

Leon Pol

PRIME MINISTER

Questions: Pay

TSRB too high

On the contrary, Mr. Speaker: In many ways, I would have liked them to be higher, as the Review Body recommended. The pay of these groups has been held down since 1980. It is essential to the quality of our legal system, to the effectiveness of our armed forces, and to the efficiency of public administration, to pay enough to get good top people.

TSRB vs NHS

I do not see a connection. Health Service workers have been awarded large increases in the course of this Parliament; TSRB groups have not. The Health Service pay bill is very large; the TSRB pay bill is not. The Health Service already recruits and retains, in general, enough good people for the jobs available; the TSRB groups do not.

TSRB vs MPs

If I were to give top people enough to match the increase in pay enjoyed by MPs in the lifetime of this Parliament, I would have given them a good deal more, not less, than the TSRB recommended.

13 May 1982

TOP SALARIES REVIEW BODY (TSRB) : BACKGROUND NOTE

1. The TSRB (chaired by Lord Plowden) advises the Prime Minister on the remuneration of the judiciary, senior civil servants and senior officers of the armed forces.
2. In 1980 TSRB recommended increases averaging 26% for members of these groups. The Government felt unable to accept these recommendations because of its wish to reduce the levels of pay increases in the public sector at that time. It decided that the groups concerned should have increases averaging 12½% in 1980. In 1981 the TSRB urged the Government to implement in full their 1980 recommendations but did not recommend any new rates. They said that they would be producing a comprehensive report in 1982. Again the Government did not feel able to implement the TSRB's recommendation in full but awarded increases averaging 7% to the three groups in 1981. This meant that they were still some 5% behind the 1980 recommended levels.
3. This year the TSRB have recommended salaries which are 19.4% above the rates currently in payment for the Civil Service and Armed Forces, 24.3% for the judiciary, and 21.9% on average. As compared with their recommendations in 1980 the figures are 13% for the Civil Service and Armed Forces, 20% for the judiciary, or 16.6% overall. The Government has decided that these increases should be reduced by some 5½ percentage points on average. The attached table shows the new salaries that will be paid to the higher Civil Service and senior officers of the Armed Forces and to the holders of the main judicial offices. The total cost of the increases is some £7½ M. It will be contained within existing cash limits where these apply.
4. Until 1980 nationalised industry board members were included in the TSRB's remit. They were removed by the Government so that greater account could be taken of market and managerial factors in settling their salaries. These salaries are now determined directly by Ministers following proposals by the individual boards. No proposals have yet been received for 1982 by the Treasury.

MPs' PAY : BACKGROUND NOTE

1. In 1979 the Top Salaries Review Body recommended that MPs' pay should be increased from £6,897 pa to £12,000. The Government accepted that the amount was right but because the increase was so large it proposed, and the House accepted, that it should be implemented in three stages. The third and final stage was paid with effect from 13 June 1981. The TSRB reported again in 1980 and recommended a further 14.6% increase in Members' pay. However as part of its policy of pay restraint in the public sector, the Government persuaded the House to accept an increase of only 9.6% in 1980. The TSRB did not make any new recommendations in 1981 but urged the Government to implement in full and as soon as possible its 1980 recommendations. The Government considered, and the House accepted, that a 6% increase in 1981 would be appropriate. Hence from 13 June 1981 MPs' pay rose to £13,950 (as against the figure of £13,750 recommended by the TSRB as appropriate in 1980). A table showing the movement in MPs' pay since 1979 is attached.
2. In 1980 the House voted, against the Government's advice, for a link between the salary of Members and the salary of a specified grade in the public service. Following consultations, the Government agreed that a Select Committee should be set up to consider the question of linkage on the basis of periodic independent reviews of MPs' pay and a link to a basket of outside occupations between such reviews. The report of the Select Committee was published in March 1982. It recommended a review of MPs' pay by the TSRB once during the fourth year of each Parliament and annual automatic interim adjustment of salaries between reviews by reference to the increase in the nearest percentile in the New Earnings Survey. The Government is still considering its response to these recommendations.
3. The TSRB was not asked to report on MPs' pay and allowances this year because of the existence of the Select Committee. At the latest time when TSRB could have been asked to begin a review (late autumn 1981), it was not clear whether the Select Committee would be making any recommendations about the right level of MPs' pay in 1982.

4. The increase of 4% in MPs' pay in 1982 is only a proposal. The final decision rests with the House of Commons. The next step is for the Government to table motions containing its proposals on MPs' pay and secretarial allowance and to lay an Order in Council on Ministers' pay, and for the Commons to debate them (the increase for Ministers must also be debated in the Lords). If the Government were defeated it would need to reconsider its position. No increase can be implemented without both the agreement of the Government (because of the public expenditure implication) and a resolution of the Commons (and the Lords in the case of Ministers' pay).
5. The normal pay settlement date for MPs and Ministers is 13 June. However whereas the resolution increasing MPs' pay can be retrospective, the Order increasing Ministers' pay cannot.
6. The pay of Members of the European Assembly is linked to and identical with that of MPs'. It increases automatically when effective resolutions on MPs' pay are passed. However MEPs do not receive MPs' allowances (they have their own allowances which are regulated by the European Assembly itself).

