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PRIME MINISTER

Parliamentary Pay and Allowances
(C(80) 13)

BACKGROUND

Cabinet decided last week on the major issues raised by TSRB 13 on Parliamentary Pay. These included the question of regular annual reviews, MPs pensions, travel allowances etc. Three issues were left over: parliamentary processes, the pay of secretaries and research assistants; and a possible review of the cost of Parliament. The Chancellor of the Duchy was sent away to conduct consultations on all these three points. His paper deals only with the first two: the third will be the subject of a later paper. He also proposes to make a statement in the House on Thursday, which he is circulating separately.

HANDLING

2. I suggest you take the issues in the order in which they are treated in the paper:

(a) Parliamentary Process for Increasing Members' Pay.

The Chancellor of the Duchy concludes that there is no way of avoiding an annual debate. The present statute is an enabling one, and requires an Order each time it is desired to increase Members' pay. The initiative thus rests with the Government. It would be possible, though at the price of carrying new primary legislation first, to substitute some other method. For example, TSRB itself could be given some statutory basis, and its recommendations made automatically effective. But it seems improbable that Parliament would be prepared to give up control over its own pay in this way, or that any Government would, in the last resort, be prepared to sacrifice all control over it.

Mr. St. John Stevas concludes that, if a way can be found of de-fusing the problem by regular annual up-dating, the debates will be much less difficult than in past years. You might ask him to speak briefly on this theme, and then see who, if anyone, dissents. It may be possible to secure agreement on this item very quickly.

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(b) Secretarial and Research Assistants' Allowance

It is apparently this topic which has taken the time. Cabinet felt that the risk of abuse pointed against an amalgamation of these two allowances. Mr. St. John Stevas supports this view. The same argument would, logically, lead to automatic payment of salaries through the Fees Office. Cabinet was not happy with this proposal, and the Chancellor of the Duchy strongly advises against it. The risk of abuse remains, and there seems no easy way of avoiding this - though the issue could be looked at again when we have the promised general paper on the cost of Parliament.

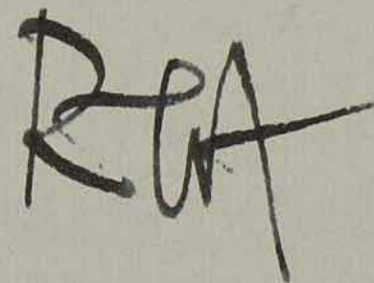
(c) Costs of Parliament

The Chancellor of the Duchy promises a later paper on this point. We understand that this should be ready some time in March.

CONCLUSIONS

3. I suggest that conclusions might be:-

- (i) to note the Chancellor of the Duchy's views that there is no avoiding annual debates;
- (ii) to endorse the conclusions of the paper on secretarial and research fees;
- (iii) to note that a further paper on the costs of Parliament will come forward to Cabinet in due course;
- (iv) to agree that a statement should be made in the House on Thursday, 14th February [or at some later specific date].



(Robert Armstrong)

13th February 1980