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CABINET

TOP SALARIES REVIEW BODY - REPORT No. 13:
PARLIAMENTARY PAY AND ALLOWANCES

Memorandum by the Chancellor of the Duchy of Lancaster

INTRODUCTION

1. Last week, I was invited (CC(80) 5th Conclusions, Minute 6) to:-
 - a. consider further the most appropriate Parliamentary processes for giving effect to increases in MPs' pay;
 - b. discuss further with representatives of opinion in the House, and the House authorities, the methods of payment of secretarial and research assistance allowances and the problems of accountability; and
 - c. prepare in consultation with the Minister of State, Civil Service Department, and other Ministers as necessary a memorandum on how best to examine the scope for reductions in and controls of the cost of Parliament, including the costs falling on Government Departments in meeting the demands made upon them by Members of Parliament and Select Committees.

PARLIAMENTARY PROCESS FOR INCREASING MEMBERS' PAY

2. I have considered further the most appropriate Parliamentary process for increasing Members' pay and have discussed the matter with First Parliamentary Counsel. Whilst I fully understand the wish of Members to avoid the publicity produced by an annual debate, I am persuaded that there is no sensible way round this difficulty so long as the right to determine Members' pay rests with the House itself. It would of course be possible for the annual pay resolutions to be passed without a full debate but this would, certainly in recent years, have ignored the variety and strength of feeling in the House itself. Accordingly, I conclude that we should continue with the existing Parliamentary procedures in the belief that both controversy and embarrassment will be much reduced if a pattern of accepting and implementing annual Top Salaries Review Body (TSRB) reports can be established.

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SECRETARIAL AND RESEARCH ASSISTANCE ALLOWANCES

3. Colleagues expressed concern when we discussed these proposed allowances about questions of accountability, most particularly if the two allowances were to be merged. I have discussed these issues with representatives of opinion in the House and with the House authorities. Certainly, it is important for the Government to be seen to stress the need for accountability. However, I remain of the view that we should not ultimately seek to force Members to act in a particular manner. I am also mindful of the very great difficulties that would be involved if we were to seek to invite the House authorities to question the word of individual members. Having all this in mind, therefore, I propose that we do not seek to merge the two allowances but that we should stress very strongly our belief that it would be right for Members to make use of the Fees Office to arrange payment to secretaries and research assistants as some 211 Members already do.

THE COSTS OF PARLIAMENT

4. Preliminary work has begun on a memorandum examining the scope for reductions in and controls of the cost of Parliament and it will be brought before Cabinet in due course, once the necessary discussions and consultations have taken place.

CONCLUSION

5. I invite the Cabinet to agree that:-
- i. separate allowances for secretarial and research assistance should be introduced, as recommended by TSRB;
 - ii. on accountability, Members should be strongly urged to make use of the Fees Office in paying their secretaries and research assistants;
 - iii. the report should be published on Thursday 14 February and an announcement of our proposals should be made in the House at the same time.

N St J S

Privy Council Office

12 February 1980