



Review Body on Top Salaries

Report No. 11

**Third Report on Top
Salaries**

1979

Chairman:
**THE RT. HON. LORD BOYLE OF
HANDSWORTH**

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
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REVIEW BODY ON TOP SALARIES

The Review Body on Top Salaries was appointed in May 1971 with terms of reference to advise the Prime Minister on the remuneration of the Chairmen and members of the Boards of nationalised industries; the higher judiciary and certain other judicial appointments; senior civil servants; senior officers of the armed forces; and other groups which may be referred to it.

The members of the Review Body are:

The Rt. Hon. Lord Boyle of Handsworth, Chairman

Sir Harold Atcherley¹

Sir John Clark²

Sir George Coldstream, KCB, KCVO, QC

Lord Hirshfield

Andrew Leggatt, QC³

Lord Plowden, KCB, KBE

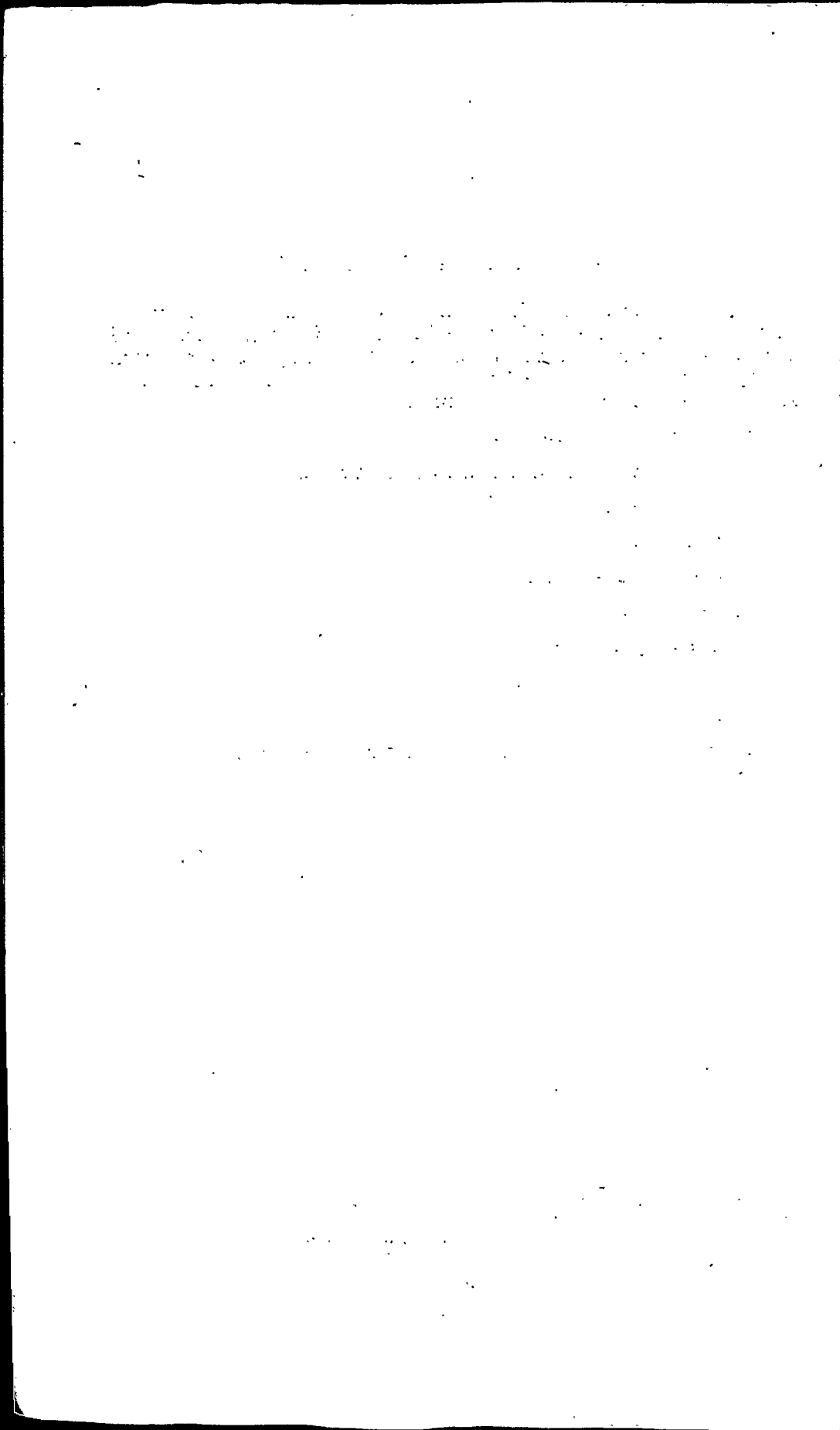
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The Secretariat is provided by the Office of Manpower Economics.

¹Also Chairman of the Review Body on Armed Forces Pay.

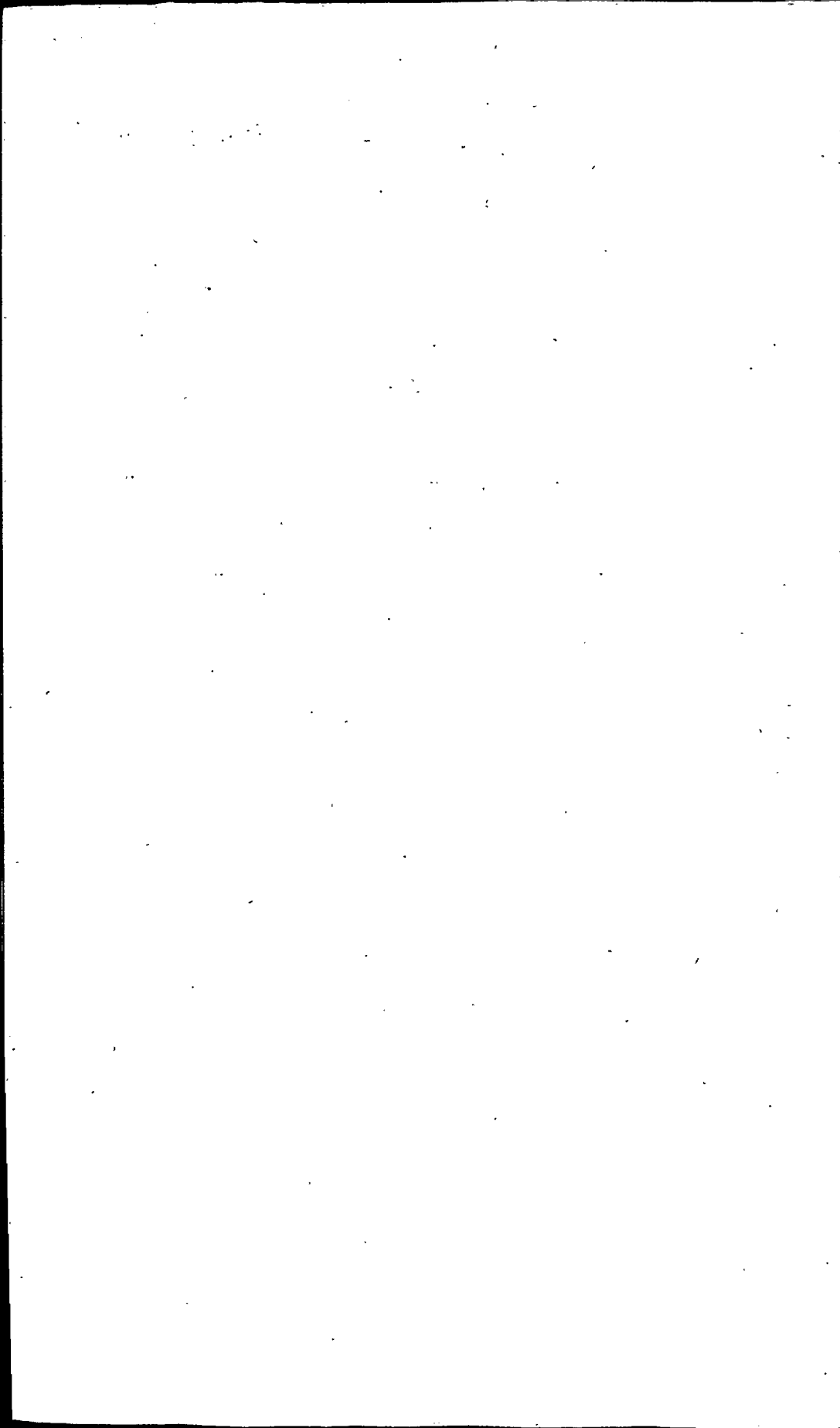
²Sir John Clark was unable to take part in this review.

³Mr. Leggatt was appointed to the Review Body by the Prime Minister in February 1979.



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THIRD REPORT ON TOP SALARIES

CHAPTER 1

INTRODUCTION

The background

1. With the submission of our Report No. 10¹ in June 1978, we completed our second major review of the four groups within our standing terms of reference since we were appointed in 1971: the senior grades of the Higher Civil Service, the senior officers of the Armed Forces, the Higher Judiciary and certain other judicial appointments, and the Chairmen and members of nationalised industry Boards. The salaries that we recommended then were those that we considered appropriate at 1 April 1978. We had decided on that occasion to move the effective date of our recommendations from 1 January to 1 April. We knew that the Government had intended to ask us to do so. And we ourselves thought it sensible to align the effective date for future pay increases, for those parts of the civil service and the armed forces pay structure within our terms of reference, with the effective date for increases in those parts of the civil service covered by negotiating arrangements and for those parts of the armed forces that are covered by the Review Body on Armed Forces Pay. A date of 1 April was also expected to narrow the gap between the different effective dates that applied to the judicial appointments within our terms of reference; a gap that arose from the need, prior to 1973, to await legislation before certain judicial salaries could be increased. It has been retained as the effective date for the recommendations in this review.

