



MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

ms mt

Prime Minister

Agree draft statement?

Dmb
17/11

EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

PH
13

You received a copy of my letter of 8 August to the Chancellor of the Exchequer, in which I was able to report good progress towards reforming some 100 grades in the senior management levels of the Service into three new unified grades. The members of the Cabinet welcomed this reform as offering a significant contribution to efficiency in the Service and agreed that we should press ahead to implementing it from 1 January 1984. It is of course one of our priorities for action in the personnel field which I announced on 14 July.

The Civil Service unions concerned are divided on the issue, and we have recognised, and colleagues have accepted in the correspondence stemming from my earlier letter, that we would at the end of the day need to proceed without the agreement of the First Division Association (FDA) or the Society of Civil and Public Servants (SCPS). The third union involved, the Institution of Professional Civil Servants (IPCS), favours unified grading.

My officials have now held further discussions with the FDA and the SCPS which have confirmed that an agreement will not be possible; but the unions recognise that we are entitled to proceed without their agreement on grading issues. I therefore propose to inform them of our intention to do so. My judgement is that the FDA are likely to acquiesce in the face of our determination to push this structural reform through, since some of their members in the specialist grades are already in favour of it. As regards the SCPS, their negative attitude is unlikely to change, but I do not believe that this alone should weaken our resolve to proceed as I have outlined above, and my officials judge that the union is resigned to this.

Treasury officials have been conducting parallel discussions with the unions on the alignment of the pay rates of the grades concerned. Given these inter-union differences, the Council of Civil Service Unions will not formally agree to the proposals which the Chancellor has authorised, and it is therefore proposed to impose them by administrative action. The proposals ensure that no-one will be adversely affected on assimilation to the new structure, but there will be phasing for those who gain significantly.

We shall also be taking the opportunity of this extension of unified grading to simplify and improve our system of grading terminology in the new, enlarged, Open Structure, by adopting a numbering system in place of the present broad (and sometimes meaningless) grade titles. This system (akin to that used in the Diplomatic Service) will

have the advantage of encouraging the wider use of job titles which define the particular function being performed. Some existing grade titles will appropriately continue in use as job titles, (eg Permanent Secretary, which in the new system will be at Grade level 1).

... I propose to make an announcement about the implementation date by way of a written Parliamentary statement of which I attach the draft. The precise timing of it is complicated by other factors but my present intention is that it should be made on 23 November. Steps will be taken to inform the unions at about the same time. And my officials are making arrangements with the employing departments for messages to staff explaining the purpose and effect of the changes.

I am sending a copy of this letter to the Chancellor of the Exchequer.

A copy has
also been
sent to
R.A.

DMS
17/11

Gey

LORD GOWRIE

15 November 1983



10 DOWNING STREET

From the Private Secretary

18 November 1983

Unified Grading

The Prime Minister was grateful for Lord Gowrie's minute of 15 November about the extension of unified grading in the Civil Service.

The Prime Minister agrees that Lord Gowrie should proceed with his proposed Parliamentary statement, and is content with the terms of the draft.

I am sending a copy of this letter to Judith Simpson (HM Treasury) and Richard Hatfield (Cabinet Office).

David Barclay

Mrs. Mary Brown,
Office of the Minister for the Arts.

CONFIDENTIAL

Hc

STATEMENT ON THE EXTENSION OF UNIFIED GRADING

- Q. To ask Her Majesty's Government, what progress they have made in extending unified grading in the Civil Service and whether they will make a statement?

DRAFT REPLY

In my statement to your Lordships' House on 14 July I announced that one of our major priorities in the personnel field for this year was to extend unified grading arrangements in the senior levels of the Civil Service.

Pay and grading structures can have a significant impact on efficiency because they affect the organisation of the work itself, as well as the way in which the skills and abilities of staff are deployed. At present, unified pay and grading arrangements apply only at very senior levels - the grades of Under Secretary and above - in what is known as the Open Structure. The Government now intends to rationalise and simplify the grading structure at the next levels by extending unified grading downwards to the Senior Principal grading level.

As a result, some 100 separate occupational grades, covering nearly 6000 senior managerial staff, will be replaced by three unified grades. These will broadly equate to the Senior Principal and Assistant Secretary levels, and a level between Assistant and Under Secretary.

Unified grading removes occupational distinctions which can be artificial impediments to the deployment of staff at levels where managerial abilities and skills are often more important than the practice of particular specialisms. This will make it easier to move staff between jobs to develop talent and broaden experience; and so help to improve the efficiency of the Civil Service by helping to ensure that the best man or woman is selected for each job on merit. It is of particular importance that we have arrangements to make the best use of staff in a smaller Civil Service.

The preparatory work for this change has been carried forward sufficiently for me to be able to announce now that the new unified grading structure at these levels will be brought into effect from 1 January 1984. Steps to align pay in the new unified grades will also take effect from that date, subject to transitional arrangements where appropriate. The cost will be met within existing public expenditure provision.

Civil Service : by km Pt 14

16 NOV 1983

