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10 DOWNING STREET

*From the Principal Private Secretary*

Sir Robert Armstrong

**NORTHERN IRELAND CIVIL SERVICE: PERMANENT SECRETARIES**

I have shown the Prime Minister your minute of 24 February in which you propose that all six Permanent Secretaries of Northern Ireland departments and the Chief Executive of the Industrial Development Board for Northern Ireland should be graded and paid as the equivalent of Deputy Secretaries in the Home Civil Service.

The Prime Minister has asked me to say that she is of the firm view that this proposal should not be proceeded with. She does not think that six Deputy Secretaries are justified for a Province of just over one million people. She also recalls that the staff concerned would have received considerable benefit from the implementation of the last TSRB report.

(N. L. WICKS)  
25 February 1986

No - the more we pay - the more they want  
higher grades  
No, think of it  
I don't like the argument in §5.  
I don't like the argument in §5.  
N.L.W 24.2

Prime Minister  
Agree this

Ref. A086/629

MR WICKS

Northern Ireland Civil Service: Permanent Secretaries

The purpose of this submission is to seek the Prime Minister's agreement to a proposal by the Northern Ireland Office and the Head of the Northern Ireland Civil Service that all six Permanent Secretaries of Northern Ireland departments and the Chief Executive of the Industrial Development Board for Northern Ireland should be graded and paid (as three already are) as the equivalent of Deputy Secretaries in the Home Civil Service.

2. For many years until 1982 the Permanent Secretaries of all Northern Ireland departments (except the Head of the Northern Ireland Civil Service) and four other posts in the Northern Ireland Civil Service (Chief Executive, Industrial Development Board; Chief Medical Officer, DHSS; Head of Legal Services; and First Legislative Draftsman) were all paid at a rate which was half way between the Deputy Secretary and the Under Secretary in the Home Civil Service. In 1983, following a review of post responsibilities by Sir John Herbecq and after a reorganisation which had reduced the number of Northern Ireland departments from eight to six, three of the Permanent Secretaries (Finance and Personnel, Economic Development and Environment) were "upgraded" to the equivalent of full Deputy Secretary; the rest remained as they were. Although the pay differentiation was made, it was intended that all the Permanent Heads of the Northern Ireland departments should in other respects remain of equal status and continue to be described as Northern Ireland Permanent Secretaries. The arrangements were to be reviewed after three years.



3. Although Sir John Herbecq reached his decision on sound grading principles, he recognised that this could bring new problems of management and some loss of flexibility in posting. So indeed it has proved to be.

4. There has been one outstanding case of perceived (and felt) inequity as a result. The Permanent Secretary of the Department of Education is a very able and highly-respected officer who has served at that level since 1979 and who, in terms of personal qualities and experience fully merits the higher grading but has not got it because his is not one of the three "higher grade" departments. It would be silly to move him from his present job, which he does very well and to which he is well suited, but he has seen people junior to him, and certainly no more able, appointed to jobs which carry the higher rate. Each of the officers covered by this submission carries the heavy responsibilities of an Accounting Officer; in one case for the considerable sum of £2 billion annually.

5. More generally, the grading differentiation has tended to have a divisive effect among the small group of Permanent Secretaries, who need to be able to work together in the relatively small Northern Ireland context as harmoniously as possible. Loyalties in Northern Ireland are under strain in the wake of the Anglo-Irish Agreement, and the pressures upon those at the head of Northern Ireland departments are intense and different in kind from those commonly present at senior levels in the public service. It is, therefore, particularly important to foster and encourage a team spirit on the part of this small but key group of people who must provide the necessary leadership in the difficult period ahead.

6. As the Prime Minister will remember, the Top Salaries Review Body recommended a restructuring which would have produced two tiers of Permanent Secretaries in London (with the

*Not a  
good  
argument  
for this  
content*



Permanent Secretaries to the Ministry of Defence, the Home Office and the Department of Health and Social Security paid £65,000 and the rest £60,000). The Government decided against this proposal, which many people felt would be divisive. It has been felt in Northern Ireland that this argument has no less force there than in London.

7. I have discussed this question with the Permanent Secretary of the Northern Ireland Office and the Head of the Northern Ireland Civil Service as well as with the Treasury. I consider, and the Treasury agree, that there is a good case on management grounds for putting all the Northern Ireland Permanent Secretaries (and the Chief Executive of the Industrial Development Board, who has one of the most demanding jobs in the public sector in Northern Ireland and is responsible for about £138 million) on the same pay and grading level, and I accordingly recommend that from 1 March 1986 the three now paid at the midpoint between Deputy and Under Secretary (and the Chief Executive, IDB) should be upgraded to full Deputy Secretary level, along with the other three. The cost of this would be £12,000 in a full year (at the salary rates due to come into effect from 1 March 1986). The Permanent Secretary at the Northern Ireland Office and the Head of the Northern Ireland Civil Service have assured me that they will hold the line at that, and will not subsequently seek to argue for a similar upgrading for the Chief Medical Officer, DHSS, and the two legal posts.

8. For completeness, I should mention that there is a proposal from the Public Accounts Commission to upgrade the Northern Ireland C & AG to the equivalent of Deputy Secretary in the Home Civil Service. This is strictly speaking a separate issue, more akin to the similar pressure for upgrading Sir Gordon Downey



than to the management of the Northern Ireland Civil Service; but it will obviously become more difficult to argue that the Northern Ireland C & AG should be paid less than any of the Accounting Officers whose accounts are subject to his audit.

RA

ROBERT ARMSTRONG

24 February 1986

conqueror

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