



10 DOWNING STREET

THE PRIME MINISTER

28 June 1982

Dear Lord Plowden,

I am writing to invite the Top Salaries Review Body to undertake a review of Parliamentary pay and allowances in time for next year's consideration of these matters by Parliament.

The Review Body were not asked to review Parliamentary pay and allowances last year because at that time the Select Committee on Members' Salaries was still considering the future method of determining Members' pay, and we did not wish to prejudge their conclusions. In the absence of TSRB recommendations the Government proposed, and Parliament accepted, increases in Members' pay, Ministers' pay, Members' secretarial allowance, and the Peers' expenses allowance of 4 per cent this year, the provision included in Estimates.

As you will be aware, the Select Committee published its report in March and recommended firstly that there should be reviews by the TSRB of Members' pay in the fourth year of each Parliament and secondly that between such reviews there should be annual automatic adjustments of Members salaries by reference to the nearest percentile in the New Earnings Survey. The Government and the House of Commons have accepted the first of these recommendations but not the second. In place of an automatic link with the New Earnings Survey, the Government proposed that in the period between TSRB reviews Members' pay should be adjusted annually by the average change in the rates of pay of appropriate groups in the Public Service, and that such adjustments should require a Resolution of the House.

/As the

da

As the coming year is the fourth one of the current Parliament, I would be most grateful if you could undertake a comprehensive review of Parliamentary pay and allowances covering each of the following items:

- i. the salary of Members of the House of Commons;
- ii. the salary of Ministers and office holders;
- iii. the level and structure of Members' Secretarial and Research Assistance Allowance;
- iv. the severance pay and pensions arrangements for MPs, including the accrual rate and the minimum retirement age;
- v. the rates of the Peers' expenses allowance and the secretarial allowance for Ministers and other paid office holders in the House of Lords.

I am aware that the TSRB has considered Parliamentary pensions and severance payments quite recently, but in view of the considerable concern expressed on these matters in the House during the debate on Members' pay and allowances on 10 June, I would be most grateful if you could review them again. The structure of the secretarial allowance has also been the subject of much comment of late and I have no doubt that representatives of Members' secretaries and individual Members themselves will wish to submit evidence to you on this subject.

I should like to add how much the Government appreciates having the informed and independent advice of the Review Body in an area as difficult as Parliamentary pay and allowances.

Yours sincerely
Raymond Stobart



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

EX JV

Parliament
Members

Prime Minister (2)

1st July 1982

MS 2/7

CF PPS
R2

ms

1
Dear Prime Minister

Thank you for your letter of June 28th in which you ask the Top Salaries Review Body to undertake a comprehensive review of Parliamentary pay and allowances. The Review Body is glad to undertake this work.

Yours sincerely
Edwin Forster

Chairman
Top Salaries Review Body

The Rt. Hon. Margaret Thatcher, MP
The Prime Minister
10 Downing Street
London SW1