICE**

The Prime Minister has seen your Minister's minute of 16 January. She has noted it without comment.

I am copying this letter to Rachel Lomax (HM Treasury), Michael Stark (Cabinet Office) and Sir Robin Ibbs.

(MARK ADDISON)

Paul Thomas, Esq.,
Office of Arts and Libraries.

DTB



MINISTER OF STATE, PRIVY COUNCIL OFFICE

Prime Minister, (4) CCBG
For information. You will remember
the difficulties over the Research
Council just last summer.
MERT 20/1

PRIME MINISTER

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

On 1 January 1984 we embarked on a major rationalisation of the structure of senior grades in the Civil Service. As part of our overall management development strategy, we set about the task of unifying the wide variety of grades at these levels to remove artificial barriers which can obstruct the selection of the right people for jobs on the basis of merit alone, irrespective of their background or method of entry to the Service.

Following earlier exchanges with his colleagues, Grey Gowrie proposed in his letter of 4 July 1985 to Nigel Lawson that we should extend this reform this year to the wide variety of Principal and equivalent grades. I am writing to let you know that we are establishing a new unified Grade 7 containing approximately 11,000 staff at this level on 1 January 1986. Pay alignment will be based on the existing Principal scale, which will mean increases in pay for the members of the Science and Professional and Technology groups who are assimilated into the new grade; these are people where recruitment and retention is already difficult and our pay rates are anyway below the market. It is proposed to assimilate existing people to the new rates over the next three to four years, giving a cost ranging from about £1 million in 1986-87 up to a long-term cost of about £5 million per annum when the phasing in is completed after 1990; however much of this cost would probably have arisen anyway. It has been agreed that these costs will be met from within planned running costs limits. In addition costs may arise in Research Councils if the reform is followed through there, as I understand is the intention.

The top of the Civil Service now has an Open Structure of 7 unified grades which will make it easier to make better use of the wide variety of talent at these levels. I am pleased that we have been able to take this further step in our programme of initiatives to help improve the quality of management and efficiency in the Civil Service.

I am copying this minute to Nigel Lawson, Sir Robert Armstrong and Sir Robin Ibbs.

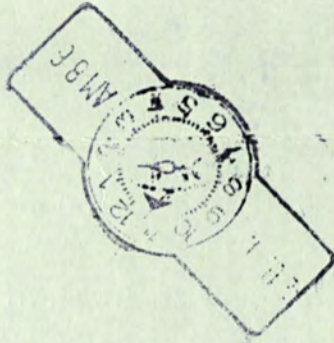
Richard Luce

RICHARD LUCE
16 January 1986

CIVIL SERVICE

LONG TERM

PT 18



COMMERCIAL