

CONFIDENTIAL

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

31 March 1983

Michael Scholar Esq
10 Downing Street
LONDON SW1

Dear Michael,

In the course of today an agreement has been reached in the 1983 pay negotiations for the non-industrial Civil Service between the Treasury and the negotiating team representing the Council of Civil Service Unions, who will be recommending its acceptance to the constituent Unions. A copy of the press notice which is being issued from the Treasury this afternoon is attached.

...

Copies of the agreement, and of detailed briefing for press officers, are being circulated separately.(not to all).

Copies of this letter and enclosure go to the Private Secretaries to all Cabinet Ministers, and to Sir Robert Armstrong.

Yours ever,
J O Kerr
J O KERR

DRAFT PRESS NOTICE

1983 PAY NEGOTIATIONS FOR NON-INDUSTRIAL CIVIL SERVICE

An agreement has been reached in the 1983 pay negotiations for the non-industrial Civil Service between the Treasury and the negotiating team representing the Council of Civil Service Unions. The negotiating team which comprises the General Secretaries of all the relevant Unions will be recommending its acceptance to the constituent Unions.

The agreement provides for increases in pay from 1 April 1983 of 4 per cent for staff who are on their scale maximum or are paid on flat rates and of $3\frac{1}{2}$ per cent for other staff together with an increase for all adult staff of £70 a year. The agreement also provides for changes in the structure and amounts of London Weighting payments in the coming pay year and for a number of other changes in the pay rates of particular groups of staff.

A copy of the detailed agreement is attached to this notice.

NOTES FOR EDITORS

1. It is estimated that this agreement will increase pay, London Weighting and pay-related allowances by 4.86 per cent on average.
2. The cost of the settlement will be contained within the provision for total Civil Service administrative expenditure in the Public Expenditure White Paper (Cmnd 8789). This covers a wide range of expenditure, and allows for an increase of $3\frac{1}{2}$ per cent in Civil Service pay.
3. The agreement covers staff in grades up to and including Assistant Secretary level.



With the Compliments
of the
Chancellor of the Exchequer's
Private Secretary

*As promised in Mr Kerr's letter
of 31 March 1983*

Treasury Chambers,
Parliament Street,
S.W.1.

5.4.83

C. 110
Copy to your office.

Then for A.F.C. 5/4

An agreement has been reached in the 1983 pay negotiations for the non-industrial Civil Service between the Treasury and the negotiating team representing the Council of Civil Service Unions. The negotiating team, which comprises the General Secretaries of all the relevant Unions, will be recommending its acceptance to the constituent Unions.

2. The present agreement has been reached in the knowledge that separate negotiations are in train designed to lead to a new national pay agreement between the two parties. It is thus an ad hoc settlement reached in an interim period and its terms are entirely without prejudice to, and carry no implications for, the arguments either side may adduce in the negotiations for a new pay agreement or in any future negotiations on the pay of the non-industrial Civil Service.

3. The agreement provides that:

- a. The pay of all non-industrial civil servants at Assistant Secretary, or equivalent rank, and below (other than single outside analogue grades) will be increased with effect from 1 April 1983 by $3\frac{1}{2}$ per cent with the exception of those staff who are on the maximum of their existing scales or are paid on flat rates whose pay will be increased with effect from 1 April 1983 by 4 per cent;
- b. The pay scales and rates of all non-industrial civil servants at Assistant Secretary, or equivalent rank, and below (other than single outside analogue grades and staff under age 18 on age-related pay scales) will be increased with effect from 1 April 1983 by a further £70 per annum;
- c. The rate of London Weighting payable in the inner London zone will be increased with effect from 1 April 1983 to £1,250 per annum;
- d. A new intermediate London Weighting zone will be created extending from the present inner zone boundary to a new boundary 10 miles from Charing Cross. It is the intention of both sides to agree the the precise delineation of the new boundary by

30 June 1983. The rate of London Weighting payable in the new intermediate zone will be £700 per annum with effect from 1 October 1983.