MPs' PAY SINCE 1979

<u>DATE</u>	<u>TSRB RECOMMENDATION</u>	<u>ACTUAL SALARY</u>	<u>COMMENT</u>
May 1979	-	£6,897	Salary in payment when present Government entered office.
June 1979	£12,000	£9,450	First stage of 1979 increase.
June 1980	£12,300 (Second stage plus 14.6%)	£11,750	Second stage plus 9.6%.
June 1981	£13,750 (Third stage plus 14.6%)	£13,950	Third stage plus 9.6% from 1980 and a further 6%. The £13,750 was recommended by TSRB in 1980 and hence contains no element for updating in 1981.
June 1982	-	£14,500	Proposed 4% increase (rounded to nearest £25).

MINISTERS' PAY : EXAMPLES

	<u>Current salary</u>	<u>Proposed salary</u>
	£	£
Prime Minister	36,725 ⁽¹⁾	38,200
Cabinet Minister	27,825	28,950
Minister of State (Commons)	19,775	20,575
Minister of State (Lords)	23,275	24,200
Parliamentary Secretary (Commons)	15,100	15,700
Parliamentary Secretary (Lords)	18,600	19,350

NOTES

1. The Prime Minister's salary is that applicable for pension purposes. The Prime Minister draws only the same salary as other Cabinet Ministers.
2. All proposed salaries rounded to the nearest £25.
3. Parliamentary salary for Ministers in Commons now £8,130. Proposed new rate = £8,450.
4. The following other office holders have their salaries increased in line with the increase given to Ministers:

Speaker

Chairman of Ways and Means

First Deputy Chairman of Ways and Means

Second Deputy Chairman of Ways and Means

Chairman of Committees

Principal Deputy Chairman of Committees

Leader of the Opposition

Chief Opposition Whip (Commons)

Two Assistant Opposition Whips (Commons)

Leader of the Opposition (Lords)

Chief Opposition Whip (Lords)

} Deputy
Speakers

C

TOP SALARIES REVIEW BODY GROUPS : SCHEDULE OF NEW SALARIES

	1	2	3	4	5	6	7
	Current salary	TSRB recommendation for 1.4.80	TSRB recommendation for 1.4.82	New salary	% increase over current salary	% increase over TSRB '80	Number in group
	£	£	£				
<u>a. Senior grades of the higher civil service</u>							
Permanent Secretary to the Treasury Secretary to the Cabinet	35,845	37,000	45,000	42,000	17	14	2
Permanent Secretary	33,170	34,000	40,000	37,750	14	11	22
Second Permanent Secretary	30,495	31,000	37,000	35,000	15	13	16
Deputy Secretary	26,215	27,000	32,000	30,250	15	12	141
Under Secretary	21,935	23,500	26,000	25,000	14	6	524
<u>b. Senior officers in the armed forces</u>							
Admiral of the Fleet Field Marshal Marshal of the Royal Air Force	35,845	37,000	45,000	42,000	17	14	1
Admiral General Air Chief Marshal	33,170	34,000	40,000	37,750	14	11	20

	1	2	3	4	5	6	7
	Cur- rent salary	TSRB recom- menda- tion for 1.4.80	TSRB recom- menda- tion for 1.4.82	New salary	increase over current salary	increase over TSRB 80	Number in group
	£	£	£	£			
High Court Judge) Judge of the Court of Session (Scotland)) Puisne Judge (Northern Ireland))	35,000	35,000	45,000	42,500	21	21	99
President, Lands Tribunal (England and Wales)) President, Transport Tribunal) Chief Social Security Commissioner) (England and Wales and Scotland)) President, Industrial Tribunals) (England and Wales))	25,500	26,000	31,500	30,000	18	15	4
President, Industrial Tribunals (Scotland)) Sheriff Principal (Scotland)) Chairman, Scottish Land Court) President, Lands Tribunal (Scotland))	24,750	25,250	30,500	29,000	17	15	9
Official Referee (London)) Vice-Chancellor of the County Palatine of) Lancaster) Recorder of Liverpool) Recorder of Manchester) Senior Circuit Judge, Newington Causeway) Recorder of Belfast (Northern Ireland)) President of the Lands Tribunal) (Northern Ireland) ¹) Chief Social Security Commissioner) (Northern Ireland) ¹)	24,500	24,500	30,500	29,000	18	18	10

	1	2	3	4	5	6	7
	Cur- rent salary	TSRB recom- menda- tion for 1.4.80	TSRB recom- menda- tion for 1.4.82	New salary	increase over current salary	increase over TSRB 80	Number in group
	£	£	£	£			
Circuit Judge)							
Chief Metropolitan Magistrate)							
Member, Lands Tribunal (England and Wales)							
and Scotland)							
Social Security Commissioner (England and)							
Wales and Scotland)							
Judge Advocate General)							
Sheriff A (Scotland))							
County Court Judge (Northern Ireland))							
Master of the Court of Protection)	23,250	24,000	29,000	27,750	19	16	385
Senior and Chief Masters and Registrars)							
of the Supreme Court)							
Registrar of Criminal Appeals)							
President, Industrial Tribunal)							
(Northern Ireland) ¹)							
Member, Lands Tribunal (Northern Ireland) ¹)							
Social Security Commissioner)							
(Northern Ireland) ¹)							
Sheriff B (Scotland)	23,250	23,500	29,000	27,750	19	18	56
Regional Chairmen, Industrial Tribunals)							
(England and Wales and Scotland))	22,750	23,500	27,000	25,750	13	10	17
Chairman, Foreign Compensation Commission)							
Vice-Judge Advocate General	22,000	22,500	27,000	25,750	17	14	1

