

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

C(85) 19

COPY NO 43

16 July 1985

CABINET

TOP SALARIES REVIEW BODY: REPORT NO 22

Note by the Secretary of the Cabinet

Report No 22 of the Top Salaries Review Body (TSRB) recommends new salary rates as from 1 April 1985 for senior civil servants, senior officers of the armed forces, and members of the judiciary. I attach as Annex A to this note a summary of their recommendations.

2. The Review Body make it clear that on this occasion they have sought not simply to update salary rates by reference to developments since their last report a year ago, but to conduct a comprehensive review, including not only a major re-examination of salaries at senior levels in the civil service and the armed forces but also a review of the underlying pay structure in the senior civil service and an extensive study of the judicial salary structure.

3. For senior civil servants the Review Body have recommended certain changes in the salary structure with a view to introducing into the pay arrangements at these levels a greater degree of flexibility to take account of differences of performance and of job weight, and of other factors such as, for example, the state of the market for particular appointments. In particular they have recommended:

a. a greater degree of salary differentiation in Grade 1 (Permanent Secretaries) by reference to broad considerations of job weight;

b. the introduction of incremental scales, including some discretionary increments to be awarded for high performance, for Grades 2 and 3 (Deputy and Under Secretaries and equivalents);

c. the cessation of London weighting for Grade 3.

4. In formulating their recommendations on salary levels for senior civil servants, the Review Body have taken into consideration evidence on recruitment, retention, motivation and morale, and rewards available for people in jobs of comparable responsibility in other walks of life. They have also taken into account the importance of being able to offer a reasonable career structure, in terms of salary, in order to achieve an adequate supply of people of the right quality to fill the top posts in the public service.

5. These considerations have led the Review Body to recommend a widening of differentials for the senior civil service which would entail substantial increases of remuneration at the top levels, though it would still leave those levels well below the salary levels of people at comparable levels and with broadly comparable responsibilities in the private sector.
6. Similar considerations have been taken into account in arriving at recommendations for senior members of the armed forces and the judiciary, with broadly similar results.
7. The Review Body do not recommend any changes in the salary structure for senior officers of the armed forces. They do, however, invite the management of the armed forces to consider whether some similar rearrangement to that recommended for the salary structure in the senior civil service might be helpful in the different context of the armed forces.
8. The Review Body recommend a revised and somewhat simplified salary structure for the judiciary. The Lord Chancellor considers that the salary structure proposed is sensible, and should be adopted.
9. The new salary structure and levels recommended by the Review Body would increase the pay bill in a full year by 12.2 per cent for senior civil servants, by 17.6 per cent for senior members of the armed forces and by 16.3 per cent for the judiciary.
10. The Prime Minister has discussed these recommendations with a group of Ministers directly concerned (the Lord President, the Lord Chancellor, the Chancellor of the Exchequer, the Secretary of State for Defence and the Chancellor of the Duchy of Lancaster). They consider that the Review Body have made a good case for enabling the public service to provide a career pay structure which will attract and retain people of high quality, and which offers to the most able the prospect of attaining levels of remuneration which, while not matching the highest levels of remuneration available in the private sector, provide rewards which can be regarded as fair but not generous by outside standards. Given these considerations, and given the fact that the recommendations of the other three Review Bodies have all been accepted, the Ministers concerned propose that the Review Body's recommendations both as to salary structures and as to salary levels, should be accepted in principle, but that their implementation should be staged.
11. Though they agree that the cost of whatever increases are agreed for 1985-86 should be absorbed in existing public expenditure provisions and cash limits for the year, it is political rather than financial considerations that constitute the main reason for staging these increases which, particularly at the higher levels, are substantial. Ministers have considered a variety of options for staging. It would be possible to spread implementation over two years, or even more; but the main political embarrassment is likely to arise from the total increases recommended, and that is likely to be concentrated at the time of the announcement, however long the period over which implementation is staged. If implementation is

staged over more than one year any increases paid after 1 April 1986 would presumably have to be "dynamised" by whatever further increases the Review Body might then recommend; this could lead to a succession of uncomfortably large figures in later years, which could themselves be politically difficult at a time when such difficulty might be less readily faced than this year. The Ministers concerned therefore judge that on balance it would be preferable to complete the implementation by stages within the current financial year.

