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7A *Agenda*

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

TOP SALARY REVIEW BODY REPORT NO 19

As you know, we have yet to take decisions on the recommendations made in Top Salary Review Body (TSRB) Report No 19 concerning the higher Civil Service, Senior Officers of the Armed Forces and the Judiciary. This Report was laid before Parliament shortly before the dissolution in May, without comment by the Government.

The proposals

2. The Report recommends average increases over the 1982 recommended figures of 6.9 per cent. In addition, it recommends that the abatement applied by the Government to the 1982 recommendations should now be made good. This amounts to slightly less than 5 per cent on average. The total increases recommended thus amount to slightly less than 11.9 per cent on average.
- 3. Annex A shows the salaries recommended for 1982, the salaries currently in payment and the salaries recommended for 1983. New salaries would be payable from 1 April 1983. The cost of implementing the Report's proposals in full would be £2.1 million per annum for the higher Civil Service, £0.6 million for Senior Members of the Armed Forces and £3.3 million for the Judiciary. This expenditure would be spread over a number of Departmental Votes and, in the case of a large part of the Judiciary, the Consolidated Fund. I would look to colleagues to contain the costs within their existing cash limits on the same basis as we agreed for the generality of the non-industrial Civil Service pay settlement in April.
4. It is worth noting that this Report is one of four. We have also had the Report of the Armed Forces Pay Review Body (AFPRB) and the Doctors' and Dentists' Review Body (DDRB), and also the TSRB Report on MPs' and Ministers' Pay and Allowances. Before the Election, we accepted the Report of the AFPRB,



which added 7.2 per cent to the 1983-84 pay bill. We accepted the recommendations of the DDRB which added about 7 per cent to the cost of the 1982 recommendations, and also agreed that the existing abatement of 2.7 per cent should be made good from 1 January 1984. We have yet to take a decision on MPs' and Ministers' pay and allowances, on which you have the Lord Privy Seal's minute of 24 June.

Top Public Servants - the options

5. I believe there are broadly three courses open to us in respect of TSRB Report No 19:-

- a. To implement the Report's recommendations in full from 1 April 1983.
- b. To implement the Report's recommendations in full but in two stages, on the lines adopted for the DDRB Report.
- c. To award less than the Report recommends.

6. Option A would be consistent with your statement, when commenting on the last Report, that there were "sound management reasons for bringing [the salaries of this group] up to date quickly and for keeping them up to date in future". The Council of Civil Service Unions have urged this option and there is something to be said for wiping the slate clean.

7. On the other hand this would conflict with the line we have taken on the DDRB. Moreover, increases of 11.9 per cent on average would stick out against the general run of current pay settlements (around 5 to 6 per cent) and could adversely affect the next pay round.

8. Option B would follow the line adopted for the DDRB Report by implementing the average increases of 6.9 per cent from April 1983 but making good the 5 per cent abatement from 1 January 1984. The effect would be to reduce the average increase in pay in 1983-84 from 11.9 per cent to 8.1 per cent.



The cost in 1983-84 would be around £4.1 million, compared with £6 million under Option A (though for later years, of course, the costs of Option A and Option B are the same).

9. Moving to Option C, we could choose any figure below 11.9 per cent. For instance, we could effectively set the Report on one side and propose an award of, say, 5 per cent, on the grounds that this represented the percentage increase being paid to a large number of Civil Service employees and other groups. However, the most obvious course would be to accept the recommended average increase of 6.9 per cent but not make good the abatement of 5 per cent. In terms of effective percentage increase and costs, the difference between this and Option B is not great for 1983-84, although it would yield bigger savings in later years, if it could be made to stick - the TSRB next year would certainly return to the question.

10. My own preference is for a variant of Option C - immediate implementation of the 6.9 per cent average increase but no restoration of the 5 per cent abatement. I believe this would have the least damaging effect on the coming pay round and would put least pressure on public expenditure.

11. Nevertheless, I recognise from our discussion in Cabinet before the Election that colleagues may take a different view and the DDRB precedent is, of course, a strong one. I would therefore be reluctantly prepared to accept Option B, provided the decision could be announced before the Recess. It could then be seen as an issue left over from the 1982-83 pay round, rather than as a first step in the 1983-84 round. Whatever we decide, I shall look to colleagues to absorb the costs on the basis set out at the end of paragraph 3 above.

