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7A
Prime Minister

P.01010

This is the brief

for your meeting

on the Review Body Reports.

PRIME MINISTER

Review Body Reports 1983

ML 29/4

The attached note summarises in Part I the 1983 recommendations of the four Review Bodies and in Part II sets out Government policy and practice relating to implementation of Review Body Reports, including any relevant commitments or statements. Extra copies of the note are provided for handing round at the meeting and collection afterwards, if you so wish. This brief comments on the issues affecting each of the Reports in turn.

Armed Forces Pay Review Body (AFPRB)

2 ✓ Ministers will probably feel that the Government has no alternative but to accept the AFPRB recommendations. To do otherwise would be to depart from past practice since 1978 and would probably be held to conflict with the Government's 1979 Manifesto commitment, frequently reaffirmed since then. The proposed overall increase of 7.2 per cent is disappointingly high and there is no satisfactory explanation in the Report of why it should be greater than last year's 6.1 per cent, bearing in mind that the cumulative average level of settlement in the whole economy is currently running at just under $5\frac{1}{2}$ per cent compared with just over 7 per cent this time last year. There is no longer much scope for repercussions in the public service sector where the only remaining major negotiations are those for the industrial civil service and the local authority white collar groups, although the bulk of the public service groups who have settled in the range 4.5 - 4.9 per cent will no doubt note the discrepancy for future bargaining. With an eye on next year's AFPRB Report you may like to suggest that, when the Government has announced its decisions on the 1983 Review Body Reports, the Secretary of State for Defence might be asked to look into the reason for the higher increase in 1983 compared with last year.

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भारत सरकार

संख्या: 100/100/100

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3. There will be a problem about financing the AFPRB recommendations because of the gap between the 7.2 per cent increase in the pay bill and the 3½ per cent pay factor. Last year the Treasury and the MoD came to an arrangement under which the difference for the first year was absorbed by the MoD but the follow through for later years of the PES period was provided for by an increase in the Defence totals. If Ministers are agreed that the AFPRB recommendations are to be accepted, you will wish to avoid being dragged into a discussion about precisely how the increase is to be financed; this must be settled separately between the Secretary of State for Defence and Treasury Ministers.

4. It has been the practice in recent years for the Government to announce acceptance of the AFPRB recommendations in early or mid-May so that they can be implemented in monthly pay for May. I understand that the latest date of announcement for this purpose this year is likely to be 19 May.

Doctors' and Dentists' Review Body (DDRB)

5. The handling of the DDRB Report is probably the single most difficult issue this year and has a bearing on the handling of the two TSRB Reports. The problem arises over making good the 1981 abatement which the Government failed to make good in 1982. The total increase recommended is therefore 9.7 per cent composed as follows: a 7 per cent increase on the 1982 recommendations (of which 1 per cent is in respect of supplementary payments for long hours worked by junior hospital doctors and dentists); and 2.7 per cent to make good the abatement. The DDRB have said (see para 3 of Part II of the attached note) that "it would be difficult to reconcile failure to implement in full for a third successive year with an independent Review Body system". I also understand that when the DHSS gave evidence to the DDRB the Chairman made a statement on the record on behalf of his colleagues that if for a third year running the Government did not fully implement their recommendations, there was a strong possibility that the Review Body would feel obliged to resign.

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6. The Secretary of State for Social Services is likely to argue strongly in favour of acceptance of the DDRB recommendations including 2.7 per cent abatement on the grounds:

- i. that there is a strong likelihood that the DDRB will resign, that it might not be possible to find successors without entering into new and more binding commitments about acceptance of the DDRB's recommendations, and that the Review Body might no longer be acceptable to the professions ~~so~~ that the Government might have to start from scratch in finding ways of settling doctors and dentists remuneration;
- ii. that, even if the Review Body were to be persuaded not to resign, there is a very serious risk of major trouble from the doctors and dentists, who would mount a vigorous public campaign against the Government;
- iii. that the nurses would no longer be willing to accept a Review Body on the model of the DDRB and that the issue of better arrangements for settling nurses pay would again become a matter of public controversy.

The DHSS acknowledges that acceptance of the DDRB's recommendations may provoke some adverse reaction from the other NHS groups who have accepted $4\frac{1}{2}$ per cent for the current year, but regards this as by far the lesser evil.

7. In addition to the policy issue of whether the DDRB's recommendations should be accepted in full, there is a financial problem. The existing DHSS provision for a pay increase for these groups is $4\frac{1}{2}$ per cent, ie £70 million. The cost of implementing the full 9.7 per cent increase would be £153 million, made up as follows: £94 million for the 6 per cent; £16 million for the supplementary payments for junior hospital doctors and dentists; and £43 million for restoration of the 2.7 per cent abatement. There is thus a gap of £83 million in the current year and a follow through



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in later years of the PES period. The Treasury may argue that, even if the Government accepts implementation of the DDRB recommendations in full, the cost should be met within the existing DHSS provision. The Secretary of State for Social Services is likely to argue that savings of this order could not be found without an unacceptable impact on services. I also understand that, in the course of the bilateral public expenditure discussions last autumn, the Chief Secretary wrote to the Secretary of State for Social Services on 5 October confirming: "that we should handle the issue of the DDRB abatement by recourse to the contingency reserve in due course, subject to policy agreement at the time". The DHSS could therefore reasonably argue that, if Ministers decide that any or all of the £43 million abatement should be made good, this at least should come out of the contingency reserve.

8. Ministers will presumably wish to rule out the option of not even implementing the DDRB's proposal for a 7 per cent increase over their 1982 recommendations. If so, the issue is what to do about the 2.7 per cent abatement. The options are:

- i. to carry forward the abatement for a further year, presumably on the basis that it will be made good at some unspecified time in the future;
- ii. to implement the recommendations in full;
- iii. to adopt some middle course as between i. and ii.

9. There are two possible approaches to a middle course. One would be to implement part, say half, of the 2.7 per cent abatement this year. Another approach would be to defer implementation of the 2.7 per cent until later in the year, say 1st January; it would then have been got out of the way before the 1984 Report; there would be a saving in the current year of about £30 million and it might be possible to present the effective increase in the current year as around 7.7 per cent rather than 9.7 per cent.

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I understand (although this should not be disclosed) that the DHSS may be advising their Secretary of State that this second course might be sufficient to prevent the collapse of the DDRB and any serious trouble from the doctors and dentists, and from the nurses.

Top Salaries Review Body (TSRB): Higher Civil Service, Senior Service Officers and Judiciary

10. The proposed increase for these TSRB groups as compared with the 1982 recommendations is 6.9 per cent, slightly less than the annual increase in the AFPRB and DDRB Reports. However, as in the case of the DDRB Report, there is a problem over past abatement and the shortfall is greater (around 5 per cent). Since these TSRB groups are small in number (658 higher civil servants, 217 senior Service officers, and 957 members of the judiciary) and since three-quarters of the total are in the lowest grades (Under Secretaries, Major Generals and equivalents, and circuit judges and stipendiary magistrates), there is no significant financial problem about implementing the recommendations. The problem is, as always, political and presentational.

11. It would be difficult to treat these TSRB groups either more generously, or very substantially less generously, than the doctors and dentists. Much will therefore depend on Ministers' decisions about the handling of the DDRB Report. In the light of those decisions the options might be as follows:

- i. if DDRB abatement is carried forward for a further year
 - TSRB groups to be treated in the same way(the easiest way to do this in practice might be to deduct from the 1983 recommendations the amount in money terms by which the salaries currently in payment are less than those recommended in 1982);
- ii. if DDRB recommendations are implemented in full
 - either - TSRB groups to be treated in the same way
 - or - middle course to be adopted for TSRB groups (eg partial or deferred restoration of abatement);

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- iii. if middle course is adopted for DDRB
 - middle course to be adopted also for TSRB groups (though not necessarily the same middle course).

12. In taking final decisions on these TSRB groups, Ministers will, as last year, wish to bear in mind the differential between the Brigadier (and equivalent) at the top of the AFPRB groups and the Major General (and equivalent) and Under Secretary at the bottom of the TSRB groups. The salary proposed by the AFPRB for a Brigadier is £25,001. The existing differential between Brigadier and Major General is £2,250. To preserve that differential Major Generals (and Under Secretaries) would need to be paid at least £27,250. This compares with the 1983 TSRB recommendation of £27,750. If last year's abatement of £1,000 was to be carried forward this would be reduced to £26,750 and the differential between Brigadier and Major General would be reduced to £1,750. The proposals for the TSRB groups will need to take account of this problem.