12. Other relevant considerations are:

a. The staging should not be more generous than that agreed for the increases recommended by the Nurses and Midwives Review Body (5 per cent from 1 April 1985, the balance, averaging 4 per cent, from 1 February 1986).

b. The amount of the increases for 1985-86 should not (in the case of the senior civil servants and senior officers) be seriously out of line with the amounts of the increases already agreed for lower grades and ranks in the civil service and the regular armed services (4.9 and 7.1 per cent respectively).

c. Given the decision, announced by the Prime Minister a year ago, that in future superannuation entitlements for public servants should always be based on salaries actually in payment at or immediately before the date of retirement, and not on some notional salary level, the decisions on staging these increases will significantly affect the superannuation benefits of senior officers of the regular armed forces and members of the judiciary who retire between 1 April 1985 and the date when the Review Body's recommendations come into full effect, and the superannuation benefits of senior civil servants who retire between 1 April 1985 and up to twelve months after the Review Body's recommendations come into full effect.

13. In the light of all these considerations the Ministers concerned propose that the increases recommended by the Review Body should be implemented in two stages, the first payable from 1 July 1985, the second from 1 March 1986. They consider that the choice is between three options for distributing the implementation as between the two stages. The choice between these options depends on a balance between two considerations: the amount of the average increase in 1985-86 and its relationship to the increases for lower grades and ranks in the civil and armed services (cf. paragraph 12(b)) and the effect upon superannuation entitlements of those retiring between 1 July 1985 and 28 February 1986.

14. The three options are:

Average increase in 1985-86 for

	<u>HCS</u>	<u>AF</u>	<u>Judiciary</u>
	%	%	%
1. 50 per cent of increases recommended* from 1 July 1985, 50 per cent from 1 March 1986	5.1	7.3	7.1
2. 75 per cent of increases recommended* from 1 July 1985, 25 per cent from 1 March 1986	7.4	10.3	9.5
3. Recommended rates less 5 percentage points* from 1 July 1985, balance from 1 March 1986	6.5	9.9	9.5

The resulting salaries are shown at Annex B.

* with a minimum increase of 5 per cent in each case

15. The superannuation entitlements of those who retired between 1 April and 30 June 1985 would not be affected by any of these increases.

16. The effect on superannuation entitlements of senior officers of the armed forces retiring between 1 July 1985 and 28 February 1986 are shown at Annex C. Superannuation entitlements of senior civil servants and members of the judiciary who retire in this period would in principle be similarly affected. Illustrative examples are included in Annex C.

17. Option 3 is designed to minimise the effect on superannuation entitlements of the very senior people retiring between 1 July 1985 and 31 March 1986. It could be presented as implementing the "structural" element in the increases recommended by the Review Body from a current date and the "updating" element to a date near the end of the financial year. But the withholding of five percentage points would proportionately be much harder on people at the lower salary levels than on those at the top: the immediate increases for five-star officers and equivalents would be reduced by 11 per cent (from 46.3 to 41.3 per cent), while those for two-star officers and equivalents would be reduced by 33 per cent (from 15.3 to 10.3 per cent).

18. Option 2 (75 per cent of the increases with effect from 1 July 1985 and the balance from 1 March) would be of greater benefit to three-star or two-star officers than Option 3 or Option 1.
19. Either Option 2 or Option 3 would produce average increases in 1985-86 out of line with those agreed for the rest of the civil service (4.9 per cent) and the rest of the regular armed forces (7.1 per cent). To bring the average increases to the TSRB groups more or less into line would require payment of half the increases from 1 July 1985 and the balance from 1 March 1986. This is the basis on which Option 1 is constructed.
20. If the pay increases recommended are staged, there is no way, other than "deeming" the increases to have come into notional effect for superannuation purposes from 1 April 1985, of avoiding the effects on superannuation entitlements of those who retire before implementation in full is completed. If, however, the Government were to "deem" these increases to have come into notional effect from 1 April 1985 for superannuation purposes, it would be very difficult to justify not extending a similar "deeming" concession to retiring doctors and dentists and to retiring nurses, midwives and members of the professions supplementary to medicine similarly affected by the staging of the Review Body recommendations to those groups.
21. The Ministers concerned have concluded that the Government should not depart from the principle of calculating superannuation benefits on the basis of salaries actually in payment before retirement. It is in order to mitigate the impact on superannuation entitlements that Ministers recommend a form of staging which gives all those concerned at least half of the pay increases recommended from 1 July 1985, rather than limiting the first stage to 5 per cent all round, as with the nurses and midwives.
22. Ministers propose that the Review Body's recommendation for the withdrawal of London weighting from civil servants at Grade 3 or equivalent should be staged, with half being withdrawn from 1 July 1985 and the other half from 1 March 1986. Because of legal advice that the withdrawal of London Weighting may be held to be a fundamental change in the terms and conditions of service of those concerned, some consultation with the staff interests will be needed.
23. The Review Body's recommendation for the introduction from 1 April 1986 of discretionary increases for high performance for Grades 2 and 3 and equivalents in the civil service needs to be further considered, both in relation to the arrangements already introduced for an experimental system of performance bonuses for Grades 3 to Principal and in relation to the arrangements for assessment, appraisal and review that such a system would entail. It is proposed to say no more at this stage than that the proposal will be further considered.