Report No. 10 and subsequent developments

2. It is important first to describe briefly the outcome of our Report No. 10 recommendations last year and the effect it has had on our decision to undertake another review at this time. The salaries recommended then are set out in full in Appendix A. These recommendations were accepted in principle by the Government, and were put into effect from 1 April 1978 for pensions purposes. Their full implementation for pay purposes, however, is to be staged over two years.

3. The first stage was effective from 1 January 1978 and involved a 10 per cent increase on all existing salaries—a payment within the main guideline of the Government's pay restraint measures for 1977-78. That date was chosen notwithstanding the fact that our own recommendations related to 1 April 1978 because, we have understood, it was the earliest date that an increase in salaries could be applied to any of the groups under the requirement of a 12-month interval between increases. It was, therefore, the earliest opportunity under the pay restraint measures that some increase could be paid to the Chairmen and members of the nationalised industry Boards, who had fared so badly after our Report No. 6 recommendations (see paragraph 5 below). Indeed, increases varying between 5 per cent and 10 per cent had already been applied to nationalised industry Board salaries with effect from that date and in advance of the

¹Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmd. 7253.

submission of our recommendations. Consequently these increases were 'topped up' to 10 per cent where necessary as part of the first stage.

4. For all the groups covered by our recommendations, the second and third stages are to be implemented from 1 April 1979 and 1 April 1980 respectively. Half of the difference between the salary introduced with effect from 1 January 1978 and the level of salary recommended in Report No. 10 is being paid as from 1 April 1979 and the balance is to be paid on 1 April 1980. This arrangement is in accordance with Government's commitment in the White Paper 'Winning the Battle Against Inflation' (paragraph 15 of Cmnd. 7293 published in July 1978) that some exceptional treatment would be needed for a small number of cases, including the groups covered by Review Bodies, and that in each case the balance over and above the maximum increase permitted under the 1977-78 pay restraint guidelines would be paid in two equal stages on the next two annual 'settlement' dates for the group concerned.

5. In the light of the restraint measures of the time, we ourselves had envisaged that staging of our April 1978 recommendations might be found necessary. But we had urged that, in this situation, the full recommended levels should be achieved in not more than three stages by 1 April 1980 and with immediate full effect for pensions purposes; that it should not involve discrimination against any one of the four groups covered by our terms of reference; and that the recommended levels should be brought up to date by the normal review process in the intervening period¹. The first of these points has been met in full. The second can also be regarded as having been satisfied, notwithstanding the fact that the discrimination that affected the Chairmen and members of nationalised industry Boards so severely in the aftermath of our Report No. 6² has not yet been rectified. The first stage payment in their case was a 10 per cent increase on salary levels that, apart from supplements under the restraint measures amounting to a little over £1,000, were those accepted as appropriate on an interim basis only in March 1972³: for the three other groups, by contrast, the increase was based on the levels recommended in Report No. 6 as up to date in January 1975, or at least on salaries that represent partial progress toward those recommendations. For these three groups, recommended salaries up to a level of £13,000 were implemented in full from 1 January 1975, but recommended salaries above that level were paid in part only, and a second stage equal to half the amount by which the recommended salary exceeded £13,000 (or exceeded the existing salary if greater than £13,000) was to have been paid from 1 January 1976—but was, in practice, deferred. Thus, the basic difference of treatment of the nationalised industry Boards will not disappear until the full Report No. 10 levels are reached for all on 1 April 1980.

6. We welcome the fact that the Government has accepted most of these points. But in one important respect our recommendations have not so far been met. There is at present no commitment to the final item of the 'package' that we envisaged if staged implementation of the Report No. 10 recommendations were found to be necessary—that the recommended salary levels should be kept up to date by the normal review process through the staging period. We are

¹*ibid.*, (paragraph 93).

²Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmnd. 5846.

³Review Body on Top Salaries, Report No. 2: Interim Report on Top Salaries—Cmnd. 5001.

bound to record our concern at the continued absence of such a commitment—despite the Prime Minister's statement, in announcing the publication of Report No. 10, that the Government would consider at a later date our recommendations for up-dating. Over the years, most of the more acute problems that we have encountered in the areas with which we are concerned (including the field of Parliamentary remuneration) have resulted from—or have been exacerbated by—the postponement of decisions on difficult or potentially unpopular aspects of public service pay particularly at 'top' levels. In our experience postponement simply increases the problem and has a 'circular' effect of its own. It would be a matter of great concern if, having accepted the Report No. 10 salary recommendations, which had become a problem of such proportions largely because of the failure to implement our 1974 recommendations in full, the Government were again to defer action on the adjustments necessary to bring the recommended salary levels into full effect in an up-to-date form. Failure to bring the April 1978 recommendations up to date in this way now would be a first step towards renewal of the problems that the 1978 decision tackled and it could lead to future difficulty in the face of a new accumulation of increases which, if dealt with at regular annual intervals, would more readily be seen to reflect the situation as it has developed outside the public services.

7. Moreover, we see as relevant the commitment to bring up to date the second and third stages of April 1978 recommendations for the fields covered by the two other Review Bodies, whose 1978 recommendations are also to be implemented in three stages ending in April 1980. In this connection, we want to make two points. The Review Body on Armed Forces Pay is responsible for military salaries up to Brigadier and equivalent immediately below our area of responsibility. We would view with concern the serious compression of the overall Services pay structure that could arise if the second stage increase were updated for the rank of Brigadier and below but not for the levels for which we are responsible. It also seems to us relevant that, in the field for which the Review Body on Doctors' and Dentists' Remuneration is responsible, appointments that attract salaries that are well into the range of salaries spanned by our own recommendations for the same date will be brought up to date in April 1979 and 1980. We see no convincing reason why the same treatment cannot be extended to the field covered by our recommendations. We emphasise once again that a failure to do so can only lead to further problems.

The new review

8. Against this background, we have seen it as right to undertake another review with the limited objective of establishing the increases necessary to bring up to date the second stage of our recommended 1 April 1978 salary levels at 1 April 1979. We describe our approach to this limited review in greater detail in Chapter 2. We made our intentions known to the Prime Minister at the outset and he did not seek to dissuade us.

CHAPTER 2

OUR APPROACH AND INQUIRIES

The aim of the review

9. As we have explained, our aim in carrying out the present review has been limited to establishing the up-to-date levels of salary appropriate for the appointments within our field at 1 April 1979 and, on that basis, to putting forward recommendations for salaries at that date for the second stage of the increases that we recommended as fully up to date at 1 April 1978. We have not therefore examined afresh the general pay principles that we have already established for each of the four groups, nor have we found it necessary to re-examine in detail the salary structures established by our 1978 recommendations.

Our inquiries

10. We have kept our inquiries to the minimum that is consistent with our present purpose, and have not needed on this occasion to call for as much detailed evidence on structure as was necessary in our 1977-78 review. But we have been provided with views in respect of certain key areas, including views from organisations that represent some of the groups covered by our recommendations. We have also obtained a view from the Government in respect of the whole of the field. The invitations on our behalf to submit evidence have made clear that we would not be concerned on this occasion to deal with other than major issues that might have arisen from our Report No. 10 recommendations. We have seen problems of individual salary levels or structural relationships as a matter for the next review in 1980. Some of the continuing problems and certain developments since our 1978 review are referred to in Chapter 3. In general, we are satisfied that none of the outstanding problems is of a scale or urgency that calls for special action at this stage. A list of organisations which have provided evidence for the review is in Appendix B.

11. A further survey of remuneration at senior levels in industry, commerce and finance in the private sector has been undertaken again on our behalf, as in previous reviews. On this occasion, however, in line with our limited purpose, the survey has been restricted in both its extent and its coverage. We have been concerned to establish what are the current levels of remuneration at broadly comparable levels of responsibility in the private sector and the movement in remuneration since the effective date of our last recommendations. For this purpose, the coverage has been confined to a representative sample of the private sector organisations that we approached during our last survey, which we described in our Report No. 10¹. To ease the burden on those organisations to an extent consistent with achieving our aims, on this occasion the survey asked for information on remuneration in cash terms only—that is, on salary plus bonus, commission and profit sharing payments. We have taken the view that it is not necessary on this occasion to repeat the

¹Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmnd. 7253 (paragraphs 22-25 and Appendix E).

parts of the earlier surveys that covered detailed superannuation arrangements and fringe benefits. We remain convinced of the importance of a 'total remuneration package' approach to comparisons between rewards in the public sector and in the private sector, but we regard it as a reasonable assumption that the proportion of the total remuneration package attributable to superannuation arrangements and to fringe benefits will not have changed significantly since our last survey. We also think it reasonable to assume that the relative balance between salary and superannuation arrangements and fringe benefits in the public and private sectors will have remained the same.

12. On this occasion, the sample contained 123 private sector organisations, compared with 328 in September 1977 and 226 in September 1973. The response rate, at 69 per cent, was higher than that achieved in 1977 and covered 1,186 appointments compared with 2,813. We again express our gratitude to the organisations that have helped us in this way.

13. The results of the survey are in Appendix C. The following table shows the changes in the levels of direct remuneration between 1 January 1978 and 1 January 1979 in the organisations that responded to the OME survey.

1978 salary plus bonus, commission and profit sharing	Mean salary plus bonus, commission and profit sharing		
	1978	1979	Percentage Increase
£	£000	£000	%
50,000 -	60.8	65.6	7.8
40,000 -	44.8	49.4	10.3
35,000 -	37.3	42.2	13.1
30,000 -	32.1	36.0	12.2
25,000 -	26.9	30.1	11.9
22,500 -	23.4	25.8	10.3
20,000 -	21.2	24.1	13.7
17,500 -	18.7	20.9	11.9
15,000 -	16.1	18.3	13.6
12,500 -	13.7	15.5	13.5
10,000 -	11.2	12.8	14.4
9,000 -	9.4	10.7	13.3
8,000 -	8.5	9.6	13.3
7,000 -	7.5	8.6	14.7
Under 7,000	5.6	6.4	14.6
Total	17.9	20.2	12.5

Source: OME

CHAPTER 3

THE ISSUES

14. Although no major problems arise from our Report No. 10 recommendations which call for immediate attention (paragraph 10), account needs to be taken of certain developments since our last review. We discuss these as they affect each of the four groups within our terms of reference in turn. Our conclusions and the levels of salary we now consider appropriate are in Chapter 4.

