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SPEAKING
NOTE

SPECIAL ADVISERS

DRAFT SPEAKING NOTE

I am aware of your interest in the pay of special advisers and we have been considering the best way forward in the light of this and also some changes which are being introduced in Whitehall.

I thought it would be helpful to discuss a possible way forward with you now bearing in mind that in the future all Ministers are likely to have special advisers.

Special Advisers are currently paid on the scale £24,836-£74,954 on the basis of receiving the same salary as in their previous employment, or the minimum of the scale if their previous salary was below that. Annual progression is entirely performance related and based on a Ministerial assessment.

Dr Cunningham as Minister for the Cabinet Office has just introduced some revised arrangements in Whitehall.

The key elements of the change are to move away from performance related pay and introduce 3 incremental pay bands (A £26,000-£45,000, B £40,000-£60,000, C £54,000-£76,056). The 3 bands are contained within the original pay scale which has been updated by inflation and which now runs from £26,000-£76,056.

The intention is to place advisers on the band which is most appropriate to their role and contribution (description of bands at Annex A if required).

While Ministers may make a recommendation on which band is applicable to a specific adviser it is for the Special Advisers Remuneration Committee to finally determine the band.

The Whitehall Special Advisers Remuneration Committee comprises:-

Dr J Cunningham, MP, Minister of the Cabinet Office

Ms Patricia Hewitt MP

Mr George Mudie MP.

(NB: My understanding is that Ms Hewitt is a member as a consequence of her position as Economic Secretary to the Treasury, and Mr Mudie on a personal basis, partly because of his former experience as a Deputy Whip.)

Our understanding is that to date they have taken quite a hard line on the salary of special advisers to maintain control of the paybill.

Any read across of the 3 pay bands would ultimately have to lead to the creation of a local Special Advisers Remuneration Committee.

This could be difficult. Membership would have to be very carefully considered but the committee would still face considerable difficulties in assessing the various claims of their colleagues for special advisers' salaries.

The analysis would inevitably be subjective and could give rise to discontent and even equal opportunity concerns.

It strikes me therefore that we might want to avoid such a situation.

We could do this by retaining the existing single scale and the consistent procedure of remunerating special advisers, within that scale, on the same basis as their previous employment.

If you were agreeable to this we would increase the salaries of existing special advisers by the level of inflation with effect from 1 December.

Another issue to be addressed is pay progression.

At present the special advisers' pay progression is - in line with the public service generally - performance related.

Experience in Whitehall showed that was difficult to manage on an equitable basis because it was - unlike that for civil servants - not against any agreed standards or objectives, but based on the personal preference of the Minister.

Again this could be difficult when all Ministers have special advisers and I think it might be preferable to move to a position where we can ensure objectivity and consistency in pay progression.

We could achieve this by agreeing that the percentage progression should be related to a known factor eg average SCS progression.

This would, of course, be subject to the Minister being content that performance had not slipped below acceptable levels, but we would assume that an average increase would be awarded to special advisers' salaries unless we were advised to the contrary.

This is likely to be welcomed by special advisers as performance related pay is not generally well liked by staff.

If you are content we will proceed on this basis and move to institute the inflation increase as soon as possible.

Alternatively we could outline these proposals on paper for you.

- Band A Providing general research, support and advice. Typically, an Adviser at this level would have relatively limited experience in of similar roles and a salary history which reflected this.
- Band B Providing a significant contribution and influence on policy issues. Typically will have reasonable experience of such roles or relevant subject experience (or both).
- Band C Providing a major contribution and influence on policy. Typically either an Adviser with substantial high level experience or a specialist reputation in a particular area of policy and likely to have a salary history justifying a position in the higher band.