

PRIME MINISTER

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

You will recall that, in view of Sir Keith Joseph's opposition to extending unified grading to his fringe bodies, you indicated that the fringe bodies as a whole would need to be left out at this stage, and unified grading should be extended only in the Civil Service itself.

Despite your intervention in support of Sir Keith's position, it seems that he has now agreed, following discussions with Treasury and MPO, that unified grading should be extended in the Civil Service, and the fringe bodies ^{individually} ~~should~~ be free to decide whether to maintain the link with the Civil Service or not.

Lord Gowrie will be making a Written Statement accordingly before the Recess.



Mark Addison

MARK ADDISON

23 July 1985



CCNO

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

NBTM

23 July 1985

Mr Gray,

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

file with MEA
Thank you for copying to me your letter to Nigel Lawson of 18/July.

As you know, I have recently agreed to fall into line with colleagues who are in favour of introducing this extension of unified grading into the Civil Service, on the understanding that the Science Vote funded bodies (and hence all NDPBs) should be free to decide whether to maintain the link with the Civil Service in this respect.

Subject to one small drafting point, I am therefore content with the course you propose.

In the draft statement, I suggest that the second sentence of the third paragraph should start "The positions of fringe bodies ...", to make it clear beyond peradventure that fringe bodies do not necessarily all have to act in unison.

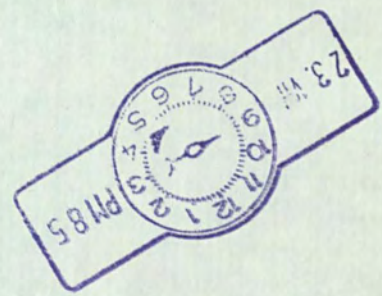
Copies go to Nigel Lawson and others who received copies of your letter.

Lawson

Law

Lord Gowrie
Chancellor of the Duchy
of Lancaster
Management 8
Personnel Office
Great George Street
LONDON SW1

04 55 CIVIL SERVICE: LongTerm: Pt 17.



CC No



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

22 July 1985

The Rt Hon The Earl of Gowrie
Chancellor of the Duchy of Lancaster
Management and Personnel Office
Cabinet Office
Great George Street
LONDON SW1P 3AL

NBPM

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

You wrote to me on 18 July with the draft text of a statement on the extension of unified grading.

I am content that we should announce our decision but I think we must make clear the position on the Research Councils since they employ a significant number of those in the grades concerned. I believe Keith Joseph is reflecting further on this and you will want to clear the precise form of words you use with him.

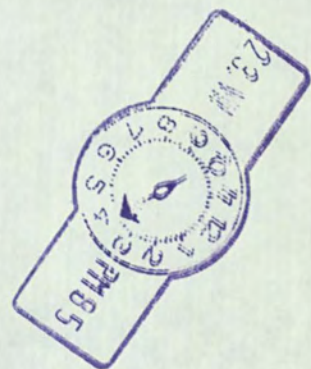
I think there would also be advantage in shortening the statement and reducing references to pay to the minimum. We do not want to create the impression, in the immediate wake of the TSRB awards, that we are giving a further group of civil servants a substantial increase in pay. For the same reason, I should prefer the announcement to be postponed until the day before the recess.

I am asking my officials to contact yours with their detailed drafting suggestions.

I have sent copies of this letter to the Prime Minister and other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbes.

NIGEL LAWSON

CIVIL SERVICE: Long Term: PER.



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MR OWEN

FURTHER EXTENSION OF UNIFIED GRADING IN
THE CIVIL SERVICE

You will by now have seen Lord Gowrie's letter to the Chancellor of 18 July.

It looks, from the draft announcement, as if Lord Gowrie is proposing a piecemeal approach to the fringe bodies. I had expected DES would hotly resist this but it seems they are content. I am not quite sure why, particularly in view of the Prime Minister's own intervention. But we can leave it to them to argue the toss if they wish to.

(MARK ADDISON)

19 July 1985

VC



CABINET OFFICE

*From the Chancellor of the
Duchy of Lancaster*

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE
Great George Street
London SW1P 3AL
Telephone 01-233 8610

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1

18 July 1985

Dear Chancellor,

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

You will have seen the Prime Minister's views on the proposals I put to you in my letter of 4 July.

There has been much uncertainty about our intentions since I first circulated proposals on the extension of unified grading to Principal level to colleagues on 3 August 1984, and I believe that we should make an early announcement that we propose to go ahead. It would be appropriate to do this by way of a Parliamentary announcement as we did on the occasion of the last extension of unified grading. If you agree, there should still just be enough time to arrange this before the recess. We would need to tell the unions of our decision quickly, and my officials would be in touch with yours about that.

... I think a concise statement would best serve our purpose, and would propose to use the text attached. I would be grateful for your views by Monday 22 July so that arrangements can be made for appropriate Questions to be tabled in both Houses.

Copies of this letter go to the Prime Minister, to Cabinet colleagues, to Sir Robert Armstrong and Sir Robin Ibbs.

*Yours sincerely
Lord Gowrie*

NS GOWRIE

*(Approved by Lord Gowrie and
signed in his absence)*

DRAFT ANNOUNCEMENT ON EXTENSION OF UNIFIED GRADING TO PRINCIPAL LEVEL

At the beginning of last year a major simplification of the pay and grading structure in the senior management levels of the Civil Service took place with the introduction of unified grading down to the Senior Principal level.

After careful examination, the Government has concluded that it would be right and worthwhile to extend unified grading to the Principal level. This would remove formal demarcations between occupational groups, and make it easier to get the right people into the jobs for which they are best fitted, at a level at which it is particularly important to broaden experience and develop senior management talent.

This further extension of the Open Structure in the Civil Service to a new unified Grade 7 will enable a single pay structure to be created from some 100 currently separate grades, many with different salary scales, containing over 11,000 staff. The position of fringe bodies which normally follow Civil Service practice will again be considered on their merits.

The unions will be fully consulted about the implementation of this change and a good deal of preparatory work will need to be done. The Government hopes, however, that it will be possible to implement this significant further reform by the end of the year. The cost of aligning the pay of the grades concerned, including any transitional arrangements which may be appropriate, will be met from within departments' planned public expenditure provisions.

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10 DOWNING STREET

From the Private Secretary

15 July 1985

Dear Paul

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

The Prime Minister has seen the correspondence on this matter, which rests at present with Lord Gowrie's letter to the Chancellor of 4 July.

The Prime Minister has commented that in view of Sir Keith's opposition to the extension of unified grading to the fringe bodies for which he has responsibility, it would be best to proceed by going ahead now with the proposal for the Civil Service but not for the fringe bodies.

I am sending copies of this letter to Rachel Lomax (HM Treasury), Rob Smith (Department of Education and Science) and Richard Hatfield (Cabinet Office).

Z es
Mark Addison

(MARK ADDISON)

Paul Thomas, Esq.,
Chancellor of the Duchy of Lancaster's Office.

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