Top Salaries Review Body (TSRB): Members of Parliament, Ministers, Etc

13. The recommended increases are summarised in para 8 of Part II of the attached note. The salaries recommended would involve percentage increases as follows: for MPs 30.9 per cent; for Cabinet Ministers (Commons) 47 per cent; for Ministers of State (Commons) 30.9 per cent; and for Parliamentary Secretaries (Commons) 28.3 per cent. In considering the options Ministers will wish to have regard to the way in which they propose to handle the other Review Body Reports, to Parliamentary expectations, and to public opinion.

14. One option might be to follow the precedents of 1981 and 1982 and propose to Parliament an increase in line with the pay factor, ie this year 3½ per cent. The difficulty about this approach is that it might be held to make a mockery of the Government's request to the TSRB to undertake a review in 1983, and to cast doubt on the Government's good faith in seeking Parliament's approval for the new arrangements for MPs' pay in the debate on 10 June last year, with a 4-yearly review by the TSRB and interim annual adjustments.

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15. At the other extreme there are obvious political difficulties about implementing the TSRB recommendations in full. The Lord President appears to have been most careful in the debate on 10 June 1982 to avoid committing the Government to automatic implementation of the TSRB recommendations for MPs, although he gave the House reason to hope that there may be a better change of implementation in the future than in the past (see especially the exchanges with Mr Alex Lyon at col 465 and with Mr George Cunningham at col 514). Ministers will therefore wish to explore whether there are any middle courses which would enable the Government to say that it was taking some account of the TSRB recommendations, for example abatement or staging.

CONCLUSIONS

16. You will wish:

- i. to establish how far a consensus can be reached with the Ministers most closely concerned on the treatment of each of the four Review Body Reports;
- ii. to decide how the discussion should be taken forward, ie whether further discussion in a similar small group is required, possibly on the basis of some detailed work on options and at what stage proposals should be put before the Cabinet;
- iii. to consider the timing of announcements and, in the case of MPs, the necessary resolution and debate in the Commons.

PLG
P L GREGSON

29 April 1983

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REVIEW BODY REPORTS 1983

INTRODUCTION

This note is in two parts:

Part I summarises the recommendations of the four review body reports in 1983;

Part II summarises existing Government policy and practice relating to implementation of review body reports.

PART I: SUMMARY OF 1983 RECOMMENDATIONS

ARMED FORCES PAY REVIEW BODY (AFPRB)

The AFPRB calculate that implementation of their recommendations on pay will add 7.2 per cent to the estimated pay bill for 1983-84. The range of increases of annual military salaries is:

- for officers: 3.9 - 9.9 per cent
- for warrant officers and senior NCOs: 6.7 - 9.2 per cent
- for corporals and below: 6.1 - 8.3 per cent

The increases for selected ranks are:

	<u>now being paid</u>	£	<u>proposed</u>
Brigadier and equivalent	22,750		25,001
Captain and equivalent	9,574 - 11,129		10,453 - 12,144
Sergeant and equivalent	7,380 - 8,720		7,895 - 9,439
Private and equivalent (I)	5,212 - 6,442		5,552 - 6,976



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DOCTORS' AND DENTISTS' REVIEW BODY (DDRB)

2. The DDRB recommendations for 1981 were not implemented by the Government in full but were abated by an amount which was at that time some 3 per cent. In 1982 the DDRB recommended increases which were estimated to add about 6 per cent to the pay bill making about 9 per cent allowing for the 1981 abatement. The Government decided not to make good in 1982 the 1981 abatement and an increase of around 6 per cent was implemented. The cost of making good the abatement is estimated by the DDRB to add some 2.7 per cent to the pay bill.

3. The DDRB estimate that their recommendations for 1983 would add 7 per cent to the pay bill over and above the costs of implementing their 1982 recommendations. (Of this about 1 per cent is in respect of recommended changes in the rates of supplementary payments to take account of the hours worked by junior hospital doctors and dentists.) If the 2.7 per cent abatement were to be made good the estimated increase on the pay bill would be 9.7 per cent.

4. The recommended levels of remuneration for various grades are as follows:

	£	
Hospital doctors		
House officers	<u>6,720 - 7,850</u>	(excluding earnings from additional sources)
Consultants	<u>18,900 - 24,260</u>	" "
General medical practitioners	<u>20,670</u>	(intended average net remuneration)
General dental practitioners	<u>17,890</u>	(target average net income)

TOP SALARIES REVIEW BODY (TSRB): REPORT ON HIGHER CIVIL SERVICE, SENIOR SERVICE OFFICERS AND THE JUDICIARY

5. In 1982 the TSRB recommended increases in the pay of the higher civil service and senior service officers 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 had not been fully implemented

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the recommended increases over the salaries currently in payment were 19.4 per cent for the higher civil service and senior service officers and 24.3 per cent for the judiciary. The Government decided to abate the increases by varying amounts ranging from about a quarter to a third of the difference between the recommended salaries and the salaries then in payment. The TSRB estimate that an increase of slightly less than 5 per cent is now needed for these groups to bring pay up to the levels recommended for 1982.

6. The TSRB recommendations for salary levels for these groups from 1 April 1983 would involve increases over the 1982 recommended figures of 6.9 per cent, making a total of around 12 per cent allowing for the 1982 abatement.

7. The recommended increases for particular ranks are:

	£ recommended for 1 April 1982	£ now being paid	£ recommended for 1 April 1983
<u>Higher civil service and senior service officers</u>			
Secretary of the Cabinet, Permanent Secretary to the Treasury, Field Marshal and equivalent	45,000	42,000	48,000
Permanent Secretary, General and equivalent	40,000	37,750	42,750
Second Permanent Secretary	37,000	35,000	39,500
Deputy Secretary, Lieutenant General and equivalent	32,000	30,250	34,250
Under Secretary, Major General and equivalent	26,000	25,000	27,750
<u>Judiciary (selected ranks)</u>			
Lord Chief Justice	56,000	52,500	60,000
Master of the Rolls, Lord of Appeal	51,500	48,250	55,000
Lord Justice of Appeal	48,500	45,500	52,000
High Court Judge	45,000	42,500	48,000
Circuit Judge	29,000	27,750	31,000
Chairmen, Industrial Tribunals, Metropolitan Magistrates, Provincial Stipendiary Magistrates, County Court Registrars etc	25,000	24,000	29,000

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Top Salaries Review Body: Members of Parliament, Ministers etc

8. The TSRB's main recommendations are:

	£	
	<u>now</u>	<u>proposed</u>
MPs	14,510	19,000
Parliamentary salary for Ministers who are members of the House of Commons	8,460	11,000
Ministers (including Parliamentary salary)		
Prime Minister	46,660 (notional)	65,000
Lord Chancellor	52,500 (notional)	62,000
Mr Speaker	38,785	55,000
Cabinet Minister	37,410	55,000 (Commons) 49,500 (Lords)
Minister of State		
(Commons)	29,035	38,000
(Lords)	24,200	32,500
Parliamentary Secretary		
(Commons)	24,160	31,000
(Lords)	19,350	25,500
Attorney General	39,160	55,000
Leader of the Opposition	35,035	50,000

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PART II: GOVERNMENT POLICY AND PRACTICE RELATING TO REVIEW BODIES

General commitment relating to the AFPRB, DDRB and TSRB

There is a long-standing commitment that the Government will implement the recommendations of Review Bodies "unless there are clear and compelling reasons for not doing so".

Policy and practice in relation to the AFPRB

2. The Government's Election Manifesto in 1979 said: "We will ... bring [servicemen's] pay up to full comparability with their civilian counterparts immediately and keep it there". This commitment has been reaffirmed by Ministers on a number of occasions, for example by the Prime Minister in a Written Answer on 15 May 1981. AFPRB Reports have never been rejected by the Government, although the implementation of its 1978 recommendations was staged, to take account of the pay policy which was then in force.

Policy and practice in relation to the DDRB

3. The DDRB's recommendations have been accepted by the Government except for the 3 per cent abatement in 1981 and the failure to make good the 1981 abatement in 1982. The DDRB in their report say that the Government have "recognised that the abatement of our 1981 and 1982 recommendations would be a factor for us to take into account in the course of this year's review We accept that final decisions on our recommendations must be a matter for Government. Nonetheless it would be difficult to reconcile failure to implement these in full for a third successive year with an independent Review Body system."