The senior grades of the higher civil service

15. We have to report one development in this part of our remit. In both Report No. 6 and Report No. 10, we referred to the scope for some form of range pay for the part of the civil service (Under Secretary and above) that falls within our terms of reference. We did not make a specific recommendation on either occasion because we were aware of the objections that had been made in the past in relation to the introduction of range pay (whether related to job 'weight', to individual performance within the job or to a combination of the two) in this area and at these levels. But we asked in both reports that the matter should be investigated further: at the time of our last review, we welcomed the news that preparations for such an investigation were in hand and we expressed the hope that the results would be available for our next review¹. We are glad to report that a study has been commissioned since from the OME by the Lord Privy Seal through the Civil Service Department. Work began on the study in March of this year. The terms of reference are:

"To investigate pay systems for executive Board members and senior management in the private sector and those at comparable levels in the public sector and the extent to which they are related to individual performance; to analyse different systems in use and the policies that underlie them; to assess their relative advantages and disadvantages and current trends in their adoption; and to report."

We recognise that a study of this nature will need to be carried out with care and with thoroughness, but we hope that the results of it will have been considered and reported to us in time for our review in 1980.

16. The salaries structure for the top levels of the civil service that resulted from our 1978 recommendations seems to have been satisfactory in practice. Once again, a major problem in considering that structure lies in the interface between the grades that fall within our remit and the grade immediately below (the Assistant Secretary and equivalent) for which salary levels are negotiated, normally on the basis of information on pay and conditions of service attached to jobs that have been judged to be comparable outside the civil service. We have always regarded the provision of a satisfactory overall salary structure as of great importance, and we drew attention in Report No. 10 last year to the problems that can arise when increases under the separate arrangements

¹Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmd. 7253 (paragraph 40).

become out of phase¹. We noted also that the 1 April 1978 scale maximum for the Assistant Secretary had resulted from a settlement within the pay constraint guidelines and not on the normal basis of direct comparisons outside. By contrast, the 1 April 1979 settlement will result from negotiation based on such comparisons; but we do not know on this occasion the level of the Assistant Secretary scale maximum that will result from those negotiations as we put forward our own recommendations. Nevertheless, there are indications that a significant increase in salary will result which, even if implementation is staged, will be the level agreed as appropriate at 1 April 1979, and consequently, the level that will need to be reconciled with our own recommendations put forward on the same basis.

Senior officers in the armed forces

17. Much of what we have said in relation to the top civil service structure applies also to the structure for senior officers in the armed forces. There is no evidence to suggest that any problems have arisen from our 1978 recommendations, and we see no reason to question on this occasion the salary relationships between the equivalent levels of appointments in the civil service and in the armed forces structure that are within our terms of reference. These existed as *de facto* relationships before we were appointed, and they have been examined in our earlier studies and confirmed as appropriate. They may need to be examined again in the longer term or even in the light of the study of range pay systems and their possible application at the level of Under Secretary and above in the civil service. We do not regard such horizontal relationships as immutable.

18. We are satisfied that the salary that we recommend for the Major General and equivalent is justified in relation both to the external evidence and to what we recommend for the Under Secretary in the civil service. But we must also have regard to the relationship between our own recommendation for the rank of Major General or equivalent (and above) and those of the Review Body on Armed Forces Pay for the rank of Brigadier or equivalent (and below). We are satisfied that our recommendations do provide an adequate differential between the Brigadier and equivalent, even allowing for the fact that in the ranks below our field, medical and dental officers have a separate pay structure that has resulted in practice, at Brigadier and equivalent level, in a salary lead over 'combatant' officers. We continue to regard it as appropriate for a single salaries structure to apply at the rank of Major General and above².

The higher judiciary and certain other judicial appointments

19. In the course of the review that led to our Report No. 10 recommendations, we undertook a major revaluation of the judicial structure that falls within our terms of reference. We received a great deal of evidence, both written and oral, on that occasion and we re-aligned a number of the existing relationships both within the separate structures that apply in England and Wales, in Scotland and in Northern Ireland, and between them. We do not consider that another major examination is necessary now.

¹*Ibid.*, (paragraph 42).

²Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmnd. 5846 (paragraph 64); and Report No. 10: Second Report on Top Salaries—Cmnd. 7253 (paragraph 50).

20. However, one problem remains. We have referred to it each time that we have carried out a major review either of the four groups within our standing terms of reference or of the remuneration of Ministers and other paid office holders that have been referred to us from time to time. It is the relationship between the salary of the Lord Chief Justice as the senior 'professional' member of the judiciary and the salary of the Lord Chancellor whose office is in part Ministerial, but who is also the constitutional Head of the Judiciary. Our Report No. 10 recommendations assessed the Lord Chief Justice's salary at £34,000 for 1 April 1978. This contrasts with a salary of £27,000 in June 1975 terms for the Lord Chancellor recommended in Report No. 8¹. The difference arises largely from the different timing of the recommendations. In practice the recommended salary for the Lord Chief Justice is being implemented by stages, whereas no move whatever has been made to implement the recommended salary for the Lord Chancellor. Consequently, as from 1 April 1979 the Lord Chancellor will actually be receiving less than the High Court Judges whom he appoints. The present review, together with the review of Parliamentary remuneration on which we are currently engaged, provides an opportunity for recommendations designed to bring the salaries of the Lord Chief Justice and the Lord Chancellor into a more appropriate relationship.

21. We have not carried out a new survey of Barristers' earnings. We relied in our review last year on surveys being carried out on behalf of the Royal Commission on Legal Services and subsequently published. In view of the significant burden that such surveys put on members of the profession, we take the view that they should be kept to the minimum consistent with the needs of the task. On this occasion, we are satisfied that an adequate measure of the up-dating now appropriate for the recommended judicial salaries can be gauged from the other evidence available to us.

Chairmen and members of nationalised industry Boards

22. The position of the nationalised industry Boards has been of particular concern to us since 1974 because of the discriminatory treatment of the Report No. 6 recommendations as they affected them. We therefore welcome the basic equality of treatment between the four groups that follows from the Government's decisions on the Report No. 10 recommendations. However we stress that the effect of the treatment of our 1974 recommendations will continue to be felt until the salaries recommended in Report No. 10 are in operation on a fully up-to-date basis.

23. We have not considered it appropriate in this review to look at questions of detailed relativities between individual industries. The recommendations in our Report No. 10 reflected thorough investigation of a great deal of evidence, and special inquiries in those cases where dissatisfaction with our 1974 recommendations had been made known to us. We take the view that further consideration of the structure must await our review next year.

24. Meanwhile, we draw attention to certain developments since our last review. First, a system is now being introduced to ensure the more flexible use of the salary ranges for Board members. In 1972, in our first Interim Report

¹Review Body on Top Salaries, Report No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574 (paragraph 104).

on the field within our standing terms of reference, we drew attention to the fact that full and flexible use of Board members' ranges was not being made and that it was general practice to restrict salaries to the lower half of the existing ranges. We recommended then that greater freedom should be made available to enable the full span of a range to be used, both to meet particular difficulties of recruitment and retention and to help to provide adequate differentials between different levels of additional responsibility involved in Board membership¹. We repeated our view² in 1974, as it was apparent that no progress had been made; and, in 1978, we recorded our concern that the recommendation should be put into effect without delay³. We therefore welcome in principle the fact that the full width of the Board member ranges will in future be available to provide salary levels related both to recruitment considerations and to the recognition of individual merit. We understand that the new arrangements are intended initially to operate on a trial basis for up to three years. However, in the light of evidence we have received we intend to keep under review the detailed system that has been adopted.

25. The second matter arises also from our earlier recommendations. In both Report No. 6 and Report No. 10, we regarded the recommended salary range for the intermediate level of responsibility between Chairman and Board member as appropriate to a 'Deputy Chairman or equivalent' appointment. We indicated that the term 'or equivalent' could specifically include job titles such as 'Vice-Chairman, Managing Director or Chief Executive'. We understand that this definition has given rise to certain difficulties, particularly in relation to Boards that include more than one Deputy Chairman, or both a Deputy Chairman—possibly as a part-time appointment—and a Chief Executive or Managing Director. We take this opportunity to clarify our intention. Our early studies in the field of the nationalised industries confirmed the need for a three-tier Board salaries structure to recognise the distinct levels of responsibility: the overall responsibility carried by the Chairman; the full 'second-in-command' area of responsibility that is clearly identifiable (and sometimes separate from titular 'deputy' functions); and the 'normal' Board member responsibilities that form the third level. Salary ranges were recommended at the second and third levels to provide both for the different divisions of overall responsibility that exist in practice between Chairman and the 'second in command', and for the different contribution and 'weight' of different Board member jobs. Our studies also showed that the 'second in command' job did not always carry the title of Deputy Chairman, and the definition in our recommendations attempted to recognise this, by indicating the main alternatives. An important feature of our 'second in command' approach is that it usually denotes a single appointment, although we do not rule out the possibility that a large nationalised undertaking may have an organisational structure that requires an equal division of the 'second in command' responsibilities between two Deputy Chairmen or equivalent appointments. But we would not expect a further sub-division of the function to be necessary, nor would we see it as inconsistent with our approach for a full-time Chief Executive

¹Review Body on Top Salaries, Report No. 2: Interim Report on Top Salaries—Cmd. 5001 (paragraph 11).

²Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmd. 5846 (paragraph 102).

³Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmd. 7253 (paragraph 87).

or Managing Director to be paid in the intermediate range and a part-time Deputy Chairman appointment to be paid in the Board member range, if the structure of an organisation were such that the 'second in command' responsibilities fell on the Chief Executive/Managing Director appointment. The emphasis must lie with the realities of the organisational structure within each individual Board.

CHAPTER 4

SUMMARY AND RECOMMENDATIONS

26. We have not seen it as appropriate on this occasion to carry out another major examination of the salary structures and of the relativities within them established by our earlier recommendations. The main purpose has been to establish the levels of salary that are appropriate at 1 April 1979 for the appointments that fall within our terms of reference, and to focus attention on the need to keep them up to date in order to prevent the recurrence of the major problems that inevitably arise, particularly in times of high inflation, if salaries at these levels in the four areas for which we are responsible are kept too far behind levels for equivalent responsibilities elsewhere. We have noted (Chapter 3) certain developments since our last review. We are satisfied that no major points arise from our Report No. 10 recommendations which require immediate attention and that the principles on which those salary recommendations were based remain appropriate.

27. The salaries survey which has been carried out on our behalf indicates the order of increase since our last review in outside remuneration at broadly equivalent levels of responsibility. In view of the increasing emphasis being laid more generally on 'comparability' between the public services and the private sector, we should make it clear that, in the field for which we are responsible, we find the concept no less difficult now than when we carried out our first major review¹. Our view continues to be that direct comparisons at the levels with which we are concerned are difficult at best, and become increasingly difficult as the level of responsibility increases. Other factors also enter into the equation: they include job security and job satisfaction. The comparisons that we make with remuneration in the private sector of industry form part only of the considerations that we take into account in reaching our conclusions: we have described them in detail in our earlier reviews and we still see them as relevant (paragraph 26).

28. In the light of all these considerations, we recommend the following salaries as appropriate at 1 April 1979. Just as in our earlier reports, we show also the effects of taxation on the recommended salaries. Those effects have not, of course, entered into our judgement of the salary levels recommended. The average increase is 11.7 per cent, representing an increase of £4 million in the annual cost of salaries for the appointments within our terms of reference. (For comparative purposes, the effect of applying the increases we now recommend to the salaries actually being paid from 1 April 1979, as opposed to those recommended as appropriate for 1 April 1978 in Report No. 10, are shown in Appendix D).

¹Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmnd. 5846 (paragraphs 18-34).

	<i>Recommended 1 April 1979 salaries £</i>	<i>(Recommended salaries net of tax¹) £</i>
<i>a. Senior grades of the higher civil service</i>		
Head of the Home Civil Service Permanent Secretary to the Treasury Secretary to the Cabinet	31,000	(14,136)
Permanent Secretary	28,500	(13,680)
Second Permanent Secretary	26,000	(13,219)
Deputy Secretary	22,500	(12,304)
Under Secretary	18,000	(11,006)
<i>b. Senior officers in the armed forces</i>		
Admiral of the Fleet Field Marshal Marshal of the Air Force	31,000	(13,750)
Admiral General Air Chief Marshal	28,500	(13,325)
Vice-Admiral Lieutenant General Air Marshal	22,500	(12,051)
Rear Admiral Major General Air Vice-Marshal	18,000	(10,818)
<i>c. Judiciary</i>		
Lord Chief Justice	37,000	(15,999)
Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland)	34,000	(15,389)
Lord Chief Justice (Northern Ireland) President of the Family Division	32,500	(15,084)
Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	31,000	(14,779)
Vice-Chancellor	29,500	(14,475)
High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland)	28,500	(14,271)
President, Lands Tribunal (England and Wales)	22,250	(12,656)
President, Transport Tribunal Chief National Insurance Commissioner President, Industrial Tribunals (England and Wales)	21,750	(12,516)
President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Lands Court President, Lands Tribunal (Scotland)	21,000	(12,306)
Official Referee (London) Vice-Chancellor of the County Palatine of Lancaster Recorder of Liverpool Recorder of Manchester Senior Circuit Judge, Newington Causeway Recorder of Belfast (Northern Ireland)	20,250	(12,060)

	<i>Recommended 1 April 1979 salaries £</i>	<i>(Recommended salaries net of tax²) £</i>
Circuit Judge	19,500	(11,814)
Chief Metropolitan Magistrate Members, Lands Tribunal (England and Wales and Scotland)		
National Insurance Commissioner Judge Advocate General		
Sheriff A (Scotland) County Court Judge (Northern Ireland)		
Master of the Court of Protection Senior and Chief Masters and Registrars	18,750	(11,568)
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)		
Chairman, Foreign Compensation Commission		
Registrar of the Court of Criminal Appeal Sheriff B (Scotland)		
Masters and Registrars Metropolitan Magistrate Chairmen, Industrial Tribunals (England and Wales and Scotland)	17,250	(11,020)
Vice-Judge Advocate General		
Provincial Stipendiary Magistrate		
Resident Magistrate (Northern Ireland)		

d. *Chairmen and members of nationalised
industry Boards²*

	<i>Chairman £</i>	<i>Deputy Chairman or equivalent³ £</i>	<i>Board member⁴ £</i>
British National Oil Corporation	53,500 (19,796)	36,250-45,000 (16,538-18,483)	29,250-37,750 (15,055-16,966)
National Enterprise Board British Steel Corporation Post Office	48,500 (18,738)	34,500-42,000 (16,149-17,816)	28,500-34,500 (14,886-16,235)
British Rail			
British Gas Corporation British Shipbuilders National Coal Board British Airways Board British Aerospace Electricity Council			
Central Electricity Generating Board United Kingdom Atomic Energy Authority	38,500 (16,623)	27,500-33,500 (14,593-15,927)	22,750-27,500 (13,240-14,662)
Scottish Development Agency National Bus Company National Freight Corporation Civil Aviation Authority British Airports Authority Cable and Wireless Limited	31,000 (15,037)	22,750-27,750 (13,189-14,649)	18,500-22,500 (11,802-13,165)
Commonwealth Development Corporation			
North of Scotland Hydro-Electric Board			
South of Scotland Electricity Board			
Welsh Development Agency			
British Transport Docks Board Scottish Transport Group National Water Council			

	Chairman £	Deputy Chairman or equivalent ³ £	Board member ⁴ £
Regional Water Authorities	22,250-27,750 (12,823-14,349)	—	—
Area Electricity Boards	22,250-26,500 (12,823-14,045)	16,250-19,750 (10,864-12,213)	—
British Waterways Board	18,000 (11,419)	13,000-15,750 (9,317-10,645)	8,500-12,500 (6,493-9,070)

Notes:

¹Assuming tax rates, bands and allowances for a married man without dependent children (and with no other allowances) as in the Finance Act 1979. Allowance is made for the effect on taxable income of employees' superannuation contributions but the contributions themselves are not deducted.

²Net-of-tax salaries are shown below the recommended salaries.

³Deputy Chairman or equivalent is defined in paragraph 25.

⁴Salaries for full-time appointments. Part-time Board members should be paid on a pro-rata basis according to the time devoted to the appointment. Those whose normal attendance is one day a fortnight should be paid one-eighth of the mid-point of the appropriate salary range of a full-time Board member subject to a minimum of £2,250.

29. We recognise that it may not be practicable for these levels of salary to be implemented with effect from 1 April 1979 because the decision has already been taken to implement our 1 April 1978 recommendations in three stages, the second of which became effective on 1 April 1979. But we emphasise again our concern that the completion of the staging process not later than 1 April 1980 should result in salary levels that are appropriate at that date and not the salaries recommended and accepted as appropriate to 1 April 1978. The recommendations that we now put forward provide an essential stage in this process.

30. We see it as vital that the recommended salaries be accepted by Government as the levels appropriate at 1 April 1979, and be introduced in full from that date for pensions purposes. We consider it equally important that the salaries to be put into effect from 1 April 1979 should be those actually in payment prior to our recommendations plus the difference in each case between the salary we recommended for 1 April 1978 and the 1 April 1979 salary which we now recommend.

BOYLE OF HANDSWORTH
HAROLD ATCHERLEY
GEORGE COLDSTREAM
HIRSHFIELD
ANDREW LEGGATT
PLOWDEN
SEEAR

OFFICE OF MANPOWER ECONOMICS
20 April 1979

APPENDIX A

SALARIES RECOMMENDED IN REPORT NO. 10

The following salaries were recommended with effect from 1 April 1978. The numbers in post at 1 January 1979 are also shown.

