

~~MR STOWE~~*All of these have been submitted separately.**PA*

SUBMISSIONS FOR THE PRIME MINISTER

MS 4/5

I am all too conscious of the need to avoid burdening the Prime Minister with yet further submissions at this stage. I am not therefore sending you for the moment any briefing on the Prime Minister's general responsibilities for the Civil Service Department, as Minister for the Civil Service. I will be happy to do so later, as required. But I fear that on a number of issues related to the work of this department the Prime Minister will need to take early decisions, on some important, mainly "domestic and housekeeping", matters.

... I therefore attach submissions on the following subjects:

- a. Special Advisers
- b. the rules for travel by Ministers
- c. the allocation of official residences
- d. honours
- e. public appointments
- f. senior appointments in the Home Civil Service.

I am afraid that to enable the necessary guidance to be issued as soon as possible, I need to know urgently the Prime Minister's views on a. b. and c. It would also be most helpful to have as soon as possible the Prime Minister's decision on the handling of this year's birthday honours list. In slower time I would be grateful to know if the Prime Minister is content with the arrangements described in e.

If it would be helpful, I would be happy to wait on the Prime Minister to discuss any of these matters.

IB

IAN BANCROFT

4 May 1979



MR 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 submit under this minute a paper on the issues involved. I should like to draw the Prime Minister's attention to the conclusions reached.

2. First, the Prime Minister will wish to decide what arrangements should be made about the pay of Special Advisers. Previous arrangements have not been entirely satisfactory and I should like to suggest the alternative scheme which is described in the paper. This incorporates a wide range of starting pay, a measure of incremental progression and annual increases where appropriate.

3. Secondly the Prime Minister will wish to decide whether to authorise the issue of the revised Memorandum of Arrangements attached to the paper. This codifies earlier practice and on this basis promulgates the rules which Ministers should 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 it, 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.

IAN BANCROFT

4 May 1979

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

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:

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- (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:

1 April 1979

Deputy Secretary £17,814

Under Secretary £15,238

- (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 £7926 to £13,902 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 £3969 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.

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 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.

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*

	<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) 12,274
10,039	10,475	
9,680	10,100	
9,352	9,757	
9,053	9,445	
8,756	9,133	
8,457	8,821	
8,189	8,540	
7,926	8,266	
6,757	7,043	
6,541	6,817	
6,350	6,617	
6,159	6,418	
5,969	6,218	
5,803	6,044	
5,567	5,796	
5,254	5,469	
5,044	5,207	
4,785	4,978	
4,565	4,747	
4,345	4,518	
4,158	4,322	
3,969	4,125	

*Subject to review

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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.

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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:

- 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:
 - i. at the end of the present Administration; or
 - ii. when the Minister who appointed you leaves the Government or moves to another appointment; or
 - iii. 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

New Arrangements

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.

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

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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.

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

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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

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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

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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.

MR K R STOWE

MINISTERIAL TRAVEL

As you will recall, it is customary for a Prime Minister forming a new Administration to issue rules governing travel by Ministers. The rules cover the use of official cars, rail travel and air travel. The last such guidance was included in C(PR)(76)2 on 23 April 1976. In relation to the use of official cars, the rules were subsequently amended in correspondence in April 1977, substituting the concept of "first call" cars for that of personally allocated cars. This was made desirable by the terms of the Finance Act 1976.

It is not normally necessary to alter the rules substantially but on this occasion there are certain changes I should like to propose for the Prime Minister's consideration.

The Use of Official Cars

The previous rules allowed Ministers to use official cars for journeys from London to a house in the country if they had been seriously delayed by their official duties and other means of transport were not conveniently available. Such journeys were not to exceed 50 miles in either direction. In the case of Scottish Office Ministers this has been interpreted as allowing them also to use cars from the Edinburgh pool for journeys in comparable circumstances to their home in Scotland.

It recently came to light that the letter of the rules was being breached by a number of Cabinet Ministers whose homes were more than 50 miles from London and who were using cars from pools outside London in order to travel to their homes from airports and railway stations. The Ministers concerned were not ones for whom special arrangements on security grounds apply, and it emerged that a larger number of more Junior Ministers were making similar use of pools in comparable circumstances.

Although this use of the car pool was not covered by the rules, it does not seem to be an unreasonable extension of the criteria in the case of Cabinet Ministers, and I suggest that the Prime Minister may wish to consider regularising the position by making specific provision for the use (at weekends only and by Cabinet Ministers only) of

official cars for journeys of up to 50 miles between home and an airport or railway station conveniently placed in relation to a Government car pool.