SECRET

24. I attach at Annex D the draft of a Written Parliamentary Answer in which the Prime Minister might announce the proposals set out in this note.

Signed ROBERT ARMSTRONG

Cabinet Office

16 July 1985

SECRET

SECRET

SECRET

Higher Civil Service

ANNEX A

	<u>Existing Rates</u>		<u>Recommended Rates</u>		<u>Increase</u>	
	£		£		£	%
Head of Civil Service			75,000			46.3
Permanent Sec, Treasury Secretary of the Cabinet	51,250		70,000			36.5
Permanent Secretaries MOD, Home Office, DHSS			65,000			42.8
Other Permanent Secretaries in charge of Departments	45,500		60,000			31.9
Second Permanent Secretary	42,000		55,000			31.0
Deputy Secretary	36,500		40,000			9.6
			<u>42,000</u>			15.1
			*44,000			
			*47,000			
			*50,000			
Under Secretary			31,000			5.1
			32,500			10.2
			<u>34,000</u>			15.3
			*36,000			
			*38,000			
			*40,000			

Cost of recommendations in full year: £2.6 million (12.2 per cent)

* Additional discretionary increments for high performance.

SECRET

Senior Officers in the Armed Forces

	<u>Existing Rates</u>	<u>Recommended Rates</u>	<u>Increase</u>
	£	£	%
Five-star (Admiral of the Fleet etc)	51,250	75,000	46.3
Four-star (Admiral etc)	45,500	60,000	31.9
Three-star (Vice-Admiral etc)	36,500	42,000	15.1
Two-star (Rear Admiral etc)	29,500	34,000	15.3

SECRET

SECRET

Cost of recommendations in a full year: £1.2 million (17.6 per cent)

