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Prime Minister

(1)

Ref. A083/2136

PRIME MINISTER

*Provide the Agree circulation of
du Cann motion
goes through,
Yes, this note?*

TSRB Report on Top Salaries

MCS 19/7

When the Cabinet consider the TSRB Report on Top Salaries on Thursday, it may be convenient for them to have before them a note which reminds them of the background and sets out some options for consideration.

2. On the assumption that Mr du Cann's amendments relating to MPs' salaries are approved, and that the proposals now agreed on Ministerial salaries go ahead, I should be grateful to know whether you would like me to circulate to the Cabinet tomorrow a note on the lines of the attached draft.



ROBERT ARMSTRONG

19 July 1983

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DRAFT

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C(83)

COPY NO

July 1983

CABINET

TOP SALARY REVIEW BODY REPORT ON TOP SALARIES

Note by the Secretary of the Cabinet

The one remaining Review Body Report on which the Government has not yet announced a decision is Report No 19 of the Top Salaries Review Body (TSRB) on the pay of senior civil servants (Under Secretaries and above), senior officers in the armed forces (Major General and equivalent and above) and the judiciary.

Earlier decisions

2. The Review Body decisions already announced are as follows:

i. Armed Forces Pay Review Body (AFPRB)

Recommendations: new rates of pay for servicemen and women up to and including the rank of Brigadier and equivalent applicable from 1 April 1983, estimated to add 7.2 per cent to the pay bill for 1983-84.

Decision announced on 12 May 1983: recommendations accepted in full from 1 April 1983.

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ii. Doctors and Dentists Review Body (DDRB)

Recommendations: an average increase of 7 per cent over the 1982 recommended figures (including some special payments for junior doctors and dentists) to take effect from 1 April 1983. The abatement of their recommendations made in 1981, amounting to 2.7 per cent, to be made good from the same date.

Decision announced on 12 May 1983: 7 per cent increase accepted with effect from 1 April 1983; 2.7 per cent abatement to be made good on 1 January 1984.

iii. Top Salaries Review Body (TSRB) Report No 20 on MPs and Ministers

Recommendation: increase of 31 per cent for MPs and of around 30 per cent for most Ministers (47 per cent for Cabinet Ministers) from June 1983.

Outcome of Parliamentary debate on 19 July 1983: increases for MPs of: 5.5 per cent from June 1983; 5.2 per cent from January 1984; 5.0 per cent from January 1985; 4.7 per cent from January 1986; and 4.5 per cent from January 1987. * Ministers' salaries to be increased in the range 4.0-5.4 per cent from July 1983, and by the same percentages as MPs' salaries from January 1984 to January 1987.

Recommendations of TSRB Report No 19

3. TSRB Report No 19 recommended with effect from 1 April 1983 an overall average increase of 6.9 per cent for the top salary groups. In addition the TSRB strongly recommended that the abatement of their 1982 recommendations, dating back originally to an abatement made in 1980

* A further increase on 1 Jan 88 to be determined by the mt betw 8388V in a Civil Serv salary survey at or about 1/81 500.

and currently amounting to slightly less than 5 per cent, should also be made good with effect from 1 April 1983.

Earlier discussion by the Cabinet

4. When the Cabinet considered TSRB Report No 19 on 10 May 1983 (CC(83)17th Conclusions, Minute 2), the following points were made:
- i. there were sound management reasons for implementing the recommendations in TSRB Report No 19 in full and as soon as possible;
 - ii. since the TSRB abatement in 1982 had been justified by reference to the DDRB abatement, there was a strong case in principle for consistent treatment of the recommendations of the two Reports;
 - iii. there would be considerable advantage in getting rid of the TSRB abatement before the 1984 Report which could then start from a clean slate;
 - iv. the Government would be criticised for announcing an increase for top salaries groups at the beginning of a General Election campaign; since decisions were to be deferred on TSRB Report No 20 relating to MPs and Ministers, the proposals in both TSRB Reports should be considered after the Election; any increase in respect of 1983 for top salary groups would be backdated to 1 April.

Options for consideration

5. The Prime Minister has instructed me to set out for consideration by the Cabinet two alternative options. Both options are designed to ensure that in April 1984 the TSRB is able to make recommendations for the top salary groups without having to deal with any backlog, and will therefore be on the same footing as the AFPRB and the DDRB. The options are as follows:

Option A

This is based on the principle of consistency with the treatment of this year's DDRB Report. The current year increase of 6.9 per cent would be paid from 1 April 1983. The abatement of just under 5 per cent would be restored with effect from 1 January 1984. The cost within the financial year 1983-84 would be £4.1m (8.2 per cent) as compared with a cost of £6 million (11.9 per cent) if the TSRB recommendations were to be implemented in full.