The Prime Minister may wish to consider also whether the generous interpretation of the previous rules which allowed all Scottish Office Ministers with homes in Scotland to use the Edinburgh pool in this way should continue and indeed be extended to Ministers in the Welsh Office and Northern Ireland Office who have homes in Wales and Northern Ireland respectively. The reason for allowing this concession to Junior Ministers in those Departments (and continuing it in the case of the Scottish Office) would be the extra wear and tear involved in being a Minister with responsibilities (and an office) so far from Whitehall, but having at the same time to be in London frequently for parliamentary as well as departmental business. If the Prime Minister is minded to confirm the previous concession and extend it to the Welsh and Northern Ireland Offices I think this might be best spelt out in correspondence rather than in the rules themselves especially if the Prime Minister takes the view that Junior Ministers in other Departments must be invited to discontinue the arrangements which have been applied outside the rules.

I ought perhaps to say that what has taken place is not so much a flagrant breach of the rules as an erosion over a long period of time as the result of junior staff in the car pool centres trying to respond helpfully to requests for transport from anxious Private Secretaries.

... The attached draft paper provides for the more generous arrangement for Cabinet Ministers which I have proposed. It could, however, be readily altered if the Prime Minister prefers not to make the change and instead to make clear to Cabinet colleagues that the weekend arrangements must apply to travel from the London car pool only.

If the Prime Minister accepts the draft rules a separate submission will be made on the list of Ministers who should have first call on cars in the Government car service pool.

Rail Travel

The passage on rail travel in the attached draft is short and straightforward and I do not think it calls for any comment.

Air Travel

The draft rules on air travel reflect the fact that where non-commercial flights are used, the need has to be met by the Ministry of Defence's 32 Squadron RAF. (The Civil Aviation Flying Unit maintained by the Civil Aviation Authority no longer provides services for Ministers). For much of the time, the demands on the Ministry of Defence are heavy and officials have been considering the best way of meeting them. They have concluded that they are not yet such as to justify the expense of adding to the existing MOD flight. They have as an alternative considered the case for limiting the demands on it by increasing the charges made to a point at which they became roughly comparable with commercial rates. On the other hand, much of the Ministerial use of MOD aircraft is at present determined by security requirements rather than by convenience and in these circumstances the Ministry of Defence are for the present at least content to continue to try to meet such need as arises. It would be helpful, however, if departmental Ministers could be warned that the resources of No 32 Squadron are strictly limited and that the Ministry of Defence will always have to give priority to Ministers whose needs arise from security considerations, and to flights for which there is no satisfactory alternative either in the form of land travel or of commercial flights. (This means that aircraft will not normally be available for flights to destinations to which there are regular and frequent civil flights, for instance Brussels). The Prime Minister may also wish to remind colleagues that air travel is expensive, whether undertaken on commercial flights (where the cost is obvious) or in MOD aircraft financed within the Defence Budget.

If in spite of these warnings, which are included in the attached draft memorandum, demand reaches a point at which the Ministry of Defence can no longer cope, I think officials should be invited to reconsider the problem in the light of the circumstances then prevailing. They may in any case wish to make recommendations, at a later stage, on the charging arrangements if this appears to be desirable to ensure consistency with normal interdepartmental charging procedures.

In the meantime I commend the attached draft, which also covers a number of other, practical matters, for the Prime Minister's approval.

IPB
I P BANCROFT
4 May 1979

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

DRAFT

C(PR)(79)
May 1979

COPY NO:

CABINET: PROCEDURE

RULES GOVERNING TRAVEL BY MINISTERS

Note by the Prime Minister

1. I have approved the attached rules governing the use of official cars, rail and air travel by Ministers.
2. I have no doubt that my colleagues will at all times exercise good sense and judgement in the use of Government transport, with proper regard to the cost and the need to avoid unnecessary expenditure.

10 Downing Street
May 1979

RULES GOVERNING TRAVEL BY MINISTERSI. The Use of Official Cars

1. Cabinet Ministers, Ministers in charge of major Departments and such other Ministers as the Prime Minister may indicate will have first call on cars in the Government Car Service pool. When the Minister concerned does not require the car it will be available for other use (see Paragraph 7). Paragraphs 2-7 below set out the rules which these Ministers should observe.

