



Review Body on Top Salaries

REPORT No. 16

**Interim Report on
Top Salaries**

Chairman:

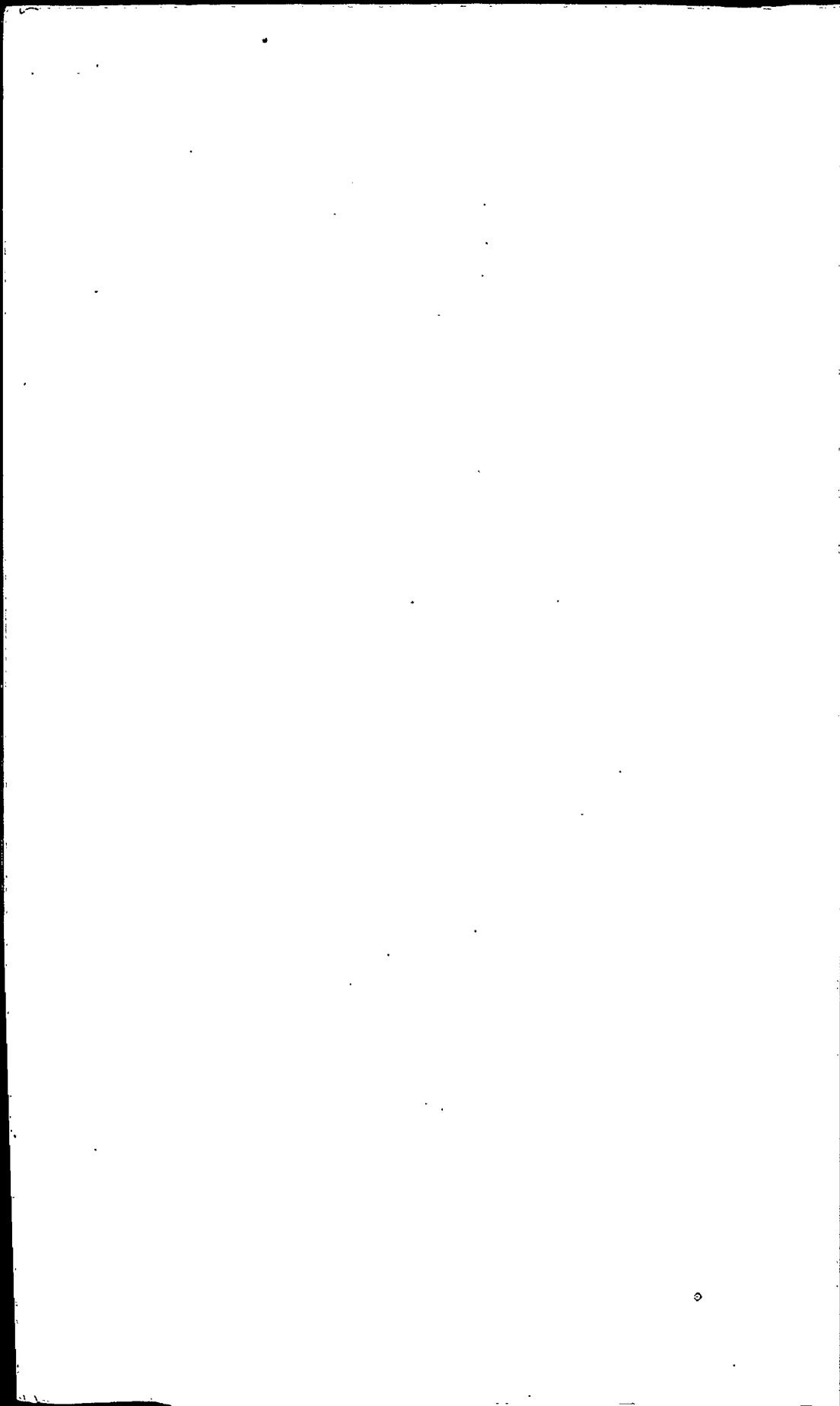
THE RT. HON. LORD PLOWDEN, KCB, KBE

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
May 1981*

LONDON

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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 appointments in the nationalised industries were removed from the Review Body's remit in August 1980.

The members of the Review Body are:

Lord Plowden, KCB, KBE, *Chairman*¹

Sir Harold Atcherley²

The Rt. Hon. Lord Boyle of Handsworth

Sir George Coldstream, KCB, KCVO, QC

Lord Hirshfield

Andrew Leggatt, QC

Baroness Seear

The Secretariat is provided by the Office of Manpower Economics.

¹ Lord Plowden took over the Chairmanship in March 1981 following Lord Boyle's resignation as Chairman.

² Also Chairman of the Review Body on Armed Forces Pay.

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INTERIM REPORT ON TOP SALARIES

CHAPTER 1

INTRODUCTION

Our terms of reference

1. Our last report on top salaries was published in July 1980¹. In that report we explained that we were doubtful whether it continued to be appropriate for us to make recommendations on the remuneration of Chairmen and members of the Boards of nationalised industries. In particular it seemed to us that it was becoming increasingly difficult to reconcile a 'Review Body' approach with the 'market rate' approach which the Government wished to apply in individual cases. We therefore urged the Government to think carefully about our terms of reference in relation to the nationalised industries. In announcing the Government's decisions on our report², the Prime Minister made it clear that the Government shared these doubts and had decided that in future years the salaries for top posts in the nationalised industries should be determined by the Minister concerned in each case, with the approval of the Minister for the Civil Service. The present review, therefore, is confined to three groups: the higher judiciary and certain other judicial appointments; the most senior grades of the civil service; and senior officers of the armed forces.

The 1980 report

2. In our last report we recommended the salaries that we considered to be appropriate at 1 April 1980. We pointed out that in conducting the review for 1979-80 we had faced the choice between two courses: either to embark on a comprehensive review of the areas of remuneration within our remit, recognising that this would entail an interim report and a final report; or to undertake a more limited review designed simply to update the recommendations which we had made in 1979³. In practice, we decided to steer a middle course. As well as updating our previous recommendations we examined certain structural problems which we judged to be in need of urgent attention, while reserving a more fundamental look at the overall structure for the present review. We gave particular attention, in the case of the judiciary, to certain adjustments in relativities which seemed to us to be desirable and, in the case of the other groups within our remit, to the need to maintain a reasonable relationship with salaries at lower levels.

3. The Government took the view that there were "clear and compelling reasons, of a kind which the Review Body could not take into account, for not accepting the Review Body's recommendations in full"⁴. They said that the overriding priority to which their economic and monetary strategy was

¹ Review Body on Top Salaries, Report No. 14: Fourth Report on Top Salaries—Cmnd 7952.

² See the Prime Minister's statement in the House of Commons, Hansard, 7 July 1980, Cols 29-54.

³ Review Body on Top Salaries, Report No. 11: Third Report on Top Salaries—Cmnd 7576.

⁴ Hansard, 7 July 1980, Col 30.

directed was the reduction of inflation; that levels of pay increase in the public sector must be reduced if public expenditure were to be kept under control and the Government's monetary objectives achieved; and that it was right to expect those in positions of responsibility and leadership in the public services to act in a way which the Government hoped others in the country would follow. On these grounds the Government reduced our recommendations substantially; and the increases received as from 1 April 1980 by the four groups then within our remit were, in the event, generally about half as large as those recommended in our report. While the Government sought broadly to preserve the pattern of differentials and relativities which we had recommended, they made some changes with a view to mitigating the compression of differentials or for other reasons.

Approach to the present review

4. The Government's treatment of the recommendations in our last report has put us in a difficult position in relation to the present review. We calculate that merely to implement those recommendations in full would entail salary increases ranging from 7.5 to 15.4 per cent, producing an overall increase in salary cost of about 12 per cent for the three groups within our terms of reference. In these circumstances we have had to ask ourselves whether it would be right to proceed, as proposed in our last report, with a comprehensive review along the lines of those undertaken in 1972-74¹ and 1977-78². We decided that we must do so. Our task is not to apply percentage increases from year to year. It is rather, in the national interest, to keep salary levels under review, in order to ensure that they are both fair and adequate so that the important posts with which we are concerned can continue to be filled by people of the necessary calibre. For this purpose it is essential that we should from time to time undertake a thorough re-examination of the relevant salary structures and of the problems which affect them.

5. Although we have been able to make good progress, our work for this wide-ranging review is not yet complete. The studies and surveys carried out on our behalf have indicated a number of key issues which we wish to examine in greater depth with a view to submitting a full report by April 1982. This we will do over the coming year. We hope that before then certain questions of structure at present under examination within the civil service will also have been clarified. This is, therefore, an interim report. In the next chapter we briefly describe the work which has been done so far and some of the main questions to which we shall be giving further attention, before turning in the final chapter to the question of what recommendations we should make at this stage.

¹ Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmnd 5846.

² Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmnd 7253.

CHAPTER 2

OUR INQUIRIES AND SOME MAIN ISSUES

Written and oral evidence

6. We have, as on previous occasions, received a great deal of written evidence from individuals, representative organisations and Government departments. Where necessary, this has been supplemented by oral evidence. A list of those who have so far helped us in this way is in Appendix A. We are most grateful to them all for the time and trouble which they have taken.

Remuneration survey

7. We have again carried out a survey of remuneration in the private sector at levels of responsibility broadly corresponding to those with which we are concerned. The surveys for Reports Nos 11 and 14 were confined to collecting information on cash remuneration, that is, salary plus bonus, commission and profit-sharing payments. On this occasion a larger sample has been used and, as in the 1972-74 and 1977-78 reviews, information has also been collected on pensions and fringe benefits. Details of the survey and an analysis of the results are in Appendix B.

8. We must stress that the results of this survey should not be taken as indicating the levels of salary that we might eventually recommend. The survey information, particularly on pensions and fringe benefits, will need considerable interpretation and evaluation. The Government Actuary has undertaken to provide us in 1981-82 with an assessment of the differences in benefits and contributions between the private sector pension schemes covered in the survey and the schemes for those within our remit. We shall also need to consider the implications of the Report of the Inquiry into the Value of Pensions under the Chairmanship of Sir Bernard Scott¹ and whatever conclusions may emerge from the Government's deliberations on that report. In addition, it will be necessary to decide what weight should be given to elements other than these, such as relative job security and the different environment in which work is done. All these matters call for judgement rather than precise calculation. Finally, it should be emphasised that the remuneration survey is just one part, albeit an important part, of the evidence.

The judiciary

9. The problems of setting salaries for the judiciary are different from those which arise in relation to the other two groups within our remit. The civil service and the armed forces are essentially career services in which senior appointments are almost invariably filled from lower levels. The majority of appointments to the judiciary, on the other hand, are filled, in the nature of things, from those already established in private practice at the Bar or as solicitors. For the appointments of Circuit Judge and High Court Judge, which we regard as the two crucial 'benchmarks' in constructing a salary framework for the judiciary, recruitment is mainly direct from the Bar. A

¹ Report of the Inquiry into the Value of Pensions, Chairman Sir Bernard Scott—Cmnd 8147.

key question for us to consider, therefore, is that of the relationship which the salaries for these appointments should bear to earnings opportunities at the Bar. Indeed, our primary purpose is to recommend appropriate salaries rather than to maintain relativities with the civil service or other groups.

10. We have always stressed the importance, in reviewing judicial salaries, of up-to-date information on levels of earnings at the Bar of those who, in terms of age and experience, are within the field for the appointments of Circuit Judge and High Court Judge. For the 1972-74 review, we carried out a survey of earnings at the Bar. For the 1977-78 review, we had access to information collected for the Royal Commission on Legal Services. For the review leading to Report No. 14, we carried out a survey of earnings prior to appointment of High Court Judges appointed in the previous three years. Although we were reluctant to ask for a new survey from the Bar as a whole, we decided that we could no longer rely on the information used for Report No. 10. We have therefore carried out new surveys of receipts at the Bar in England and Wales, Scotland and Northern Ireland. We are most grateful for the co-operation of those concerned. We also sought information on the receipts before appointment of those appointed in the last year to the High Court Bench and the Circuit Bench. Details of these surveys and an analysis of the results are given in Appendix C.

11. As with the remuneration survey, we must emphasise that it would be wrong to attempt to form conclusions about the appropriate salary levels for the judiciary, or the salaries which we might recommend, simply from the findings on earnings at the Bar. It is not easy to say what relationship judicial salaries should bear to different levels of earnings among barristers. Other factors such as the judicial pension must be taken into account, though we understand this has become relatively less attractive with the improvement made in tax allowances for the provision of a retirement annuity. There are also factors which are difficult to assess, such as the status and security of the Bench, the opportunity to contribute significantly to the development of the law and differences in the nature and exigencies of work at the Bar and on the Bench.

12. Leaving aside other factors, it is apparent from the results of our Bar earnings surveys that many of those who have become judges, especially those appointed to the High Court, have incurred a substantial loss of earnings after allowing for the expenses of practice. This in itself is not new. It is obvious that judicial salaries cannot match the highest levels of earnings at the Bar. We do, however, find cause for concern. While there are as yet relatively few refusals of High Court appointments, the recruitment position is finely balanced and could deteriorate sharply if judicial salaries were allowed to get too far out of line with the receipts of those practising barristers from whom appointments are made. It has been put to us that it would be indefensible to wait until the quality of the Bench has been prejudiced before taking action. This will receive detailed attention in our next report, since it is of the utmost importance to continue to recruit the best practitioners to the High Court Bench. Refusals by those selected as suitable should be very much the exception. We shall be looking closely, too, at the salary of our other

'benchmark' appointment, the Circuit Judge. Here there is an actual shortage in recruitment, but we shall have to consider whether this may be due to the lack of a sufficient number of suitable candidates for the much enlarged Circuit Bench rather than to the level of remuneration.

13. We also have the task of assessing what differentials should be between the various posts and groups of posts within that part of the judiciary which is subject to our remit. There are over fifty separate posts to deal with, divided into several categories and spread throughout the United Kingdom. Seven posts have been added to our remit since the last review.

14. We therefore decided, as in the 1977-78 review, to set up a sub-committee to examine and make recommendations on relativities within the judicial structure. The Chairman was Sir George Coldstream and the other members were Lord Hirshfield and Andrew Leggatt QC, together with two co-opted members: Sir George Baker, formerly President of the Family Division of the High Court; and His Honour Edgar Fay QC, a former Official Referee.

15. The Sub-Committee's report is in Appendix D. Their recommendations are shown on a points basis and have been determined essentially by job weight. The Sub-Committee's task has been to advise only on relativities. It is for us as a Review Body to consider appropriate salary levels, having regard not only to the Sub-Committee's findings but to other relevant factors such as the results of the Bar earnings surveys and recruitment. We have also to consider the effects on relativities of the payment of London Weighting which, although intended to provide an adjustment for differences in cost of living, has in its application under existing rules led to what are widely regarded within the judiciary as anomalies between one group and another in terms of total remuneration. The Sub-Committee's report will help us to form our conclusions on the appropriate salary framework for the judiciary, including the simplification of the structure.

Civil service and armed forces

16. The results of the remuneration survey are particularly relevant to the civil service and armed forces posts. We have in this review also received some assistance from the Civil Service Pay Research Unit (PRU), which has helped us in applying our judgement to these results. On the basis of their experience the PRU have been able to provide guidance on posts or levels which broadly correspond to Under Secretary in companies covered by the remuneration survey.

17. The civil service and armed forces posts which we cover have not been evaluated in depth in relation to the private sector since the 1972-74 review, when they were the subject of a job comparison exercise. We decided, therefore, that it would be appropriate to carry out some fresh comparisons between posts in the civil service, the armed forces and the private sector. We commissioned management consultants to analyse and evaluate a sample of jobs in the two services and to provide information about remuneration at equivalent

job weight levels in the private sector. We have recently received the consultants' report and are considering their findings along with the other evidence. Although the jobs they examined were not a representative sample, we believe that they covered sufficient of the range and variety of work across the 'open structure' of the civil service and top levels of the armed forces to provide us with some valuable insights.