	1	2	3	4	5	6	7
	Cur- rent salary	TSRB recom- menda- tion for	TSRB recom- menda- tion for	New salary	increase over current salary	increase over TSRB 80	Number in group
	£	£	£	£			
Masters and Registrars of the Supreme Court)))))))
Metropolitan Magistrate)))))))
Chairmen, Industrial Tribunals (England and Wales and Scotland)	) 20,750	) 22,500	) 25,000	) 24,000	) 16	) 7	) 181
Provincial Stipendiary Magistrate)))))))
Resident Magistrate (Northern Ireland) ¹)))))))
Chairman, Industrial Tribunal (Northern Ireland) ¹)))))))
Master, Supreme Court (Northern Ireland) ¹)))))))
County Court Registrars and District Registrars of the High Court	) 20,500	) 22,000	) 25,000	) 24,000	) 17	) 9	) 153

Note = ¹ These appointments were added to the remit after Report No 14. The salaries shown for the appointments in Column 2 are those recommended in Report No 16 in 1 April 1980 terms.



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12 May 1982

Dear Mr Scholar

TSRB ANNOUNCEMENT

I attach a revised table on public sector pay, showing the 1980 increases. The TSRB groups had quite a large increase in 1980 themselves as they received the third stage of their 1978 increase on 1.4.80 (plus a further 12½%).

Yours sincerely
Alan Williams

A R Williams
Pay 2

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CONFIDENTIAL

MAIN PUBLIC SERVICE GROUPS: Pay increases since 1980

- NON-INDUSTRIAL CIVIL SERVICE : Brought fully up-to-date in 1980 (PRU settlement). Since then $7\frac{1}{2}\%$ (1981): 5.9% (1982). Current increase over 1980 13.8% .
- ARMED FORCES : Brought fully up-to-date in 1980 (AFPRB). Since then 10.3% (1981): 6.1% (1982), as recommended by AFPRB. Current increase over 1980 17.0% .
- DOCTORS AND DENTISTS : Fully up-to-date 1980 (DDRDB). Since then 6.0% (1981): 6.0% (1982). Current increase over 1980 12.4% .
- POLICE : Subject to increases under the Edmund Davis formula. Fully up-to-date in Sept 1980 (21.3%): Sept 1981 13.2% . Yet to settle in 1982. Current increase over 1980 13.2% .
- TEACHERS : Fully up-to-date in 1980 (Clegg and arbitration). Since then $7\frac{1}{2}\%$ (1981). Yet to settle in 1982 (3.4% offered: 11.2% compounded over 1980).
- NURSES : Fully up-to-date 1980 (Clegg). Since then 6.0% (1981). Yet to settle in 1982 (6.4% offered: 12.8% compounded over 1980).
- TSRB GROUPS (senior civil servants & armed forces officers) : Currently 5% less than 1980 recommendations. New rates 8% over 1980 recommended levels.

Note . It is no good showing the large increases
the non-TSRB groups got in 1980 because
TSRB got a large increase then too -
catching up on their 1978 level!

CONFIDENTIAL

MINISTERS' PAY : EXAMPLES

	<u>Current salary</u>	<u>Proposed salary</u>
	£	£
Prime Minister	36,725 ⁽¹⁾	38,200
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Minister of State (Lords)	23,275	24,200
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Speaker	
Chairman of Ways and Means	} Deputy Speakers
First Deputy Chairman of Ways and Means	
Second Deputy Chairman of Ways and Means	
Chairman of Committees	
Principal Deputy Chairman of Committees	
Leader of the Opposition	
Chief Opposition Whip (Commons)	
Two Assistant Opposition Whips (Commons)	
Leader of the Opposition (Lords)	
Chief Opposition Whip (Lords)	

TSRB

about the difficulty experienced by people wishing to re-enter the United Kingdom after previously being given leave to stay for an unlimited period; and what steps he has taken.

Mr. Raison: Following our review of policy on returning residents, we announced last December certain changes designed to overcome some of the difficulties experienced by such people. We are not aware of any recent general complaints on this subject; complaints about individual cases are considered on their merits.

PRIME MINISTER

Top Salaries Review Body (Report)

Sir John Biggs-Davison asked the Prime Minister if she has any further statement to make about the report of the Top Salaries Review Body.

The Prime Minister: I informed the House last week that the Government were considering the report of the Top Salaries Review Body on the pay of the higher Civil Service, senior officers of the Armed Forces and the judiciary. I am now able to announce our decisions.

The report recommends increases in the pay of the higher Civil Service and senior officers of the Armed Forces averaging 13 per cent., and for the judiciary 20 per cent., above the levels recommended as appropriate at 1 April 1980.

Because the 1980 recommendations have, for the most part, not been fully implemented, the recommended increases over the salaries currently in payment are somewhat larger: 19.4 per cent. for the Civil Service and the Armed Forces and 24.3 per cent. for the judiciary. In its report the TSRB argues cogently that substantial increases in the salaries of these groups are now justified. The Government agree. It is in the national interest to ensure an adequate supply of candidates of sufficient calibre for appointment to judicial office and to provide an adequate career structure and suitable differentials in the higher reaches of the Civil Service and the Armed Forces. The House will remember that, after many years of restraint, the pay of these groups is still on average 5 per cent. below the levels considered appropriate as long ago

as 1 April 1980. This situation is unique among public servants and, in the Government's view, its continuation would carry unacceptable risks of long-term damage to our ability to attract and retain individuals of the high calibre needed to fill these vital posts.