Policy and practice in relation to TSRB recommendations on the higher Civil Service, senior Service Officers and the judiciary

4. The TSRB recommendations for these groups were accepted in principle but implemented only in stages in 1974 and in 1978. In 1980 increases of about half the recommended level were awarded. For 1981 the TSRB made no new recommendations but urged the Government to implement their 1980 recommendations which would have involved increases of about 12 per cent; instead the

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Government increased the pay of these groups by 7 per cent in line with the then pay offer to the non-industrial civil service. In 1982 the recommended increases were abated by varying amounts of about one quarter to one third. In announcing the Government's decision in a Written Answer on 12 May 1982 the Prime Minister said:

"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 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."

Policy and practice in relation to MPs' and Ministers' salaries

5. The TSRB's recommendations on MPs' pay were accepted in principle in 1975 but implementation was deferred indefinitely. The 1976 recommendations on Ministers' pay were also not implemented. The 1979 recommendations for both groups were staged and not fully implemented until 1981. The 1980 recommendations were not accepted although for MPs and all Ministers except Cabinet Ministers the 1980 recommendations were reached and slightly exceeded in 1981. In 1982 the salaries and allowances of MPs and Ministers were increased by 4 per cent in line with the pay factor included in the Estimates. Hansard extracts of the opening and closing speeches by the Lord President in the Commons Debate on MPs' salaries and allowances on 10 June 1982, covering both the 4 per cent increase and future arrangements, including the TSRB review in 1983, are attached.

MR BIFFEN'S OPENING AND CLOSING SPEECHES IN THE DEBATE ON
MEMBERS OF PARLIAMENT SALARIES ETC

Extracts from House of Commons Hansard Thursday 10 June 1982
Columns 462-471 and 512-515

[Mr. Brown]

the hon. Gentleman will know, the shop's presentation is oriented towards the arcade, and Liverpool Street is almost its back door.

I was delighted when the Minister said that he wished to take a close interest in the compensation factor. I hope that he will not use the Bill as the only vehicle for changing the law about compensation. The right hon. Member for Barrow-in-Furness (Mr. Booth) said that the law should be changed. But the Bill is not the vehicle for that. I welcome the Minister's view and take it that he is serious. I take it that there will be a change in the law on compensation.

Local government will have to be brought into this. No doubt the Secretary of State for the Environment will be involved, because the whole procedure of local government for dealing with road works, sewers and pipelines will be changed. There will be enormous ramifications. That is why such action has not been taken.

I hope that the Bill will not be used to do something that should be undertaken in general law, but I am delighted that the Minister is interested in the issue.

Mr. Race: Whatever the merits of changing the law generally, surely the hon. Gentleman, as an experienced parliamentarian, must accept that that possibility is not before us. We are dealing with a specific Bill concerning one street in London in which injury will probably be caused to a few people. That involves a quite different principle from a general change in the law.

Mr. Brown: That does not alter the fact that if the law is wrong, it is unreasonable to wait for a Private Bill in order to take action. The Minister has said that he is concerned about the compensation and I welcome his interest. The Government can introduce legislation to put a new measure into force that would take account of such factors, and I doubt whether the House would hold up such a provision.

I tried hard to get information from the promoters about the position of the florist. Having seen the shop, I accept what has been said. However, there is nothing to stop anyone from walking in front of the shop as it is. It is impossible to walk in the road, because lorries, cars and vans are parked there. Instead of the lorries, vans and cars parked in front of the florist there will be a temporary hoarding. I hope that the suggestion about the delay is wrong, but the hoarding will only be temporary, while the cars, vans and lorries are there every day of the week. Therefore, they form a barrier anyway. The promoters are doing nothing to hinder the walkthrough. Throughout the work there will be no change in that situation.

The best information that I have is that the shop in the arcade is still the subject of negotiations by the owners of the florist's. I understand that we are talking, not about an extension for storage, but about a new shop. The promoters have leant over backwards to do everything possible to help. However, I am grateful to the House for its support. All hon. Members have voiced the hope that outstanding matters can be considered in Committee. I stress that the work is complementary to the main work to be carried out in Liverpool Street—British Rail's development of Liverpool Street station and the hotel. Finally, I am grateful to the House for welcoming the Bill

Question put and agreed to.

Bill accordingly read a Second time and committed.

Members of Parliament (Salaries, Allowances and Travel Facilities)

8.5 pm

The Lord President of the Council and Leader of the House of Commons (Mr. John Biffen): I beg to move,

That, in the opinion of this House, the salaries payable to Members of this House in respect of service on and after 13th June 1982 should be at the following yearly rates—

(1) £14,510 for Members not falling within paragraph (2); and

(2) £8,460 for Officers of this House and Members receiving a salary under the Ministerial and Other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972.

Mr. Deputy Speaker (Mr. Bernard Weatherill): I understand that it will be convenient to take, at the same time, the following motions:

No. 3,

That the salaries payable to Members of this House in respect of service on and after 13th June 1982 should be at the following yearly rates—

(1) £14,510 for Members not falling within paragraph (2); and

(2) £8,460 for Officers of this House and Members receiving a salary under the Ministerial and Other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972.

No. 4,

That, in the opinion of this House, the limits specified in the Resolution of this House of 5 June 1981 in relation to the allowances payable in connection with a Member's office, secretarial and research expenses should be raised so as to make the limits—

(a) in paragraph (a) of the Resolution (allowance in respect of aggregate amount of general office expenses and expenses on secretarial and research assistance), £8,752 for the year ending 31 March 1983 and £8,820 for any subsequent year; and

(b) in paragraph (b) of that Resolution (provision for enabling a Member to make pension contributions in respect of persons in the payment of whose salaries expenses are incurred by him), £875 for the year ending 31 March 1983 and £882 for any subsequent year.

No. 5,

That in the opinion of this House, the facilities available to the spouse of a Member of this House for free travel in accordance with the Resolutions of this House of 7 April 1971 and 22 July 1975 on journeys within paragraph (a) or (b) of the said Resolution of 7 April 1971 should be extended to children of the Member under the age of 18; but any child's journey in respect of which facilities for free travel are provided in accordance with this Resolution should count against the number of journeys for which facilities for free travel are available to the Member's spouse.

For the purposes of this Resolution a Member's children shall be taken to include step-children, adopted children, foster children and any other child living as one of the Member's family.

No. 6,

That the draft Ministerial and other Salaries Order 1982, which was laid before this House on 27 May, be approved.

No. 7,

That this House—

(a) welcomes the Report of the Select Committee on Members' salaries which was ordered by this House to be printed on 17 February 1982;

(b) agrees with the recommendation in that Report that a review of Members' pay be conducted by the Review Body on Top Salaries once during the fourth year of each Parliament and that, where a shortened Parliament precludes this, the Review Body should carry out a new review not later than four years after the rates of salary consequent on the previous review first became payable;

(c) agrees with the view expressed in that Report that, between such reviews, Members' salaries should be adjusted annually by reference to increases in outside

salaries, but does not accept the recommendation that there should be an annual automatic adjustment by reference to figures taken from the Department of Employment's New Earnings Survey;

(d) is of opinion that her Majesty's Government should instead, in the period between one such review and the next, move annual motions to effect changes in Members' salaries and in so doing should be guided by the average change in the rates of pay of appropriate groups in the Public Service over a relevant period.

Before calling upon the Leader of the House to move the first of the six motions, I have to inform the House that the right hon. Member for Manchester, Openshaw (Mr. Morris) has asked permission to move amendment (b) to motion No. 2 and amendments (a) and (c) to motion No. 4 with figures differing slightly from those shown on the Order Paper. The proposed alteration in motion No. 4 would also involve two further amendments to that motion. Mr. Speaker has decided that it would be in the interests of the House to allow this to be done. Revised copies of pages 2864 and 2865 of the Order Paper have accordingly been placed in the Vote Office and a revised list of selected amendments has been placed in the Lobby.

Mr. Edward du Cann (Taunton): On a point of order, Mr. Deputy Speaker. I am sure that the House will appreciate your ruling, which is no doubt satisfactory from everyone's point of view. However, I wish to ask about the position at the conclusion of the debate. I do not know whether it is proposed to have any Divisions, but if so, would we take all the motions seriatim?