SECRET

The Judiciary

<u>Existing Rates</u>		<u>Recommended Rates</u>		<u>Increase</u>
£		£		£
Lord Chief Justice	64,000	Lord Chief Justice	75,000	17.2
Master of the Rolls		Master of the Rolls		
Lord of Appeal		Lord of Appeal		
Lord President of the Court of Session (Scotland)	58,500	Lord President of the Court of Session		
Lord Chief Justice (Northern Ireland)		Lord Chief Justice (Northern Ireland)	69,000	17.9
President of the Family Division	57,000	President of the Family Division		-21
Vice Chancellor		Vice Chancellor		
Lord Justice of Appeal		Lord Justice of Appeal		
Lord Justice Clerk (Scotland)		Lord Justice of Appeal (Northern Ireland)		
Lord Justice of Appeal (Northern Ireland)	55,500	Lord Justice Clerk	66,000	15.8
High Court Judge		High Court Judge		-18.9
Judge of the Court of Session (Scotland)		Judge of the Court of Session (Scotland)		
Puisne Judge (Northern Ireland)	51,250	Puisne Judge (Northern Ireland)	60,000	
President, Lands Tribunal (England and Wales)		Chairman, Scottish Land Court and President Lands Tribunal (Scotland)		
President, Transport Tribunal		Sheriff Principal		
Chief Social Security Commissioner (England, Wales and Scotland)		Official Referee (London)		
President, Industrial Tribunals (England and Wales)		Vice Chancellor of the County Palatine of Lancaster		
President, Value Added Tax Tribunals	2 36,000	Senior Circuit Judge		
President, Industrial Tribunals (Scotland)		Recorder of Liverpool		
Sheriff Principal (Scotland)		Recorder of Manchester		
Chairman, Scottish Land Court		Recorder of Belfast		
Official Referee (London)		Chief Social Security Commissioner (England, Wales, Scotland and Northern Ireland)		
Vice-Chancellor of the County Palatine of Lancaster		President, Industrial Tribunals (England, Wales, Scotland and Northern Ireland)		
Recorder of Liverpool		Judge Advocate General		
Recorder of Manchester		President, Social Security Appeals Tribunals and Medical Appeal Tribunals (England, Wales and Scotland)		
Senior Circuit Judge, Newington Causeway		Chairman, Criminal Injuries Compensation Board	44,500	23-27 approx
Recorder of Belfast (Northern Ireland)				
President of the Lands Tribunal (Northern Ireland)				
Chief Social Security Commissioner (Northern Ireland)				
Chairman, Criminal Injuries Compensation Board	35,000			
Circuit Judge		Circuit Judge		
Chief Metropolitan Magistrate		Sherriff		
Member, Lords Tribunal (England, Wales and Scotland)		County Court Judge (Northern Ireland)		
Social Security Commissioner (England, Wales and Scotland)		Social Security Commissioner (England, Wales and Scotland and Northern Ireland)		
Judge Advocate General		Chairman (Scottish Land Court)		
Sheriff (Scotland)		President, Land Tribunal (England and Wales, Scotland and Northern Ireland)		
County Court Judge (Northern Ireland)		Registrar of Criminal Appeals		
Master of Court of Protection		Chief Metropolitan Magistrate		
Senior and Chief Masters and Registrars of the Supreme Court		Senior and Chief Masters and Registrars		
Registrar of Criminal Appeals		Master, Court of Protection		
President, Industrial Tribunals (Northern Ireland)		Chairman, Foreign Compensation Commission		
Member, Lords Tribunal (Northern Ireland)		Regional Chairman, Industrial Tribunals (England, Wales and Scotland)		
Social Security Commissioner (Northern Ireland)		Judge Advocate of the Fleet		
President, Social Security Appeal Tribunals and Medical Appeal Tribunals (England, Wales and Scotland)		Vice-Judge Advocate General		
Registrar of Civil Appeals		President, Value Added Tax Tribunals		
Presiding, Special Commissioner of Income Tax		President, Immigration Appeal Tribunal		
President, Social Security Appeal Tribunals and Medical Appeal Tribunals (England, Wales and Scotland)	33,000	Presiding Special Commissioner of Income Tax		
		President, Social Security Appeal Tribunals and Medical Appeal Tribunals (Northern Ireland)		
		Regional Chairman, Social Security Appeal Tribunals and Medical Appeal Tribunals	40,000	20-30 approx

Existing Rates

Recommended Rates

Increase

	£	£	%
Regional Chairman, Industrial Tribunals (England, Wales and Scotland)			
Chairman, Foreign Compensation Commission			
Vice-Judge Advocate General			
Judge Advocate of the Fleet			
President, Immigration Appeal Tribunal			
President, Social Security Appeal Tribunals and Medical Appeal Tribunals (Northern Ireland)			
Regional Chairman, Social Security Appeal Tribunals and Medical Appeal Tribunals	31,000		
Masters and Registrars of the Supreme Court			
Metropolitan Magistrate			
Chairman, Industrial Tribunals (England, Wales and Scotland)			
Provincial Stipendiary Magistrate			
Resident Magistrate (Northern Ireland)			
Chairman, Industrial Tribunals (Northern Ireland)			
Master, Supreme Court (Northern Ireland)			
County Court Registrars and District Registrars of the High Court			
President, Pensions Appeal Tribunals			
Vice-President, Immigration Appeal Tribunals			
Chairman, Value Added Tax Tribunals			
Chairman, Social Security Appeal Tribunals and Medical Appeal Tribunals			
Special Commissioner of Income Tax			
Circuit Registrars (Northern Ireland)	28,500		
Chairman, Industrial Tribunals (England and Wales, Scotland and Northern Ireland)			
Metropolitan Magistrate			
Provincial Stipendiary Magistrate			
Resident Magistrate (Northern Ireland)			
Member, Lands Tribunal (England and Wales, Scotland and Northern Ireland)			
Masters and Registrars of the Supreme Court			
Master, Supreme Court, (Northern Ireland)			
Registrar of Civil Appeals			
County Court Registrars and District Registrars of the High Court			
Circuit Registrar (Northern Ireland)			
President, Pensions Appeal Tribunals			
Vice-President, Immigration Appeal Tribunals			
Vice-President (Scotland) and Chairman, Value Added Tax Tribunals			
Chairman, Social Security Appeal Tribunals and Medical Appeal Tribunals			
Special Commissioner of Income Tax		30,500	7.0