18. It is clear from the work which has so far been done for the present review that there are several matters which will require further consideration. First, we are concerned about the adequacy of differentials, as distinct from absolute salary levels, at the highest levels of the civil service and the armed forces. Our studies indicate that pay rises much more slowly with job weight at these levels than at the lower levels. There has been a general narrowing of pay differentials at the top of both the public and private sectors. However, while the degree of compression has varied greatly from one private company to another, it has been substantial throughout the public sector, including the civil service and the armed forces. The reduction in 1980 in the top rates of income tax will have offset the effects of this compression to some extent, but the problem still remains. In career services such as the civil service and armed forces internal relativities are of prime importance. It is true of course that external factors cannot be ignored even though, as we have pointed out, appointments at these levels are rarely made by direct recruitment from outside. While we continue to believe that salaries for the civil service and armed forces posts within our remit should not attempt to match the highest levels obtainable in business and industry, there can be little doubt that the quality of these services in the upper ranks would eventually deteriorate, even though slowly over a long period, if prospects at the top were to fall too far behind those available to the talented in other walks of life. In such an environment, however, internal differentials may convey an even stronger message to employees, especially where, in the absence of any direct relationship between pay and performance, motivation is strongly governed by opportunities for promotion and the rewards that go with it. If the rewards at the top are insufficient, retention will become more difficult and there will be a reduction in the quality of those seeking appointment. We shall give special attention to the question of differentials in our full report.

19. We noted in Report No. 14 that a study of performance-related pay had been prepared by the Office of Manpower Economics for the Civil Service Department, but that we had not yet received evidence relating to it. We now understand that the Government doubt whether individual financial incentives are the best way of improving motivation in the civil service. Apart from that, however, there is a question which we ourselves propose to examine further; that is, whether it might be appropriate to introduce in the 'open structure' ranges of pay related to job weight rather than to performance or merit. We shall wish to investigate the advantages and disadvantages of moving in that direction. Our studies tend to indicate an extremely wide variation of job weight within grades, especially at the Under Secretary level, as well as some degree of overlap in job weight between grades.

20. We understand that a review team within the civil service is looking at the case for shortening the chain of command by abolishing grades, or at least by dispensing with the use of particular grades in areas of work where there may not be an organisational requirement for them. The team's recommendations, and any decisions which may stem from them, could well be relevant to our future work.

21. Lastly, the evidence suggests that there may be some distinction between the job weights of civil service and armed forces appointments. We shall therefore need to give some thought to the desirability of maintaining the salary link between the two services, though we would not wish to disturb this except for compelling reasons. One incidental effect of the Government's treatment of our recommendations in Report No. 14 is that medical officers in the armed forces of the rank of Major General or equivalent are now paid more than their combatant counterparts. This we must regard as an anomaly which we would wish to see removed at the earliest opportunity.

Our general approach for the future

22. These and other questions we shall pursue with a view to producing a comprehensive report in 1982. We shall aim to update our factual material so far as this may be necessary. Our object as hitherto will be to achieve coherent salary structures which take due account of both internal and external relativities in the light of the manpower requirements, interpreted in the widest sense, of each of the services within our terms of reference.

CHAPTER 3

OUR RECOMMENDATIONS

23. An increase of about 12 per cent overall in the current salary cost of the three groups within our remit would be needed to pay the salaries which we considered appropriate for 1 April 1980. During the last year earnings in the private sector have increased, though by varying amounts, at all salary levels. Substantial increases would therefore inevitably be needed in order to bring the salaries of these three groups up to a level appropriate for 1 April 1981.

24. Several of those who have given evidence have urged us, whatever the difficulties, to put forward figures which we consider to be 'right' at that date. We have explained, however, that we still have some way to go before we complete the comprehensive review on which we have embarked this year; and we have had to consider whether it would be reasonable in the context of an interim report, and against the background we have set out, to put forward a new set of figures. We have always recognised the need to operate with due regard to current economic realities, but it is not for us to judge the merits or demerits of any particular Government's economic policies. Nonetheless, we must emphasise that our credibility as a Review Body depends on the Government's willingness to accept that our recommendations will normally be implemented.

25. We have therefore, and after much discussion, reached the conclusion that no useful purpose would be served by our recommending in this interim report new salary levels beyond those which still remain to be implemented. *Instead, we strongly urge the Government to implement our Report No. 14 recommendations in full and as soon as possible.* We are firmly of the view that the salaries which we recommended a year ago were reasonable on the basis of the factors which it fell to us to take into account; and no evidence in the current review has led us to change that assessment.

26. Our Report No. 14 recommendations and those which we make, in Report No. 14 terms, for the additions to our remit in respect of the Northern Ireland judiciary, are set out below, alongside the salaries so far implemented by the Government. For the future, we are continuing our work with a view to submitting a full report by 1 April 1982. *We intend that report to contain full recommendations on the salary levels which are appropriate at that date.*

	A	B	
	<i>Salaries implemented at 1 April 1980</i>	<i>Salaries recommended in Report No. 14 as appropriate at 1 April 1980</i>	<i>Percentage increase in B compared with A</i>
	£	£	%
<i>a. Senior grades of the higher civil service</i>			
Head of the Home Civil Service	} 33,500	37,000	10.4
Permanent Secretary to the Treasury			
Secretary to the Cabinet			
Permanent Secretary	31,000	34,000	9.7
Second Permanent Secretary	28,500	31,000	8.8
Deputy Secretary	24,500	27,000	10.2
Under Secretary	20,500	23,500	14.6

	A <i>Salaries implemented at 1 April 1980 £</i>	B <i>Salaries recommended in Report No. 14 as appropriate at 1 April 1980 £</i>	<i>Percentage increase in B compared with A %</i>
<i>b. Senior officers in the armed forces</i>			
Admiral of the Fleet Field Marshal Marshal of the Royal Air Force	33,500	37,000	10.4
Admiral General Air Chief Marshal	31,000	34,000	9.7
Vice-Admiral Lieutenant General Air Marshal	24,500	27,000	10.2
Medical Rear Admiral Medical Major General Medical Air Vice-Marshal	21,500	23,500	9.3
Rear Admiral Major General Air Vice-Marshal	20,500	23,500	14.6
<i>c. Judiciary</i>			
Lord Chief Justice	40,000	43,000	7.5
Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland)	37,000	40,000	8.1
Lord Chief Justice (Northern Ireland) President of the Family Division	35,500	38,500	8.5
Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	33,500	36,500	9.0
Vice-Chancellor High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland)	33,000	36,000	9.1
President, Lands Tribunal (England and Wales) President, Transport Tribunal Chief Social Security Commissioner (England and Wales and Scotland) President, Industrial Tribunals (England and Wales)	24,000	26,000	8.3
President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Land Court President, Lands Tribunal (Scotland)	23,250	25,250	8.6
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) President of the Lands Tribunal (Northern Ireland) ¹ Chief Social Security Commissioner (North- ern Ireland) ¹	22,500	24,500	8.9

	A	B	
	<i>Salaries implemented at 1 April 1980</i>	<i>Salaries recommended in Report No. 14 as appropriate at 1 April 1980</i>	<i>Percentage increase in B compared with A</i>
	£	£	%
Circuit Judge	} 22,000	} 24,000	} 9.1
Chief Metropolitan Magistrate			
Member, Lands Tribunal (England and Wales and Scotland)			
Social Security Commissioner (England and Wales and Scotland)			
Judge Advocate General			
Sheriff A (Scotland)			
County Court Judge (Northern Ireland)			
Master of the Court of Protection			
Senior and Chief Masters and Registrars of the Supreme Court			
Registrar of Criminal Appeals			
President, Industrial Tribunals (Northern Ireland) ¹			
Member, Lands Tribunal (Northern Ireland) ¹			
Social Security Commissioner (Northern Ireland) ¹			
Regional Chairman, Industrial Tribunals (England and Wales and Scotland)	} 21,500	} 23,500	} 9.3
Chairman, Foreign Compensation Commission			
Sheriff B (Scotland)	} 19,500	} 22,500	} 15.4
Masters and Registrars of the Supreme Court			
Metropolitan Magistrate			
Chairman, Industrial Tribunals (England and Wales and Scotland)			
Vice-Judge Advocate General			
Provincial Stipendiary Magistrate			
Resident Magistrate (Northern Ireland)			
Chairman, Industrial Tribunals (Northern Ireland) ¹			
Master, Supreme Court (Northern Ireland) ¹	} 19,250	} 22,000	} 14.3
County Court Registrars and District Registrars of the High Court			

Note: ¹These appointments have been added to the remit since Report No. 14. The salaries shown for the appointments in Column B are those which we now recommend in 1 April 1980 terms.

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

OFFICE OF MANPOWER ECONOMICS

1 April 1981

APPENDIX A

LIST OF INDIVIDUALS AND ORGANISATIONS WHO GAVE EVIDENCE OR ASSISTED IN OUR INQUIRIES

Individuals

- Rt Hon Lord Justice Ackner, Lord Justice of Appeal
Rt Hon Sir John Arnold, President of the Family Division of the High Court of Justice
Mr R L Bayne-Powell, Senior Registrar of the Family Division of the High Court of Justice
His Honour Judge Blackett-Ord, Vice-Chancellor of the County Palatine of Lancaster
Mr T A Blair QC, Chief Social Security Commissioner (Northern Ireland)
Mr R Chamberlain TD, Master of the Supreme Court, Chancery Division
Rt Hon Lord Denning, Master of the Rolls
Hon Lord Elliott MC, QC, Chairman of the Scottish Land Court and President of the Lands Tribunal (Scotland)
Rt Hon Lord Emslie MBE, Lord Justice General of Scotland and Lord President of the Court of Session
Sir Douglas Frank QC, President of the Lands Tribunal (England and Wales)
Mr S Gratwick QC
Rt Hon Lord Hailsham of St Marylebone CH, the Lord Chancellor
Sir Frank Harrison MBE, QC, DL, President of the Lands Tribunal (Northern Ireland)
Sir James Henry CMG, MC, TD, QC, Chairman of the Foreign Compensation Commission
Mr E R Heward, Chief Master of the Supreme Court, Chancery Division
Mr F T Horne, Master of the Supreme Court Taxing Office
Mr R H Hunt, Chief Registrar of the High Court of Justice in Bankruptcy
Sheriff Principal C H Johnston QC, Sheriff Principal of South Strathclyde, Dumfries and Galloway
Rt Hon Lord Lane AFC, Lord Chief Justice of England
Rt Hon Lord Lowry, Lord Chief Justice of Northern Ireland
Mr I MacDonald MC, QC, President of the Industrial Tribunals (Scotland)
Mr E J T Matthews TD, Chief Master of the Supreme Court Taxing Office
Rt Hon Sir Robert Megarry, Vice-Chancellor of the Chancery Division of the High Court of Justice
Mr J G Morgan-Owen MBE, Judge Advocate General
Sheriff Principal F W F O'Brien QC, Sheriff Principal of Lothian and Borders
Hon Mr Justice Parker, High Court Judge
Mr J Ritchie MBE, Senior Master of the Supreme Court, Queen's Bench Division
Mr W E C Robins, Metropolitan Magistrate
Mr J D H Rochford, Admiralty Registrar of the Supreme Court
Mr J S Rumbold QC, President of the Industrial Tribunals (England and Wales)
Mr E C S Russell, Chief Metropolitan Magistrate
Mr G D Squibb QC, President of the Transport Tribunal
His Honour Judge William Stabb QC, Senior Official Referee

Sir Rawden Temple CBE, QC, Chief Social Security Commissioner
His Honour Judge West-Russell, Senior Circuit Judge, Inner London Crown
Court (Newington Causeway)

Government Departments

Civil Service Department
Lord Chancellor's Department
Ministry of Defence
Scottish Courts Administration

Organisations

Association of County Court and District Registrars
Council of Civil Service Unions
Council of Her Majesty's Circuit Judges
Council of Her Majesty's County Court Judges in Northern Ireland
Northern Ireland Resident Magistrates' Association
Sheriffs' Association
Society of Stipendiary Magistrates

Industry

Over 140 companies in the private sector of industry, commerce and finance
co-operated in the remuneration survey carried out by the Office of Man-
power Economics.

OFFICE OF MANPOWER ECONOMICS

APPENDIX B

SURVEY OF REMUNERATION IN THE PRIVATE SECTOR

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

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Note: Because of rounding, rows or columns may not add up exactly to the totals shown.

SURVEY OF REMUNERATION IN THE PRIVATE SECTOR

Introduction

1. On behalf of the Review Body on Top Salaries the Office of Manpower Economics carried out a survey of remuneration of full-time Board members and senior executives in the private sector. The survey, which was the sixth of this kind to be carried out, covered the period 1 September 1979 to 1 September 1980¹. The Review Body are grateful for the cooperation of those who have replied to these surveys which are important to their work.

Selection of the sample

2. In previous surveys, companies in the non-financial sector were selected from 'The Times 1,000' list of the largest companies in the United Kingdom using the size of net assets as the basis of stratification. On this occasion, it was decided that turnover gave a better, though not ideal, indication of the responsibility of senior posts. Accordingly, company turnover rather than net assets was used as the basis for selecting companies for the survey. In addition, compared with the last survey of remuneration in 1977 when 299 non-financial companies were approached, a smaller sample of 191 companies was used. An examination of the results of previous surveys showed that the use of a smaller sample, which would lessen the burden placed upon companies, would not lead to a significant loss of accuracy. In the financial sector, questionnaires were sent to 23 organisations, most of which were clearing banks, insurance companies or building societies, compared with 29 in 1977.

Scope of the questionnaire

3. The questionnaire covered pay, pensions arrangements and other fringe benefits. All companies were asked to provide information for full-time members of the main Board and senior executives who reported to a Board member. In addition, non-financial companies with turnover of at least £400 million and all those in the financial sector were asked for information about senior executives at the next level down and about full-time Board members of subsidiaries with a turnover of at least £400 million. In all cases companies were asked to provide the information for posts the nature and responsibility of which had not changed in the year up to 1 September 1980.

Response

4. Usable questionnaires were received from 138 organisations which, after allowing for those replies which were unsuitable—for example, because of

¹ Reports on the previous five surveys are given in Report No. 2, Interim Report on Top Salaries (Cmnd. 5001, June 1972), Appendix E; Report No. 6, Report on Top Salaries (Cmnd. 5846, December 1974), Appendix L; Report No. 10, Second Report on Top Salaries (Cmnd. 7253, June 1978), Appendix E; Report No. 11, Third Report on Top Salaries (Cmnd. 7576, June 1979), Appendix C and Report No. 14, Fourth Report on Top Salaries (Cmnd. 7952, July 1980), Appendix C. Pensions and other benefits were covered in the surveys for Reports Nos. 6 and 10.

a merger—gave an overall response rate of 67 per cent¹. Table A shows the response of organisations in different sectors. Compared with the financial sector, the response was lower for companies in the non-financial sector. Details of the posts covered by the replies are given in Table 1 at the end of this Appendix.

Table A
Organisations' response to the survey

Sector	Number in 'Times 1,000'	Number selected	Providing replies ^a		Number used
			Number	As a percentage of number selected	
	No.	No.	No.	%	No.
Non-financial					
Turnover (£ million)					
800 and over	61	30	19	63.3	18
400 but under 800	62	31	21	67.7	20
200 but under 400	89	30	18	60.0	18
100 but under 200	142	35	25	71.4	22
50 but under 100	265	33	19	57.6	16
25 but under 50	381	32	22	68.8	24
All non-financial	1,000	191	124	64.9	118
Financial	NA	23	20	87.0	20
All organisations	NA	214	144	67.3	138

^a2 companies gave combined returns involving another company in the sample. 12 companies gave information for a subsidiary in a lower size band, 4 having a turnover of under £25 million. One company gave no information about pensions and fringe benefits. NA=Not appropriate.