	<i>Report No. 10 recommended salaries £</i>	<i>Numbers in post at 1 January 1979</i>
a. Senior grades of the higher civil service		
Head of the Home Civil Service	28,000	3
Permanent Secretary to the Treasury Secretary to the Cabinet		
Permanent Secretary	26,000	23
Second Permanent Secretary	23,500	15
Deputy Secretary	20,000	151
Under Secretary	16,000	582
b. Senior officers in the armed forces		
Admiral of the Fleet	28,000	1
Field Marshal Marshal of the Air Force		
Admiral	26,000	22
General Air Chief Marshal		
Vice-Admiral	20,000	38
Lieutenant General Air Marshal		
Rear Admiral	16,000	171
Major General Air Vice-Marshal		
c. Judiciary		
Lord Chief Justice	34,000	1
Master of the Rolls	31,000	11
Lord of Appeal Lord President of the Court of Session (Scotland)		
Lord Chief Justice (Northern Ireland) President of the Family Division	29,500	2
Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	28,000	21
Vice-Chancellor	27,000	1
High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland)	26,000	96
President, Lands Tribunal (England and Wales)	20,000	1
President, Transport Tribunal Chief National Insurance Commissioner President, Industrial Tribunals (England and Wales)	19,500	3
President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Lands Court President, Lands Tribunal (Scotland)	19,000	8
Official Referee (London) Vice-Chancellor of the County Palatine of Lancaster	18,250	8
Recorder of Liverpool		
Recorder of Manchester		
Senior Circuit Judge, Newington Causeway Recorder of Belfast (Northern Ireland)		

	<i>Report No. 10 recommended salaries £</i>	<i>Numbers in post at 1 January 1979</i>
Circuit Judge	17,500	340
Chief Metropolitan Magistrate		
Members, Lands Tribunal (England and Wales and Scotland)		
National Insurance Commissioner		
Judge Advocate General		
Sheriff A (Scotland)	16,750	72
County Court Judge (Northern Ireland)		
Master of the Court of Protection		
Senior and Chief Masters and Registrars		
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)		
Chairman, Foreign Compensation Commission	15,250	162
Registrar of the Court of Criminal Appeal		
Sheriff B (Scotland)		
Masters and Registrars		
Metropolitan Magistrate		
Chairmen, Industrial Tribunals (England and Wales and Scotland)		
Vice-Judge Advocate General		
Provincial Stipendiary Magistrate		
Resident Magistrate (Northern Ireland)		

d. Chairmen and members of nationalised industry Boards

	<i>Report No. 10 recommended salaries £</i>	<i>Numbers in post at 1 January 1979</i> (full-time) (part-time)	
British National Oil Corporation			
<i>Chairman</i>	50,000	1	—
<i>Deputy Chairman¹</i>	33,500–41,500	—	1
<i>Board member</i>	27,000–35,000	1	8
National Enterprise Board			
British Steel Corporation			
Post Office			
<i>Chairman</i>	45,000	3	—
<i>Deputy Chairman¹</i>	31,500–38,500	2	1
<i>Board member</i>	26,000–31,500	8	33
British Rail			
British Gas Corporation			
British Shipbuilders			
National Coal Board			
British Airways Board			
British Aerospace			
Electricity Council			
<i>Chairman</i>	40,000	6	1
<i>Deputy Chairman¹</i>	26,500–32,500	8	1
<i>Board member</i>	21,000–26,000	36	45
Central Electricity Generating Board			
United Kingdom Atomic Energy Authority			
<i>Chairman</i>	35,000	2	—
<i>Deputy Chairman¹</i>	25,000–30,500	2	—
<i>Board member</i>	20,500–25,000	4	11

	<i>Report No. 10 recommended salaries</i>	<i>Numbers in post at 1 January 1979</i>	
	£	<i>(full-time)</i>	<i>(part-time)</i>
Scottish Development Agency			
National Bus Company			
National Freight Corporation			
Civil Aviation Authority			
British Airports Authority			
Cable and Wireless Limited			
<i>Chairman</i>	28,000	1	5
<i>Deputy Chairman¹</i>	20,500-25,000	4	1
<i>Board member</i>	16,500-20,000	11	33
Commonwealth Development Corporation			
North of Scotland Hydro-Electric Board			
South of Scotland Electricity Board			
Welsh Development Agency			
British Transport Docks Board			
Scottish Transport Group			
National Water Council			
<i>Chairman</i>	25,000	1	6
<i>Deputy Chairman¹</i>	18,000-22,000	2	3
<i>Board member</i>	14,000-17,500	4	62
Regional Water Authorities			
<i>Chairman</i>	20,000-25,000	—	10
Area Electricity Boards			
<i>Chairman</i>	20,000-24,000	12	—
<i>Deputy Chairman¹</i>	14,500-17,500	12	—
British Waterways Board			
<i>Chairman</i>	16,000	—	1
<i>Deputy Chairman¹</i>	11,500-14,000	—	1
<i>Board member</i>	7,500-11,000	—	7

It was also recommended that part-time Board members should be paid on a pro-rata basis according to the time devoted to the appointment. Those whose normal attendance was one day a fortnight should be paid one-eighth of the mid-point of the appropriate salary range of a full-time Board member subject to a minimum of £2,000.

Note:

¹Or equivalent, including Vice-Chairman, Managing Director or Chief Executive.

APPENDIX B

LIST OF ORGANISATIONS WHO GAVE EVIDENCE
OR ADVISED US

Government Departments

Civil Service Department

Organisations

Association of Members of State Industry Boards

Confederation of British Industry

Nationalised Industries Chairmen's Group

Staff Side of the Civil Service National Whitley Council

Industry

PRIVATE SECTOR

Over 80 companies in the private sector of industry, commerce and finance co-operated in the salaries survey carried out by the Office of Manpower Economics.

PUBLIC SECTOR

Electricity Council

APPENDIX C

SURVEY OF TOP SALARIES

*(Carried out by the Office of Manpower Economics on behalf of the Review
Body on Top Salaries)*

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SURVEY OF TOP SALARIES

Scope and response

1. On behalf of the Review Body on Top Salaries, the Office of Manpower Economics carried out a survey of salaries and other direct remuneration paid to top management (Chairmen, Deputy Chairmen, main Board members and senior executives reporting directly to the main Board) in the private sector at 1 January 1979 and 1 January 1978. This is the fourth¹ survey of this nature carried out by the OME but for the first time nationalised industries were not included. Unlike the second and third surveys, no information was collected about superannuation arrangements or fringe benefits on the assumption that the proportion of the total remuneration package attributable to such arrangements and benefits will not have changed significantly since our last survey. As on previous occasions, the Confederation of British Industry was consulted about the form of the survey.

2. The questionnaire was addressed to 123 of the organisations which had responded to the previous survey for the period from September 1974 to September 1977, or which had indicated a willingness to take part in the future although they were unable to assist on that occasion. The response, both as regards organisations and posts covered in the analysis, is shown in detail in Table 1 and compared in Table A below with the response to the previous (1977) survey. The sample is about one-third of the size of the sample in the 1977 survey, but the distribution of organisations between different categories as defined by size of net assets, was kept as far as possible the same as in that survey. The overall response rate was 69 per cent compared with 65 per cent in the 1977 survey. The response rates for the smaller organisations were again generally lower than for the larger organisations. As in previous surveys, information was required only for posts whose nature and responsibilities had not changed materially during the period covered by the survey, and each organisation was asked to provide information for a maximum of 30 posts.

3. An indication of the comparability of the respondents' characteristics between the current survey and the 1977 survey can be seen from Tables B and C below; these compare, respectively, the distribution of posts by ranges of salary plus bonus, commission and profit sharing at end-September 1977 and 1 January 1978, and the mean salaries plus bonus etc for each level of appointment within each size category² at those dates. The distributions of posts by salary plus bonus etc ranges are broadly similar although there are relatively fewer posts in the lowest salary ranges, and the comparison by size of organisation and level of appointment also matches well. The differences between the two surveys can be explained in part by the three months difference in the dates to which the pay data relate and in part by minor variations to be expected between sample surveys.

¹The analysis of the first survey, which also covered direct remuneration only, was given in Report No. 2, Interim Report on Top Salaries (Cmnd. 5001, June 1972), Appendix E. The analyses of the second and third surveys were respectively given in Report No. 6, Report on Top Salaries (Cmnd. 5846, December 1974), Appendix L, and in Report No. 10, Second Report on Top Salaries (Cmnd. 7253, June 1978), Appendix E.

²Means have been omitted where the number of posts covered is less than 5.

TABLE A

Comparison of the coverage and response to the 1979 and 1977 surveys

	1979 survey						1977 survey					
	Ques- tion- naires des- patched ^a	Usable replies received	Percent- age response rate	Number of posts covered			Ques- tion- naires des- patched ^a	Usable replies received	Percent- age response rate	Number of posts covered		
				Board mem- bers	Senior execu- tives	Total				Board mem- bers	Senior execu- tives	Total
No.	No.	%	No.	No.	No.	No.	No.	%	No.	No.	No.	
Commercial and industrial with net assets:												
£1,250m and over	3	3	100.0	22	40	62	5	100.0	40	77	117	
£250m but under £1,250m	17	12	70.6	79	141	220	42	76.2	220	338	558	
£50m but under £250m	30	25	83.3	150	302	452	81	75.3	334	573	907	
£10m but under £50m	34	20	58.8	93	137	230	99	55.6	245	390	635	
Under £10m	25	15	60.0	54	109	163	72	47.2	140	239	379	
Total	109	75	68.8	398	729	1,127	299	62.5	979	1,617	2,596	
Financial	11	8	72.7	12	47	59	29	86.2	71	146	217	
Total	120	83	69.2	410	776	1,186	328	64.6	1,050	1,763	2,813	

^a Excluding those organisations found to be out of the scope of the survey.

TABLE B

Distribution of salaries plus bonus, commission and profit sharing at end-September 1977
(1977 survey) and 1 January 1978 (1979 survey)

Range of salary plus bonus etc.	1977 survey		1979 survey	
	Number of posts	Percentage of posts	Number of posts	Percentage of posts
£	No.	%	No.	%
50,000 -	42	1.5	20	1.7
40,000 -	74	2.6	30	2.5
35,000 -	67	2.4	33	2.8
30,000 -	115	4.1	49	4.1
25,000 -	203	7.2	69	5.8
22,500 -	148	5.3	47	4.0
20,000 -	195	6.9	95	8.0
17,500 -	275	9.8	111	9.4
15,000 -	352	12.5	161	13.6
12,500 -	402	14.3	178	15.0
10,000 -	406	14.4	179	15.1
9,000 -	175	6.2	87	7.2
8,000 -	122	4.3	76	6.4
7,000 -	99	3.5	33	2.8
Under 7,000	138	4.9	18	1.5

TABLE C

Mean salaries plus bonus, commission and profit sharing at end-September 1977 (1977 survey) and 1 January 1978 (1979 survey)

£000

	1977 survey				1979 survey (a)			
	Chairmen	Deputy Chairmen	Other main Board members	Senior executives	Chairmen	Deputy Chairmen	Other main Board members	Senior executives
Commercial and industrial with net assets:								
£1,250m and over	74.8	59.5	40.0	26.5	—	—	40.9	30.1
£250m —	46.4	41.0	27.7	17.1	49.6	39.9	29.1	18.7
£50m —	34.4	29.8	19.8	13.9	33.4	28.0	19.7	13.0
£10m —	26.9	22.6	18.3	10.4	27.8	26.7	17.3	10.9
Under £10m	21.7	22.0	16.2	9.3	23.2	22.4	16.4	9.8
Financial	38.6	27.5	22.8	16.8	—	—	23.2	17.8

(a) Figures are not shown where there are less than 5 posts.