Option B

This follows the principle of containing the percentage increase in cost within the current financial year at approximately the same level as the percentage increase in the cost of MPs' pay within the current financial year. The increase of 6.9 per cent for top salary groups would be paid from 1 August 1983 rather than 1 April 1983. The abatement of just under 5 per cent would be restored with effect from 1 January 1984. The cost within the financial year 1983-84 would be £2.9 million (5.85 per cent); the equivalent figure for MPs (allowing for a 5.5 per cent increase

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from June 1983 and a ^{higher} 5.2 per cent increase from 1 January 1984) is 5.73 per cent. The 1983-84 cost of this option is less than half the 1983-84 cost of implementing the TSRB recommendations in full.

6. The table attached gives details of the precise salary increases for the various grades and offices if either of these two options were to be implemented.

7. The Cabinet is invited to consider the recommendations of TSRB Report No 19 in the light of their earlier discussion and the options set out above.

ROBERT ARMSTRONG

Cabinet Office

July 1983

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SENIOR PUBLIC SERVANTS

	Salaries currently in payment	Salaries wef- 1 4 83 or 1 8 83	Salary wef 1 1 84	Numbers in post at 1 1 83
<u>Senior Grades of the Higher Civil Service</u>				
Secretary of the Cabinet) Permanent Secretary to the Treasury)	42,000	45,000	48,000	2
Permanent Secretary	37,750	40,500	42,750	22
Second Permanent Secretary	35,000	37,500	39,500	11
Deputy Secretary	30,250	32,500	34,250	133
Under Secretary	25,000	26,750	27,750	490
<u>Senior Officers of the Armed Forces</u>				
Admiral of the Fleet) Field Marshal) Marshal of the Royal Air Force)	42,000	45,000	48,000	1
Admiral) General) Air Chief Marshal)	37,750	40,500	42,750	20
Vice-Admiral) Lieutenant General) Air Marshal)	30,250	32,500	34,250	38
Rear Admiral) Major General) Air Vice-Marshal)	25,000	26,750	27,750	158
<u>Judiciary</u>				
Lord Chief Justice	52,500	56,500	60,000	1
Master of the Rolls) Lord of Appeal) Lord President of the Court of Session) (Scotland))	48,250	51,750	55,000	11
Lord Chief Justice (Northern Ireland)) President of the Family Division)	47,000	50,500	53,500	2
Vice Chancellor) Lord Justice of Appeal) Lord Justice Clerk (Scotland)) Lord Justice of Appeal (Northern Ireland))	45,500	49,000	52,000	23
High Court Judge) Judge of the Court of Session (Scotland)) Puisne Judge (Northern Ireland))	42,500	45,500	48,000	97

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	Salaries currently in payment	Salaries wef 1 4 83 or 1 8 83	Salary wef 1 1 84	Numbers in post at 1 1 83
President, Lands Tribunal (England and Wales)	30,000	32,250	33,750	4
President, Transport Tribunal				
Chief Social Security Commissioner (England and Wales and Scotland)				
President, Industrial Tribunals (England and Wales)				
President, Industrial Tribunals (Scotland)	29,000	31,250	32,750	21
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)				
Circuit Judge	27,750	29,750	31,000	440
Chief Metropolitan Magistrate				
Member, Lands Tribunal (England and Wales and Scotland)				
Social Security Commissioner (England and Wales and Scotland)				
Judge Advocate General				
Sheriffs A and B (Scotland)				
County Court Judge (Northern Ireland)				
Master of the Court of Protection				
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)				
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)				
Chairman, Foreign Compensation Commission				
Vice-Judge Advocate General				

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	Salaries currently in payment	Salaries wef 1 4 83 or 1 8 83	Salary wef 1 1 84	Numbers in post at 1 1 83
Masters and Registrars of the Supreme Court				
Metropolitan Magistrate				
Chairmen, Industrial Tribunals (England, and Wales and Scotland)				
Provincial Stipendiary Magistrate				
Resident Magistrate (Northern Ireland)	24,000	25,750	26,750	339
Chairman, Industrial Tribunal (Northern Ireland)				
Master, Supreme Court (Northern Ireland)				
County Court Registrars and District Registrars of the High Court				

MCS

Econ Pol TSB.B.



Dave

10 DOWNING STREET

MCS

Sir Robert's Office
are asking whether
the paper can be
circulated.

Can I give them
an answer?

WLB

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