Scaling up of the replies.

5. The 118 usable replies received from non-financial companies have been adjusted so as to provide estimates for all 1,000 companies in the 'Times' list with the result that the number of posts covered by the replies has been scaled up from 2,913 to 25,362. For these companies, the scaling up required two adjustments. First, companies with more than 30 posts at the levels covered provided figures for a selection of posts below Board level and their returns have been adjusted to allow for this. Second, different proportions of companies were selected in each size band; for instance, 1 in 2 of companies in the largest and 1 in 12 in the smallest size band, and a further adjustment for this has been made in the results. For the financial organisations covered there was no suitably structured list by size so that different sampling fractions by size were not used. However, some financial organisations with more than 30 posts at the levels covered provided information for a selection of posts below Board level and in these cases there has been an adjustment, the result of which has been to scale up the number of posts from 372 to 581. Tables

¹ For the last survey, which only covered pay, the response rate, calculated on a slightly different basis, was 77 per cent. For the last survey of pay and fringe benefits the response rate, also on a slightly different basis, was 65 per cent.

2-13 at the end of this Appendix give both the actual number of posts covered in replies and the number of posts produced by the adjustments described above.

Comparison with previous surveys

6. Changes, in the method of drawing the sample (from the use of net assets to the use of turnover), in the definition of levels of posts to take account of executive responsibility and in the method of producing results to take account of the different sampling fractions for different size bands, make it difficult to compare the results from this survey with those from previous surveys. Table B compares the distributions of salary plus bonus etc for all posts in the two most recent surveys. In view of the differences mentioned above and the difference in the dates to which the information relates, the two distributions show a reasonable measure of agreement.

Table B

Distribution of salaries plus bonus, commission and profit sharing at (A) 1 January 1980 as shown by previous survey and at (B) 1 September 1979 as shown by present survey

Range of salary plus bonus etc	(A) Previous survey 1 January 1980		(B) Present survey 1 September 1979	
	Number of posts	Percentage of posts	Number of posts	Percentage of posts
£60,000 and over	No. 50	% 3.7	No. 38	% 1.5
£50,000 —	46	3.4	57	2.2
£40,000 —	80	6.0	112	4.4
£35,000 —	77	5.7	109	4.2
£30,000 —	126	9.4	201	7.8
£25,000 —	175	13.0	284	11.1
£22,500 —	136	10.1	183	7.1
£20,000 —	129	9.6	231	9.0
£17,500 —	137	10.2	272	10.6
£15,000 —	106	7.9	307	12.0
£12,500 —	131	9.8	292	11.4
£10,000 —	120	8.9	316	12.3
£ 9,000 —	23	1.7	92	3.6
Under £9,000	7	0.5	71	2.8
Total	1,343	100.0	2,565	100.0

Results

7. Tables 2 to 13 contain the detailed results on pay and fringe benefits other than pensions, which form the basis of paragraphs 8 to 19. The information about pensions will be published in a future report when the results of the Government Actuary's evaluation have been received by the Review Body.

Mean levels of pay and increases in pay

8. Table 2 shows that for all posts in the survey the increase in mean salary plus bonus, commission and profit-sharing between 1 September 1979 and

1 September 1980 was just over 19 per cent. There was some evidence of smaller increases in average salary plus bonus etc for those whose pay in 1979 was £50,000 and over, the average increase being about 11½ per cent. For salary alone the overall average increase was just under 20 per cent, with evidence of lower increases for those whose salary was £60,000 and over where the average increase was about 12½ per cent. For all posts in the survey, bonus and other similar payments averaged about 5 per cent of total pay.

9. Table 3 compares mean pay for 1 September 1979 and 1980 for the main levels of post in the survey, namely, chief executives on the main Board, deputy chief executives on the main Board, other main Board members and senior executives at various levels. Mean levels of pay (with or without bonus) are higher in the financial sector than in the non-financial sector as a whole. Increases in mean pay in the financial sector over the period are generally higher as well. In the non-financial sector there is a slight tendency for increases to be higher for the lower level posts. The table also shows that in the non-financial sector the mean level of pay increases markedly with turnover. For example, for the senior executives reporting to the main Board as heads of function, mean salary plus bonus etc at 1 September 1980 ranges from £14,900, for companies with turnover of £25 million to £50 million, to £28,500 for companies with turnover of £800 million or over. At this particular level of post the corresponding figure for the financial sector is £29,600. Generally, mean pay in the financial sector matches that of companies in one of the top three size bands in the non-financial sector, ie companies with a turnover of £200 million and over.

Date of last increase in salary

10. Table 4 gives information about the timing of the last increase in salary for the different levels of post identified in the survey. Salaries for 40 per cent of posts had been increased in the period 1 May 1980 to 1 September 1980, leaving 60 per cent with an annual increase due in the period 2 September 1980 to April 1981. For different levels of post the proportion of posts receiving salary increases between May and September varied between 24 and 51 per cent. As in previous surveys, January, April, July and October were the most frequent months for increases, these 4 months accounting for 70 per cent of the posts.

Medians, quartiles and deciles

11. Table 5 shows the medians, quartiles and deciles for the main levels of posts in the survey. The figures confirm the tendency shown in Table 3 for levels of pay in the non-financial sector to be higher for the larger size bands. The table also indicates the variation in pay at a given level of post in a given size band. For example, for senior executives reporting as a head of function to a main Board member in companies with turnover between £200 million and £400 million the quartiles, which contain the middle half of the posts covered, were, at £17,300 and £24,300, both within about 17 per cent of the median of £20,800.

Benefits other than pensions (Tables 6-13)

Life assurance outside pension schemes

12. Many pension schemes contain an element of life assurance in that a lump sum is payable in the event of the death of a member of the scheme. Some employers provided life cover for their employees outside their pension schemes, usually in addition to death benefits within the scheme. Details of the extent of this provision and its costs are given in Table 6. In the non-financial sector about 20 per cent of Board members and of senior executives received additional life cover at an average cost to the employer of £200 and £100 respectively. Since the numbers involved, particularly of Board members, are small, the results for the financial sector should be treated with caution. Hardly any Board members and just over 15 per cent of senior executives received the benefit, at an average cost to the employer, in both cases, of less than £10. No employee in either sector contributed towards the costs.

Provision of company cars

13. Table 7 gives details of the provision of company cars and assistance with motoring expenses. The proportion of main Board members and senior executives provided with a company car for private use was over 90 per cent. Those companies which provided a car for private use usually provided maintenance and repair. There was little difference between sectors in the extent of provision. For Board members the average price, when new, of the car provided was about £12,500. For senior executives it was about £8,500. There is some evidence in the table that the larger companies in the non-financial sector provided more expensive cars. The provision of petrol and oil for private motoring was relatively unusual in the financial sector, where it was received by about 7 per cent of main Board members and 15 per cent of senior executives. In the non-financial sector it was received by over half of the Board members and senior executives. Provision of petrol and oil was more frequent in companies whose turnover was between £100 million and £800 million, where it was received by over 70 per cent of Board members and over 75 per cent of senior executives.

Loans for house purchase

14. Details of the provision of loans for house purchase are given in Table 8. This is a benefit which is mainly confined to the financial sector where 50 per cent of Board members and just under 90 per cent of senior executives received a loan. The average outstanding loan for Board members and senior executives in the financial sector was £13,500 and £15,000 respectively, at an average rate of interest of $4\frac{1}{2}$ per cent in both cases. In the non-financial sector less than 4 per cent of Board members and about 10 per cent of senior executives received a loan. The average outstanding loan for Board members and senior executives in the non-financial sector was £16,000 and £13,500 respectively, with average rates of interest of 8 per cent and 3 per cent respectively. The results for the non-financial sector should be used with caution as in most cases they are based on small numbers of posts.

Loans for purposes other than house purchase

15. Table 9 contains information about financial assistance for purposes other than house purchase. In the financial sector the proportion of Board members and senior executives who received such assistance was about 20 and 25 per cent respectively. In the non-financial sector these proportions were both about 5 per cent. For Board members in the financial sector the average size of the loan which was outstanding was £3,400 with an average rate of interest of 5 per cent. For senior executives in the same sector the average loan was £2,400 with an average rate of interest of 4½ per cent. In the non-financial sector there was a good deal of variation between companies in different size bands. In the sector as a whole, the average size of outstanding loan for Board members was about £5,100 with an average rate of interest of 3 per cent. For senior executives the corresponding figures were £4,500 and 4 per cent.

Assistance with medical insurance

16. Assistance with, or in some cases, provision of free, medical insurance by the employer was quite common. In the non-financial sector 75 per cent of Board members received this benefit at an average cost to the employer of about £120. The proportion for senior executives was similar with a slightly lower cost of provision (£104). In the financial sector fewer Board members and senior executives received the benefit (66 per cent and 55 per cent respectively). On the other hand the average cost of provision was higher (£144 and £112 respectively). Further details are given in Table 10.

Free or subsidised lunches

17. Table 11 shows that the provision of free or subsidised lunches is also common. In the non-financial sector over 60 per cent of Board members and over 70 per cent of senior executives received free or subsidised lunches at an average annual cost to their employer of about £400 and £350 respectively. In the financial sector the provision was more generous. 86 per cent of Board members and over 70 per cent of senior executives received lunches at an average annual cost to their employer of £920 and £535 respectively.

Share option and profit-sharing schemes

18. Information about share option schemes and the allocation of shares under a profit-sharing scheme approved under the 1978 Finance Act is contained in Table 12. In the non-financial sector, share option schemes were relatively unusual with 4 per cent of Board members acquiring shares in the year to 1 September 1980. The average excess of the market price over the price paid was £2,200. For the 2 per cent of senior executives in this sector acquiring shares the average value was £1,800. In the financial sector, share option schemes were more common although the average values were smaller than those in the non-financial sector. The allocation of shares under an approved profit-sharing scheme was also more common in the financial than in the non-financial sector. In the financial sector over one third of Board

members and a quarter of senior executives received in the year shares to the average value of £500, half the annual limit under the legislation. In the non-financial sector just over 10 per cent of Board members and 7 per cent of senior executives participated in such schemes. The average values of their allocations were about £450 and £350 respectively.

Other benefits

19. Other benefits are covered in Tables 13(i) and (ii) for Board members and senior executives respectively. There was a large number of different benefits in this category provided by one organisation or another but none were widespread. The most common were discounts on company goods or services, which were received by about 20 per cent of Board members and 30 per cent of senior executives.

TABLE 1

Response and coverage of survey

Sector	Number of organisations in 'Times 1,000'	Questionnaires despatched	Replies used ^a	Members of main Board							Senior executives					Others ^b	Total		
				Chairman and chief executive	Deputy chairman and chief executive	Chief executive	All chief executives on Board	Deputy chairman and deputy chief executive	Deputy chief executive	All deputy chief executives on Board	Other main Board members	Reporting to main Board			Reporting to those in (A)			Reporting to those in (B)	Reporting to those in either (A) or (B)
												Head of function (A)	Not head of function (B)	Total					
Non-financial																			
Turnover (£m) 800 and over	61	30	18	13	1	4	18	5	5	10	112	163	48	211	59	29	88	5	444
400 but under 800	62	31	20	10	2	7	19	5	6	11	101	187	49	236	76	23	99	9	475
200 but under 400	89	30	18	5	3	9	17	—	3	3	71	137	78	215				17	323
100 but under 200	142	35	22	6	—	17	23	1	6	7	89	190	37	227				7	353
50 but under 100	265	33	16	7	1	7	15	4	4	8	55	109	61	170	§	§	§	4	252
25 but under 50	381	32	24	11	1	13	25	—	2	2	77	172	67	239				3	346
All non-financial	1,000	191	118	52	8	57	117	15	26	41	505	958	340	1,298	135	52	187	45	2,193
Financial	NA	23	20	1	1	14	16	—	3	3	22	135	7	142	126	7	133	56	372
Total	NA	214	138	53	9	71	133	15	29	44	527	1,093	347	1,440	261	59	320	101	2,565

^a 12 non-financial companies provided information for a subsidiary in a smaller size band than the one from which they were selected. 4 of these subsidiaries had a turnover of less than £25 million. One company gave no information about pensions and fringe benefits.

^b 'Others' contains the following posts: Chairmen and deputy chairmen who are not the chief or deputy chief executive, chief and deputy chief executives not on the main Board, senior executives on executive committees and full-time members of Boards of subsidiaries not included in previous columns.

§ Information about these posts was not sought from companies in this sector.

NA = Not appropriate.

TABLE 2

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1979 and 1 September 1980 by ranges of 1979 salary plus bonus etc

All posts

Range of 1979 salary plus bonus, etc	Number of posts		Mean salary		Mean salary plus bonus etc		Percent- age increase	%
	Actually used	Scaled-up	1979	1980	1979	1980		
	No.	No.	£000	£000	£000	£000		
£70,000 and over	19	65	71.3	80.3	83.9	91.8	12.5	9.5
£60,000 -	19	65	59.3	67.0	64.5	72.8	13.0	12.8
£50,000 -	57	201	45.9	54.5	53.2	59.5	18.7	11.9
£45,000 -	39	141	45.8	52.6	47.0	54.3	15.0	15.7
£40,000 -	73	253	38.8	45.4	41.7	48.2	16.9	15.6
£35,000 -	109	553	33.7	40.4	37.0	44.1	20.0	19.2
£30,000 -	201	1,151	29.5	34.9	32.1	37.6	18.6	17.0
£25,000 -	284	2,147	25.4	30.0	27.1	31.6	18.2	16.6
£22,500 -	183	1,528	22.2	26.5	23.6	27.6	19.1	17.1
£20,000 -	231	2,227	19.8	23.9	21.0	25.3	20.7	20.8
£17,500 -	272	2,524	17.7	21.4	18.7	22.5	20.6	20.4
£15,000 -	307	3,303	15.5	18.9	16.1	19.6	21.6	21.5
£12,500 -	292	4,157	12.9	15.8	13.6	16.7	22.1	22.6
£10,000 -	316	4,858	10.6	12.7	11.2	13.4	20.5	20.1
£ 9,000 -	92	1,459	9.0	10.8	9.4	11.2	19.7	18.7
£ 8,000 -	39	652	8.3	9.9	8.5	10.2	19.7	20.1
Under £8,000	32	659	7.1	8.5	7.3	8.7	19.4	19.7
Total	2,565	25,943	17.1	20.5	18.2	21.6	19.9	19.1

TABLE 3

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1979 and 1 September 1980

Level of post and sector	Number of posts		Mean salary			Mean salary plus bonus etc		
	Actually used	Scaled up	1979	1980	Percentage increase	1979	1980	Percentage increase
	No.	No.	£000	£000	%	£000	£000	%
Main board members								
All chief executives on main Board								
Non-financial								
Turnover (£m)								
800 and over	18	61	58.3	70.7	21.3	61.2	72.2	18.1
400 but under 800	19	59	51.4	59.0	14.7	57.3	64.8	13.0
200 but under 400	17	84	37.4	44.9	20.0	38.5	47.3	23.0
100 but under 200	23	148	36.7	42.6	15.9	37.9	43.8	15.6
50 but under 100	15	248	29.8	34.8	16.6	33.0	37.5	13.8
25 but under 50	25	397	24.1	28.2	17.0	29.3	32.8	12.0
All non-financial	117	998	32.2	37.8	17.3	35.9	41.1	14.7
Financial	16	16	39.4	48.9	24.1	40.2	50.1	24.7
Total	133	1,014	32.3	38.0	17.4	35.9	41.3	14.9
All deputy chief executives on main Board								
Non-financial								
Turnover (£m)								
800 and over	10	34	51.9	60.1	15.7	51.9	60.1	15.7
400 but under 800	11	34	47.4	52.7	11.1	52.5	59.5	13.4
200 but under 400	3	15	*	*	*	*	*	*
100 but under 200	7	45	27.3	30.3	10.8	27.7	30.6	10.8
50 but under 100	8	133	24.9	29.6	19.1	29.8	34.3	15.0
25 but under 50	2	32	*	*	*	*	*	*
All non-financial	41	292	30.8	35.5	15.4	33.8	38.8	14.7
Financial	3	3	*	*	*	*	*	*
Total	44	295	30.8	35.7	15.7	33.9	38.9	14.9
Other main Board members								
Non-financial								
Turnover (£m)								
800 and over	112	380	35.4	42.5	19.9	36.6	43.1	17.8
400 but under 800	101	313	31.8	37.2	16.9	32.8	39.3	20.0
200 but under 400	71	351	24.2	29.8	23.4	25.3	33.2	30.9
100 but under 200	89	574	21.8	26.0	19.2	22.9	27.2	18.9
50 but under 100	55	911	19.6	23.1	17.7	22.1	25.3	14.2
25 but under 50	77	1,222	16.1	19.2	19.5	19.2	21.5	12.5
All non-financial	505	3,752	21.8	26.0	19.2	23.9	28.1	17.3
Financial	22	22	29.0	35.8	23.3	29.4	36.6	24.4
Total	527	3,774	21.9	26.1	19.3	24.0	28.1	17.4

* Number of posts too small to provide reliable figures.