2. On Mondays to Fridays Ministers may use a car in London (the Metropolitan Police District) for any purpose (other than Party business, see Paragraph 5) which will secure a saving of their time. They may also use it for the purpose of attending an official engagement outside the Metropolitan Police District if the journey cannot conveniently be done by rail.

3. Ministers are permitted to use an official/^{car}for home to office journeys on the understanding that they would normally be carrying classified papers on which they would be working or to which they might need to refer. Ministers may use official cars for journeys from London to a house in the country only if they have been seriously delayed by their official duties and other means of transport are not conveniently available. Such journeys should not exceed 50 miles in either direction.

4. It is desirable, as far as possible, to keep the hours of duty of drivers within reasonable limits. Ministers must therefore be prepared to use any car at weekends (see also Paragraph 7). At these times cars may normally be used only for official purposes or for social occasions of an official character in London. Cabinet Ministers and any other Ministers specified by the Prime Minister may, however, use a car from a pool outside London at weekends for journeys of up to 50 miles between home and an airport or railway station conveniently placed in relation to a Government car pool.

5. Except for Ministers covered by the special arrangements in Paragraph 6, official cars should not be used for journeys on Party business, such as constituency visits or attendance at Party meetings.

There is, however, no objection to using an official car if the meeting involving Party business takes place immediately between two officials engagements in the course of the working week.

6. The Prime Minister, the Secretary of State for Defence, the Foreign and Commonwealth Secretary, the Home Secretary, the Secretary of State for Northern Ireland, and any other Minister for whom the security authorities exceptionally consider it essential may use their official cars for all journeys by road, including those for private or Party purposes. A charge will be made for the use of the official car on journeys for private or Party purposes which are outside the provisions of Paragraph 2-5. The charges will be on the basis of the Civil Service Motor Mileage Allowance.

7. Car drivers will be required to keep records in the form of log sheets. Journeys between points within five miles of Whitehall will not be recorded individually, but all other journeys outside this area will be detailed in full. Ministers will be responsible for ensuring that cars are used only for authorised journeys, and for identifying which journeys require repayments under these arrangements. Log sheets will be sent weekly to Ministers' Private Secretaries for authorisation. Private Secretaries will be responsible for ensuring:

- a. the release of drivers and cars whenever possible to return to the Government Car Service pool and help out on other work.
- b. that first call cars are not used at weekends if other pool cars are available.
- c. that spot checks are made on log sheets to check the time when the driver is dismissed.

8. Other Ministers without first call on a car may use the cars in the Government Car Service pool for official purposes and to and from work when pressed for time. For short official journeys in Central London they should so far as possible use taxis and claim repayment.

9. When travelling on official business, a Minister may use a private car instead of an official car, and claim a mileage allowance in the same circumstances and on the same terms as civil servants.

10. Subject to the general rules set out above, a Minister's spouse may accompany the Minister concerned in an official car. The spouse may also travel in an official car either to join the Minister at an official engagement or a social engagement of an official nature to which the Minister has been invited in that capacity, or to represent the Minister in the Minister's absence at such engagements, or where the spouse is carrying out a representational function stemming directly from the Minister's position. Official cars may not in any circumstances be used by the spouses of Ministers in connection with private or political functions or engagements.

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II. Rail Travel

11. When travelling by rail in this country, members of the Cabinet and Ministers in charge of Departments, including the Law Officers, may reserve entire first-class compartments when they consider it really necessary (e.g. when the Minister needs to hold discussions with officials during the course of the journey or has work to do at a time of particular pressure). Ministers not in charge of Departments may reserve entire first-class compartments only when accompanied by two or more people with whom they intend to discuss official business during the journey; the approval of the Minister in charge of the Department should first be obtained. Before compartments are reserved in this way account should be taken of the expense.

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III Air Travel

GENERAL DIRECTIONS

Scheduled passenger services

12. All Ministers and Parliamentary Secretaries on official visits have discretion to use civil scheduled flights in this country and abroad if they consider that this will save time. Wherever possible British airlines, either public corporations or independent companies, should be used, but if a Minister's routing or the time of the journey makes this impossible, subject to any security restraints which may apply, a scheduled flight on a foreign airline may be taken, preference to be given, for security reasons, to well established international airlines of Commonwealth or NATO countries.