Increases from 1 January 1978 to 1 January 1979 (Tables 2 and 3)

4. Table 2 shows the levels of mean salaries alone and of mean salaries plus bonus, commission and profit sharing in January 1978 and January 1979, and the percentage increases between those dates. For Chairmen, the percentage increases in salary plus bonus etc. average just over $9\frac{1}{2}$ per cent; for Deputy Chairmen, just over $9\frac{3}{4}$ per cent; for other Board members, nearly $11\frac{3}{4}$ per cent; and for senior executives, just over $13\frac{3}{4}$ per cent. Overall, the average increase is $12\frac{1}{2}$ per cent. The increases in salaries alone are between 0.3 and 0.9 percentage points less than these average increases in salaries plus bonus etc.

5. The mean increases for senior executives, except in the largest companies (net assets of £1,250 million or more) and financial companies where they are higher, are between 12 per cent and $13\frac{3}{4}$ per cent. For other Board members, the increases are between 10 per cent and $13\frac{1}{4}$ per cent, except in financial companies (where the increase is higher) and the smallest companies (net assets less than £10 million) where it is lower. In neither case is there an obvious relationship between size of organisation and size of increase in salary plus bonus etc. The sample sizes for Chairmen and Deputy Chairmen are too small to give reliable indications of trends or relationships by size of organisation.

6. Table 3 shows the increase between January 1978 and January 1979 of salary and salary plus bonus, commission and profit sharing, by ranges of salary plus bonus etc. in January 1978. As salary plus bonus etc. increases, the percentage increases tend to be smaller; taken together with the evidence from Table 2 (paragraph 4) this suggests that differentials, on average, have been narrowed over the twelve months from January 1978 to January 1979, but only to a limited extent, and with little evidence of compression below £15,000.

Date of last increase in salary (Table 4)

7. Salaries for nearly 20 per cent of the posts in the survey were increased on 1 January 1979 and in only 22 cases (1.9 per cent) had the salary not been increased since end-October 1977. The salaries of 64 per cent of the posts had been increased during the current round of the pay policy.

Levels and distribution of salaries in January 1979 (Tables 5 and 6A-D)

8. Table 5 shows for each size of organisation the mean, median, upper and lower quartile and highest and lowest decile-salaries plus bonus etc. for Chairmen, Deputy Chairmen, other Board members and senior executives. For the latter two groups, for each measure employed, the level of salary plus bonus, commission and profit sharing is higher as the size, in terms of net assets, of industrial and commercial firms increases.

9. Tables 6A-D relate respectively to Chairmen, Deputy Chairmen, other Board members and senior executives and show detailed distributions of salaries plus bonus, commission and profit sharing payments by size of organisation. As in the 1977 survey, there is a wide range of salary plus bonus etc. for each level of appointment within each size group.

Response to survey

TABLE I
Numbers

	Questionnaires despatched	Usable replies received	Posts covered					Total
			Chairmen	Deputy Chairmen	Other main Board members	All Board members	Senior executives	
Commercial and industrial with net assets:								
£1,250m and over	3	3	2	2	18	22	40	62
£250m but under £1,250m	17	12	10	8	61	79	141	220
£50m but under £250m	30	25	13	21	116	150	302	452
£10m but under £50m	34	20	9	10	74	93	137	230
Under £10m	25	15	9	5	40	54	109	163
Total	109	75	43	46	309	398	729	1,127
Financial	11	8	3	3	6	12	47	59
Total	120 ^(a)	83	46	49	315	410	776	1,186

(a) Excluding 3 companies out of the scope of the survey because they had undergone a major reorganisation since January 1978.

TABLE 2

Percentage increase in mean salaries, and in mean salaries plus bonus, commission and profit sharing between January 1978 and January 1979 by type of post and size of organisation^(a)

	Number of posts	Mean salary			Mean salary plus bonus etc		
		1978	1979	Percentage increase	1978	1979	Percentage increase
	No.	£000	£000	%	£000	£000	%
Chairmen							
Net assets:							
£1,250m and over	2	—	—	—	—	—	—
£250m —	10	47.3	50.4	6.6	49.6	53.7	8.2
£50m —	13	33.3	35.8	7.6	33.4	35.8	7.2
£10m —	9	24.8	27.2	9.5	27.8	30.7	10.6
Under £10m	9	20.3	23.4	15.7	23.2	26.4	13.4
Financial	3	—	—	—	—	—	—
Total	46	34.8	38.1	9.3	36.5	40.0	9.6
Deputy Chairmen							
Net assets:							
£1,250m and over	2	—	—	—	—	—	—
£250m —	8	39.2	43.3	10.5	39.9	43.8	10.0
£50m —	21	27.8	30.8	10.7	28.0	31.3	11.7
£10m —	10	22.0	23.6	7.3	26.7	29.6	10.8
Under £10m	5	22.4	25.2	12.6	22.4	25.2	12.6
Financial	3	—	—	—	—	—	—
Total	49	30.6	33.4	9.0	31.8	34.9	9.8
Other main Board members							
Net assets:							
£1,250m and over	18	40.9	45.8	12.0	40.9	45.8	12.0
£250m —	61	28.3	31.7	12.0	29.1	33.0	13.2
£50m —	116	19.4	21.5	11.0	19.7	22.0	11.6
£10m —	74	15.4	16.9	9.8	17.3	19.1	10.0
Under £10m	40	13.8	15.3	10.8	16.4	17.9	8.9
Financial	6	23.2	27.6	19.2	23.2	27.6	19.2
Total	315	20.8	23.1	11.3	21.8	24.4	11.7
Senior executives							
Net assets:							
£1,250m and over	40	30.1	35.4	17.4	30.1	35.4	17.4
£250m —	141	18.2	20.2	11.0	18.7	21.1	12.9
£50m —	302	12.7	14.3	12.2	13.0	14.7	13.3
£10m —	137	10.4	11.6	11.4	10.9	12.1	11.9
Under £10m	109	9.2	10.6	14.7	9.8	11.1	13.2
Financial	47	17.7	20.3	15.2	17.8	21.1	18.5
Total	776	14.0	15.8	12.9	14.4	16.3	13.8
All posts							
Net assets:							
£1,250m and over	62	36.0	41.3	14.5	36.0	41.3	14.5
£250m —	220	23.1	25.6	10.9	23.7	26.7	12.4
£50m —	452	15.7	17.5	11.4	16.0	17.9	12.3
£10m —	230	13.1	14.4	10.4	14.3	15.9	11.0
Under £10m	163	11.4	12.9	13.5	12.6	14.0	11.8
Financial	59	21.0	23.9	13.9	21.0	24.4	16.1
Total	1,186	17.3	19.3	11.8	17.9	20.2	12.5

(a) Figures are not shown where there are less than 5 posts.

TABLE 3

Percentage changes from January 1978 to January 1979 in mean salaries and mean salaries plus bonus, commission and profit sharing by ranges of 1978 salary plus bonus etc

Range of 1978 salary plus bonus etc	Number of posts	Mean salary			Mean salary plus bonus etc		
		1978	1979	Percentage increase	1978	1979	Percentage increase
£	No.	£000	£000	%	£000	£000	%
50,000 -	20	57.3	62.2	8.4	60.8	65.6	7.8
40,000 -	30	39.5	43.1	9.0	44.8	49.4	10.3
35,000 -	33	37.1	41.6	12.1	37.3	42.2	13.1
30,000 -	49	30.7	34.5	12.2	32.1	36.0	12.2
25,000 -	69	26.3	29.1	10.6	26.9	30.1	11.9
22,500 -	47	22.3	24.6	10.4	23.4	25.8	10.3
20,000 -	95	20.4	22.9	12.4	21.2	24.1	13.7
17,500 -	111	18.4	20.4	11.2	18.7	20.9	11.9
15,000 -	161	15.7	17.6	12.1	16.1	18.3	13.6
12,500 -	178	13.4	15.1	12.7	13.7	15.5	13.5
10,000 -	179	10.8	12.3	14.3	11.2	12.8	14.4
9,000 -	87	9.2	10.4	12.9	9.4	10.7	13.3
8,000 -	76	8.4	9.5	13.1	8.5	9.6	13.3
7,000 -	33	7.3	8.4	14.2	7.5	8.6	14.7
Under 7,000	18	5.6	6.4	13.5	5.6	6.4	14.6
Total	1,186	17.3	19.3	11.8	17.9	20.2	12.5

TABLE 4

Date of last increase in salary for each type of post

		Number and percentage of posts with salary increase in																			Total
		Quarter ended												Year ended							
		Jan 1979	Dec 1978	Nov 1978	Oct 1978	Sept 1978	Aug 1978	July 1978	June 1978	May 1978	Apr 1978	Mar 1978	Feb 1978	Jan 1978	Oct 1977	July 1977	Apr 1977	Jan 1977	Jan 1976	Jan 1975 or earlier	
Chairmen	No. %	10 21.7	1 2.2	2 4.3	10 21.7		8 17.4	4 8.7			1 2.2	1 2.2	1 2.2	4 8.7			2 4.3			2 4.3	46
Deputy Chairmen	No. %	9 18.4	2 4.1	1 2.0	11 22.4		5 10.2	6 12.2	4 8.2		5 10.2	1 2.0		4 8.2		1 2.0					49
Other main Board members	No. %	51 16.2	16 5.1	7 2.2	67 21.3	4 1.3	45 14.3	22 7.0	21 6.7	4 1.3	42 13.3	5 1.6	5 1.6	17 5.4	4 1.3			1 0.3	4 1.3		315
Senior executives	No. %	150 19.3	47 6.1	53 6.8	165 21.3	5 0.6	91 11.7	95 12.2	40 5.2	2 0.3	97 12.5	12 1.5	4 0.5	7 0.9	5 0.6	1 0.1	1 0.1			1 0.1	776
All posts	No. %	220 18.5	66 5.6	63 5.3	253 21.3	9 0.8	149 12.6	127 10.7	65 5.5	6 0.5	145 12.2	19 1.6	10 0.8	32 2.7	9 0.8	2 0.2	3 0.3	1 0.1	4 0.3	3 0.3	1,186

TABLE 5.