Continued

TABLE 3 continued

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1979 and 1 September 1980

Level of post and sector	Number of posts		Mean salary			Mean salary plus bonus etc		
	Actually used	Scaled up	1979	1980	Percentage increase	1979	1980	Percentage increase
	No.	No.	£000	£000	%	£000	£000	%
Senior executives								
(A) Heads of function reporting to main Board members								
Non-financial								
Turnover (£m)								
800 and over	163	1,200	23.6	27.9	18.2	24.4	28.5	16.8
400 but under 800	187	918	20.0	23.9	19.3	21.1	25.4	20.6
200 but under 400	137	945	17.4	21.0	21.0	17.7	21.7	22.2
100 but under 200	190	1,472	15.9	19.2	20.4	16.7	20.1	19.9
50 but under 100	109	1,923	12.8	15.4	20.0	13.6	16.3	19.5
25 but under 50	172	3,445	11.4	13.7	19.8	12.6	14.9	17.9
All non-financial	958	9,902	15.2	18.2	19.7	16.1	19.2	19.1
Financial	135	163	23.3	28.8	23.6	24.0	29.6	23.0
Total	1,093	10,065	15.3	18.4	19.8	16.3	19.4	19.2
(B) Others reporting to main Board members								
Non-financial								
Turnover (£m)								
800 and over	48	396	22.5	28.5	26.9	23.5	29.1	23.6
400 but under 800	49	643	18.4	22.0	19.3	19.2	23.1	20.1
200 but under 400	78	514	15.0	18.7	24.1	15.5	19.5	26.3
100 but under 200	37	362	13.7	16.1	17.0	13.9	16.2	17.0
50 but under 100	61	1,275	11.0	13.1	19.5	11.2	13.4	19.8
25 but under 50	67	1,619	9.5	11.3	19.2	10.3	11.9	15.6
All non-financial	340	4,810	13.1	15.8	20.8	13.6	16.3	19.9
Financial	7	17	17.4	20.2	15.6	17.4	20.2	15.6
Total	347	4,826	13.1	15.8	20.8	13.6	16.4	19.9
Senior executives reporting to heads of function at (A) above ^a								
Non-financial								
Turnover (£m)								
800 and over	59	1,057	19.9	23.9	20.0	20.3	24.3	19.8
400 but under 800	76	2,558	14.4	17.4	20.6	15.3	18.7	22.7
400 and over	135	3,615	16.0	19.3	20.4	16.8	20.4	21.7
Financial	126	237	18.5	23.3	25.9	19.3	24.2	25.5
Total	261	3,852	16.2	19.6	20.8	16.9	20.6	21.9

^a For the non-financial sector information for posts at this level was only requested from companies whose turnover was £400 million and over.

Continued

TABLE 3 continued

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1979 and 1 September 1980¹

Level of post and sector	Number of posts		Mean Salary			Mean salary plus bonus etc		
	Actually used	Scaled up	1979	1980	Percentage increase	1979	1980	Percentage increase
	No.	No.	£000	£000	%	£000	£000	%
Senior executives reporting to those at (B) above ^a								
Non-financial								
Turnover (£m)								
800 and over	29	817	19.5	24.0	23.3	19.9	24.7	24.2
400 but under 800	23	890	12.8	15.8	23.8	13.0	16.0	23.4
400 and over	52	1,706	16.0	19.7	23.5	16.3	20.2	23.9
Financial	7	67	14.8	16.5	11.8	14.8	16.5	11.8
Total	59	1,773	15.9	19.6	23.1	16.2	20.1	23.5
Senior executives reporting to those at either (A) or (B) ^a								
Non-financial								
Turnover (£m)								
800 and over	88	1,874	19.7	23.9	21.4	20.1	24.5	21.7
400 but under 800	99	3,447	14.0	17.0	21.4	14.7	18.1	22.9
400 and over	187	5,321	16.0	19.4	21.4	16.6	20.3	22.4
Financial	133	304	17.7	21.8	23.3	18.3	22.5	23.0
Total	320	5,625	16.1	19.6	21.5	16.7	20.4	22.4
Others ^b								
Non-financial								
Financial	45	288	31.3	36.9	18.0	31.8	37.5	17.9
Financial	56	56	34.8	42.8	22.9	36.0	44.4	23.4
Total	101	344	31.8	37.8	18.9	32.5	38.6	18.9
All posts								
Non-financial	2,193	25,362	17.0	20.3	19.8	18.1	21.5	19.0
Financial	372	581	22.0	27.2	23.3	22.7	28.0	23.2
Total	2,565	25,943	17.1	20.5	19.9	18.2	21.6	19.1

^a For the non-financial sector information for posts at this level was only requested from companies whose turnover was £400 million and over.

^b See note b to Table 1.

TABLE 4

Date of last increase in salary for each level of post in all sectors

Level of post	Number and percentage of posts with salary increase in																	Total	Actual number of posts used			
	Quarter ended												Year ended									
	Sept 1980	Aug 1980	July 1980	June 1980	May 1980	Apr 1980	Mar 1980	Feb 1980	Jan 1980	Dec 1979	Nov 1979	Oct 1979	Sept 1979	June 1979	Mar 1979	Dec 1978	Sept 1978			Sept 1977	Sept 1976 or earlier	
Main Board members																						
1. Chief executives	Scaled up no. %	—	—	152 15.0	31 3.1	63 6.2	184 18.2	44 4.4	6 0.6	289 28.6	14 1.4	9 0.9	96 9.5	43 4.3	3 0.3	32 3.2	16 1.6	13 1.3	16 1.6	—	1,014 100.0	133
2. Deputy chief executives	Scaled up no. %	—	—	86 29.3	6 2.0	9 3.1	50 17.0	3 1.0	—	88 29.9	—	—	23 7.8	—	12 4.1	17 5.8	—	—	—	—	295 100.0	44
3. Other main Board members	Scaled up no. %	83 2.2	25 0.7	840 22.3	226 6.0	203 5.4	578 15.3	170 4.5	—	791 21.0	144 3.8	99 2.6	451 11.9	54 1.4	39 1.0	66 1.8	3 0.1	—	—	—	3,774 100.0	527
Senior executives																						
4. Heads of function reporting to main Board members	Scaled up no. %	161 1.6	109 1.1	2,574 25.6	1,130 11.2	509 5.1	1,643 16.3	286 2.8	101 1.0	1,629 16.2	301 3.0	470 4.7	1,076 10.7	26 0.3	10 0.1	—	22 0.2	17 0.2	—	—	10,065 100.0	1,093
5. Others reporting to main Board members	Scaled up no. %	27 0.6	197 4.1	1,511 31.3	226 4.7	496 10.3	358 7.4	155 3.2	29 0.6	771 16.0	75 1.6	271 5.6	677 14.0	31 0.6	—	—	—	—	—	—	4,826 100.0	347
6. Executives reporting to heads of function at 4 above ^a	Scaled up no. %	43 1.1	119 3.1	564 14.6	149 3.9	69 1.8	669 17.4	190 4.9	47 1.2	1,802 46.8	32 0.8	59 1.5	107 2.8	—	—	—	—	—	—	—	3,852 100.0	261
7. Executives reporting to those at 5 above ^a	Scaled up no. %	169 9.6	—	402 22.7	43 2.4	52 2.9	50 2.8	87 4.9	—	310 17.5	—	406 22.9	254 14.3	—	—	—	—	—	—	—	1,773 100.0	59
Other posts ^b	Scaled up no. %	—	45 13.1	148 14.0	3 0.9	6 1.7	73 21.3	6 1.7	—	111 32.4	8 2.3	—	21 6.1	5 1.5	—	6 1.7	—	10 2.9	1 0.3	—	344 100.0	101
All posts	Scaled up no. %	484 1.9	496 1.9	6,179 23.8	1,815 7.0	1,408 5.4	3,605 13.9	943 3.6	183 0.7	5,790 22.3	574 2.2	1,315 5.1	2,706 10.4	160 0.6	65 0.3	122 0.5	41 0.2	40 0.2	17 0.1	—	25,943 100.0	2,565

^a For the non-financial sector information for posts at this level was only requested from companies whose turnover was £400 million and over.

^b See note b to Table 1.

TABLE 5

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 September 1980, by level of post and by sector

Level of post		Non-financial						Financial	Total		
		Turnover (£ million)									
		800 and over	400 but under 800	200 but under 400	100 but under 200	50 but under 100	25 but under 50			Total	
Main Board members											
1. Chief executives											
	Highest decile	£000	*	*	*	*	*	*	65.0	*	65.0
	Upper quartile	£000	*	*	*	*	*	*	48.0	*	48.4
	Median	£000	73.0	*	47.8	42.0	35.5	29.5	38.3	48.4	38.3
	Lower quartile	£000	*	*	*	*	*	*	29.6	*	29.6
	Lowest decile	£000	*	*	*	*	*	*	22.2	*	22.5
	Mean	£000	72.2	64.8	47.4	43.8	37.5	32.8	41.1	50.1	41.3
	No. of actual posts		18	19	17	23	15	25	117	16	133
	No. of scaled up posts		61	59	84	148	248	397	998	16	1,014
2. Deputy chief executives											
	Highest decile	£000	*	*	*	*	*	*	*	*	*
	Upper quartile	£000	*	*	*	*	*	*	40.6	*	40.6
	Median	£000	50.5	49.7	*	32.6	37.5	*	36.8	*	37.5
	Lower quartile	£000	*	*	*	*	*	*	28.7	*	28.7
	Lowest decile	£000	*	*	*	*	*	*	*	*	*
	Mean	£000	60.1	59.5	*	30.6	34.3	*	38.8	*	38.9
	No. of actual posts		10	11	3	7	8	2	41	3	44
	No. of scaled up posts		34	34	15	45	113	32	292	3	295
3. Other main Board members											
	Highest decile	£000	55.1	51.7	44.0	40.4	36.0	32.0	42.5	*	42.6
	Upper quartile	£000	48.5	43.5	36.1	34.4	31.8	24.1	35.0	*	35.0
	Median	£000	41.8	36.5	29.5	26.2	23.2	20.0	25.5	42.5	25.5
	Lower quartile	£000	36.6	32.2	24.5	20.5	19.4	17.0	19.4	*	19.4
	Lowest decile	£000	34.0	28.0	22.0	14.6	16.0	14.0	15.7	*	15.7
	Mean	£000	43.1	39.3	33.2	27.2	25.3	21.5	28.1	36.6	28.1
	No. of actual posts		112	101	71	89	55	77	505	22	527
	No. of scaled up posts		380	313	351	574	911	1,222	3,752	22	3,774

* Number of posts too small to provide reliable figures.

Continued

TABLE 5 continued

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 September 1980, by level of post and by sector

Level of post	Non-financial							Financial	Total	
	Turnover (£ million)						Total			
	800 and over	400 but under 800	200 but under 400	100 but under 200	50 but under 100	25 but under 50				
Senior executives										
4. Heads of function reporting to main Board members										
Highest decile	£000	36.0	38.0	32.9	26.4	21.9	20.3	29.9	51.0	30.0
Upper quartile	£000	32.5	29.8	24.3	23.6	19.0	16.9	23.5	36.6	23.6
Median	£000	27.2	25.2	20.8	19.4	15.8	14.2	17.5	26.9	17.7
Lower quartile	£000	24.0	18.7	17.3	15.8	12.8	11.4	13.5	19.6	13.5
Lowest decile	£000	22.3	16.0	14.8	13.1	10.9	10.3	11.0	15.9	11.0
Mean	£000	28.5	25.4	21.7	20.1	16.3	14.9	19.2	29.6	19.4
No. of actual posts		163	187	137	190	109	172	958	135	1,093
No. of scaled up posts		1,200	918	945	1,472	1,923	2,445	9,903	163	10,066
5. Others reporting to main Board members										
Highest decile	£000	34.6	33.0	27.0	*	18.0	14.0	26.9	*	26.9
Upper quartile	£000	32.7	26.8	23.2	18.5	15.2	12.3	20.0	*	20.0
Median	£000	28.6	23.5	17.9	15.5	12.6	11.2	13.6	18.7	13.6
Lower quartile	£000	26.5	18.0	16.0	13.8	11.4	9.8	11.3	*	11.3
Lowest decile	£000	24.7	12.5	14.8	*	9.4	8.9	9.5	*	9.5
Mean	£000	29.1	23.1	19.5	16.2	13.4	11.9	16.3	20.2	16.4
No. of actual posts		48	49	78	37	61	67	340	7	347
No. of scaled up posts		396	643	514	362	1,275	1,619	4,810	17	4,826
6. Executives reporting to heads of function at 4 above										
Highest decile	£000	30.4	29.3	}	§	§	§	30.0	40.9	30.4
Upper quartile	£000	25.6	21.2					24.1	32.7	24.1
Median	£000	23.6	16.6					18.7	18.5	18.5
Lower quartile	£000	21.4	15.3					16.1	15.0	16.1
Lowest decile	£000	19.9	12.9					12.9	13.2	12.9
Mean	£000	24.3	18.7	20.4	24.2	20.6				
No. of actual posts		59	76	135	126	261				
No. of scaled up posts		1,057	2,558	3,615	237	3,852				

§ Information about these posts was not sought from companies in this sector.

* Number of posts too small to provide reliable figures.

Continued

TABLE 5 continued

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 September 1980, by level of post and by sector

Level of post	Non-financial						Total	Financial	Total
	Turnover (£ million)								
	800 and over	400 but under 800	200 but under 400	100 but under 200	50 but under 100	25 but under 50			
7. Executives reporting to those at 5 above									
Highest decile	£000	*	*				27.8	*	27.8
Upper quartile	£000	26.6	*				24.4	*	24.4
Median	£000	24.4	16.4				19.0	16.1	19.0
Lower quartile	£000	21.6	*				16.2	*	16.2
Lowest decile	£000	*	*	§	§	§	13.3	*	13.3
Mean	£000	24.7	16.0				20.2	16.5	20.1
No. of actual posts		29	23				52	7	59
No. of scaled up posts		817	890				1,706	67	1,773

§ Information about these posts was not sought from companies in this sector.

* Number of posts too small to provide reliable figures.

