

Top civil servants to get £200,000

By Jill Sherman
Whitehall Editor

HUNDREDS of civil servants are in line for 50 per cent pay rises, plus bonus payments, taking their pay up to £200,000 in a bid to narrow the gap with the private sector.

Next month the Senior Salaries Review Body will propose new grades for 3,000 senior civil servants to attract private-sector recruits and halt the exodus of the most talented mandarins. As a result, many officials now earning between £42,000 and £127,000 are likely to get big increases in basic salary as well as bonus payments worth thousands of pounds from next April.

Tony Blair is determined to recruit more outsiders into top Whitehall jobs, but many have been put off by the low pay. Some of the best senior officials are also lured away by high salaries in the City.

The shake-up, which will link pay more closely to performance, will also bring Whitehall pay more into line with other senior public-sector jobs in local government and the National Health Service where chief executives can earn up to £150,000.

But the new pay structures are likely to be heavily opposed by public-sector workers such as teachers, nurses

and doctors who this year got rises averaging 3.7 per cent.

Under a consultation paper drawn up by senior mandarins, which has been passed to the review body, the nine current senior pay grades — excluding permanent secretaries — will be reduced to three. The paper suggests that the first pay band, covering about 2,300 civil servants, should range from £49,000 to a maximum of £87,500; the second, affecting 600 officials, should vary from £67,500 to £129,000; while the top band, with about 100 officials, should range from £83,000 to £183,000. The suggested maximum for the top band would represent an increase of nearly 50 per cent from £127,000 to £183,000.

All these civil servants will also be eligible for "significant" bonuses of at least 10 per cent, rising to 15 or 20 per cent in future years. An official on or near the top band maximum could earn £200,000, including bonus payments, under the new scales. The paper says 50 per cent of workers will be eligible for the bonus.

Those most likely to benefit from the overhaul include deputy permanent secretaries, heads of policy secretariats and their deputies. They would be in charge of key policy areas in each department.

The document, completed last month, gives warning that initially the bonuses will be modest, as it will take time to build up a bonus pot and big payments might be publicly unacceptable. "We also need to recognise that the public perception on the payments of significant bonuses is an important consideration."

The 38 permanent secretaries, the highest paid mandarins, are not included in the new structures, but the overhaul is bound to lift their pay. Their individual salaries are decided by a special Whitehall committee, but their pay band, which now starts at £104,000 and goes up to £179,022, is set by the review body. Sir Richard Wilson, the Cabinet Secretary is paid between £170,000 and £179,000.

Although the Prime Minister wants private-sector recruits at the top of Whitehall, three recent permanent secretary vacancies have been filled by civil servants. Nigel Crisp, the NHS chief executive, was picked from the health service, despite Alan Milburn's search for a private-sector expert.

The Cabinet Office said yesterday the final salary ranges would be decided in a report by the review body next month.



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