There are sound management reasons for bringing these salaries up to date quickly and for keeping them up to date in future. But the immediate increases needed for this purpose are large; and, as I announced last week, the Government have felt obliged to cut back the salaries recommended for doctors and dentists in the most recent DDRB report. Accordingly, we have decided that we must ask the TSRB groups also to accept some abatement in their salaries this year. The precise level of abatement to be applied is a matter of judgment. A table showing the conclusions to which the Government have come is appended to this answer. We were particularly concerned with the need to provide adequate pay differentials between the lowest grades of the Civil Service and the Armed Forces covered by the report and their colleagues immediately below them in their respective organisations. For the rest we have applied an abatement of about one-third of the proposed increase at the highest levels in each group and have settled intermediate salaries broadly in line with the pattern of differentials proposed in the review body's report. We recognise that this abatement will be one of the factors to be taken into account by the review body in the course of its next review.

The Government's decisions mean weighted average increases in the salaries of the higher Civil Service and senior officers of the Armed Forces of 8 per cent. above the rates of salary recommended for 1 April 1980 and 14.3 per cent. above the salaries currently in payment. The equivalent figures for the judiciary are 14.5 per cent. and 18.6 per cent. The new rates of salary will come into effect from 1 April 1982. The cost of implementing the Government's proposals will be about £7.5 million. In the case of the Civil Service and the Armed Forces, the increases represent less than 0.05 per cent. of their combined pay bills.

The report of the Top Salaries Review Body has been laid before the House today and will be published as a Command Paper shortly. Copies in typescript are now available in the Vote Office.

Top Salaries Review Body Groups: Schedule of New Salaries

	1	2	3	4	5	6	7
	Current salary	TSRB recommendation for 1 April 1980	TSRB recommendation for 1 April 1982	New salary	Percentage increase over current salary	Percentage increase over TSRB 1980	Number in group
	£	£	£				
<i>a. Senior grades of the higher Civil Service</i>							
Permanent Secretary to the Treasury	35,845	37,000	45,000	42,000	17	14	2
Secretary to the Cabinet							
Permanent Secretary	33,170	34,000	40,000	37,750	14	11	22
Second Permanent Secretary	30,495	31,000	37,000	35,000	15	13	16
Deputy Secretary	26,215	27,000	32,000	30,250	15	12	141
Under Secretary	21,935	23,500	26,000	25,000	14	6	524

b. Senior officers in the Armed Forces

	1 Current salary £	2 TSRB recommendation for 1 April 1980 £	3 TSRB recommendation for 1 April 1982 £	4 New salary	5 Percentage increase over current sal- ary	6 Percentage increase over TSRB 1980	7 Number in group
Admiral of the Fleet Field Marshal Marshal of the Royal Air Force Admiral General	35,845	37,000	45,000	42,000	17	14	1
Air Chief Marshal Vice-Admiral Lieutenant General Air Marshal Medical Rear Admiral Medical Major General Medical Air Vice-Marshal Rear Admiral Major General Air Vice-Marshal	33,170	34,000	40,000	37,750	14	11	20
	26,215	27,000	32,000	30,250	15	12	37
	23,005	23,500	26,000	25,000	9	6	17
	21,935	23,500	26,000	25,000	14	6	141
<i>c. Judiciary</i>							
Lord Chief Justice Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland) Lord Chief Justice (Northern Ireland) President of the Family Division Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland) Vice-Chancellor	44,500	43,000	56,000	52,500	18	22	1
	41,000	40,000	51,500	48,250	18	21	11
	39,000	38,500	50,000	47,000	21	22	2
	37,500	36,500	48,500	45,500	21	25	22
	37,500	36,000	48,500	45,500	21	26	1
High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland) President, Lands Tribunal (England and Wales) President, Transport Tribunal Chief Social Security Commissioner (England and Wales and Scotland) President, Industrial Tribunals (England and Wales) President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Land Court President, Lands Tribunal (Scotland) Official Referee (London) Vice-Chancellor of the County Palatine of Lancaster Recorder of Liverpool Recorder of Manchester Senior Circuit Judge, Newington Causeway Recorder of Belfast (Northern Ireland) President of the Lands Tribunal (Northern Ireland)* Chief Social Security Commissioner (Northern Ireland)*	35,000	35,000	45,000	42,500	21	21	99
	25,500	26,000	31,500	30,000	18	15	4
	24,750	25,250	30,500	29,000	17	15	9
	24,500	24,500	30,500	29,000	18	18	10