Provision of life assurance outside the organisation's pension scheme

			Sector																	
			Non financial - turnover (£ million)												All non-financial		Financial		All companies	
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50							
			Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts
Main Board members Total covered by questionnaire	Actually used	No.	18	142	19	129	18	100	22	126	16	82	24	105	117	684	20	56	137	740
	Scaled up	No. No. %	61	481 100·0	62	413 100·0	89	496 100·0	142	813 100·0	265	1,359 100·0	381	1,667 100·0	1,000	5,229 100·0	20	56 100·0	1,020	5,285 100·0
Provision of life assurance outside the pension scheme																				
	Provision made	No. %	17	152 31·7	13	83 20·2	30	179 36·0	32	168 20·6	50	215 15·9	48	111 6·7	190	908 17·4	2	2 3·6	192	910 17·2
	Mean cost to company for those covered	£	—	296 ^a	—	153	—	390	—	73 ^b	—	65 ^c	—	57	—	189	—	—	—	188 ^d
	Number making contribution towards costs	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Senior executives Total covered by questionnaire	Actually used	No.	18	302	19	338	18	223	22	227	16	170	24	241	117	1,501	20	316	137	1,817
	Scaled up	No. No. %	61	3,480 100·0	62	5,031 100·0	89	1,499 100·0	142	1,833 100·0	265	3,198 100·0	381	5,096 100·0	1,000	20,137 100·0	20	525 100·0	1,020	20,662 100·0
Provision of life assurance outside the pension scheme																				
	Provision made	No. %	17	979 28·1	13	1,206 24·0	30	565 37·7	34	404 22·0	53	922 28·8	52	486 9·5	199	4,562 22·7	2	86 16·4	201	4,648 22·5
	Mean cost to company for those covered	£	—	112 ^a	—	103	—	206	—	39 ^b	—	51 ^c	—	41	—	101 ^d	—	—	—	100 ^e
	Number making contribution towards costs	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

All numbers are scaled up unless otherwise stated.

^a Based on 34 actual posts.^b Based on 16 actual posts.^c Based on 9 actual posts.^d Based on 128 actual posts^e Based on 1 actual post.^f Based on 129 actual posts.^g Based on 112 actual posts.^h Based on 25 actual posts.¹ Based on 38 actual posts.² Based on 327 actual posts.³ Based on 23 actual posts.⁴ Based on 350 actual posts.

Provision of company car for private use and assistance with other motoring expenses

			Sector														All non-financial		Financial/		All companies.	
			Non financial - turnover (£ million)																			
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50									
			Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts						
Main Board members																						
Total covered by questionnaire			18	142	19	129	18	100	22	126	16	82	24	105	117	684	20	56	127	740		
Actually used	No.		61	481	62	413	89	496	142	813	265	1,359	381	1,667	1,000	5,229	20	56	1,020	5,285		
Scaled up	No. %			100.0		100.0		100.0		100.0		100.0		100.0		100.0		100.0		100.0		
Provision of individually assigned car with or without full-time chauffeur	No. %		54	461	62	394	84	496	136	794	265	1,359	381	1,572	982	5,076	12	47	994	5,123		
Average values of company cars provided:																						
Minimum	£			9,944 ^a		12,374 ^b		10,087		9,736 ^c		8,416 ^d		8,008 ^e		9,032 ^f		9,541 ^g		9,034 ^h		
Maximum	£			24,891 ⁱ		18,290		14,974		18,494		15,711 ^j		11,804		15,881 ^k		16,132 ^l		15,883 ^m		
Mid-point	£			17,418 ⁿ		15,332		12,530		14,115		12,064		9,906		12,456		12,837 ^o		12,458 ^p		
Provision of a pool car for travel between home and office	No. %		14	68	7	38	—	—	6	32	17	17	—	—	44	155	2	12	46	167		
Provision of maintenance and/or repair	No. %		54	461	62	394	84	496	142	794	265	1,342	365	1,524	972	5,011	12	47	984	5,058		
Provision of petrol and oil for private motoring	No. %		30	274	39	275	69	407	116	652	83	497	206	746	543	2,851	2	4	545	2,855		
	%			57.0		66.7		82.0		80.2		36.6		44.8		54.5		7.1		54.0		
Senior executives																						
Total covered by questionnaire			18	302	19	338	18	223	22	227	16	170	24	241	117	1,501	20	316	137	1,817		
Actually used	No.		61	3,480	62	5,031	89	1,499	142	1,833	265	3,198	381	5,096	1,000	20,137	20	525	1,020	20,662		
Scaled up	No. %			100.0		100.0		100.0		100.0		100.0		100.0		100.0		100.0		100.0		
Provision of individually assigned car with or without full-time chauffeur	No. %		61	3,342	59	4,599	89	1,344	135	1,752	265	2,878	381	4,906	990	18,821	19	459	1,009	19,280		
Average values of company cars provided:																						
Minimum	£			8,447 ^q		7,316 ^r		6,730 ^s		6,242 ^t		5,394 ^u		5,478 ^v		6,567 ^w		7,318 ^x		6,580 ^y		
Maximum	£			11,561 ^z		11,608		10,129		9,885		9,043 ^{aa}		8,010		10,004		11,433 ^{ab}		10,037 ^{ac}		
Mid-point	£			10,004 ^{ad}		9,462 ^{ae}		8,429		8,065 ^{af}		7,218		6,744 ^{ag}		8,286		9,375 ^{ah}		8,308		
Provision of a pool car for travel between home and office	No. %		3	12	—	—	—	—	—	—	—	—	—	—	3	12	1	7	4	19		
Provision of maintenance and/or repair	No. %		61	3,317	59	4,599	89	1,344	135	1,752	265	2,878	381	4,863	990	18,753	19	459	1,009	19,212		
Provision of petrol and oil for private motoring	No. %		34	1,935	59	4,599	64	1,049	108	1,453	89	903	139	1,438	493	11,378	4	80	497	11,458		
	%			55.6		91.4		70.0		79.3		28.2		28.2		56.5		15.2		55.5		

All numbers are scaled up unless otherwise stated.

^a Based on 98 actual posts.^b Based on 102 actual posts.^c Based on 106 actual posts.^d Based on 79 actual posts.^e Based on 583 actual posts.^f Based on 21 actual posts.^g Based on 604 actual posts.^h Based on 41 actual posts.ⁱ Based on 699 actual posts.^j Based on 234 actual posts.^k Based on 298 actual posts.^l Based on 194 actual posts.^m Based on 164 actual posts.ⁿ Based on 146 actual posts.^o Based on 215 actual posts.^p Based on 1,251 actual posts.^q Based on 187 actual posts.^r Based on 1,438 actual posts.^s Based on 268 actual posts.^t Based on 1,669 actual posts.

TABLE 8

Provision of financial assistance, including loans, for house purchase

			Sector																	
			Non financial - turnover (£ million)												All non-financial		Financial		All companies	
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50							
			Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts
Main Board members																				
Total covered by questionnaire	Actually used	No. No. %	18 61	142 481 100.0	19 62	129 413 100.0	18 89	100 496 100.0	22 142	126 813 100.0	16 265	82 1,359 100.0	24 381	105 1,667 100.0	117 1,000	684 5,229 100.0	20 20	56 56 100.0	137 1,020	/ 740 5,285 100.0
Receiving financial assistance for house purchase (other than on appointment or relocation by the company)	No. %	3	10 2.1	7	35 8.5	—	—	6	26 3.2	33	99 7.3	—	—	50	170 3.3	10	27 48.2	60	197 3.7	
Mean loan outstanding	£		9,858		16,621		—		— ^a		16,450		—		16,034 ^b		13,379 ^c		15,696 ^d	
Mean rate of interest charged	%		9.6		11.4		—		9.5		6.4		—		7.8		4.4		6.9	
Senior executives																				
Total covered by questionnaire	Actually used	No. No. %	18 61	302 3,480 100.0	19 62	338 5,037 100.0	18 89	223 1,499 100.0	22 142	227 1,833 100.0	16 265	170 3,198 100.0	24 381	241 5,096 100.0	117 1,000	1,501 20,137 100.0	20 20	316 525 100.0	137 1,020	1,817 20,662 100.0
Receiving financial assistance for house purchase (other than on appointment or relocation by the company)	No. %	7	277 7.9	16	1,265 25.1	—	—	6	89 4.8	35	301 9.4	17	254 5.0	81	2,186 10.9	19	465 88.6	100	2,651 12.8	
Mean loan outstanding	£		8,528		15,596 ^e		—		— ^f		11,012		15,000		13,625 ^g		15,159 ^h		13,879 ⁱ	
Mean rate of interest charged	%		8.1		2.2		—		9.5		6.9		0.0		3.1		4.4		3.3	

All numbers are scaled up unless otherwise stated.

^a Not known.^b Based on 20 actual posts.^c Based on 21 actual posts.^d Based on 41 actual posts.^e Based on 63 actual posts.^f Not known.^g Based on 115 actual posts.^h Based on 212 actual posts.ⁱ Based on 327 actual posts.

TABLE 9

Provision of financial assistance, including loans, for purposes other than house purchase

			Sector																		
			Non-financial - turnover (£ million)												All non-financial		Financial		All companies		
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50								
Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts	Companies	Posts		
Main Board members																					
Total covered by questionnaire	Actually used	No.	18	142	19	129	18	100	22	126	16	82	24	105	117	684	20	56	129	740	
	Scaled up	No. %	61	481 100·0	62	413 100·0	89	496 100·0	142	813 100·0	265	1,359 100·0	381	1,667 100·0	1,000 ^c	5,229 100·0	20	56 100·0	1,020	5,285 100·0	
Receiving financial assistance for purposes other than house purchase			No. %	10	81 16·8	7	32 7·8	—	—	13	39 4·8	17	99 7·3	—	—	47	251 4·8	4	11 19·6	51	262 5·0
Mean loan outstanding			£ %		7,067 ^a		19,050		—		1,850		750		—	5,101 ^b		3,400 ^c		5,029 ^d	
Mean rate of interest charged			%		1·7		4·5		—		0·9		—		—	3·0		5·3		3·1	
Senior executives																					
Total covered by questionnaire	Actually used	No.	18	302	19	338	18	223	22	227	16	170	24	241	117	1,501	20	316	137	1,817	
	Scaled up	No. %	61	3,480 100·0	62	5,031 100·0	89	1,499 100·0	142	1,833 100·0	265	3,198 100·0	381	5,096 100·0	1,000	20,137 100·0	20	316 100·0	1,020	20,662 100·0	
Receiving financial assistance for purposes other than house purchase			No. %	17	749 21·5	10	461 9·2	10	81 5·4	20	129 7·0	—	—	—	57	1,420 7·1	6	138 26·3	63	1,558 7·5	
Mean loan outstanding			£ %		5,517 ^e		4,735		465		1,805		—		—	4,516 ^f		2,387 ^g		4,372 ^h	
Mean rate of interest charged			%		3·0		6·3		11·1		1·4		—		4·3		4·4		4·3		

All numbers are scaled up unless otherwise stated.

^a Based on 17 actual posts.^b Based on 39 actual posts.^c Based on 10 actual posts.^d Based on 49 actual posts.^e Based on 50 actual posts.^f Based on 109 actual posts.^g Based on 54 actual posts.^h Based on 163 actual posts.

TABLE 10

Provision of assistance with, or free, private medical insurance

			Sector																	
			Non financial – turnover (£ million)											All non-financial		Financial		All companies		
			800 and over		400 but under 300		200 but under 400		100 but under 200		50 but under 100		25 but under 50							
			Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts		
Main Board members			18	142	19	129	18	100	22	126	16	82	24	105	117	684	20	56	137	740
Total covered by questionnaire	Actually used	No. No. %	61	481	62	413	89	496	142	813	265	1,359	381	1,667	1,000	5,229	20	56	1,020	5,285
	Scaled up	%		100·0		100·0		100·0		100·0		100·0		100·0		100·0		100·0		100·0
Receiving assistance with, or free, private medical insurance		No. %	44	349	46	320	64	387	97	619	199	1,011	270	1,238	720	3,924	9	37	72	3,961
Mean cost to company for those receiving the benefit		£		100		98		107		128		142		144		130		144		130
Senior executives			18	302	19	338	18	223	22	227	16	170	24	241	117	1,501	20	316	137	1,817
Total covered by questionnaire	Actually used	No. No. %	61	3,480	62	5,031	89	1,499	142	1,833	265	3,198	381	5,096	1,000	20,137	20	525	1,020	20,662
	Scaled up	%		100·0		100·0		100·0		100·0		100·0		100·0		100·0		100·0		100·0
Receiving assistance with, or free, private medical insurance		No. %	47	2,708	49	3,944	69	1,163	115	1,373	194	1,975	260	3,595	734	14,758	12	286	746	15,044
Mean cost to company for those receiving the benefit		£		77·8		78·4		77·6		74·9		61·8		70·5		73·3		54·5		72·8
				103		92		99		129		117		98		103		112		103

All numbers are scaled up unless otherwise stated.

TABLE 11

Provision of free or subsidised lunches

			Sector																		
			Non financial - turnover (£ million)												All non-financial ¹		Financial		All companies		
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50 ²								
			Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies
Main Board members	Total covered by questionnaire	Actually used Scaled up	No. No. %	18 61	142 481 100.0	19 62	129 413 100.0	18 89	100 496 100.0	22 142	126 813 100.0	16 265	82 1,359 100.0	24 381 ¹	105 1,667 100.0	117 1,000	684 5,229 100.0	20 20	56 56 100.0	137 1,020	740 5,285 100.0
	Receiving free or subsidised lunches	Mean cost to company for those receiving the benefit	No. % £	54	417 86.6	55	375 90.7	69	417 84.0	90	484 59.5	182	845 62.2	190	746 44.8	640	3,284 62.8	10	48 85.7	650	3,332
Senior executives	Total covered by questionnaire	Actually used Scaled up	No. No. %	18 61	302 3,480 100.0	19 62	338 5,031 100.0	18 89	223 1,499 100.0	22 142	227 1,833 100.0	16 265	170 3,198 100.0	24 381 ¹	241 5,096 100.0	117 1,000	1,501 20,137 100.0	20 20	316 525 100.0	137 1,020	1,817 20,662 100.0
	Receiving free or subsidised lunches	Mean cost to company for those receiving the benefit	No. % £	58	3,192 91.7	55	4,034 80.2	74	1,291 86.1	94	1,349 73.6	194	2,201 68.8	207	2,559 50.2	682	14,626 72.6	15	377 71.8	697	15,003 72.6
					445 ¹		293 ¹		447		469 ^h		270 ¹		241 ^m		343 ⁿ		535 ^p		348 ^q

All numbers are scaled up unless otherwise stated.

- ^a Based on 78 actual posts.
^b Based on 81 actual posts.
^c Based on 53 actual posts.
^d Based on 26 actual posts.
^e Based on 43 actual posts.
^f Based on 365 actual posts.

- ^g Based on 17 actual posts.
^h Based on 382 actual posts.
ⁱ Based on 213 actual posts.
^j Based on 189 actual posts.
^k Based on 105 actual posts.
^l Based on 70 actual posts.

- ^m Based on 116 actual posts.
ⁿ Based on 885 actual posts.
^p Based on 167 actual posts.
^q Based on 1,052 actual posts.

