



Prime Minister (2)

To note, with approval,
the outcome of this year's
civil service pay.

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

BT
17/5

PRIME MINISTER

NON-INDUSTRIAL CIVIL SERVICE PAY 1985

You will want to know where we now stand on these negotiations.

2. With your agreement, my officials made a final pay offer worth about 4.9 per cent on 22 April. The CSU immediately accepted this but four other unions (the CPSA, IRSF, FDA and IPCS) met the Secretary of State for Employment on 30 April to press him to refer the main pay claims to the Civil Service Arbitration Tribunal. The Secretary of State wrote to these unions on 2 May saying he was unable to do this, on grounds of public expenditure policy.

3. Since then, the CPSA have decided to settle on the terms of the offer; the Society, FDA and IPCS have signified their acquiescence with varying degrees of reluctance, and the remaining unions are expected to do the same shortly. My officials are instructing Departments to put the new pay rates into operation for particular grades as and when the union with negotiating rights for those grades indicates acceptance or agreement. Some people should get their increases by the end of May, but most will have to wait until the end of June. Payment has also been authorised for GCHQ staff who should get their increases by the end of May.

4. This pay review is therefore effectively at an end and I think that we can regard the outcome as satisfactory. We experienced virtually no industrial action and were also able to show other employers how to use the balloting provisions of the Trade Union Act 1984 to good effect.

5. As agreed at the meeting of MISC 66 on 16 April, we have offered to resume negotiations with the Civil Service unions over a possible new long-term pay agreement, after an 18 month gap. These negotiations will build on, but not necessarily follow exactly, the report of the Megaw Committee which we endorsed generally as long ago as 1982. I shall shortly be meeting the Civil Service unions myself. I expect the question of long-term arrangements to arise



then and I shall ask my officials to carry forward discussions, so that I can make a progress report to you and our other colleagues before the Summer Recess.

6. I am copying this minute to the other members of MISC 66, to the Secretaries of State for Education and Science and for the Environment, and to Sir Robert Armstrong.

N.L.

15 May 1985

CIVIL SERVICE: pay + pensions Pt 15



17 MAY 1985

1 2 3 4 5
6 7 8 9 10 11 12