SECRET

SECRET

ANNEX B

	Salaries currently in payment	Salaries wef 1 July 1985			Salaries wef 1 March 1986
	£	Option A £	Option B £	Option C £	£
<u>Higher civil service</u>					
Head of Civil Service	51,250	63,125	69,063	72,438	75,000
Permanent Sec, Treasury ¹ Secretary of the Cabinet ¹	51,250	60,625	65,313	67,437	70,000
Permanent Secretaries, MOD Home Office, DHSS	45,000	55,250	60,125	62,725	65,000
Other Permanent Secretaries in charge of Departments	45,500	52,750	56,375	57,725	60,000
Second Permanent Secretary	42,000	48,500	51,750	52,900	55,000
Deputy Secretary	36,500	38,325 39,250	39,125 40,625	38,325 40,176	40,000 42,000
Under Secretary	29,500	30,975 31,000 31,750	30,975 31,750 32,875	30,975 31,025 32,524	31,000 32,500 34,000

¹ If not Head of the Civil Service

1

RTAAAW

	Salaries currently in payment	Salaries wef 1 July 1985			Salaries wef 1 March 1986
	£	Option A £	Option B £	Option C £	£
Senior Officers In the Armed Forces					
Five Star (Admiral of the Fleet etc)	51,250	63,125	69,063	72,438	75,000
Four-star (Admiral etc)	45,500	52,750	56,375	57,725	60,000
Three-star (Vice-Admiral etc)	36,500	39,250	40,625	40,176	42,000
Two-star (Rear Admiral etc)	29,500	31,750	32,875	32,524	34,000

SECRET

SECRET

SECRET

SECRET

ANNEX C

	<u>Lump Sum</u>	<u>Annual Pension</u>
	£	£
<u>Five-star officer</u>		
Maximum entitlement at present salary rates	73,758	24,586
Maximum entitlement under salary rates resulting from:		
Option 1	91,848	30,616
Option 2	100,488	33,496
Option 3	105,396	35,132
Maximum entitlement under full implementation of TSRB	109,125	36,375
<u>Four-star officer</u>		
Maximum entitlement at present salary rates	66,204	22,068
Maximum entitlement under salary rates resulting from:		
Option 1	76,752	25,584
Option 2	82,026	27,342
Option 3	83,991	27,997
Maximum entitlement under full implementation of TSRB	87,300	29,100

	<u>Lump Sum</u>	<u>Annual Pension</u>
	£	£

Three-star officer

Maximum entitlement at present salary rates

53,109

17,703

Maximum entitlement under salary rates resulting from:

Option 1

57,108

19,036

Option 2

59,109

19,703

Option 3

58,455

19,485

Maximum entitlement under full implementation of TSRB

61,110

20,370

Two-star officer

Maximum entitlement at present salary rates

42,921

14,307

Maximum entitlement under salary rates resulting from:

Option 1

46,197

15,399

Option 2

47,832

15,944

Option 3

47,322

15,774

Maximum entitlement under full implementation of TSRB

49,470

16,490

	<u>Lump Sum</u>	<u>Annual Pension</u>
	£	£
<u>Permanent Secretary</u> ¹		
Maximum entitlement at present salary etc	68,250	22,750
Maximum entitlement under salary rates resulting from:		
Option 1	73,688	24,563
Option 2	76,407	25,469
Option 3	77,419	25,806
Maximum entitlement under full implication of TSRB	84,563	28,188
<u>Law Lord</u> ¹		
Maximum entitlement at present salary rate	55,500	27,750
Maximum entitlement under salary rates resulting from:		
Option 1	60,750	30,375
Option 2	63,375	31,688
Option 3	63,225	31,613
Maximum entitlement under full implication of TSRB	66,000	33,000

1. Assuming retirement on 31 December 1985 with the maximum of 15 years pensionable service.

RTAAAV

ANNEX D

DRAFT OF 16 JULY 1985

QUESTION: To ask the Prime Minister, whether she has received the latest report of the Top Salaries Review Body and whether she will make a statement.