Mr. Deputy Speaker: We shall take them in that manner. Matters are complicated when we debate motions together, but the Chair will make the subject of the Division clear.

Mr. du Cann: I am much obliged. That is precisely the point that I had in mind.

Mr. Biffen: We have to consider tonight two separate but related issues, one short-term and one long term. The short-term issue concerns the increase in hon. Members' pay, in the secretarial allowance and in Ministers' pay in 1982. I shall deal with these matters first. The long-term issue concerns the way that hon. Members' pay is to be settled in future. It is an issue on which we have the report by the Select Committee on hon. Members' Salaries to assist us.

I have already told the House about the Government's proposals for 1982, in answer to a parliamentary question by my hon. Friend the Member for Nelson and Colne (Mr. Lee). In the absence of recommendations by the Top Salaries Review Body this year, we considered that it was reasonable to increase hon. Members' pay, hon. Members' secretarial and research assistance allowance and Ministers' pay by 4 per cent. each, in line with the pay factor included in Estimates. The reason why the TSRB was not asked to review hon. Members' pay and allowances this year is that at the time we would have had to make the request the Select Committee was still considering Members' pay and we did not wish to prejudge its conclusions. The Government's proposals are not generous, but in the circumstances—realism creeps through from time to time—I do not consider that they are unreasonable.

Turning briefly to the specific motions, hon. Members will see that there are two dealing with their 1982 pay increase. The first is an amendable expression of opinion.

The second bears the Queen's Recommendation and the amounts on it cannot be increased. The House may recall from previous debates that the second motion is required because an effective resolution of the House is necessary to increase Exchequer contributions to the Members' pension fund and to increase the pay of the United Kingdom Members of the European Assembly in line with that of Members of the House. The effect of these motions would be to increase the pay of ordinary Members to £14,510 with effect from 13 June, and the parliamentary salary of Ministers and other office holders to £8,460.

The motion on the secretarial allowance increases the maximum of the allowance in a full year to £8,820, with a further £882 available to enable an hon. Member to make pension contributions for his or her employee.

It might be helpful for the general structure of the debate if at this point I were to comment on the amendments which give an alternative option to the House. The amendments tabled by the right hon. Member for Deptford (Mr. Silkin) would increase that sum by 6 per cent. Any chosen figure is a matter of value judgment and a degree of arbitrariness. It would be appropriate for the House to stay with a proposal which is related to the pay factor in the Estimates and if this were to be seen to be leading to any significant fall in equitable levels of pay it would be subject to subsequent investigation and remedy by recommendation of the Top Salaries Review Body.

The other amendments which have been tabled by right hon. Member for Deptford and his associates concern the office, secretarial and research allowance. The amendments propose that there should be an increase of 8 per cent., double that which is proposed by the Government. That figure, however chosen, bears a certain arbitrary implication, but I cannot find it appropriate to recommend to the House a figure that is double that of the pay factor in the Estimates and which is a touch above the general level of settlement in both private and public sectors.

Mr. D. N. Campbell-Savours (Workington): Does the right hon. Gentleman accept that a proportion of the amount that is provided for secretarial and research allowances goes on other things which have little to do with pay; they are to do with purchases? Purchases can be far more directly related to the rise in the cost of living. Within that global figure, would it not have been better to have included some component to cover purchases and the substantially greater increases that relate to them?

Mr. Biffen: Once one moves into that territory, the index that one would choose for purchases would not necessarily be the retail price index. It might be the index of wholesale prices. We would be in difficult territory if we began to base the argument on the refined statistical indices that could be secured for that fraction—

Mrs. Elaine Kellett-Bowman (Lancaster) *rose*—

Mr. Biffen:—of the total spending on the office, secretarial and research assistance allowance which went to the purchase of goods and services.

Mrs. Kellett-Bowman: I apologise to my right hon. Friend for jumping up rather precipitately. Would he not think it fair if a different allowance were made to Members' secretaries who serve only one Member and who are relatively underpaid compared with those who serve two, three or even four Members, who are in some cases grossly overpaid? Should there not be some differential?

Mr. Biffen: My hon. Friend makes an important point which should not be squeezed into the reply that I was giving to the hon. Member for Workington (Mr. Campbell-Savours). All hon. Members must be profoundly conscious that broadly speaking we have a uniform system of allowances and yet immensely individual patterns of expenditure.

Mr. Campbell-Savours: That is a platitude.

Mr. Biffen: It may be a platitude but, my God, it is probably the truest thing that will be said this evening.

All these matters should be considered further by the Top Salaries Review Body. I would far sooner that the study and the determination was undertaken by an organisation with an arm's length relationship with the House than that the House were to be seen obviously voting its emoluments and fringe benefits. When I come to the long-term considerations in the second part of my speech, I will touch upon the prospects of the Top Salaries Review Body being able to undertake just such a study that can reflect upon the problems that were mentioned by my hon. Friend.

Mr. Alexander W. Lyon (York): The right hon. Gentleman has just expressed the fervent view that it was better that the Top Salaries Review Body should deal with our salaries at arm's length than for the House to deal with the matter itself. Will he give an undertaking that in future all the recommendations of the Top Salaries Review Body will be automatically accepted? Is not the alternative that the House should make up its own mind on the Government's advice?

Mr. Biffen: There has to be an almost Augustinian approach to virtue in these matters. That is the ideal to which one aspires and I would have hoped that the experience of recent years might consolidate the view that this is something which for the future ought to be observed more faithfully than it has been in the past.

Mr. Michael English (Nottingham, West) rose—

Mr. John Silkin (Deptford) rose—

Mr. Biffen: Without wishing to be obsequious to Privy Councillors, the right hon. Member for Deptford was first on his feet.

Mr. English rose—

Mr. Biffen: I give way to the hon. Gentleman.

Mr. English: Saint Augustine was the man who said "Lord make me chaste but not yet."

Mr. Silkin: I shall leave the Lord President of the Council further unbattered if I may, because there has been a number of interventions.

Mr. Biffen: I am glad that fraternity is still working.

Mr. Peter Bottomley (Woolwich, West): If the House is to vote for this sort of recommendation which is tied to Government expenditure or Estimates some months ago, would it not be far better for us to determine in the autumn of the previous year our increase from 13 June? We would be setting an example rather than trying to set an example after most other pay has been settled. Secondly, should not a Top Salary Review Body report at least be put to the House so that we can vote on it rather than it being modified by the Government and left as a take-it-or-leave-it issue?

Mr. Biffen: I shall answer my hon. Friend's point about the timing of the Government's figure. This is intended to be for this year only. I am sure that my hon. Friend will realise that the motions before the House are designed to get away from that position for the future. He has made a fair point about the timing, but I am sorry that this year I have to present the position as it is.

I did not entirely appreciate my hon. Friend's second point about the Top Salaries Review Body.

Mr. Bottomley: My point was that it might not be possible for the Government to accept that the recommendation of the Top Salaries Review Body should be enacted. Would the Government consider and ensure that the recommendation is put to the House so that they could then try to lead as many as wanted to away from it rather than forbidding even the possibility of its being enacted?

Mr. Biffen: My hon. Friend is asking me to anticipate the second part of my speech. However, at the end of the day the figure that is presented to the House is amendable. Therefore, if the House wishes to amend it in accordance with the review body's recommendation it is open to it to do so. That has always been the position.

Mr. George Cunningham (Islington, South and Finsbury) rose—

Mr. Biffen: No, I shall not give way now.

Mr. Cunningham: I should be most grateful on this point.

Mr. Biffen: I know that the hon. Gentleman would be, but I wish to complete the reference to the amendments. I do not think that I have indicated any unwillingness to give way. However, I have a responsibility to the House more generally to make a speech with some degree of structure as well as satisfying those who enjoy the blood sport of pursuing the Leader of the House in these circumstances.

The other amendment, which is quite an innovation, is the proposition that there should be a London weighting allowance for secretaries. The view has always been taken hitherto that a cash payment should be made and that how that is used in respect of secretarial services, either in London or in the provinces, or as between equipment and the employment of persons, should be left to the Member's discretion. Once the House begins to make judgments on how expenditures should be undertaken, it will move across a Rubicon which in the fullness of time it will regret having crossed. However, I have no wish to be seen to be obdurate. If the later motions are confirmed by the House and a review is established by the review body of allowances for Members, it is exactly the sort of problem that it can assess and upon which it can make recommendations.