Non-Scheduled special flights

13. These are flights for official purposes, in this country and abroad, using aircraft belonging to the Ministry of Defence or commercial operators. They are necessarily much more expensive than scheduled passenger services and may only be authorised in the manner and circumstances described in paragraph 14 and 15 below. They must not be used or diverted for journeys to or from Party business, such as constituency visits or attendance at Party meetings. When the time factor is critical, diversions from direct routes may, however, be authorised to collect or deliver a Minister to an airfield near his or her home provided that the only extra costs result from the extra flying time needed to carry out the additional landing and take-off.

14. Members of the Cabinet only have discretion to authorise these special flights either for themselves or for other Ministers within their Departments. (For this purpose "other Ministers" means Ministers not in the Cabinet and as defined in Parts II and III of Schedule I of the Ministerial and Other Salaries Act 1975). Cabinet Ministers may authorise special flights when a scheduled service is not available, or when it is essential to travel by air, but the requirements of official or Parliamentary business or security considerations preclude the journey being made by a scheduled service. Special flights may also be authorised by members of the Cabinet if they or other Ministers

are required to travel urgently on unforeseen official business. Use of special flights by Parliamentary Secretaries (as defined in Part IV of Schedule I of the Ministerial and Other Salaries Act 1975) will only be approved in exceptional circumstances: permission must be obtained from the Prime Minister, normally by the Cabinet Minister concerned. The relevant extract from the Act is attached.

15. Ministers not covered by the arrangements in paragraph 14 who wish to use special flights must obtain the Prime Minister's permission in advance.

16. The costs are borne on the Departmental Votes of the Minister arranging the flight who should ensure that the interests of his Accounting Officer are fully safeguarded.

17. The only exceptions to the general rule that members of the Cabinet only may authorise special flights are, first, that all Defence Ministers travelling on Defence business and other Ministers engaged on business of the Defence Department or visiting a Service or Defence Establishment may use Ministry of Defence aircraft in accordance with rules and procedures approved by the Secretary of State for Defence; second, that those Ministers who are individually authorised to do so may use aircraft of The Queen's Flight.

18. There are separate arrangements for flights by the Prime Minister, the Secretary of State for Foreign and Commonwealth Affairs and the Ministers of the Northern Ireland Office. The following arrangements apply to special flights in all other cases.

19. Where special flights have been decided to be necessary they may be provided by the Ministry of Defence, using aircraft of The Queen's Flight or other RAF aircraft; or by private charter firms. Charges for Ministry of Defence aircraft are currently related only to the operating costs of the flight and are lower than charges for commercial charter flights in similar aircraft. The real resource cost is not necessarily lower, however, and since the number of aircraft available to the Ministry of Defence for these purposes is limited, they will always feel bound to give preference to Ministers whose needs relate to security, and to journeys for which reasonable alternative means

of travel are not available. On occasions when the destination airfield is unsuitable for the types of aircraft used by Ministry of Defence or when there are problems in using Ministry of Defence aircraft to certain destinations abroad, private charter aircraft will have to be used. An estimate of the cost of a special flight should always be obtained for the information of the Minister concerned before final arrangements for it are confirmed.

PRACTICAL ARRANGEMENTS

20. A Private Secretary in a Department headed by a Cabinet Minister should normally obtain authority through that Minister's Private Secretary. Private Secretaries in other Departments should seek the Prime Minister's authority through the Private Secretary at No 10, giving details of the proposed journey and the reasons why a special flight is considered to be appropriate. These authorities are not required when a Minister who is personally authorised to do so wishes to use an aircraft of The Queen's Flight, or when a Minister travelling on Ministry of Defence business or visiting a Service or Defence Establishment wishes to use a Ministry of Defence aircraft. However, all flights in Ministry of Defence aircraft, including those of The Queen's Flight, require the authority of the Under Secretary of State (RAF).

21. Detailed procedures for arranging special flights are as follows:

A Flights in Ministry of Defence aircraft

- (i) Private Offices should apply to the Personal Air Secretary to the Parliamentary Under-Secretary of State for Defence for the Royal Air Force (PAS/US of S(RAF)) (telephone numbers 01-218 6065 or Federal 1867) and give details of the journey, names of passengers and likely duration. Confirmation in writing should always be given on RAF Form 1815, supplies of which may be obtained from the Office of the PAS/US of S(RAF). As much advance notice as possible should be given especially for flights

abroad as special diplomatic clearance is required in most countries for the use of military aircraft and this can in some cases take some time to obtain. It is not open to Private Offices to specify a preference between aircraft of The Queen's Flight or other RAF aircraft except where a Minister's request is based on his or her personal authorisation to use The Queen's Flight.