	1	2	3	4	5	6	7
	Current salary	TSRB recommendation for 1 April 1980	TSRB recommendation for 1 April 1982	New salary	Percentage increase over current salary	Percentage increase over TSRB 1980	Number in group
	£	£	£				
Circuit Judge							
Chief Metropolitan Magistrate							
Member, Lands Tribunal (England and Wales and Scotland)							
Social Security Commissioner (England and Wales and Scotland)							
Judge Advocate General							
Sheriff A (Scotland)							
County Court Judge (Northern Ireland)							
Master of the Court of Protection	23,250	24,000	29,000	27,750	19	16	385
Senior and Chief Masters and Registrars of the Supreme Court							
Registrar of Criminal Appeals							
President, Industrial Tribunal (Northern Ireland)*							
Member, Lands Tribunal (Northern Ireland)*							
Social Security Commissioner (Northern Ireland)*							
Sheriff B (Scotland)	23,250	23,500	29,000	27,750	19	18	56
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)	22,750	23,500	27,000	25,750	13	10	17
Chairman, Foreign Compensation Commission	22,000	22,500	27,000	25,750	17	14	1
Vice-Judge Advocate General							
Masters and Registrars of the Supreme Court							
Metropolitan Magistrate							
Chairmen, Industrial Tribunals (England and Wales and Scotland)							
Provincial Stipendiary Magistrate	20,750	22,500	25,000	24,000	16	7	181
Resident Magistrate (Northern Ireland)*							
Chairman, Industrial Tribunal (Northern Ireland)*							
Master, Supreme Court (Northern Ireland)*							
County Court Registrars and District Registrars of the High Court	20,500	22,000	25,000	24,000	17	9	153

Note:

* These appointments were added to the remit after report No. 14. The salaries shown for the appointments in column 2 are those recommended in report No. 16 in 1 April 1980 terms.

Falkland Islands

Mr. Arthur Lewis asked the Prime Minister, in view of the fact that the Argentine Government have been condemned by the United Nations for having committed unprovoked aggression and are still refusing to implement United Nations decisions, what guarantees Her Majesty's Government consider necessary to ensure that, even if the Argentine Government promise withdrawal and the establishment of the status quo, this action will actually be taken.

The Prime Minister: The Government regard it as of the greatest importance that any ceasefire arrangements or

agreement in settlement of the dispute should contain satisfactory provisions for ensuring that what has been agreed is implemented in full.

Mr. Meacher asked the Prime Minister what has been the total cost of the Falklands operation so far.

The Prime Minister: It is not possible at this stage to give an accurate assessment of the total cost of the Falklands operation. However, the extra costs so far represent a small proportion of total public expenditure, and can and will be financed without departing from the Government's economic strategy.

AGRICULTURE, FISHERIES AND FOOD

Farm Incomes

Mr. Austin Mitchell asked the Minister for Agriculture, Fisheries and Food, further to his reply dated 20 April, *Official Report*, c. 65-66, concerning the reduction in the real incomes of farmers since 1970, if he will publish a table in the *Official Report* in terms of persons or holdings or otherwise showing farming income for different sectors and in particular the returns on cereals, milk and livestock products.

Mr. Buchanan-Smith: The figures I gave in reply to the hon. Member's previous question were derived from the output, input and income tables of successive annual review of agriculture White Papers. These do not apportion farming income between individual sectors, and it is not therefore possible to provide comparable information on the lines requested. Information on the average net income of different types of farm is however given in paragraphs 11-13 and in table 24 of the "Annual Review of Agriculture 1982" White Paper, Cmnd. 8491.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food, further to the reply of 20 April, *Official Report*, c. 62, showing the change in the real incomes of farmers since 1970, whether and to what extent the figures represent a change in the actual standards of living of farmers in terms of disposable incomes; whether he collects figures of incomes in a form which enables them to be classified by income groups; and whether he will publish in the *Official Report* a table showing the distribution of farm incomes on the same or as near the same basis as given by the hon. Member for Cirencester and Tewkesbury (Mr. Ridley) in his reply of 8 March, *Official Report*, c. 299-300.

Mr. Buchanan-Smith: The figures which I gave in my previous reply to the hon. Member were based on the farming income figure in successive annual review of agriculture White Papers. The farming income calculation does not measure the disposable income of individual farmers and it follows that the figures may not represent changes in actual standards of living. Nor does the calculation permit classification by income groups. Information is however available from the farm management surveys about the distribution of full-time farms according to the level of net farm income as defined in the surveys. The latest published analyses are given, for England, in table 3 "Farm Management Survey in England, Supplementary Analyses 1979/80"; for Scotland in table 3 of "Farm Accounts 1979/80 and 1980/81, Analysis by type and size for full time farm businesses"; and for Northern Ireland in table 5 of "Farm Accounts Northern Ireland 1979/80 and 1980/81". Copies of these documents are in the Library of the House.

European Community (Surplus Wine)

Mr. Crouch asked the Minister of Agriculture, Fisheries and Food (1) whether he is satisfied that the European Economic Community Commission will be able to police the arrangements for the disposal of alcohol distilled from wine resulting from the 1982 exceptional distillation operation, in view of the problems encountered in similar operations;

(2) whether consideration was given to embodying the EEC Council's and Commission's undertakings on the United Kingdom ethyl alcohol industry in the EEC regulation (701/82) authorising the exceptional distillation of 6.5 million hectolitres of wine;

(3) whether he is satisfied with the terms of the guarantee from the EEC Council and Commission concerning the United Kingdom ethyl alcohol industry, under which the Commission retains sole judgment on whether the ethyl alcohol market will be disturbed, and which contains no provision whereby the agreement of Her Majesty's Government is required before a disposal is made;

(4) why the undertaking of the EEC Council and Commission concerning the United Kingdom ethyl alcohol industry contains no condition that Community aid for wine alcohol disposal be limited so that its floor price is equal to the grain alcohol price, in view of the implications for the United Kingdom ethyl alcohol and Scotch whisky industries;

(5) why the guarantee received from the EEC Council and Commission concerning the United Kingdom ethyl alcohol industry is in the form of a joint draft declaration by the Council and Commission; why it refers only to 1982; and why it is stated to be without prejudice to the proposed amendment (COM(81) 408 Final) to the 1979 wine regulation.