Mr. George Cunningham: A few minutes ago, and quite rightly, the right hon. Gentleman said that the House is always free to substitute its figure for one that is tabled by the Government in the opinion-expressing motion, and that that has always been the tradition of the House in dealing with this subject. That only makes sense if the Leader of the House is prepared also to say that when the House does pass—I do not think that it will do so tonight because I think that it will pass the opinion-expressing motion as it stands on the Paper—an amendment which raises the figure in the opinion-expressing motion, the

Government will accept that as a decision of the House, and will then that night or on another night bring forward an amended, perfected motion to reflect the amended opinion-expressing motion which the House will then carry. Can the Leader of the House tell us whether that is his attitude on how these matters should be handled?

Mr. Biffen: No, I do not think that I can. I understand the point that the hon. Gentleman is making. The relationship between the House and the Government has not been at its happiest and most harmonious on these matters in recent years. I am proposing a modest step forward. I hope that it will take place in circumstances that will lead gradually to a better relationship that will not lead to the clashes that we have had in the recent past. There is nothing that I can say or pledge that will meet the hon. Gentleman's point in the way that he puts it. I think that the House will prefer me to say that in all candour. At the end of the day, these are matters in which the Government have a material political interest and they cannot abdicate the role which has often been performed by all Governments.

I return to the text of my speech as opposed to dealing with the amendments on the Order Paper. As is usual, no motions have been tabled on Members' other allowances—namely, the additional cost allowance, the London allowance and the car mileage allowance. These allowances will be adjusted in the normal way following changes in the equivalent Civil Service allowances. However, there is one small change that I now propose concerning travel arrangements for Members' families. As things stand, Members' spouses are entitled to up to 15 free return journeys to Westminster on parliamentary business. My predecessor received representations from several hon. Members to the effect that, for Members with young families, the spouse could not generally travel to Westminster without bringing the children, and that the free travel warrant system for spouses should therefore be extended to children, within the existing limits.

The Government accept that this is a reasonable proposition and the motion before the House provides for Members' children under 18 years to travel free to Westminster under the same conditions as currently apply to spouses. The total number of free return journeys available to Members' families will remain at 15 a year.

The motion on Ministers' pay invites the House to approve the draft order which increases the pay of Ministers and other office holders by 4 per cent. The rates shown in the order for the Prime Minister and the Lord Chancellor are the rates that may be paid to the holders of these offices and will apply for pension purposes. However, as in previous years, my right hon. Friend and my right hon. and noble Friend will draw only the same salary as their Cabinet colleagues.

Mr. John Silkin: Is the Government's generosity towards the children of Members such that the number of free warrants will not be increased? Indeed, the Government will gain because in the majority of cases the children will have travelled for half price on the railway. The Government will be the gainer of half an adult's ticket.

Mr. Biffen: The right hon. Gentleman makes a fair debating point. However, the request for this reform, if I may dignify it by that description, came from Labour Back Benchers. I do not think that they will be as dismissive of

its symbolism as the right hon. Gentleman is. However, it is true that the entitlement is not increased as a result of this decision. The possibility of its utilisation may be further enhanced.

Mr. Silkin: Surely the Government will gain by this piece of so-called generosity because two children will travel for the same price to the Government as one adult. Therefore, in giving a ticket to a child they are gaining half an adult's ticket.

Mr. Biffen: I am grateful to know that in a previous Treasury incarnation I should be as pleased about the reform as I think I am pleased about it in my role as Leader of the House.

Mr. Barry Sheerman (Huddersfield, East): Surely the Government would have been more generous if they had considered carefully the basis of allowances for spouses and children. One of the penalties of being a Member of this place is being estranged from one's family. We should have free access to our children, and that is what most of us want. We are grateful for any flexibility in the system, but I have four children and I like to see them as much as possible. I do not think that I should be rationed on how often I can see them.

Mr. Biffen: The House should reflect seriously before giving to itself privileges for children's travel which will be sought equally by those in many other occupations which involve the estrangement of families.

Mr. Sheerman: How many?

Mr. Biffen: The numbers argument is a most dangerous one to use in these circumstances. The way in which we treat ourselves is monitored most closely in the outside world. The fact that we are a mere 600-odd is not a material factor in the argument. I am distressed that what was an attempt to have a more generous interpretation of the spouse allowance has resulted in an attack on the Treasury Bench for apparent niggardliness.

The last motion standing in my name on the Order Paper concerns the Government's proposals for dealing with Members' pay in the longer term. Before describing them, I should like to thank the Select Committee on Members' Salaries, whose report forms the starting point of what I shall have to say, for all its efforts. Members' pay is a notoriously difficult subject for the House and, even though I am not able to agree with all its conclusions in every respect, I consider that the Select Committee has presented the House with a most constructive report.

The Select Committee recommended, first, that there should be a review of Members' pay by the Top Salaries Review Body once during the fourth year of each Parliament. If this were precluded by shortened Parliaments a new review should be undertaken not more than four years after the salaries derived from the previous review became payable. The Select Committee's second recommendation was that there should be annual automatic interim adjustments of salaries by reference to increases in the nearest percentile of the new earnings survey.

The Government accept the first of these recommendations. There is great value in having a completely independent review of Members' salaries. If the question were left entirely to the House, I suspect that we should have great difficulty in arriving at an acceptable figure. Moreover, there would certainly be some public suspicion

[Mr. Biffen]

that we were treating ourselves too generously, even if precisely the reverse was the case. I believe that having the independent review towards the end of each Parliament is sensible. If, however, a shortened Parliament knocks us off course, there is nothing to stop us from having two reviews separated by less than four years to get us back on it again.

The coming year is the fourth one of this Parliament. Subject to the views of the House, therefore, we propose to ask the TSRB to conduct a review in time for next year's debate on Members' pay. We should also ask them to review Ministers' pay, the secretarial allowance, and such other aspects of Members' pay, in the broad sense specified by the Select Committee, as may need to be looked at.

How Members' pay is adjusted between reviews also poses a problem. The Government reluctantly accept that there should be some form of adjustment by reference to changes in outside salaries, that is, some form of linkage. We have no enthusiasm for the idea, but, in view of resolutions of the House on the subject in recent years and of what the Select Committee says, we accept it. However, we cannot agree that the link should be automatic or that it should be with the new earnings survey. Although there are examples of pay increases operated by an automatic formula, it is not a practice I believe should be further entrenched and certainly not in an area as sensitive as Members' salaries.

Mr. Gregor MacKenzie (Rutherglen): I am a little puzzled by the Government's reluctance to link pay with an outside body. A few moments ago the Leader of the House said that he was not able to tell us what car allowances and London allowances would be in the year ahead because he had to wait until such time as those figures had been sorted out for the Civil Service. We seem to be linked to the Civil Service for our car and living in London allowances, but apparently it is obnoxious to the right hon. Gentleman to have similar linkage on salary. Some of us are a little puzzled about his attitude on the question.

Mr. Biffen: The Select Committee was not proposing a linkage in respect of salaries. We are discussing the interim increases between the four-yearly review by the Top Salaries Review Body and what form of linkage would be appropriate for that practice. I should strongly discourage the concept that the House should expect for itself some kind of automatic pay increase that proceeded by some stealthy manner or some wholly irreversible manner—for that is what it would seem to do. If the House is not prepared to accept the responsibility of discussing these things once a year, then there will be a great deal of well-justified anxiety and suspicion about how we concluded these matters.

As for the form of the link, whatever may be the relationship in the long run between average earnings and those in the public service, it is right in principle that MPs' pay should keep in step with that of public servants. Any other system would be certain to give rise to bad feeling. Moreover, the new earnings survey is published in November and covers earnings in the year ending with the previous April. The changes that it records are therefore,

on average, over a year old when it is published. That could give rise to great difficulty in a period when the rate of increase in pay settlements was falling.

As an alternative, we propose that between reviews the Government should move annual motions to effect changes in Members' salaries and in so doing should be guided by the average change in the rates of pay of appropriate groups in the public service for the period concerned. There are several important points in that formulation. The first is that, as now, Members' pay would be adjusted following an annual debate. There would not be an automatic adjustment. The second is that, although the Government would be guided by the average increase for particular public service groups, and would normally expect to propose to the House an adjustment in Members' pay that corresponded to the average, there could be circumstances where that course could not be followed for one reason or another. In short, the Government reserve the right to respond flexibly to exceptional circumstances.