Mean, median, quartile and decile salaries including bonus, commission and profit sharing in January 1979, by size of organisation^(a)

£000

	Commercial and industrial						Finan- cial	Total
	Net assets (£m)					Total		
	1,250 and over	250 1,250	50 but under 250	10 50	Under 10			
Chairmen								
Highest decile						58.2	59.1	
Upper quartile			48.1	28.5	23.0	50.5	50.7	
Median	—	52.2	32.4			33.3	34.4	
Lower quartile			27.0			25.5	26.1	
Lowest decile						20.4	20.9	
Mean		53.7	35.8	30.7	26.4	39.2	40.0	
Deputy Chairmen								
Highest decile			42.5			51.6	51.2	
Upper quartile			34.7			41.8	42.5	
Median	—	43.2	31.2	24.2	24.9	31.4	32.2	
Lower quartile			28.7			24.9	25.0	
Lowest decile			21.7			21.8	21.9	
Mean		43.8	31.3	29.6	25.2	34.4	34.9	
Other main Board members								
Highest decile		41.1	30.4	23.7	22.7	36.9	36.8	
Upper quartile	63.4	37.2	26.7	20.5	18.8	30.0	30.1	
Median	39.4	31.4	21.9	18.7	17.2	22.0	22.0	
Lower quartile	35.1	27.5	17.2	15.2	14.9	17.2	17.2	
Lowest decile		23.6	14.8	13.1	10.2	13.9	13.9	
Mean	45.8	33.0	22.0	19.1	17.9	24.3	24.4	
Senior executives								
Highest decile	46.1	26.2	19.5	16.0	15.8	23.8	24.7	
Upper quartile	46.1	24.2	16.9	14.2	13.0	18.5	19.0	
Median	39.6	20.8	14.4	11.6	10.5	14.5	14.7	
Lower quartile	24.3	17.8	12.0	10.0	9.0	11.3	11.2	
Lowest decile	21.3	15.9	10.1	9.1	7.5	9.6	9.6	
Mean	35.4	21.1	14.7	12.1	11.1	16.0	16.3	

(a) Deciles are not shown if there are 20 posts or less; quartiles are not shown if there are 10 posts or less; medians and means are not shown if there are less than 5 posts.

TABLE 6A

Distribution in ranges of January 1979 salaries plus bonus, commission and profit sharing, by size of organisation

Chairmen

Range of 1979 salary plus bonus etc	Commercial and industrial										Financial		Total	
	Net assets (£m)													
	1,250 and over		250 1,250		50 but under 250		10 50		Under 10		No.	%	No.	%
£	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
50,000 -	2	100	6	60	3	23			1	11	2	67	14	30
40,000 -			2	20	2	15	1	11			1	33	6	13
35,000 -			2	20	1	8							3	7
30,000 -					3	23	3	33	1	11			7	15
25,000 -					1	8	4	45	1	11			6	13
22,500 -							1	11	2	22			3	7
20,000 -									3	34			3	7
17,500 -					3	23							3	7
15,000 -									1	11			1	2
12,500 -														
10,000 -														
9,000 -														
8,000 -														
7,000 -														
Under 7,000														
Total	2	100	10	100	13	100	9	100	9	100	3	100	46	100
Mean salary plus bonus etc (£000)	—		53.7		35.8		30.7		26.4		—		40.0	

TABLE 6B

Distribution in ranges of January 1979 salaries plus bonus, commission and profit sharing, by size of organisation

Deputy Chairmen

Range of 1979 salary plus bonus etc	Commercial and industrial										Financial		Total	
	Net assets (£m)													
	1,250 and over		250		50 but under 250		10		Under 10		No.	%	No.	%
£	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
50,000 -	2	100	2	25	1	5	1	10			1	33	7	14
40,000 -			4	50	2	9	1	10			1	33	8	16
35,000 -			1	12	2	9					1	33	4	8
30,000 -			1	12	7	33			1	20			9	19
25,000 -					6	29	2	20	1	20			9	19
22,500 -							5	50	1	20			6	12
20,000 -					1	5	1	10	2	40			4	8
17,500 -					1	5							1	2
15,000 -					1	5							1	2
12,500 -														
10,000 -														
9,000 -														
8,000 -														
7,000 -														
Under 7,000														
Total	2	100	8	100	21	100	10	100	5	100	3	100	49	100
Mean salary plus bonus etc. (£000)	—		43.8		31.3		29.6		25.2		—		34.9	

TABLE 6C

Distribution in ranges of January 1979 salaries plus bonus, commission and profit sharing, by size of organisation

Other main Board members

Range of 1979 salary plus bonus etc	Commercial and industrial										Financial		Total	
	Net assets (£m)													
	1,250 and over		250 1,250		50 but under 250		10 50		Under 10		No.	%	No.	%
£	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
50,000-	5	28	3	5			2	3					10	3
40,000-	2	11	5	8					1	2			8	2
35,000-	6	33	16	26	3	3			2	5			27	9
30,000-	5	28	15	25	12	10	2	3			3	50	37	12
25,000-			13	21	23	20	2	3	1	2	1	17	40	13
22,500-			9	15	11	9	7	9			1	17	28	9
20,000-					19	16	11	15	2	5			32	10
17,500-					18	16	19	26	11	28	1	17	49	16
15,000-					18	16	15	20	13	33			46	15
12,500-					7	6	9	12	1	2			17	5
10,000-							5	7	5	13			10	3
9,000-					4	3	2	3	3	8			9	3
8,000-					1	1							1	0
7,000-									1	2			1	0
Under 7,000														
Total	18	100	61	100	116	100	74	100	40	100	6	100	315	100
Mean salary plus bonus etc (£000)	45.8		33.0		22.0		19.1		17.9		27.6		24.4	

TABLE 6D

Distribution in ranges of January 1979 salaries plus bonus, commission and profit sharing, by size of organisation

Senior executives

Range of 1979 salary plus bonus etc	Commercial and industrial										Financial		Total	
	Net assets (£m)													
	1,250 and over		250 1,250		50 but under 250		10 50		Under 10		No.	%	No.	%
£	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
50,000 -	2	5									2	4	4	1
40,000 -	16	40	1	1							1	2	18	2
35,000 -	5	12	1	1							3	6	9	1
30,000 -			1	1							1	2	2	0
25,000 -	4	10	22	16	3	1					7	15	36	5
22,500 -	6	15	30	21	7	2					6	13	49	6
20,000 -	5	12	25	18	16	5			1	1	4	9	51	7
17,500 -	2	5	29	21	40	13	5	4	1	1	4	9	81	10
15,000 -			23	16	69	23	21	15	16	15	2	4	131	17
12,500 -			7	5	72	24	25	18	16	15	1	2	121	16
10,000 -			2	1	68	23	55	40	29	27	10	21	164	21
9,000 -					18	6	20	15	21	19	2	4	61	8
8,000 -					5	2	7	5	6	5	4	9	22	3
7,000 -					1	0	4	3	11	10			16	2
Under 7,000					3	1			8	7			11	1
Total	40	100	141	100	302	100	137	100	109	100	47	100	776	100
Mean salary plus bonus etc (£000)	35.4		21.1		14.7		12.1		11.1		21.1		16.3	

APPENDIX D

SALARY LEVELS CURRENT AT 1 APRIL 1979 INCREASED BY THE DIFFERENCE IN EACH CASE BETWEEN THE SALARY LEVELS PREVIOUSLY RECOMMENDED AS APPROPRIATE FOR 1 APRIL 1978 AND THOSE NOW RECOMMENDED AS APPROPRIATE FOR 1 APRIL 1979