Mr. Buchanan-Smith: The undertakings made by the Council and Commission in connection with the exceptional distillation under regulation 701/82 were designed to protect the markets for ethyl alcohol, of which the United Kingdom is a major producer, and were included at my request. No such safeguards applied to previous distillations. I am satisfied with the legal framework and administrative procedures for applying these safeguards.

Safeguards appropriate to future distillations are still under discussion in Brussels in the context of the reform of the wine regime.

Northern Wales (Radioactivity Levels)

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food what is the assessment of his Department of the effect of radioactive discharges from the Windscale plant of British Nuclear Fuels Ltd. on radioactivity levels of the sea along the coast of Northern Wales.

Mr. Buchanan-Smith: A marine monitoring programme of radioactive discharges is undertaken by my Department and by the site operators. I am satisfied that no group of individuals living along the coast of North Wales is currently exposed to more than a small fraction of the radiation dose limit recommended by the International Commission on Radiological Protection as a result of discharges from Sellafield—formerly Windscale—and the nuclear power station at Wylfa.

Margarine

Mr. Peter Mills asked the Minister of Agriculture, Fisheries and Food, in view of the high percentage of fish oil being used in margarine, if he will take steps to provide for the ingredients on a package of margarine to be identified on the packaging; and if he will make a statement.

A08391

Mr. Whitmore

PA Mus

Statement on TSRB

I am sorry that, for reasons you know, this comment is belated.

I think that both the Review Body and the client groups could be helped by the insertion at the end of the first full paragraph on page 2 of the Treasury draft of the following sentence:

We recognise that this statement will be one of the factors to be taken into account by the Review Body in the course of their next review.

Such a sentence ~~makes~~ it would make
it clear that the Government was
not disputing the rationale for the
TSRB's recommendations and acknowledged
that its decisions left some unfinished
business, without committing the
Government itself in respect of its
own decisions next year.

RA

12. v. 82

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TSRB ANNOUNCEMENT: ADDITIONAL SUPPLEMENTARY MATERIAL

Replace existing Q.1 ("Increase too large?") by:-

Q.1 (i) When were the recommendations of the TSRB last implemented in full and on time?

A.1 (i) In 1974 (see attached table).

Q.1 (ii) Are not the increases too large?

A.1 (ii) No. Even when implemented the pay of the senior civil servants and the senior serving officers will be on average only 8 per cent a head of the levels they should have received in 1980. There are very few groups in our society who have received only 8 per cent over the past two years. The adverse impact of inadequate pay structures on career services is slow to reveal itself. In the Government's judgment the present increases are the minimum needed to meet its management objectives. [Had it not been for the decision to cut back on the pay increase of the Doctors and Dentists the Government would almost certainly have implemented the present TSRB recommendations in full.]

Q.1 (iii) The Prime Minister's statement talks of these groups as being unique in the public services in that their pay is still below the levels recommended in 1980. Can you illustrate this?

A.1 (iii) Yes - see attached table.

Replace the third sentence of paragraph 3 of the TSRB Background Note by:-

"In abating these proposals the Government has sought, as the Prime Minister's statement says, to provide adequate differentials with the grades immediately below those covered by TSRB, and to preserve the TSRB pattern of differentials."

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At the end of the first question on the MPs' pay announcement add:-

"At this level MPs' pay is already $1\frac{1}{2}$ per cent above the 1980 TSRB recommendations. The Government's present decisions will give the largest group of civil servants and Armed Forces officers (Under Secretaries, Major Generals and equivalents) 6 per cent more than their 1980 recommended levels. The fact that a further 4 per cent for MPs would make them almost level pegging with these groups is a coincidence.

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COMPARISON OF TSRB RECOMMENDATIONS AND SALARIES ACTUALLY PAID

The TSRB's recommendations for the pay of the higher Civil Service, senior officers of the Armed Forces and the Judiciary have not been implemented in full and on time in any year since 1974. This is illustrated for the higher Civil Service in the table below:

		1974	1975	1978	1979	1980	1981	1982
		£	£	£	£	£	£	£
Permanent Secretary to the Treasury and Secretary of the Cabinet)	TSRB recommendation	17,350	23,000	28,000	31,000	37,000	37,000	45,000
	Actual salary	17,350	20,175	22,422	28,211	33,500	35,845	42,000
Permanent Secretary	TSRB recommendation	16,350	21,000	26,000	28,500	34,000	34,000	40,000
	Actual salary	16,350	18,675	20,772	25,886	31,000	33,170	37,750
Second Permanent Secretary	TSRB recommendation	15,350	19,000	23,500	26,000	31,000	31,000	37,000
	Actual salary	15,350	17,175	19,122	23,811	28,500	30,495	35,000
Deputy Secretary	TSRB recommendation	11,100	15,000	20,000	22,500	27,000	27,000	32,000
	Actual salary	11,100	14,000	15,629	20,314	24,500	26,215	30,250
Under Secretary	TSRB recommendation	9,000	12,000	16,000	18,000	23,500	23,500	26,000
	Actual salary	9,000	12,000	13,429	16,714	20,500	21,935	25,000

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TO ASK THE LORD PRESIDENT OF THE COUNCIL IF HE WILL MAKE A STATEMENT ON THE SALARIES OF MEMBERS OF PARLIAMENT.