TABLE 12

Share option schemes and approved profit-sharing schemes

			Sector																		
			Non financial - turnover (£ million)												All non-financial		Financial		All companies		
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50								
			Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	Comp-anies	Posts	
Main Board members	Total covered by questionnaire	Actually used Scaled up	No. No. %	18	142	19	129	18	100	22	126	16	82	24	105	117	684	20	56	137	740
				61	481 100.0	62	413 100.0	89	496 100.0	142	813 100.0	265	1,359 100.0	381	1,667 100.0	1,000	5,229 100.0	20	56 100.0	1,020	5,285 100.0
Acquisition of shares under a share option scheme in the year to 1 September 1980	No. %	Mean excess of open market value over price paid of shares taken up in year to 1 September 1980	£	7	14 2.8	7	10 2.3	10	40 8.0	—	—	33	133 9.8	—	—	67	197 3.8	2	11 19.6	59	208 3.9
				—	2,012	—	39,897	—	136	—	—	31	—	—	2,217	—	1,827	2,196			
				7	75 15.5	7	58 14.0	—	—	13	129 15.9	17	99 7.3	48	222 13.3	92	583 11.1	4	21 37.5	96	604 11.4
Allocation of shares under profit-sharing scheme approved under the 1978 Finance Act in the year to 1 September 1980	No. %	Mean value of the allocation in the year to 1 September 1980	£	7	900	7	306	—	—	—	150	—	—	557	—	445	—	500	—	447	
				—	900	—	306	—	—	—	150	—	—	557	—	445	—	500	—	447	
				7	900	7	306	—	—	—	150	—	—	557	—	445	—	500	—	447	
Senior executives	Total covered by questionnaire	Actually used Scaled up	No. No. %	18	302	19	338	18	223	22	227	16	170	24	241	117	1,501	20	316	137	1,817
				61	3,480 100.0	62	5,031 100.0	89	1,499 100.0	142	1,833 100.0	265	3,198 100.0	381	5,096 100.0	1,000	20,137 100.0	20	525 100.0	1,020	20,662 100.0
Acquisition of shares under a share option scheme in the year to 1 September 1980	No. %	Mean excess of open market value over price paid of shares taken up in year to 1 September 1980	£	7	104 3.0	7	60 1.2	10	121 8.1	—	—	18	169 5.3	—	—	42	454 2.3	2	33 6.3	44	487 2.4
				—	1,246	—	11,653	—	15	—	—	—	1,829	—	647	1,749					
				7	300 8.6	7	461 9.2	—	—	14	73 4.0	18	339 10.6	35	233 4.6	81	1,406 7.0	6	145 27.5	87	1,551 7.5
Allocation of shares under profit-sharing scheme approved under the 1978 Finance Act in the year to 1 September 1980	No. %	Mean value of the allocation in the year to 1 September 1980	£	7	892	7	274	—	—	—	191	—	—	236	—	368	—	500	—	381	
				—	892	—	274	—	—	—	191	—	—	236	—	368	—	500	—	381	
				7	892	7	274	—	—	—	191	—	—	236	—	368	—	500	—	381	

All numbers are scaled up unless otherwise stated.

TABLE 13

Provision of other benefits
(i) Main Board members

		Sector																		
		Non financial - turnover (£ million)												All non-financial		Financial		All companies		
		800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50								
		Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	Compan-ies	Posts	
Total covered by questionnaire	Actually used Scaled up	No. %	18 61	142 481 100.0	19 62	129 413 100.0	18 89	100 496 100.0	22 142	126 813 100.0	16 265	82 1,359 100.0	24 381	105 1,667 100.0	117 1,000	684 5,229 100.0	20 20	56 56 100.0	137 1,020	740 5,285 100.0
Payment of telephone rental	No. %	—	—	10	74 17.8	5	15 3.0	6	32 4.0	33	182 13.4	32	111 6.7	86	414 7.9	—	—	86	414 7.8	
Payment of telephone bills for private calls	No. %	—	—	—	—	5	15 3.0	—	—	—	—	—	—	5	15 0.3	—	—	5	15 0.3	
Reduction on insurance premiums (a) life	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	9 16.1	2	9 0.2	
(b) other	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	9 16.1	2	9 0.2	
Discounts on, or free, company goods and services (a) food, fuel or clothing	No. %	7	75 15.5	10	54 13.2	—	—	6	32 4.0	—	—	—	—	23	161 3.1	—	—	23	161 3.0	
(b) other goods and services	No. %	34	247 51.4	7	51 12.4	20	129 26.0	6	65 7.9	50	265 19.5	32	143 8.6	149	900 17.2	7	37 66.1	156	937 17.7	
Professional or club subscriptions	No. %	3	27 5.6	3	16 3.9	—	—	—	—	17	116 8.5	32	143 8.6	55	302 5.8	1	15 26.8	56	317 6.0	
Accident insurance	No. %	3	14 2.8	3	16 3.9	—	—	—	—	—	—	—	—	6	30 0.6	—	—	6	30 0.6	
Insurance for continuation of salary in the event of permanent ill-health	No. %	—	—	7	38 9.3	—	—	—	—	17	116 8.5	—	—	24	154 2.9	—	—	24	154 2.9	
Assistance with children's education NOT as result of job	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Share savings schemes	No. %	—	—	—	—	5	5 1.0	—	—	—	—	—	—	5	5 0.1	—	—	5	5 0.1	
Other	No. %	3	30 6.3	3	16 3.9	—	—	6	58 7.1	—	—	16	32 1.9	28	136 2.6	—	—	28	136 2.6	

All numbers are scaled up unless otherwise stated.

Continued

TABLE 13 continued

Provision of other benefits
(ii) Senior Executives

			Sector														All non-financial		Financial		All companies	
			Non financial – turnover (£ million)																			
			800 and over		400 but under 800		200 but under 400		100 but under 200		50 but under 100		25 but under 50									
			Comps	Posts	Comps	Posts	Comps	Posts	Comps	Posts	Comps	Posts	Comps	Posts								
Total covered by questionnaire	Actually used Scaled up	No. %	18 61	302 3,480 100.0	19 62	338 5,031 100.0	18 89	223 1,499 100.0	22 142	227 1,833 100.0	16 265	170 3,198 100.0	24 381	241 5,096 100.0	117 1,000	1,501 20,137 100.0	20 20	316 525 100.0	137 1,020	1,817 20,662 100.0		
Payment of telephone rental	No. %	—	—	10	997 19.8	5	60 4.0	6	32 1.8	35	433 13.5	35	529 10.4	91	2,051 10.2	—	—	91	2,051 9.9			
Payment of telephone bills for private calls	No. %	—	—	—	—	5	60 4.0	—	—	—	—	—	—	5	60 0.3	—	—	5	60 0.3			
Reduction on insurance premiums (a) life	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	30	2	30			
(b) other	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	30	2	30			
Discounts on, or free, company goods and services (a) food, fuel or clothing	No. %	10	657 18.9	10	744 14.8	—	—	6	89 4.8	—	—	35	233 4.6	61	1,723 8.6	—	—	61	1,723 8.3			
(b) other goods and services	No. %	34	1,994 57.3	7	551 10.9	25	471 31.4	6	161 8.8	35	508 15.9	35	529 10.4	142	4,214 20.9	8	274 52.2	150	4,488 21.7			
Professional or club subscriptions	No. %	3	254 7.3	3	372 7.4	—	—	—	—	18	56 1.8	—	—	24	682 3.4	1	25 4.7	25	707 3.4			
Accident insurance	No. %	3	300 8.6	3	372 7.4	—	—	—	—	—	—	—	—	6	672 3.3	—	—	6	672 3.3			
Insurance for continuation of salary in the event of permanent ill-health	No. %	—	—	7	714 14.2	—	—	—	—	18	169 5.3	—	—	25	883 4.4	—	—	25	883 4.3			
Assistance with children's education NOT as result of job	No. %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Share savings schemes	No. %	—	—	—	—	10	255 17.0	—	—	—	—	—	—	10	255 1.3	—	—	10	255 1.2			
Other	No. %	3	242 7.0	3	372 7.4	—	—	14	266 14.5	—	—	17	85 1.7	37	965 4.8	—	—	37	965 4.7			

All numbers are scaled up unless other wise stated.

APPENDIX C

SURVEYS OF EARNINGS AT THE BAR

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

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SURVEYS OF EARNINGS AT THE BAR

Introduction

1. At the request of the Review Body the Office of Manpower Economics carried out surveys of the receipts and expenses of those practising at the Bar in England and Wales, Scotland and Northern Ireland. The three surveys, which were conducted with the co-operation of the respective professional bodies concerned, were restricted to those barristers whose year of call or of taking silk was compatible with a possible appointment as a High Court or Circuit Judge in England and Wales or to equivalent positions in Scotland or Northern Ireland. In addition to the survey of barristers in practice in England and Wales, surveys of receipts prior to appointment of High Court Judges and Circuit Judges appointed from the Bar in the period 1 January 1980 to 1 October 1980 were also carried out. The surveys are described in detail in parts A to E of this Appendix¹. The co-operation of those who replied and of the various professional bodies who helped in the conduct of the surveys is much appreciated. Their assistance plays a crucial part in the success of these surveys.

2. In all cases the questionnaires asked for receipts and expenses, excluding VAT, in the last full tax year for which information was available. However, because of the time lag between the carrying out of a brief and the receipt of payment for it—often between 1 and 2 years—receipts for a particular year will not necessarily be for work carried out in that year. In addition, it should be noted that for QCs who have recently taken silk, some receipts may be for work done as a Junior. In the analysis which follows ‘gross receipts’ is the sum of receipts from practice and receipts from other professional activities. ‘Net receipts’ is the result of subtracting from gross receipts payments for personal pension premiums and other professional expenses deductible for tax purposes.

Part A—Survey of earnings of barristers in private practice in England and Wales

3. In the survey of barristers in private practice in England and Wales, questionnaires were sent to 894 barristers identified as being in private practice in ‘The Bar List of the United Kingdom 1980’ and with between 20 and 40 years call at 1 April 1981. In addition to details of gross receipts and expenses, the questionnaire asked for the main category of practice and the age of the barrister. Paragraphs 4 to 11 describe the results of the survey for those in practice at the time they received the questionnaire. Parts B and C describe the results for those barristers who, since the production of the Bar List, had been appointed as High Court or Circuit Judges.

Response

4. Of the 894 questionnaires 7 were sent to recently appointed High Court Judges and 29 to recently appointed Circuit Judges. Of the remaining 858 questionnaires, 344 were sent to QCs and 514 were sent to Juniors, which

¹ The results of previous surveys for 1970–71 and 1974–75 are described in Review Body on Top Salaries, Report No. 6: Report on Top Salaries (Cmnd. 5846) and Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries (Cmnd. 7253) respectively.

produced 203 and 183 usable returns respectively. After allowing for replies which were unsuitable—because, for example, they did not cover full-time practice—the response rates were 66 per cent and 46 per cent for QCs and Juniors respectively giving an overall response rate of 54 per cent. A more detailed analysis of response is given in Table 1 at the end of this Appendix. The low response rates, mainly for Juniors, lessen the confidence that can be placed in the results in some parts of the survey, particularly as little is known about the non-respondents. However, it can be surmised that some of the older barristers may either have ceased full-time practice or no longer regard themselves as potential candidates for a judicial appointment.

Results

5. Tables 2(i) and 2(ii) show median gross and net receipts, excluding VAT, for the year ending April 1980, for Queen's Counsel and Junior Counsel who stated that they were in full-time practice. Those returns which did not cover the year ending April 1980 have been adjusted by applying the appropriate movement in the Retail Price Index. In addition, in those relatively few cases where the personal pension premium was over £3,000, the normal annual limit qualifying for relief from income tax¹, the amount quoted was reduced to £3,000.

6. For QCs, median net receipts for different years of taking silk range from £20,141 to £46,106 with an overall median of £28,700. For gross receipts the medians range from £33,386 to £70,533 with an overall median of £43,948. There is considerable variation in receipts, an indication of which is given by the quartiles. For net receipts, the central half of the data lies between £20,834 and £42,776 and for gross receipts between £33,380 and £61,603.

7. For Juniors, median net receipts for different years of call lie between £9,441 and £15,355 with an overall median of £13,345, and for gross receipts the medians lie between £16,032 and £24,547 with an overall median of £20,502. The lower and upper quartiles show that, for net receipts, the central half of the data lies between £8,387 and £19,351, and for gross receipts the lower and upper quartiles are £15,646 and £28,302 respectively. Medians, quartiles and the lowest and highest deciles for QCs and Juniors are shown in Table 3.

8. Table 4 shows the composition of receipts for QCs and Juniors of different seniority. For QCs, as with the medians shown in Table 2, the highest levels of mean net receipts occur for those who took silk in the period 1968–1974, ie for those who took silk about 6 to 12 years ago. For Juniors, the highest levels of net receipts generally occur for those whose year of call was between 1955 and 1960, ie for those of between 20 and 25 years call. This suggests that these are the periods when barristers' receipts tend to be at their highest. However, because of the variation in receipts it does not necessarily imply that receipts for individuals with different seniority are below the mean levels indicated for these periods.

¹ At the time of the survey, the normal annual limit was the smaller of 15 per cent of net relevant earnings and £3,000. The limit has now been increased to 17½ per cent of net relevant earnings.

9. For QCs the mean personal pension premium was over £2,000 for most levels of seniority. Indeed, just over half of the 203 QCs paid a personal pension premium of £3,000. The mean personal pension premium for Juniors showed greater variation, with an overall mean of about £1,100. Fifty (27 per cent) of the 183 Juniors paid no premium at all and 26 (14 per cent) paid a premium of £3,000 or over. There may well have been others who paid the maximum allowable for tax relief at the time of the survey, namely, 15 per cent of relevant net earnings where this is less than £3,000.

10. Table 5 gives medians of both gross and net receipts for QCs and Juniors for the different categories of practice used in the survey. It can be seen that, for QCs, the most common categories of London Specialist, London Common Law and Circuit, ie practice outside London, accounted for 155 (76 per cent) out of the 203 replies which were used. As might be expected median net receipts for QC 'Circuit' practitioners were lower than those for London practitioners. For all years of seniority, median net receipts, at about £40,000, for London Chancery and London Specialist were higher, by about 45 per cent, than those of about £27,500 for London Common Law and London Criminal.

11. The three most common categories of practice among the survey replies from Juniors were Circuit, London Criminal and London Common Law, which together accounted for 130 (64 per cent) of the 203 replies used. The proportion of Circuit practitioners among the replies was higher for Juniors than for QCs, 43 per cent compared with 24 per cent. For Juniors as a whole, median net receipts for those classified as London Specialist were, at about £20,000, some 50 per cent higher than those for the other London categories each of which were at the same level of about £13,000. Median net receipts for Circuit practitioners were, at about £12,250, slightly lower than this. In assessing these results the low response rate for Juniors (46 per cent) should not be forgotten.

Part B—Survey of earnings of recently appointed High Court Judges

Introduction

12. In the period 1 January 1980 to 1 October 1980 there were 7 barristers in full-time private practice who were appointed as High Court Judges. As part of the survey of barristers in full-time practice in England and Wales, which is described in Part A, they were sent the same questionnaire. All 7 completed and returned it. Paragraphs 13 and 14 describe the results of this very small survey and of combining it with the survey of High Court Judges appointed in the period 1977-79¹.

Results

13. Of the 7 judges appointed in 1980, one provided information for part of a financial year and this was converted, pro rata, to figures for a full year. Also, the financial years of two replies ended earlier than April 1980. These

¹ The results of the survey of High Court Judges appointed in 1977-79 were reported in paragraphs 65 and 66 of Review Body on Top Salaries, Report No. 14: Fourth Report on Top Salaries (Cmd. 7952).

were revalued to April 1979–April 1980 prices using the appropriate change in the Retail Price Index. Median gross receipts were £64,352 and median net receipts were £39,938.