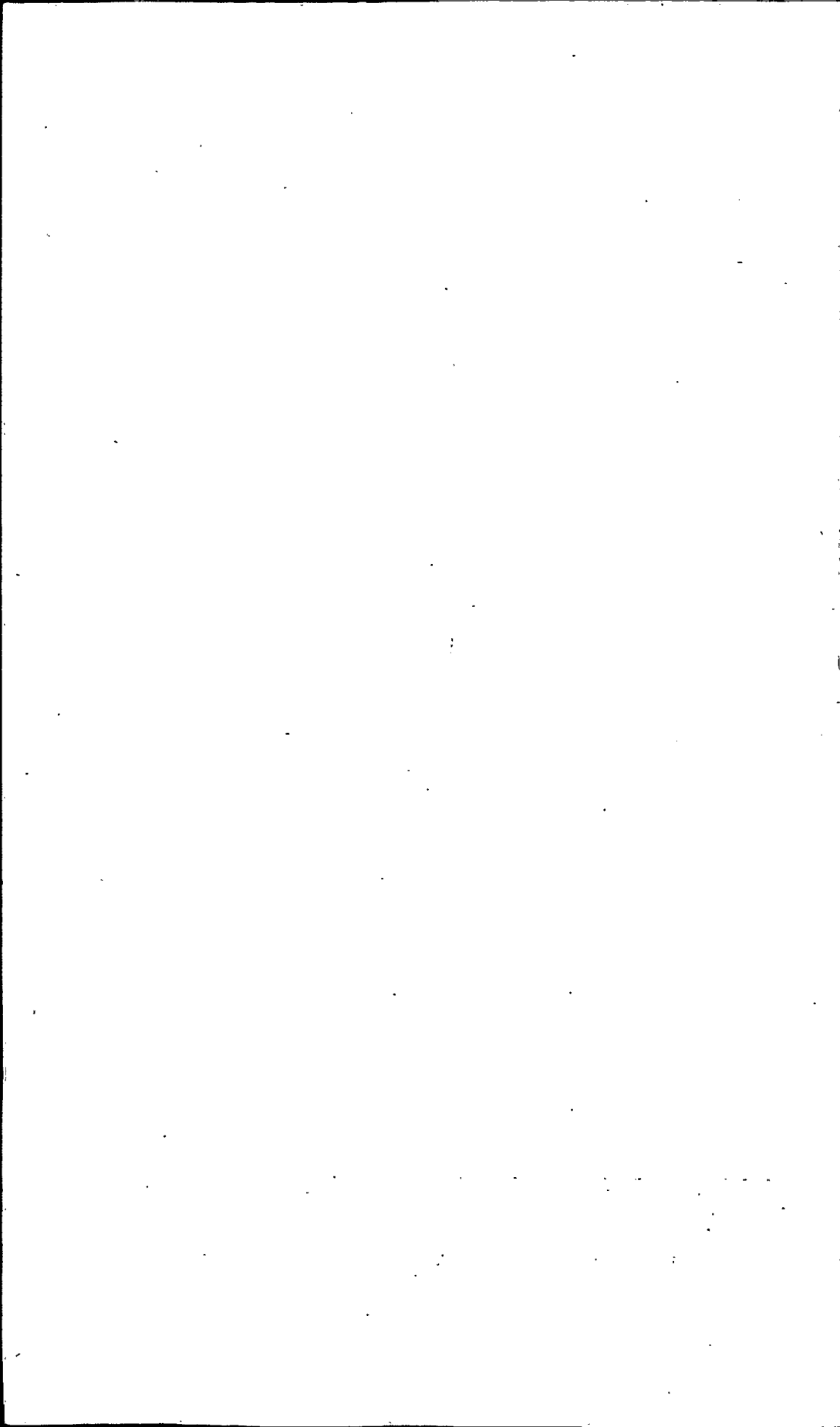
	<i>Salaries effective from 1 April 1979</i>	<i>1 April 1979 as increased</i>
	£	£
a. Senior grades of the higher civil service		
Head of the Home Civil Service	25,211	28,211
Permanent Secretary to the Treasury Secretary to the Cabinet		
Permanent Secretary	23,386	25,886
Second Permanent Secretary	21,311	23,811
Deputy Secretary	17,814	20,314
Under Secretary	14,714	16,714
b. Senior officers in the armed forces		
Admiral of the Fleet	24,936	27,936
Field Marshal		
Marshal of the Air Force		
Admiral	22,974	25,474
General		
Air Chief Marshal	17,814	20,314
Vice-Admiral		
Lieutenant General		
Air Marshal	14,714	16,714
Rear Admiral		
Major General		
Air Vice-Marshal		
c. Judiciary		
Lord Chief Justice	29,792	32,792
Master of the Rolls	27,261	30,261
Lord of Appeal		
Lord President of the Court of Session (Scotland)	26,849	29,849
Lord Chief Justice (Northern Ireland)	25,617	28,617
President of the Family Division	25,961	28,961
Lord Justice of Appeal	24,799	27,799
Lord Justice Clerk (Scotland)	24,730	27,730
Lord Justice of Appeal (Northern Ireland)	23,217	26,217
Vice-Chancellor	23,886	26,386
High Court Judge	23,386	25,886
Judge of the Court of Session (Scotland)	22,286	24,786
Puisie Judge (Northern Ireland)	22,217	24,717
President, Lands Tribunal (England and Wales)	18,090	20,340
President, Transport Tribunal	16,987	19,237
Chief National Insurance Commissioner	17,702	19,952
President, Industrial Tribunals (England and Wales)	17,290	19,540
President, Industrial Tribunals (Scotland)	16,902	18,902
Sheriff Principal (Scotland)	17,040 ¹	19,040 ¹
Chairman, Scottish Lands Court		
President, Lands Tribunal (Scotland)	15,460	17,460
Official Referee (London)	16,390	18,390
Vice-Chancellor of the County Palatine of Lancaster		

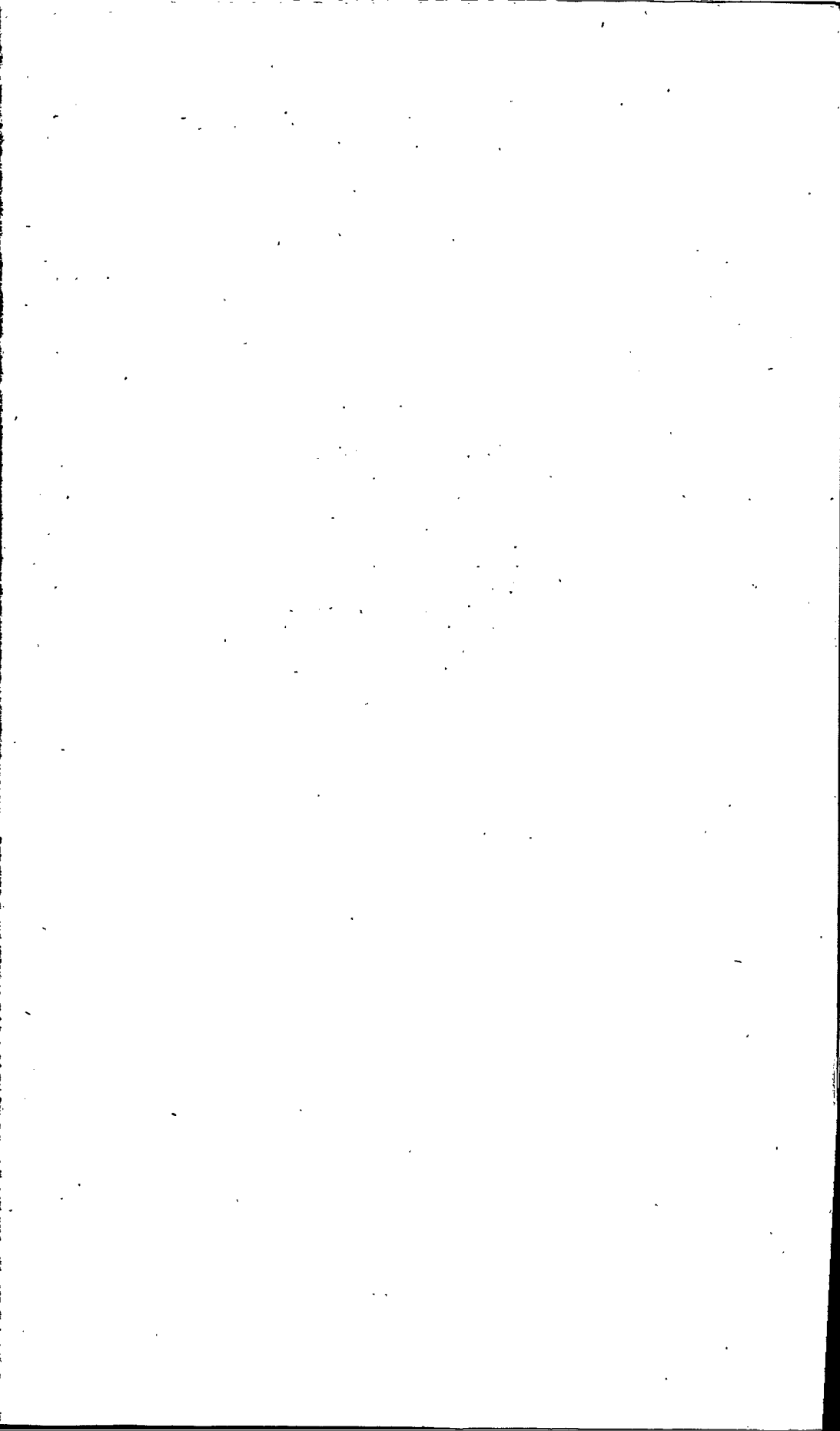
	<i>Salaries effective from 1 April 1979</i>	<i>1 April 1979 as increased</i>
	£	£
Recorder of Liverpool	16,596	18,596
Recorder of Manchester		
Senior Circuit Judge, Newington Causeway		
Recorder of Belfast (Northern Ireland)		
Circuit Judge	16,665	18,665
Chief Metropolitan Magistrate		
Sheriff A (Scotland)		
County Court Judge (Northern Ireland)		
Members, Lands Tribunal (England and Wales)	16,290	18,290
National Insurance Commissioner		
Judge Advocate General		
Members, Lands Tribunal (Scotland)		
Master of the Court of Protection	14,090	16,090
Senior and Chief Masters and Registrars Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)	15,640	17,640
Chairman, Foreign Compensation Commission		
Registrar of the Court of Criminal Appeal		
Sheriff B (Scotland)	15,365	17,365
Masters and Registrars	14,656	16,656
Metropolitan Magistrate Chairmen, Industrial Tribunals (England and Wales and Scotland)	13,790	15,790
Vice-Judge Advocate General		
Provincial Stipendiary Magistrate		
Resident Magistrate (Northern Ireland)		
	14,202	16,202

d. Chairmen and members of nationalised industry Boards

No figures are shown for nationalised industry Boards. Current Board salaries are related to a 1972 interim pay structure, that is the structure for Groups A to C set out in Appendix A of Report No. 6, with the addition of a supplement of £208 under the 1976-77 pay restraint measures, an increase of 10 per cent with effect from 1 January 1978 and a further increase of half the difference between those salaries and the salaries recommended as appropriate at 1 April 1978 in Report No. 10.

¹The salary for the Sheriff Principal of Glasgow and Strathkelvin on 1 April 1979 was £17,590 and would be increased to £19,590.





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