Yes, Sir. The Top Salaries Review Body has not been asked to make recommendations this year on the pay of Members of Parliament and it is necessary to come to a conclusion about the right levels of salary for 1982. The Government therefore proposes that the House should accept a general increase ^{of 4 per cent} in pay, and in the allowances payable to MPs for secretarial assistance, ~~of 4 per cent~~ in line with the pay factor included in Estimates.

The pay and allowances of Ministers have broadly followed the pattern of increases accepted by the House in recent years. We intend to propose, therefore, at the appropriate time, that the pay and allowances of Ministers should be increased by the same 4 per cent pay factor as we recommend to the House for the pay of Members of Parliament.



10 DOWNING STREET

(1)

Prime Minister

TSRB / MPs pay

Norman Fowler has now withdrawn
his request for postponement.

Agree these two written answers
tomorrow?

Do you prefer the Treasury text
at (X), or John Verche's alternative
- which removes the doctors and dentists
companism and gives a broad hint that
we will finish the catching-up next year?

MLS 11/5

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DRAFT WRITTEN PARLIAMENTARY QUESTION

Q. To ask the Prime Minister whether she has any further statement to make about the report of the Top Salaries Review Body.

A. I informed the House last week that the Government was considering the report of the Top Salaries Review Body on the pay of the higher Civil Service, senior officers of the Armed Forces and the Judiciary. I am now able to announce our decisions.

The report recommends increases in the pay of the higher Civil Service and senior officers of the Armed Forces averaging 13 per cent, and for the Judiciary 20 per cent, above the levels recommended as appropriate at 1 April 1980.

Because the 1980 recommendations have, for the most part, not been fully implemented, the recommended increases over the salaries currently in payment are somewhat larger: 19.4 per cent for the Civil Service and the Armed Forces and 24.3 per cent for the Judiciary.

In its report the TSRB argues cogently that substantial increases in the salaries of these groups are now justified. The Government agrees. It is in the national interest to ensure an adequate supply of candidates of sufficient calibre for appointment to judicial office and to provide an adequate career structure and suitable differentials in the higher reaches of the Civil Service and the Armed Forces. The House will remember that, after many years of restraint, the pay of these groups is still on average 5 per cent below the levels considered appropriate ^{as long ago as} 1 April 1980. This situation is unique among public servants and, in the Government's view, its continuation would carry unacceptable risks of long-term damage to our ability to attract and retain

/individuals

But the immediate increases needed for this purpose are larger and as I announced last week, the government have

individuals of the high calibre needed to fill these vital posts.

There are sound management reasons for bringing these salaries up to date quickly and for keeping them up to date in future.

However, as I announced last week, ^{the Government} have felt obliged to cut back ^{on} the recommended salaries for the Doctors and Dentists and we must ask the TSRB groups once again also to accept some abatement in their salaries. ^{Recommend} The precise level of abatement to

be applied is a matter of judgment. I will circulate with the official report a table showing the conclusions to which the Government has come. We were particularly concerned ^{with the need to provide} to preserve adequate pay differentials between the lowest grades of the Civil Service and the Armed Forces covered by the report and their colleagues immediately below them in their respective organisations. For the rest we have applied an abatement of about one-third of the proposed increase at the highest levels in each group and have settled intermediate salaries broadly in line with the pattern of differentials proposed in the Review Body's report.

The Government's decisions mean weighted average increases in the salaries of the higher Civil Service and senior officers of the Armed Forces of 8 per cent above the rates of salary recommended for 1 April 1980 and 14.3 per cent above the salaries currently in payment. The equivalent figures for the Judiciary are 14.5 and 18.6 per cent. The new rates of salary will come into effect from 1 April 1982. ^{This year} The 1981.

The report of the Top Salaries Review Body report has been laid before the House today and will be published as a Command Paper shortly. Copies in typescript are now available in the Vote Office.

(X)
Alternative
Furthermore
But the increases recommended are so large that we cannot bring these salaries up to date in one year. So...

To ask the Lord President of the Council if he will make a Statement on the salaries of Members of Parliament.

*

Yes, Sir. [The Select Committee which was appointed last year to consider the longer term arrangements for Members' pay has recently reported and the Government is considering its recommendations. In the meantime] the Top Salaries Review Body has not been asked to make recommendations this year on the pay of Members of Parliament and it is necessary to come to a conclusion about the right levels of salary for 1982. The Government therefore proposes that the House should accept a general increase in pay, and in the allowances payable to MPs for secretarial assistance, of 4 per cent in line with the pay factor included in Estimates.

The pay and allowances of Ministers have broadly followed the pattern of increases accepted by the House in recent years. We intend to propose, therefore, at the appropriate time, that the pay and allowances of Ministers should be increased by the same 4 per cent pay factor as we recommend to the House for the pay of Members of Parliament.

* John Verker proposes omitting the square-bracketed words — arguing that if we refer to the Select Committee we will have to disassociate ourselves from their indexation proposal. Agree?
MCS

DRAFT WRITTEN PQ ON PEERS' EXPENSES

- Q. To ask the Lord Privy Seal whether the Government will be proposing any increases in the Peers' expenses allowance and the secretarial allowance for Ministers and other paid office holders in the House of Lords.
- A. The Prime Minister announced on [], in reply to a written Parliamentary Question in another place, that the Government proposed increases in MPs' pay, in MPs' secretarial allowance and in Ministers' pay of 4 per cent. We consider that it would also be appropriate to increase the Peers' expenses allowance and the secretarial allowance for Ministers and other paid office holders in this House by 4 per cent. I will be putting proposals to the House in due course. If approved the new rates would come into operation from 1 July this year, one year after the last increase.

