

MR WICKS

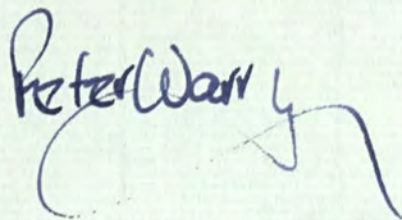
9 April 1986

DISCRETIONARY INCREMENTS FOR GRADES 2 AND 3

Reflecting performance and achievement in pay is as desirable for senior civil servants as it is for industry. Whether meritorious performance should be rewarded by discretionary increments is debatable: it would take a very tough management to withdraw such payments from individual officials once they had received them for a number of years.

However, the Chancellor is surely right that this is the wrong time to give yet further money to senior civil servants (however deserving). Nevertheless we think it would be wrong to rule out such payments for all time, and indeed it might prove counter-productive to do so, as the TSRB would then adjust their award upwards accordingly.

We recommend that the TSRB be told that no discretionary payments will be made this year, but that the position will be reviewed next year.

A handwritten signature in blue ink that reads "Peter Warry". The signature is written in a cursive style with a long, sweeping tail that extends to the right.

PETER WARRY