- (ii) In those cases where a flight in a Ministry of Defence aircraft is requested, the Personal Air Secretary will try to give the speediest possible reply. The considerations will include:
- (a) availability of aircraft;
 - (b) length of notice;
 - (c) ability to secure diplomatic clearance, when necessary, within the timescale.

B Flights by private charter

- (i) Private charter flights should be arranged by the most economical means.
- (ii) Private Offices should contact an agent who will obtain quotations. Private Offices should select the quotation to be accepted (normally the lowest) and the agent will then make all necessary arrangements. It is suggested that the following agents might be used:
- (a) Hogg Robinson (Travel) Ltd
Craven House
119-123 Kingsway, London WC2 6PT
Tel: 01-242 1091
 - (b) Lep Chartering Ltd
Sunlight Wharf
Upper Thames Street, London EC4P 4AD
Tel: 01-236 5050

- (c) Pickfords International
International House
Great South West Road
Hatton Cross
Feltham, Middlesex
Tel: 01-751 0901
- (d) London Air Taxi Centre
18 Eldon Street, London EC2M 7LA
Tel: 01-588 3578

Departments are, of course, free to use other agents if they wish. Departments who have tested the charter market through agents in the previous 12 months and who have received satisfactory and economical service from a charter company as a result may continue to make use of that company's services.

EFFECT OF TRAVEL BY NON-COMMERCIAL AIR FLIGHTS
ON PERSONAL INSURANCE POLICIES

22. Ministers who have occasion to travel by non-commercial air flights are advised to check whether their personal insurance policies are likely to be prejudiced thereby. Normally, life assurance contracts are "unconditional", that is to say there are no restrictive clauses in the contract and the sum assured is payable on death irrespective of the cause. The position in relation to other types of policy is more complex and Ministers should seek the advice of their insurers if they are in any doubt about the effect of travel by non-commercial flights.

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MINISTERS' OFFICIAL RESIDENCES:

1. The official residences for Ministers in London are:

- a. No 10 Downing Street, normally occupied by the Prime Minister as First Lord of the Treasury.
- b. No 11 Downing Street, occupied by the Chancellor of the Exchequer.
- c. No 1 Carlton Gardens, traditionally occupied by the Secretary of State for Foreign and Commonwealth Affairs, but not at present used by him.
- d. Lord Chancellor's Flat in the Palace of Westminster, occupied by the Lord Chancellor in his official capacity as Speaker of the House of Lords.
- e. Admiralty House. Two flats and a pied-a'-terre. These are allocated at the discretion of the Prime Minister.
 - i. Flat on the first floor (2 reception rooms, a study and one bedroom, all on a large scale) together with part of the third floor (one reception room, and one bedroom), traditionally occupied by the Secretary of State for Defence.
 - ii. Flat on the second floor (3 reception rooms and 3 bedrooms, on a more domestic scale than the first flat), recently occupied by the Secretary of State for Northern Ireland.
 - iii. Pied-a'-terre on the third floor (2 rooms, self-contained with bathroom and kitchen) recently occupied by the Home Secretary.

2. Outside London there are:

- a. Chequers. Country residence for the Prime Minister.
- b. Dorneywood. The Prime Minister nominates the official resident. Usually this is the Foreign Secretary but since 1977 it has been the Home Secretary, nominated on the understanding that the Foreign Secretary could use the house for official entertainment, or for a private stay at a time when the Home Secretary was not proposing to use it himself.
- c. Bute House, Edinburgh (6 Charlotte Square). The official residence of the Secretary of State for Scotland.
- d. Stormont House, Belfast. Residence and office accommodation available for use by the Secretary of State for Northern Ireland and other Northern Ireland Office Ministers and Officials.

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3. The Property Services Agency advise that all these residences are available for continued occupation; no structural or decorative work is scheduled to be done on any of them.

PUBLIC APPOINTMENTS MADE BY MINISTERS

Two outstanding items of business remain to be completed. The Civil Service Department is ready to announce the scheme to make it easier for members of the public to register their interest in appointments: a submission will go to CSD Ministers shortly. Secondly CSD and Departmental Officials have prepared a paper in response to representations by the Nationalised Industries Chairmen's Group about appointments and security of tenure: this is now ready for circulation to the appropriate Ministerial group.

The Prime Minister will wish to consider in due course what action to take in regard to the undertaking in the Manifesto to examine the procedures by which appointments to governmental and quasi governmental bodies and to the boards of public enterprises are made.