e. The rate of London Weighting applicable in the remainder of the existing outer London zone will remain at £500 per annum;

f. The rate of London Weighting payable to entrants to the non-industrial Civil Service who are under age 18 and who are recruited after 1 October 1983 shall be 75 per cent of the applicable adult rate;

g. All proficiency and responsibility allowances will be increased by $4\frac{1}{2}$ per cent with effect from 1 April 1983;

h. Both sides will enter into early discussions aimed at agreeing by 30 June 1983:-

i. progress towards the rationalisation of pay scales at the CO and EO level including the pay scales of equivalent departmental grades, the first stage to be introduced from 1 October 1983;

ii. progress towards the alignment of pay at Assistant Secretary and equivalent levels and at Senior Principal and equivalent levels in the light of the Government's proposals to extend unified grading at these levels with any agreed changes to be implemented with effect from 1 October 1983;

iii. detailed arrangements for the removal of certain anomalies arising from last year's pay changes affecting the pay relativities of some groups of staff on flat rates of pay to take effect from 1 October 1983.

The sum of £1.675 million has been set aside within the cost of this agreement as a whole to cover the cost in 1983/84 of implementing the outcome of these further discussions.

i. Both sides will also enter into early discussions aimed at identifying wider issues of pay structure for consideration in the context of a new national pay agreement; and in particular to identify those urgent issues on which it would be desirable to make progress in 1984.

j. It is agreed that further consideration of the unions' claim for a reduction in the hours of work of the non-industrial Civil Service will be deferred until the 1984 pay negotiations. It is further agreed that both sides will record the position reached in their joint review of the current evidence on hours.

HM Treasury
31 March 1983

Civil Service

Pay & Pensions
Pt 13

APR 1964

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MFJ

CONFIDENTIAL

31 March 1983

Civil Service Pay

Thank you for your letter of 31 March, to which you attached a draft Treasury press notice about today's agreement.

I have shown this draft to the Prime Minister, who is content with it. I should be grateful if you could let us have the detailed briefing for Press Officers as soon as possible.

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John Kerr Esq
HM Treasury.

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

31 March 1983

Michael Scholar Esq
10 Downing Street
Whitehall
LONDON SW1

Dear Michael,

CIVIL SERVICE PAY

I attach the draft of a Treasury press notice about today's agreement. If you have any comments on it, could I have them quickly? The intention is to agree the notice with the Unions in the negotiations which are still proceeding.

Some aspects of the agreement are not yet final: I cannot therefore yet send you a copy of the text. One will follow later this evening.

The press notice and notes for editors will of course be backed by detailed briefing for press officers. It too will follow later.

Yours sincerely,
John Kerr

J O KERR

DRAFT PRESS NOTICE

1983 PAY NEGOTIATIONS FOR NON-INDUSTRIAL CIVIL SERVICE

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A copy of the detailed agreement is attached to this notice.

Agreed mb

NOTES FOR EDITORS

1. It is estimated that this agreement will increase pay, London Weighting and pay-related allowances by 4.86 per cent on average.
2. The cost of the settlement will be contained within the provision for total Civil Service administrative expenditure in the Public Expenditure White Paper (Cmnd 8789). This covers a wide range of expenditure, and allows for an increase of $3\frac{1}{2}$ per cent in Civil Service pay.
3. The agreement covers staff in grades up to and including Assistant Secretary level.

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10 DOWNING STREET

From the Private Secretary

Prime Minister

Civil Service Pay

Peter Le Cheminant tells me that he has finished another session with the unions. Mr Mellal will tell the full negotiating team tonight that he is convinced that the government have now made their final offer, as follows:-

- + 3½% for everyone
 - + £70 p.a. for everyone
 - + ½% for those on the max. incremental scale-point
 - + ~~6~~ London Weighting as described
- = 4.85% in aggregate

P.T.O.

Mr McCall will recommend acceptance.

We will know tomorrow if the full negotiating
team will agree.

MCS 30/3