14. Clearly, little weight can be attached to conclusions based on 7 returns. However, this information can be combined with that obtained from the previous survey of receipts prior to appointment of High Court Judges appointed from the Bar in the 3 years from 1977 to 1979. Table 6, which brings together the results of both surveys, shows medians of about £66,000 and £46,000 for gross and net receipts respectively. (Returns which did not cover the year ending April 1980 have been adjusted by applying the appropriate change in the Retail Price Index.) The variation in receipts is indicated by the quartiles in the table. For gross receipts the central half of the returns between the quartiles lay between £57,000 and £98,000, and for net receipts the corresponding figures are £39,000 and £69,000. Even though they are at 1979–80 prices, these figures show little or no increase and, in some cases, a decrease compared with the figures in Table C of Report No. 14 which are at the prices for one year earlier. A possible reason for this is that, after the allowance made for price changes, the receipts reported by judges appointed in 1980 appear to be at a lower overall level than in previous years.

Part C—Survey of earnings of recently appointed Circuit Judges

Introduction

15. In the period 1 January 1980 to 1 October 1980 there were 29 barristers in full-time private practice who were appointed as Circuit Judges. As part of the survey of barristers in full-time practice in England and Wales, described in Part A, the same questionnaire was sent to these 29 Circuit Judges. The results of the survey are described in paragraphs 16 to 19.

Response

16. Twenty two of the 29 Judges provided completed questionnaires—a response rate of 76 per cent; replies came from 6 of the 8 QCs and 16 of the 21 Juniors appointed from the Bar.

Results

17. Table 7 shows quartiles and medians for gross and net receipts for Juniors appointed as Circuit Judges and for Juniors and QCs combined. As in the other surveys, figures which were for a year not ending at April 1980 were adjusted by applying the appropriate change in the Retail Price Index. In one case where the personal pension premium was over £3,000, the normal annual limit, the figure quoted was reduced to £3,000.

18. For Juniors appointed as Circuit Judges median net receipts were £17,625 and median gross receipts were £26,000. The effect of including QCs is to increase the medians by about 14 per cent to £20,196 and £29,405 respectively. The amount of variation in the returns is indicated by the quartiles. For net receipts the central half of returns for Juniors lay between £14,097

(80 per cent of the median of £17,625) and £21,068 (120 per cent of the median). For Juniors and QCs combined the corresponding figures (for net receipts) are £15,922 (79 per cent of the median) and £24,517 (121 per cent).

19. Table 8 shows the composition of receipts for Juniors and for Juniors and QCs combined. Mean net receipts for Juniors appointed as Circuit Judges are, at £18,071, slightly higher than the median. The effect of including QCs, whose receipts are higher, is to increase the mean to £21,737 compared with the median of £20,196. Only one of the Juniors paid an annual personal pension premium of over £2,000 and three paid none at all. All 6 QCs paid a premium of or near £3,000.

Part D—Survey of earnings of advocates in private practice in Scotland

Introduction

20. The questionnaire which was used in the survey of advocates in private practice in Scotland was similar to that used for the survey in England and Wales except that, because of the smaller extent of specialisation in Scotland, the question on category of practice was omitted. Questionnaires were sent to 62 advocates identified by the Faculty of Advocates as being in full-time private practice with between 10 and 35 years call at 1 April 1981. The results of the survey are described in paragraphs 21 to 24.

Response

21. Replies were received from 38 of the 62 advocates who were sent a questionnaire. 4 of the returns were ineligible because, for example, the advocate was not in full-time practice. The overall response rate was 61 per cent. Separate figures for QCs and Junior Counsel are given in Table 9, which shows response rates of 67 and 55 per cent respectively.

Results

22. Table 10 shows the quartiles of gross and net receipts, excluding VAT, for the year ending April 1980 for the QCs and Juniors who stated that they were in full-time private practice. The figures include those who stated that they held a part-time post as Advocate Depute. The returns which did not cover the year ending April 1980 have been adjusted by applying the appropriate movement in the Retail Price Index. In addition, in a few cases where the personal pension premium was over £3,000, the normal annual limit qualifying for relief from income tax, the amount quoted was reduced to £3,000.

23. It can be seen from Table 10 that median net receipts for the QCs, whose year of taking silk ranged from 1968 to 1980, were £18,800. For the Juniors, whose year of call ranged from 1963 to 1971, median net receipts were £11,639. Given the lag of about 1½ years between the carrying out of a brief and the receipt of payment for it, the receipts of the more recently

appointed QCs are more likely to represent their earnings as Juniors rather than QCs. An indication of the spread of receipts of those who replied to the survey is given by the quartiles in Table 10. For example, the middle half of QCs' net receipts in 1979-80 lay between £14,326 and £21,444. The corresponding figures for Juniors are £8,500 and £22,193, thus showing a much wider spread than that for QCs.

24. Table 11, which gives details of the composition of advocates' receipts, shows that the average annual personal pension premium of the 21 QCs in the survey was £1,549. Of these 21 QCs, 6 paid no premium and 6 were at, or above, the annual limit at the time of the survey of £3,000. The average premium for the 13 Juniors in the survey was £350. Seven Juniors paid no premium and none paid a premium of over £2,000. The differential between mean net receipts for QCs compared with Juniors is 51 per cent whereas for the medians it is 62 per cent. This is a reflection of a number of Juniors having relatively high net receipts.

Part E—Survey of earnings of Queen's Counsel in private practice in Northern Ireland

Introduction

25. The questionnaire which was used for barristers in practice in Northern Ireland was similar to the one used for the survey in England and Wales, the main difference as in Scotland, being that, because of the smaller extent of specialisation in Northern Ireland, the question on category of practice was omitted. Questionnaires were sent to 24 practising QCs identified by the General Council of the Bar of Northern Ireland. Juniors were not approached as we were informed that it was most unlikely that a barrister who had not taken silk would be appointed to the Bench.

Response

26. Replies were received from 10 QCs, one of which was unsuitable because the last full year for which information was available was for practice as a Junior, thus giving a response rate of 9 out of 23, ie 39 per cent.

Results

27. As in the other surveys figures which were for years not ending at April 1980 were adjusted by applying the appropriate change in the Retail Price Index. However, with only 9 returns it is difficult to analyse the data in a useful way. The medians for gross and for net receipts were £40,864 and £30,328 respectively. All but one of the QCs paid an annual personal pension premium of £3,000, the usual maximum allowable for relief from income tax. Clearly the low response rate means that these results should be used with great caution.

TABLE 1

Response to the survey of barristers in full-time practice in England and Wales

Status and seniority	Total selected	Replies received			
		Total	As percentage of total selected	Of which	
				Used in analysis	Unsuitable
No.	No.	%	No.	No.	
Queen's Counsel					
Year of taking silk					
1965 or earlier	24	15	62.5	13	2
1966 - 1970	68	41	60.3	35	6
1971 - 1975	132	89	67.4	79	10
1976 - 1980	120	81	67.5	76	5
All years	344	226	65.7	203	23
Junior Counsel					
Year of call					
1946 or earlier	28	11	39.3	6	5
1947 - 1951	113	54	47.8	35	19
1952 - 1956	181	82	45.3	65	17
1957 - 1961	192	89	46.4	77	12
All years	514	236	45.9	183	53

TABLE 2

Gross and net receipts of barristers in full-time private practice in England and Wales, 1979-80^a
(i) Queen's Counsel

Year of taking silk	Number of questionnaires dispatched	Number of questionnaires used	Median gross receipts (exc VAT)	Median net receipts
	No.	No.	£	£
1959 - 1967	41	18	48,533	30,000
1968 - 1969	35	23	70,533	46,106
1970 - 1971	40	19	50,998	31,586
1972	26	14	51,780	35,375
1973	34	24	48,463	31,248
1974	23	10	59,748	45,493
1975	25	19	43,466	29,058
1976	24	14	38,942	26,648
1977	23	15	39,457	25,114
1978	26	18	40,700	25,527
1979	27	16	33,386	20,141
1980	20	13	33,475	22,623
All years	344	203	43,948	28,700

^a Gross receipts, which exclude VAT, are the sum of receipts from practice and other professional activities. Net receipts are gross receipts less personal pension premiums and professional expenses deductible for tax purposes. Receipts in years which did not end at April 1980 have been adjusted by applying the appropriate change in the Retail Price Index.

Continued

TABLE 2 continued

Gross and net receipts of barristers in full-time private practice in England and Wales, 1979-80^a
(ii) Junior Counsel

Year of call	Number of questionnaires dispatched	Number of questionnaires used	Median gross receipts (exc VAT)	Median net receipts
	No.	No.	£	£
1941 - 1947	41	8	20,590	9,518
1948 - 1949	42	16	23,955	15,355
1950 - 1951	58	17	16,675	9,441
1952 - 1953	77	20	16,032	10,220
1954	26	16	18,124	11,912
1955	41	18	21,025	12,721
1956	36	11	23,329	14,350
1957	38	18	23,590	15,222
1958	49	18	20,600	14,328
1959	38	13	24,547	13,632
1960	55	23	22,137	15,321
1961	13	5	17,850	12,050
All years	514	183	20,502	13,345

^a See note to Table 2(i).

TABLE 3

Median, quartiles and deciles of gross and net receipts of Queen's Counsel and Junior Counsel, 1979-80^a

	Number of questionnaires used	Lowest decile	Lower quartile	Median	Upper quartile	Highest decile
	No.	£	£	£	£	£
Gross receipts (excluding VAT)						
Queen's Counsel	203	25,527	33,380	43,948	61,603	85,486
Junior Counsel	183	11,444	15,646	20,502	28,302	38,530
Net receipts						
Queen's Counsel	203	15,741	20,834	28,700	42,776	63,745
Junior Counsel	183	6,276	8,387	13,345	19,351	27,037

^a See note to Table 2(i).

TABLE 4

Composition of receipts of barristers in full-time private practice by year of seniority, 1979-80^a

(i) Queen's Counsel

Year of taking silk	Number of questionnaires used	Mean gross receipts (excluding VAT)			Mean expenses			Mean net receipts
		From practice	From other professional activities	Total	Personal pension premium	Others deductible for tax purposes	Total	
1959-67	No. 18	£ 51,216	£ 900	£ 52,116	£ 2,581	£ 15,289	£ 17,870	£ 34,245
1968-69	23	66,969	2,036	69,005	2,660	18,904	21,564	47,441
1970-71	19	56,463	1,899	58,362	2,472	16,881	19,352	39,010
1972	13	60,205	3,123	63,328	2,768	15,376	18,144	45,184
1973	24	52,879	1,896	54,775	2,023	14,013	16,036	38,740
1974	10	55,285	975	56,260	2,344	14,045	16,389	39,870
1975	19	46,390	1,453	47,843	2,305	13,336	15,641	32,203
1976	14	42,665	1,402	44,067	1,612	13,037	14,649	29,418
1977	15	47,065	2,124	49,189	1,926	12,385	14,311	34,877
1978	18	42,746	1,265	44,011	2,042	13,303	15,345	28,666
1979	16	34,471	1,277	35,747	1,802	11,073	12,875	22,872
1980	13	36,448	444	36,892	2,055	11,651	13,706	23,187

^a See note to Table 2(i).

(ii) Junior Counsel

Year of call	Number of questionnaires used	Mean gross receipts (excluding VAT)			Mean expenses			Mean net receipts
		From practice	From other professional activities	Total	Personal pension premium	Others deductible for tax purposes	Total	
1942-47	No. 8	£ 21,147	£ 983	£ 22,129	£ 2,232	£ 8,105	£ 10,336	£ 11,793
1948-49	16	25,216	1,731	26,947	1,953	8,175	10,128	16,819
1950-51	17	16,635	1,170	17,805	496	6,000	6,496	11,309
1952-53	20	17,250	1,477	18,727	683	5,609	6,291	12,436
1954	16	18,316	1,960	20,276	683	6,912	7,595	12,681
1955	18	23,337	1,554	24,891	1,283	7,565	8,848	16,043
1956	11	25,198	2,688	27,885	1,458	8,564	10,022	17,863
1957	18	24,182	1,922	26,105	1,224	7,496	8,720	17,385
1958	18	27,551	1,506	29,057	881	8,999	9,880	19,177
1959	13	25,042	1,084	26,125	1,055	8,747	9,802	16,323
1960	23	26,919	713	27,632	1,195	8,898	10,094	17,538
1961	5	19,827	500	20,327	698	6,489	7,187	13,140

^a See note to Table 2(i).

TABLE 5

Median gross and net receipts of barristers in full-time private practice in England and Wales by main category of practice, 1979-80^a

	Main category of practice							Total	
	London Chancery	London Specialist	London Family	London Common Law	London Criminal	Circuit	Other		
Queen's Counsel									
Number of replies used	No.	19	52	4	54	19	49	6	203
Median gross receipts	£	57,746	58,018	*	39,913	43,036	35,209	*	43,948
Median net receipts	£	38,410	41,246	*	26,686	28,006	20,849	*	28,700
Junior Counsel									
Number of replies used	No.	15	19	4	23	29	78	15	183
Median gross receipts	£	23,594	30,558	*	20,362	19,327	19,719	22,826	20,502
Median net receipts	£	13,438	20,397	*	12,796	13,000	12,289	15,136	13,345

^a See note to Table 2(i).

* Numbers too small to provide reliable medians.

TABLE 6

High Court Judges appointed in 1977-80: median and quartiles of gross and net receipts prior to appointment at 1979-80 prices^{a b}

	Gross receipts (excluding VAT)	Net receipts
Lower quartile	£ 56,628	£ 38,976
Median	66,354	45,512
Upper quartile	98,391	69,420
Number of returns	28	28

^a 6 returns for part of a year have been converted, pro rata, to a full year.

^b See note to Table 2(i).

TABLE 7

**Circuit Judges appointed in 1980: median and quartiles of gross
and net receipts prior to appointment, 1979-80^a**

Status		Gross receipts (excluding VAT)	Net receipts
Junior Counsel			
Number of returns	No.	16	16
Lower quartile	£	22,022	14,097
Median	£	26,000	17,625
Upper quartile	£	30,010	21,068
Junior and Queen's Counsel			
Number of returns	No.	22	22
Lower quartile	£	24,278	15,922
Median	£	29,405	20,196
Upper quartile	£	39,080	24,517

^a See note to Table 2(i)

TABLE 8

**Circuit Judges appointed in 1980: composition of receipts
prior to appointment, 1979-80^a**

Status	Number of question- naires used	Mean gross receipts (excluding VAT)			Mean expenses			Mean net receipts
		From practice	From other profess- ional activities	Total	Personal Pension premium	Others deductible for tax purposes	Total	
	No.	£	£	£	£	£	£	£
Junior Counsel	16	25,337	1,703	27,040	1,073	7,896	8,969	18,071
Junior and Queen's Counsel	22	30,739	1,813	32,552	1,588	9,228	10,815	21,737

^a See note to Table 2(i).

TABLE 9

Response to the survey of advocates in full-time private practice in Scotland

Status	Total selected	Replies received			
		Total	As percentage of total selected	Of which	
				Used in analysis	Unsuitable
Queen's Counsel	No. 33	No. 22	% 66.7	No. 21	No. 1
Junior Counsel	No. 29	No. 16	% 55.2	No. 13	No. 3

TABLE 10

Median and quartiles of gross and net receipts of advocates in full-time private practice in Scotland, 1979-80^a

		Queen's Counsel		Junior Counsel	
		Gross receipts	Net receipts	Gross receipts	Net receipts
Number of questionnaires used	No.	21	21	13	13
Lower quartile	£	21,722	14,326	14,975	8,500
Median	£	26,500	18,800	19,320	11,639
Upper quartile	£	29,837	21,444	29,289	22,193

^a See note to Table 2(i).

TABLE 11

Composition of receipts of advocates in full-time private practice in Scotland, 1979-80^a

Status	Mean receipts from practice	Mean receipts from other professional activities	Mean gross receipts	Mean personal pension premium	Mean professional expenses	Mean net receipts
Queen's Counsel	£ 24,129	£ 3,667	£ 27,796	£ 1,549	£ 5,828	£ 20,419
Junior Counsel	£ 19,778	£ 1,093	£ 20,871	£ 345	£ 6,994	£ 13,533

^a See note to Table 2(i).