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From the Private Secretary



Prime Minister
July Clerk
11/5
Management and Personnel
Whitehall London SW1A 2AZ
Telephone 01-273 4400
GTN 273

11 May 1982

Peter Jenkins
Private Secretary to the
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

Dear Peter,

PAY ANNOUNCEMENT: TSRB, MPs and MINISTERS: PARLIAMENTARY HANDLING

Thank you for sending me a copy of your note of today's date with the proposed announcements. The Lord Privy Seal is content with them.

Perhaps I can just mention a couple of points on how we propose to handle these things in the Lords. First, we shall need to arrange a parallel written Question and Answer to that of the Prime Minister's on TSRB. As last time, I would be grateful if your Parliamentary Clerk would ensure that copies of the report are also available in the Printed Paper Office in the Lords and that the Command Paper is laid before that House too.

Second, any statement such as that proposed for the Lord President can potentially be repeated in the Lords and if the Opposition want it it is not easy to resist. However, we propose to seek to persuade the Opposition that it is not necessary to repeat this statement since the proposed written Answer on Peers Expenses would cover all that was necessary for the Lords. I am advised that the Opposition are likely to agree to this and on that basis we shall go ahead with a written Answer along the lines of the attached sheet.

I would be grateful if we could be kept in touch with the timing of these replies so we can make the necessary arrangements.

I am copying this letter to Michael Scholar at No.10, the Private Secretaries to the Lord Chancellor, the Lord President of the Council, the Secretary of State for Defence and to David Wright in Sir Robert Armstrong's Office.

Yours sincerely,
Jim Buckley.

J BUCKLEY

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DRAFT WRITTEN LORDS QUESTION ON PEERS EXPENSES

Q. To ask Her Majesty's Government:

Whether they will be proposing any increases in the Peers expenses allowance and the secretarial allowance for Ministers and other paid office holders in the House of Lords.

The LORD PRIVY SEAL (Baroness YOUNG):

My Right Hon Friend the Lord President of the Council announced today in another place that the Government proposed increases in MPs, in MPs secretarial allowance and in Ministers' pay of 4%. We consider that it would also be appropriate to increase the Peers expenses allowance and the secretarial allowance for Ministers and other paid office holders in this House by 4%. Proposals will be put before the House in due course. If approved the new rates will come into operation from 1 July this year, one year after the last increase.

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cc Mr. Mower

PA
MR. SCHOLAR

Draft announcements on the TSRB and MPs' pay

We had a word about the proposed written replies circulated by the Treasury today, and I promised to let you have comments:

TSRB

The main point on this draft is the ambiguity of the first sentence in the fifth paragraph, with its reference to the need to bring the top salaries up to date quickly and to keep them up to date in future. This is clearly intended as a mild hint at the Government's desire to bring top salaries into line next year. As ~~such~~, I doubt if it goes as far as the Prime Minister would wish, and I think it could go a little further without exceeding what was agreed by Cabinet, and without risking an unintended commitment to do the same for the doctors and dentists. Indeed, I am very doubtful about justifying the TSRB cut-back in terms of our having done the same for the DDRB. I suggest that the opening of this paragraph should read as follows:

"There are sound management reasons for bringing these salaries up to date quickly, and for keeping them up to date in future. But the increases recommended are so large that we cannot bring these salaries up to date in one year. So we must ask the TSRB groups to accept an abatement in their salaries this year. The precise level . . . "

One small drafting point in the fourth paragraph: we might say: "considered appropriate as long ago as 1 April 1980", instead of "at 1 April 1980".

MPs

You will know whether Cabinet excluded the possibility of the Government making some response to the Select Committee's recommendations in the announcement of this year's pay rise. It seems to me that if we are going to mention the Select Committee's Report, as the draft does, we really ought to indicate our major

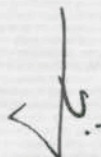
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/ reservation

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- 2 -

reservation about it, namely the unacceptability of any form of indexation arrangement. Otherwise, the House might reasonably feel that the Government do not have major objections of principle and was simply digesting the details.



John Vereker

11 May 1982

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

11 May 1982

Michael Scholar, Esq.,
No.10 Downing Street

Dear Michael

PAY ANNOUNCEMENT: TSRB, MPs AND MINISTERS

... Further to my letter of this morning I attach some additional supplementary material for the TSRB announcement tomorrow.

I am copying this letter to the Private Secretaries to the Lord Chancellor, the Lord President of the Council, the Secretary of State for Defence, the Lord Privy Seal and Sir Robert Armstrong.

*Yours ever
Pete*

P.S. JENKINS

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*e JV
BM
+ 1 for Mr Williams
of the OME
with my compo*

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

11 May 1982

Michael Scholar Esq
10 Downing Street

Dear Michael,

PAY ANNOUNCEMENT: TSRB, MPs AND MINISTERS

I attach drafts of the proposed announcements on the pay of the TSRB groups, MPs and Ministers. I also attach a first draft of the Notes for Supplementaries.

I am copying this letter to the Private Secretaries, the Lord Chancellor, the Lord President of the Council, the Secretary of State for Defence, the Lord Privy Seal and Sir Robert Armstrong.

Yours ever,

Peter

PETER JENKINS

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