

CIRCULAR MEMORANDUM

From: Secretary for the Civil Service To: Heads of Departments

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Standing Commission on Civil Service
Salaries and Conditions of Service

The purpose of this circular memorandum is to clarify the role of the Standing Commission in disputes over pay scales and grade structures between management and staff.

2. Despite previous statements clarifying the role of the Standing Commission, the misconception that the Commission is a convenient arbitrator or conciliator whose task it is to solve pay and structure disputes between management and staff still persists. The Commission has therefore asked that the Administration should ensure that its role is properly understood by both management and staff in the Civil Service.

3. The Commission's view of its role in such situations was explained in Chapter 7 of its Report No. 4 (paragraph 7.1) on Consultative Machinery in the Civil Service:

"7.1 In the course of our deliberations we have considered carefully the question of what role the Standing Commission might play in the consultative machinery. Views on this aspect from staff and management have been constructive although somewhat diversified. While some would like to see us taking up the role of 'Arbitrator', 'Adjudicator' or 'Mediator' in disputes between the Administration and civil servants, others cautioned that it might be counter-productive if we were directly involved in settling disputes, particularly where these concern pay or conditions of service, or have arisen as a result of our own recommendations. On balance, we endorse the majority view put to us that we should not be so involved, but we shall keep this matter under review."

4. The Commission again drew attention to misunderstandings on its role and functions in Chapter 1 (paragraph 1.7) of its Second Report on Civil Service Pay (Report No. 5):

"1.7 During the past few months we have found that our role and functions are still not fully understood by some staff and in some cases even by management. Some have seen us as an arbitrator or conciliator in disputes between Government and its staff. In fact our duty is to advise His Excellency the Governor on the pay and structure of civil service grades, and on any other issues which are referred to us under our Terms of Reference. This we do after taking full account of the views of staff and management and with due regard to the civil service as a whole and to wider community interests. If a dispute arises from the acceptance of any of our recommendations and if substantial new evidence is produced, we are always prepared to include a re-examination of the recommendations in one of our future reviews, but we do not allow the fact that the dispute exists to influence the priorities we allocate to our work, for if we were to do so we would be working under duress."

5. The Commission is therefore essentially an advisory body with the overall responsibility of reviewing, and keeping under review, the principles and practices governing grade, rank and salary structure of the Civil Service. A copy of its terms of reference is attached. Recommendations from the Commission are submitted to H.E. the Governor, and a formal procedure exists within Government for deciding on acceptance of these recommendations. Once they have been accepted by Government, it is the Administration's responsibility to implement them and deal with any problems arising. Indeed it would not be proper for the Commission to deal with appeals arising from its own recommendations which the Government had already accepted. However, the Commission has made it clear that it is prepared to review earlier recommendations if new evidence is produced or if circumstances have changed since its last review, and there are several examples where this has been done.

* See APPENDIX I

6. It is recognised that it is not always easy to draw a clear distinction between new evidence or new interpretations of old evidence, and to define exactly what might amount to changed circumstances. Each case will therefore have to be considered on its own merits. Pay and Structure Division of the Civil Service Branch, as the channel of communication between the Administration and the Commission, is available to give advice on the general procedures and in particular cases. But it is important that all those involved in discussions concerning implementation of the Commission recommendations are clear about its role, in particular that there is no automatic channel of "appeal" to the Commission. A recommendation by the Commission, once accepted by Government, becomes a Government decision, and any appeal against such decisions should be made through established channels. Where necessary, it should be made clear to staff groups that differences in views between management and staff cannot be resolved by simply seeking the direct intervention or arbitration of the Commission. It is the responsibility of the Administration (i.e. Departmental Management and the Civil Service Branch) to consider and decide whether there is sufficient new evidence to justify inviting re-consideration by the Standing Commission of its recommendations.

7. I should be grateful if you would draw this memorandum to the attention of your senior staff and all staff who deals with pay and structure matters.

(Michael C.C. Sze)
for Secretary for the Civil Service