The motion refers to "appropriate groups in the public service". The groups that I have in mind are the non-industrial Civil Service, primary and secondary teachers, National Health Service doctors, dentists and administrators. It is not necessary to make a final decision about the groups to be included at this stage. However, the general principles are clear. The groups should represent a widely based segment of the public services but particular groups to whom the Government have given special commitments, such as the Armed Forces and the police, should be excluded. As I envisage that the average pay increase for all groups would be weighted by numbers in the group, there would be little point in including numerically small groups. The groups that I have mentioned all have their settlement date on 1 April. That is useful as it means that, on the one hand, the changes in pay would be recent, unlike the new earnings survey link, and, on the other, that the settlements should have been concluded in time for a debate on Members' pay before the Summer Recess.

The Government do not propose to apply linkage to Minister's pay, or to the secretarial allowance. Between Top Salaries Review Body reviews those items would be revised on an ad hoc basis.

Much passion is aroused by the question of linkage, but in the scheme that I have outlined and that recommended by the Select Committee it is only of secondary importance. The periodic reviews by the TSRB will be the chief means of keeping Members' pay on a satisfactory basis. Providing that those are undertaken regularly, it does not matter much if the interim arrangements are approximate rather than precise.

Amendments have been tabled which concern these resolutions. The first, which deals with the important matters of pension and severance pay, was tabled by the right hon. Member for Deptford. The hon. Member for York (Mr. Lyon) tabled an amendment on pensions, but it was not selected. I understand the concern about severance pay, although it has been examined in the past. However, it would be appropriate, if the House votes for the Government motion this evening, that the Top Salaries Review Body should undertake this autumn a consideration of the matters that are dealt with in those amendments.

There are other amendments in the name of the right hon. Member for Deptford (Mr. Silkin) and my right hon. and learned Friend the Member for Hendon, South (Mr.

Thomas) that invite the House to accept the full Select Committee report without addition, adjustment or amendment. The House is confronted with a straight choice this evening in the Lobbies. The first is, about the comparita that will be used for calculating the interim increases. I have explained our reservations about the new earnings survey as a means of securing the comparisons because we believe that the range of public sector settlements is more appropriate.

The second is whether the increase that will be derived from the comparita should be automatic, as are the mileage allowance or the additional cost changes, or whether it should be the subject of debate, endorsement and confirmation by the House each year. It would be a most significant and dubious departure if we proceeded to a position whereby the annual increase was made automatically without any possibility of judgment in the House. That is why I believe that the arrangements for accepting much of the spirit of the Select Committee's report, buttressed by the Government's proposals, will enhance what is before the House. I hope that we can come to a broad and settled view. The Government's response to the Select Committee's recommendations has been sympathetic and is none the worse because it has not been an unconditional endorsement.

If the House supports the proposals that I have outlined, we shall have taken a modest step in the direction of freeing Members' pay from the capricious circumstances that have attended it in recent years. No doubt we shall have our quota of problems in the future, but I hope that we can avoid the worst pitfalls. I am sure that the House will not expect a perfect arrangement, but I am convinced that the Government's proposals offer a modest and tangible way forward.

8.43 pm

Mr. Charles R. Morris (Manchester, Openshaw): I beg to move amendment (a), to leave out "£14,510" and insert "£14,787".

I understand that it will be convenient also to take the following amendments:

(b), to leave out "£8,460" and insert "£8,618".

(a) to motion No. 4, to leave out "£8,752" and insert "£9,022".

(b) to motion No. 4, to leave out "£8,820" and insert "£9,158".

(c) to motion No. 4, at end add

"(c) additionally, that in those cases where individual Members can authenticate the expenditure they be reimbursed for the payment of an annual London weighting allowance of £1,087 to their secretaries".

(a) to motion No. 7, to leave out from "1982" to end of motion and add

"and agrees with the recommendations of that Report".

(b) to motion No. 7, to leave out from "payable" to end and add

'(c) agrees with the view expressed in that Report that, between such reviews Members salaries should be adjusted annually by reference to increases in outside salaries as indicated in the nearest percentile in the Department of Employment's New Earnings Survey.

(d) does not accept the view in that Report that the question of Members' pensions and severance payments should be subsumed under the general heading of "Pay" to await consideration in the context of the next general review of Members' pay, but is of the opinion that, in the light of anomalies inherent in the present severance

arrangements and the increased insecurity attached to the role of a Member, the Top Salaries Review Body be requested to undertake an urgent review of pension and severance arrangements and make recommendations accordingly.'

I preface my contribution to the debate by paying tribute to the Chairman and members of the Select Committee, whose report provides a valuable and helpful backcloth to the debate. If I have decided reservations about some features of their recommendations, that is in no way a reflection on the diligent and responsible way in which they have carried out their task. Having read their report, I also wish to express my appreciation of the oral evidence of the right hon. Member for Taunton (Mr. du Cann), my right hon. Friend the Member for Sunderland, North (Mr. Willey) and, of course, my hon. Friend the Member for Easington (Mr. Dormand) for the continuing work that he has undertaken on behalf of Labour Members.

I have listened attentively to the Leader of the House. Parliamentary salaries should not be so generous as to be an attraction in themselves nor so low as to discourage able aspirants from seeking membership of the House. Members have a right to a fair and reasonable scale of remuneration and a salary sufficient to enable them to do what their constituents increasingly expect of them—to devote a major part of their time, if not their whole time, to their parliamentary duties. It is on the basis of that simple proposition that I take issue with the figures in the motion tabled by the Leader of the House on behalf of the Government.

Right hon. and hon. Members on both sides of the House accept that parliamentary salaries cannot be fully protected, nor indeed isolated, from the consequences of economic inflation. Nor is anyone in the House impervious to the political sensitivities, to which the Leader of the House referred, surrounding the question of Members' pay and allowances. It is time we started distinguishing myth from reality in this issue.

It is a myth that the sustained restraint and self-discipline which Members have exercised over many years in regard to parliamentary pay has ever persuaded anyone to follow our example. The reality is that, during the last 20 years, there is no recorded case of any group—administrative, professional or manual—ever following the lead in pay restraint demonstrated by Members of the House.

If we take the operative date of the proposed annual interim increases, 13 June, in the context of the annual wage cycle, we are at the end of the queue. I suspect that we have been deliberately pushed to the end of the pay round so that parliamentary pay will not be taken as a lead—

Mrs. Kellett-Bowman: Even if one were to accept the right hon. Gentleman's argument that people do not follow us when we are restrained, would he not agree that if we were unrestrained at a time when they are being restrained, it would have the opposite effect and we would be setting an extremely bad example?

Mr. Morris: I can understand the feelings which have generated that thought in the hon. Lady's mind, but I cannot recall an occasion when increases given to Members and Ministers could ever be designated as unrestrained. I invite the hon. Lady or, indeed, any hon.

There are hon. Members who represent constituencies in the provinces and who have secretaries there. Of course, the cost of living is more in London. We have all accepted that. We accepted it for ourselves. There is nothing unusual about that.

Mr. Terence Higgins (Worthing): Hon. Members who do not have London constituencies but who live in London and have no other residence do not get a London weighting.

Mr. Silkin: That is perfectly true, but on the other hand they get allowances that London Members do not get, as the right hon. Gentleman knows.

Mr. Higgins: The right hon. Gentleman is wrong. Those hon. Members in the circumstances that I have just described do not get any allowance whatever.

Mr. Silkin: I stand corrected. I am astonished. I thought that London Members did rather worse than provincial Members. Perhaps the Leader of the House can enlighten us on this, I see that he remains seated. I thought that he, as the Leader of the House and a provincial Member must know. Perhaps we can compromise the issue. I do not want to take up too much time.

If the Inner London allowance is paid to London Members, it strengthens the case for a large Inner London allowance for provincial Members. Perhaps the right hon. Member for Worthing (Mr. Higgins) will begin to press for that. I am astonished that he has not tabled an amendment on that. //

Mr. Biffen: My silence was intended to be a mercy to the House. I should explain that I am certain that the circumstances of my right hon. Friend the Member for Worthing (Mr. Higgins) are quite different from mine, as a Member of Parliament for a rural area and as an office holder. However, I think that I fully understand my right hon. Friend's point.