DRAFT ANSWER

Report No 22 of the Top Salaries Review Body (TSRB) which recommends new salary rates as from 1 April 1985 for senior civil servants, senior officers of the armed forces, and members of the judiciary, is being laid before Parliament as a Command paper this afternoon. Copies will be available in the vote office.

2. The Review Body have on this occasion undertaken a comprehensive review not only of the salary levels of the groups concerned but also of the salary structures. It is for this reason that the Review Body's report has, by agreement with the Government, been delivered rather longer after the date to which the recommendations relate (1 April 1985) than usual. I should like to put on record the Government's gratitude to the Chairman and the other members of the Review Body for the care and

thoroughness with which their conclusions and recommendations have been prepared.

3. For senior civil servants the Review Body have recommended certain changes in the salary structure with a view to introducing into the pay arrangements at these levels a greater degree of flexibility to take account of differences of performance and of job weight, and of other factors such as, for example, the state of the market for particular appointments. In particular, they have recommended:

- a greater degree of salary differentiation in Grade 1 (Permanent Secretaries) by reference to broad considerations of job weight;
- the introduction of incremental scales, including some discretionary increments to be awarded for high performance, for Grades 2 and 3 (Deputy and Under Secretaries and equivalents);
- the cessation of London weighting for Grade 3.

4. In formulating their recommendations on salary levels for senior civil servants, the Review Body have taken into consideration such evidence as they have been

able to gather on recruitment, retention, motivation and morale, and rewards available at comparable levels of responsibility in other walks of life. They have also taken into account the importance of being able to offer a reasonable career structure, in terms of salary, in order to achieve an adequate supply of people of the right quality to fill the top posts in the public service. Their consideration of these matters has led the Review Body to recommend a widening of differentials for the senior civil service which would entail substantial increases of remuneration at the top levels, though it would still leave those levels well below the salary levels of people at comparable levels and with broadly comparable responsibilities in the private sector.

5. Similar considerations have been taken into account in arriving at recommendations for senior members of the armed forces and the judiciary, with broadly similar results.

6. The Review Body have also recommended certain changes in the salary structure of the judiciary.

7. The new salary structures and levels recommended by the Review Body would increase the pay bill in a full

year by 12.2 per cent for senior civil servants, by 17.6 per cent for senior members of the armed forces and by 16.3 per cent for the judiciary.

8. The Government accepts the view of the Review Body that it is of great importance for the health of the public service in this country that it should offer a career pay structure which will attract and retain people of the high quality which that service requires and deserves, and offers to the most able the prospect of being able eventually to attain levels of remuneration which, while not matching the highest levels of remuneration available in the private sector, provide rewards which can be regarded not only by themselves but also by Parliament and the public as fair but not generous in relation to the responsibilities carried.

9. We therefore accept the Review Body's recommendations in principle, both as to salary structures and as to salary levels. But the amounts involved are so considerable that we feel bound to implement the salary increases recommended for these groups, by stages, as has been done on other occasions in the past. Accordingly the groups concerned will receive [half of the salary increases recommended] (with

a minimum of 5 per cent) with effect from 1 July 1985 and the balance with effect from 1 March 1986.

It is proposed that London weighting for Grade 3 and equivalent in the civil service should be withdrawn as to 50 per cent from 1 July 1985 and completely from 1 March 1986. These decisions will result in average increases for the financial year 1985/86 of [5.1] per cent for senior civil servants, [7.3] per cent for senior members of the armed forces and [7.1] per cent for the judiciary. The cost of these increases in 1985/86 will be absorbed in existing public expenditure provisions and cash limits. I am circulating a note of the rates of pay resulting from these decisions as an annex to this answer.

10. The Review Body propose that the system of discretionary increments for high performance recommended for senior civil servants in Grades 2 and 3 should be introduced with effect from 1 April 1986. We shall give further consideration to this proposal, and to the arrangements for assessment, appraisal and review, on which such a system will depend, if it is realistically and fairly to reward high performance and to take account of cases in which high performance is not sustained, and I shall make a further statement on this aspect of the Review Body's recommendations in due course.

11. In accordance with the principle which was set out in my reply to a Question by the Hon Member for Leeds West on 13 April 1984, the superannuation entitlements of members of the groups in question will continue to be based on levels of salary actually in payment at or in the period before the date of retirement.