12. I am sending copies of this minute to the Lord President, the Lord Chancellor, the Lord Privy Seal, the Secretary of State for Defence, the Secretary of State for Employment, the Chief Whip and Sir Robert Armstrong.

Margaret O'Hara

(N.L.)

29 June 1983

*[Approved by the Chancellor and signed
in his absence]*

	Salaries recommended as appropriate at 1 April 1982	Salaries currently in payment	Salaries recommended as appropriate at 1 April 1983	Numbers in post at 1 January 1983
	£	£	£	
<u>Senior grades of the higher civil service</u>				
Secretary of the Cabinet	) 45,000	42,000	48,000	2
Permanent Secretary to the Treasury)			
Permanent Secretary	40,000	37,750	42,750	22
Second Permanent Secretary	37,000	35,000	39,500	11
Deputy Secretary	32,000	30,250	34,250	133
Under Secretary	26,000	25,000	27,750	490
<u>Senior officers in the armed forces</u>				
Admiral of the Fleet)			
Field Marshal	) 45,000	42,000	48,000	1
Marshal of the Royal Air Force)			
Admiral)			
General	) 40,000	37,750	42,750	20
Air Chief Marshal)			
Vice-Admiral)			
Lieutenant General	) 32,000	30,250	34,250	38
Air Marshal)			
Rear Admiral)			
Major General	) 26,000	25,000	27,750	158
Air Vice-Marshal)			
<u>Judiciary</u>				
Lord Chief Justice	56,000	52,500	60,000	1

Master of the Rolls)				
Lord of Appeal	)	51,500	48,250	55,000	11
Lord President of the Court of Session (Scotland))				
Lord Chief Justice (Northern Ireland)	)	50,000	47,000	53,500	2
President of the Family Division)				
Vice Chancellor)				
Lord Justice of Appeal	)	48,500	45,500	52,000	23
Lord Justice Clerk (Scotland))				
Lord Justice of Appeal (Northern Ireland))				
High Court Judge)				
Judge of the Court of Session (Scotland)	)	45,000	42,500	48,000	97
Puisne Judge (Northern Ireland))				
President, Lands Tribunal (England and Wales))				
President, Transport Tribunal)				
Chief Social Security Commissioner (England and Wales and Scotland)	)	31,500	30,000	33,750	4
President, Industrial Tribunals (England and Wales))				
President, Industrial Tribunals (Scotland))				
Sheriff Principal (Scotland))				
Chairman, Scottish Land Court)				
President, Lands Tribunal (Scotland))				
Official Referee (London))				
Vice-Chancellor of the County Palatine of Lancaster	)	30,500	29,000	32,750	21
Recorder of Liverpool)				
Recorder of Manchester)				
Senior Circuit Judge, Newington Causeway)				
Recorder of Belfast (Northern Ireland))				
President of the Lands Tribunal (Northern Ireland))				
Chief Social Security Commissioner (Northern Ireland))				

Circuit Judge)				
Chief Metropolitan Magistrate)				
Member, Lands Tribunal)				
(England and Wales and Scotland))				
Social Security Commissioner)				
(England and Wales and Scotland))				
Judge Advocate General)				
Sheriffs A and B (Scotland))				
County Court Judge (Northern Ireland)	)	29,000.	27,750	31,000	440
Master of the Court of Protection)				
Senior and Chief Masters and)				
Registrars of the Supreme Court)				
Registrar of Criminal Appeals)				
President, Industrial Tribunal)				
(Northern Ireland))				
Member, Lands Tribunal)				
(Northern Ireland))				
Social Security Commissioner)				
(Northern Ireland))				
Regional Chairmen, Industrial Tribunals)				
(England and Wales and Scotland))				
Chairman, Foreign Compensation	)	27,000	25,750	29,000	19
Commission)				
Vice-Judge Advocate General)				
Masters and Registrars of the Supreme)				
Court)				
Metropolitan Magistrate)				
Chairmen, Industrial Tribunals)				
(England and Wales and Scotland))				
Provincial Stipendiary Magistrate)				
Resident Magistrate (Northern	)	25,000	24,000	26,750	339
Ireland))				
Chairman, Industrial Tribunal)				
(Northern Ireland))				
Master, Supreme Court (Northern)				
Ireland))				
County Court Registrars and District)				
Registrars of the High Court)				

29 JUN 1983