Mr. Silkin: The right hon. Member for Worthing (Mr. Higgins) has had his fun, but next time he should table an amendment. He should speak on it in the relevant context. We are discussing not payments to hon. Members, but payments to secretaries. We are discussing why they should receive Inner London waiting. They work alongside secretaries who receive Inner London waiting. Inner London waiting is not unusual. Let us consider the allowance. We have an extraordinary idea of what a top salary is. Can it be that £14,000 is a top salary? That is our salary and it is subject to the Review body on Top Salaries. We have a most extraordinary idea of a top salary.

We must do something about our secretaries. As the Leader of the House said, the relationship between a Member of Parliament and his secretary is an important, personal political relationship. However, it is a financial relationship in which the secretary gives of her time and career so that she can assist the Member of Parliament. It is not right that secretaries should have to take what little there is available. If, as the right hon. Member for Taunton (Mr. du Cann) said, we were paid sufficiently, we could pay our secretaries out of that amount. No doubt that was true in David Lloyd George's day. However, the modern equivalent of £400 in 1912 is £40,000 a year. I would willingly make that exchange.

We have not debated the subject of severance payments in detail, but I shall spend three minutes on it. Any hon.

Member who leaves the House can get a severance payment, subject to age and length of service; ranging from six to 12 months. However, the conditions vary slightly. For example, if one's constituency disappears in a major boundary redistribution one becomes eligible. The difference between a major and a minor redistribution might be only two constituents. If an hon. Member is defeated in an election he is also eligible. However, any hon. Member can make himself eligible, even if there is no major redistribution and even if he does not contest his seat. He need put down a deposit of only £150 in any constituency. He need take no part in the election, but he is then entitled. I am over 50—although hon. Members may not have guessed it—and have been a Member of Parliament for more than 15 years, although hon. Members will be unaware of that fact. Therefore I am entitled to a year's severance pay. I need only contest a constituency such as Oswestry at the next election to get a year's severance pay. How ridiculous.

In other words, the House has said that if an hon. Member wants to get his severance pay he can do so. Why not say that every hon. Member—whether he retires, is defeated or is the victim of a boundary redistribution—should receive severance pay on the scale laid down. It is not a generous scale. If we slightly amended the Congress resolution and provided that no civil servant may do better in any way than a Member of Parliament, there would be a great difference. Civil servants do extremely well in comparison with us when it comes to retirement pensions.

I conclude by saying that I think that there are three issues on which the House should divide. These issues are the percentage increase for Members of Parliament—I believe that it should be 6 per cent. and not 4 per cent.—the secretarial allowance and severance pay. There will be free votes, of course, and I cannot bind anyone. I do not wish to do so.

Mr. Biffen: This has been a fairly lengthy debate, although not particularly so by the standard of debates on this subject. The debate has had its nuances and changes of mood. It was much enlivened in its later stages by the hon. Member for Ince (Mr. McGuire), who must have been inspired by the consideration of the Northern Ireland Bill. The hon. Gentleman brought to our proceedings an encyclopaedic consideration of our problems, which added to the charm and compelling nature of his case. Alas, I cannot accept his arguments on linkage.

The hon. Member for Nottingham, West (Mr. English) said that this was a baptism of fire for me, and that is probably true. Given that there is real diffidence about considering these matters in the House, the debate has proceeded in a good, measured and constructive fashion. For all our allegations of cowardice and almost total reluctance to address ourselves to these great issues on pay, it seems that we overcame our inhibitions. In doing so we were immensely assisted by my right hon. and learned Friend the Member for Hendon, South (Mr. Thomas) and by all those who served with him on the Select Committee. —

It is proposed in the motion that Members' pay and the secretarial allowances should increase by 4 per cent., which reflects the pay factor in the Estimates. This has not been universally welcomed in the House, but I was reinforced by the support that I received from my right hon. Friend the Member for Taunton (Mr. du Cann). I note

[Mr. Biffen]

that the right hon. Member for Deptford (Mr. Silkin) intends to divide the House on Members' pay. The increase of 4 per cent. is a value-judgment figure. It is somewhat less than generous, but it is defensible.

Mr. Mike Thomas: Is there a group of workers covered by the Estimates which has been offered 4 per cent. and accepted it?

Mr. Biffen: There is not. If I had had such evidence, I should have used it.

The proposals for the secretarial allowance have given rise to a sharp feeling of anxiety. I take note of the speeches of the right hon. Member for Manchester, Openshaw (Mr. Morris) and of the hon. Member for Sheffield, Heeley (Mr. Hooley). I accept that there is concern about the comparison to be drawn between what happens to those who are employed in the Civil Service and work alongside secretaries employed by Members and what happens to Members' secretaries themselves. The differences in terms and conditions give rise to problems. That is why it is important that the review body should have an early remit to consider the allowances. In that context, I also took note of the argument put forward by the hon. Members for Cardigan (Mr. Howells) and for Nottingham, West, that not only the sums, but the way in which the sums are paid are matters for consideration by that body.

The debate has also ranged widely on matters other than pay. Perhaps the most significant single topic that featured in the speeches was that of pensions. My right hon. Friend the Member for Taunton has made his views on this subject clear on many occasions. I am sure that the House was pleased to have those views reinforced this evening. He again marched in step with the right hon. Member for Openshaw.

The hon. Member for York (Mr. Lyon) made a particularly effective and poignant speech, in which he referred to some of the difficulties faced by our colleagues after their defeat at the last election. I sense that this is something on which feelings in the House are not only strong, but are rising. Although the TSRB has recently examined pensions, it is appropriate that this should again be one of its early considerations.

The hon. Member for Glasgow, Provan (Mr. Brown) made a powerful speech on the problems of severance. The matter was also mentioned by the right hon. Member for Deptford. Although I sound as though I am passing the ball down the line, it is a fact that no really effective judgments can be made on these matters until we have the measured judgment of the TSRB. The important thing is to have these matters remitted to it as speedily as possible so that it can begin its work this autumn.

Needless to say, during the debate the question of the general level of Members' pay was raised. My hon. Friend the Member for Woolwich, West (Mr. Bottomley) made a distinguished speech. It was the only one that supported my position, and I am extremely grateful to him for so doing. He said that the absolute level of Members' pay was unacceptably low, and he hoped a remedy would soon be found. I enjoyed his powerful contribution.

The item that formed the core of the debate, notwithstanding the importance of the 4 per cent. issue was the report of the Select Committee. I welcomed the words of the right hon. Member for Deptford on the importance

of the TSRB. One or two previous remarks by his hon. Friend the Member for Norwich, South (Mr. Garrett), could at least bear the interpretation of his being somewhat less than enthusiastic about it.

We shall not proceed to a more settled consideration of these matters unless the review body has the fullhearted support and confidence of the House. Central to the recommendations of the Select Committee is the role of the review body.

Mr. George Cunningham: That sticks in the craw of many of us a great deal. Apart from the fact that Governments have on many occasions rejected the recommendations of the Committee, in this Parliament the Prime Minister gave a promise to the review body that the Government would implement what it next recommended. She went back on that promise, and the right hon. Member voted in the Cabinet to support her.

Mr. Biffen: If the hon. Gentleman feels that there has been a deplorable standard of conduct by successive Governments in respect of the review body, I only hope that at this hour he will feel sufficiently uplifted by my charitable comments about the body to take encouragement and not repudiate me as though I were here to perform a cynical exercise.

As to the work of the Select Committee and the Government's reaction to it, I understand that the authors of the report are rather disappointed that it has not been accepted in full by the Government, but I doubt whether the Government's reaction merits some of the language used in the debate. The hon. Member for Provan said that the Government's reaction was a "slap in the face" to the Select Committee. My hon. Friend the Member for North Fylde (Sir W. Clegg) said that the Government's reaction was "cynical". My hon. Friend the Member for Sevenoaks (Mr. Wolfson) said that he was unwilling to trust the Government—I do not mean that in the harsh sense—in the light of their past behaviour.

The difficulty has been the Government's reaction to the choice of comparator for the linkage and whether the figure produced by the comparator should be automatic or should come to the House for authority. My right hon. and learned Friend the Member for Hendon, South, the Chairman of the Committee, said that the House could not abandon its ultimate responsibility for determining Members' salaries. Are the Government entitled to say "We accept the principle of linkage, although we have a different comparator from the new earnings survey, but we believe that it would be unwise to establish the precedent of automatic pay increases during a four-year period where the House did not have the responsibility or was not required to make a judgment on those matters."

The comparator of the new earnings survey is not the most satisfactory. I gave some reasons for that in my opening speech. I inquired about the percentage change in earnings within the lifetime of this Parliament. The new earnings survey comes up with a figure of plus 53 per cent., against average earnings of plus 36 per cent. If that was believed to be the means whereby an automatic pay increase would be secured, the position would be politically embarrassing and would demonstrate the wisdom of having another comparator and of the House being entitled to have a view on the matter.

For those reasons, I ask my hon. Friends to support the Government's adjustments to the Select Committee report, because I believe that that is the best way in which to proceed.

Question put, That the amendment be made:—

The House divided: Ayes 41, Noes 136.

Division No. 201]

[12.09 am

AYES

Atkinson, N. (H'gey.)
Bagier, Gordon A.T.
Benn, Rt Hon Tony
Booth, Rt Hon Albert
Brown, Hugh D. (Provan)
Campbell-Savours, Dale
Carter-Jones, Lewis
Cocks, Rt Hon M. (B'stol S)
Cohen, Stanley
Cook, Robin F.
Cowans, Harry
Crowther, Stan
Cunningham, G. (Islington S)
Davis, Clinton (Hackney C)
Davis, Terry (B'ham, Stechf'd)
Dormand, Jack
Evans, John (Newton)
Foster, Derek
Garrett, John (Norwich S)
Harrison, Rt Hon Walter
Home Robertson, John
Howells, Geraint
Lyon, Alexander (York)

McDonald, Dr Oonagh
McGuire, Michael (Ince)
McKay, Allen (Penistone)
McNamara, Kevin
Mitchell, Austin (Grimsby)
Morris, Rt Hon A. (W'shawe)
Morris, Rt Hon C. (O'shaw)
Price, C. (Lewisham W)
Sheldon, Rt Hon R.
Silkin, Rt Hon J. (Deptford)
Snape, Peter
Soley, Clive
Spearing, Nigel
Stoddart, David
Straw, Jack
Walker, Rt Hon H. (D'caster)
Whitehead, Phillip
Woolmer, Kenneth

Tellers for the Ayes:

Mr. Michael English and
Mr. Frank Hooley.

NOES

Allison, Rt Hon Michael
Ancram, Michael
Baker, Kenneth (St. M'bone)
Baker, Nicholas (NDorset)
Beaumont-Dark, Anthony
Berry, Hon Anthony
Best, Keith
Biffen, Rt Hon John
Blaker, Peter
Boscawen, Hon Robert
Bottomley, Peter (W'wich W)
Boyson, Dr Rhodes
Brittan, Rt. Hon. Leon
Brooke, Hon Peter
Bruce-Gardyne, John
Bryan, Sir Paul
Buchanan-Smith, Rt. Hon. A.
Buck, Antony
Butcher, John
Cadbury, Jocelyn
Carlisle, Kenneth (Lincoln)
Chalker, Mrs. Lynda
Channon, Rt. Hon. Paul
Chapman, Sydney
Clark, Sir W. (Croydon S)
Clarke, Kenneth (Rushcliffe)
Clegg, Sir Walter
Cope, John
du Cann, Rt Hon Edward
Dunn, Robert (Dartford)
Edwards, Rt Hon N. (P'broke)
Eggar, Tim
Eyre, Reginald
Fenner, Mrs Peggy
Flinsberg, Geoffrey
Fletcher, A. (Ed'nb'gh N)
Fletcher-Cooke, Sir Charles
Forman, Nigel
Fowler, Rt Hon Norman
Fraser, Peter (South Angus)
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhew, Sir Victor
Goodlad, Alastair
Greenway, Harry

Griffiths, E. (B'ySt. Edm'ds)
Hamilton, Hon A.
Hamilton, Michael (Salisbury)
Hampson, Dr Keith
Havers, Rt Hon Sir Michael
Hawkins, Paul
Hayhoe, Barney
Heseltine, Rt Hon Michael
Higgins, Rt Hon Terence L.
Hogg, Hon Douglas (Gr'th'm)
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. (G'ldf'd)
Hurd, Rt Hon Douglas
Jenkin, Rt Hon Patrick
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
King, Rt Hon Tom
Lamont, Norman
Lang, Ian
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John
Lyll, Nicholas
Macfarlane, Neil
MacGregor, John
McNair-Wilson, M. (N'bury)
Major, John
Marlow, Antony
Marten, Rt Hon Neil
Mather, Carol
Mayhew, Patrick
Mellor, David
Miller, Hal (B'grove)
Mills, Iain (Meriden)
Miscampbell, Norman
Mitchell, David (Basingstoke)
Moate, Roger
Moore, John
Morrison, Hon C. (Devizes)
Morrison, Hon P. (Chester)
Myles, David
Nelson, Anthony
Newton, Tony
Onslow, Cranley
Page, Richard (SW Herts)

Parkinson, Rt Hon Cecil
Patten, John (Oxford)
Pawsey, James
Percival, Sir Ian
Pollock, Alexander
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Peter (Dover and Deal)
Rees-Davies, W. R.
Rhys Williams, Sir Brandon
Ridley, Hon Nicholas
Rifkind, Malcolm
Roberts, M. (Cardiff NW)
Roberts, Wyn (Conway)
Rossi, Hugh
Sainsbury, Hon Timothy
Shaw, Michael (Scarborough)
Shelton, William (Streatham)
Silvester, Fred
Sims, Roger
Skinner, Dennis
Stewart, A. (ERenfrewshire)
Stewart, Ian (Hitchin)
Stradling Thomas, J.
Tebbit, Rt Hon Norman

Thomas, Rt Hon Peter
Thompson, Donald
Thornton, Malcolm
Townend, John (Bridlington)
Trippier, David
Vaughan, Dr Gerard
Viggers, Peter
Waddington, David
Wakeham, John
Waldegrave, Hon William
Walker, Rt Hon P. (W'cester)
Waller, Gary
Ward, John
Warren, Kenneth
Wells, Bowen
Whitelaw, Rt Hon William
Wiggin, Jerry
Winterton, Nicholas
Wolfson, Mark
Young, Sir George (Acton)
Younger, Rt Hon George

Tellers for the Noes:

Mr. David Hunt and
Mr. Selwyn Gummer.

Question accordingly negated.

Main Question put and agreed to.

Resolved,

That, in the opinion of this House, the salaries payable to Members of this House in respect of service on and after 13th June 1982 should be at the following yearly rates—

- (1) £14,510 for Members not falling within paragraph (2); and
- (2) £8,460 for Officers of this House and Members receiving a salary under the Ministerial and Other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972.—[Mr. Biffen.]

MEMBERS' SALARIES

Queen's Recommendation having been signified—

Resolved,

That the salaries payable to Members of this House in respect of service on and after 13th June 1982 should be at the following yearly rates—

- (1) £14,510 for Members not falling within paragraph (2); and
- (2) £8,460 for Officers of this House and Members receiving a salary under the Ministerial and Other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972.—[Mr. Biffen.]

MEMBERS' OFFICE, SECRETARIAL AND RESEARCH ALLOWANCE

Motion made, and Question proposed,

That, in the opinion of this House, the limits specified in the Resolution of this House of 5th June 1981 in relation to the allowances payable in connection with a Member's office, secretarial and research expenses should be raised so as to make the limits—

- (a) in paragraph (a) of the Resolution (allowance in respect of aggregate amount of general office expenses and expenses on secretarial and research assistance), £8,752 for the year ending 31st March 1983 and £8,820 for any subsequent year; and
- (b) in paragraph (b) of that Resolution (provision for enabling a Member to make pension contributions in respect of persons in the payment of whose salaries expenses are incurred by him), £875 for the year ending 31st March 1983 and £882 for any subsequent year.—[Mr. Biffen.]

Amendment proposed: (a), to leave out '£8,752' and insert '£9,022'.—[Mr. John Silkin.]

Question put, That the amendment be made:—

The House divided: Ayes 44, Noes 132.

Division No. 202]

[12.22 am

AYES

Atkinson, N. (H'gey.)
Benn, Rt Hon Tony

Booth, Rt Hon Albert
Brown, Hugh D. (Provan)