APPENDIX D

RELATIVITIES WITHIN THE JUDICIAL STRUCTURE: A REPORT BY A SUB-COMMITTEE UNDER SIR GEORGE COLDSTREAM'S CHAIRMANSHIP

Introduction

1. The Sub-Committee on the Judiciary was appointed by the Review Body on Top Salaries. Three members of the Sub-Committee were members of the Review Body: Sir George Coldstream, who was appointed as Chairman, Lord Hirshfield and Andrew Leggatt QC. There were two co-opted members: Sir George Baker, lately President of the Family Division, and His Honour Edgar Fay QC, a former Official Referee. We also had the benefit of advice from three special advisers, the Lord Chief Justice of England, the Lord President of the Court of Session, and the Lord Chief Justice of Northern Ireland, on matters affecting the judicial structure in each of the countries.

Terms of reference

2. The Sub-Committee was given the following terms of reference.

“To examine the relativities within the salary structure for judicial appointments covered by the Review Body on Top Salaries, and to advise the Review Body on what changes, if any, should be made in the relative position of these appointments for salary purposes. The Sub-Committee is not expected to recommend what the salaries should be, but is invited to draw the Review Body's attention to any points or factors which it considers merit particular attention in assessing salary levels.”

Approach

3. Previous studies of this kind, by the Advisory Group appointed in the 1972-74 review¹ and by the Sub-Committee appointed in 1978², followed broadly similar approaches, assessing each job on the basis of its content and 'weight' relative to other judicial appointments. Both the Advisory Group and the Sub-Committee concluded that there was no objective method that would enable them to quantify the various elements of each judicial appointment. Assessments were derived from individual and subjective judgements, taking account of factors, such as size and quality of workload, that were of direct relevance to job weight. Other factors, such as particular recruitment difficulties, or differences in cost of living or in levels of Bar earnings between each of the countries, were considered more appropriate to the Review Body itself when determining actual salaries.

4. Our task has been essentially the same as that of the Advisory Group and the 1978 Sub-Committee. Our terms of reference, while making it clear that we should not recommend salaries, invite us to make recommendations

¹ Review Body on Top Salaries, Report No. 6: Report on Top Salaries—Cmnd 5846 (Appendix E).

² Review Body on Top Salaries, Report No. 10: Second Report on Top Salaries—Cmnd 7253 (Appendix J).

on the relative positions of the appointments "for salary purposes". Although job weight must obviously be the main factor in any exercise of this kind, we have also considered whether we should take account of any other matters which in previous studies would have been regarded as more appropriate for consideration by the Review Body in determining salary levels. We have also considered afresh our approach to job weight.

5. We agree with the conclusion of the Advisory Group and the 1978 Sub-Committee that assessment of the relative level of judicial appointments must to some extent be subjective. We consider that the factors taken into account in previous studies are still valid. We have given particular consideration to the relevance of size of workload. It has been suggested that where workload is excessive the burden can be eased by appointing more judges or more support staff, as appropriate, and that salary levels should in such cases be determined purely on the basis of quality of work. On the other hand, it has to be recognised that it is not always possible to make or accommodate more appointments.

6. In considering whether to take account of elements other than those related directly to job weight, the Sub-Committee has looked at a number of points mentioned in the course of the review. The main points that have been raised are:

- (i) recruitment difficulties affecting particular appointments;
- (ii) the effect on differentials of payment of London weighting to some members of the judiciary;
- (iii) differences in cost of living and in Bar earnings between each of the countries;
- (iv) external relativities, particularly with the civil service;
- (v) differences in the pension arrangements for different judicial appointments.

We concluded that it would be right for us to take some account of the evidence about recruitment difficulties in making our assessments. It would be unrealistic to ignore this factor. While we are concerned about the effect of the present London weighting arrangements on differentials, we have decided that it would not be appropriate for us to attempt to make allowances for this in our recommendations. We should also make it clear that our recommendations take no account of whether appointments are based in London. The Review Body will need to consider London weighting when determining salaries. London weighting is payable to the two categories at the bottom of the list in paragraph 43. When the office holder is based in inner London he receives a London weighting payment which is at present £1,016 a year. It will be obvious that a payment of this size will have a significant effect on the salary equivalent of the differentials which we recommend. Whether London weighting should continue to be paid to any members of the judiciary and, if so, in what form, are questions which we consider it would be more appropriate for the Review Body to examine in relation to practice elsewhere, including the other groups covered by its remit. We consider that the question

of whether there are any relevant differences in cost of living and Bar earnings as between each of the countries is primarily a matter for the Review Body in assessing salaries. We have made some general comments on this matter, based on our own knowledge and experience, in the sections of our report which deal in detail with the appointments concerned in Scotland and Northern Ireland. With regard to external relativities, we have decided that, since the Sub-Committee has been asked to look at relativities within the judicial structure, it would not be appropriate for us to take account of other groups; it would be more logical for the Review Body to do this in considering salary levels for all the groups within its remit. Finally, the question of pensions is not within the terms of reference of the Review Body. The logical way to tackle pension anomalies is by amending legislation, not by adjusting relative levels in the structure.

The evidence

7. Written evidence has been provided to both the Review Body and the Sub-Committee by individual members of the judiciary and by representative groups. This has been supplemented where necessary by oral evidence. We have reviewed all this evidence and have some observations to make about it. We are asked to assess the relativities between no less than 53 separate posts in the judiciary in the United Kingdom. Seven of these posts come within our remit for the first time. The remaining 46 posts are at present divided into 13 separate categories, ranging from the County Court Registrars and District Registrars of the High Court up to the Lord Chief Justice of England and Wales. Since the Review Body's Sixth Report in 1974, new categories have been added, appointments have been moved from one category to another, and relativities have been altered upwards and downwards.

8. These alterations have on occasion caused dissatisfaction to the holders of individual appointments. This is not surprising as some of the categorisation is historical; for example, when a new judicial appointment has been created by Parliament, the salary has been fixed in a more or less arbitrary fashion at a particular point in the judicial salary range current at the time. Yet, over the years, the job weight of the appointment may have diminished relative to other appointments originally assessed at a point considerably below it. Notwithstanding that the Review Body has emphasised that the advancement of a particular appointment does not mean the downgrading of existing appointments in the category into which it moves, office holders in that category feel let down. This is so although the actual salary differentials may be quite small in relation to the level of salaries involved. Thus the evidence before us indicates that many members of the judiciary consider that they should be at a higher level in the total scale, with a smaller differential between them and the category above, and a larger differential over the category below. Few are content to remain where they are, and even some of them would wish to move up to higher categories if others with whom they are at present ranked were to improve their position.

9. These matters assume a special importance for us since one of the Review Body's objectives has been to reduce the unusually large number of different salary levels within the judicial structure¹. We have come to the conclusion that it is desirable to make some reduction, taking due account of differences in responsibilities and of the need to distinguish between posts at different levels within the same general area of the judiciary, for example, as between Masters and Chief Masters. Such a reduction would enable the Review Body to set adequate differentials in cash terms between one category and another. We have therefore made proposals which will reduce the number of categories from 13 to 11. Although we recognise that they will not be universally welcomed, we are satisfied that they will not affect recruitment to the various offices affected. The main reduction proposed is in the middle of the existing structure. We think it impossible to make any significant reduction in the considerable number of categories above High Court Judge level.

10. To achieve this result, we examined first the individual structure in each of the countries. We made provisional assessments for each country on which we sought the advice of the special adviser concerned. We then brought together and refined the results of these deliberations to produce a consistent structure. We have followed the practice of the Advisory Group and the 1978 Sub-Committee in presenting the recommended relativities in points on a base of 100.

11. We have described our approach to our work and have indicated certain aspects that will need to be given further consideration by the Review Body. There remain two points that should be noted by the Review Body. First, the appointments of the President of the Transport Tribunal and President of the Lands Tribunal in England and Wales take up only part of the office-holders' time; the rest of their time is taken up with other judicial work of a similar level of responsibility. We have not taken this additional work into account but have assessed the level of the appointments on the basis of the quality of the Transport Tribunal and Lands Tribunal work. Secondly, with regard to Northern Ireland, we wish to record that, like the 1978 Sub-Committee, we have considered whether the stress and strain on the judiciary resulting from the situation in Northern Ireland and its effect on their private lives should to some degree be taken into account in assessing the level of the appointments in relation to those in Great Britain. We have concluded that it would not be right to do so. We would like to record that those members of the Northern Ireland judiciary who have given evidence have not sought to raise the matter directly with us and, when questioned, have firmly rejected any suggestion that it would be appropriate to take account of the effects of the present circumstances in making assessments of the Northern Ireland appointments.

The structure

12. Our conclusions are summarised in the following paragraphs. The starting point for our assessments was the relationship between the Circuit Judge

¹ Review Body on Top Salaries, Report No. 14: Fourth Report on Top Salaries—Cmnd 7952 (paragraph 68).

and the High Court Judge. This is dealt with in paragraph 19. A list showing our recommendations on a points basis in relation to the relativities recommended in Reports Nos 10 and 14 is given in the table in paragraph 43.

A. England and Wales

County Court Registrars and District Registrars of the High Court

13. These appointments were brought within the Review Body's remit for the first time in 1980. The Review Body's recommendations in Report No. 14 placed the appointments below the Masters and Registrars of the Supreme Court and the other appointments in that group. It has been suggested in evidence that these appointments should rank with the Masters and Registrars of the Supreme Court. Emphasis has been placed on the considerable variety of the work and on the fact that some Registrars are under considerable pressure. We have concluded, however, that there is overall a significant difference in job weight between the work of the Supreme Court Masters and Registrars on the one hand and of County Court and District Registrars on the other, and that the evidence does not justify merging the County Court and District Registrars with the group above. We consider that the relativity with the Masters and Registrars of the Supreme Court recommended in Report No. 14 was right and that the recommended level is also right in relation to the levels that we recommend for the High Court and Circuit Judges.

Masters and Registrars of the Supreme Court, Metropolitan Magistrates, and Provincial Stipendiary Magistrates

14. We consider that these appointments should continue to be grouped together. Some of the evidence has laid emphasis on comparison with pay levels in the civil service and on the effect of London weighting on relativities within the judicial structure. These are matters for the Review Body. We see no justification on grounds of job weight for any change in the position of these appointments.

Chairmen and Regional Chairmen of Industrial Tribunals

15. The 1978 Sub-Committee concluded that Chairmen of Industrial Tribunals had been overvalued in Report No 6 and that they should rank with the Masters and Registrars and with the Metropolitan Magistrates. In evidence for this review it has been suggested that the 1978 assessment undervalued the position of the Chairmen and took insufficient account of the difficulty, importance and sensitivity of their work. We have, therefore, given particular consideration to their position in the structure. We agree that the complexity and difficulty of the work have increased significantly since the appointments were first introduced. This was also noted in the 1978 Sub-Committee's report. On the other hand, the work is confined to a specialised field; and, although there have been some increases in jurisdiction since the 1978 review, the evidence suggests that there has been no major increase in the general level of responsibilities of Chairmen since then. There is no doubt that the work of the Industrial Tribunals is important and sensitive. We could not, however,

justify placing the Chairmen at the next level of the structure and we have had to bear in mind that one of our aims is a reduction, not an increase, in the number of levels. We conclude that, on balance, Chairmen of Industrial Tribunals should continue to rank with the Masters and Registrars and with Metropolitan Magistrates.

16. The position of the Regional Chairmen is directly related to that of Chairmen. Since no change is proposed in the position of Chairmen we see no reason to recommend any change in that of Regional Chairmen. However, to produce a balanced overall structure, we have, as in other cases, made a marginal change in the relative level of the group.

Vice-Judge Advocate General

17. This appointment was considered for the first time in the 1978 review. The Vice-Judge Advocate General is now paid the same as most of those holding the subordinate appointment of Assistant Judge Advocate General. The Assistant Judge Advocates General are outside the Review Body's remit. As explained in paragraph 6, we have not taken account of relativities with groups outside the terms of reference when making our assessments. We have, however, had evidence on the weight of the Vice-Judge Advocate General's responsibilities which indicates that the appointment is undervalued. We recommend, therefore, that it should be moved up to the next level in the structure.

Chairman of the Foreign Compensation Commission

18. We consider that this appointment should continue to be grouped with the Regional Chairmen of Industrial Tribunals.

Circuit Judges and High Court Judges

19. As in previous reviews, the relationship between Circuit Judge and High Court Judge continues to be the key relationship in the structure. The 1978 Sub-Committee concluded that, taking account of developments in the work of the Circuit Bench since 1972, some improvement was justified in the position of the Circuit Judge relative to that of the High Court Judge. It was recommended that the ratio should be 2: 3. That differential was reduced in the Report No. 14 recommendations which if adopted would have produced a ratio of 4.8: 7. We do not have any evidence to suggest that there has been any significant change in the responsibilities of the Circuit Bench since 1978 corresponding to that which took place between 1972 and 1978. We have, however, had evidence that recruitment to the High Court Bench is potentially difficult and that this is partly because in the structure the appointment has become depressed. Difficulty in recruitment may have a number of causes; and the evidence we have had indicates that there are recruitment difficulties (not necessarily related to salary implications) at lower levels in the judicial structure, particularly the Circuit Bench. It is essential that the weight and importance of the work of the High Court Judge should be adequately recognised by the position of the appointment in the structure.

We have been particularly impressed by the weight of responsibility that falls on the High Court Judge as a result of duties and obligations in addition to Court work. We feel that insufficient account may have been taken of these in previous reviews. We conclude that a substantial improvement is required in the relative level of the High Court Judge. We consider that a ratio of 5: 8, as produced by the salaries recommended in Report No. 6, would now be right. Our recommendations represent a deliberate improvement in the position of the High Court Judge relative to all the groups below. Our recommendation for the Circuit Judge slightly improves the position of the appointment in relation to the Masters and Registrars and to the County Court and District Registrars compared with the level recommended in Report No. 14.

20. We consider that the *Senior and Chief Masters and Registrars of the Supreme Court*, the *Master of the Court of Protection*, the *Registrar of Criminal Appeals* and the *Chief Metropolitan Magistrate* should all continue to be grouped with the Circuit Judges. We have considered whether the *Social Security Commissioners* and the *Members of the Lands Tribunal* should be moved to a higher level but have concluded that the evidence does not provide sufficient justification for moving these appointments into the next group. A minor improvement in the level of the appointments could only have the effect of introducing a new level into the structure, whereas our intention is to reduce the number of levels. We have given particular consideration to the position of the *Judge Advocate General*. We consider that the appointment should continue to rank with the other appointments in this group, even though the differential over the *Vice-Judge Advocate General* will be reduced if, as we recommend, the *Vice-Judge Advocate General* is ranked with the *Regional Chairmen of Industrial Tribunals* and *Chairman of the Foreign Compensation Commission*. The *Judge Advocate General* accepts that a reduction in the differential is a necessary consequence of raising the *Vice-Judge Advocate General* to a level more appropriate to his responsibilities.

Appointments between Circuit Judge and High Court Judge

21. The *Recorders of Manchester and Liverpool* and the *Senior Circuit Judge at Newington Causeway* are all 'Senior Circuit Judge' appointments and carry a burden significantly greater than that of Circuit Judges in general. The *Vice-Chancellor of the County Palatine of Lancaster* and the *London Official Referees*, with whom they are grouped, do only High Court civil work. All of these appointments merit a significant differential over the Circuit Judge. Their differential is now substantially less in both cash and percentage terms than that recommended in Report No. 10 and is insufficient. We consider that the level of all these appointments should be raised. We also recommend an improvement in the level of those in the group above—the *Presidents of the Lands, Transport and Industrial Tribunals* and the *Chief Social Security Commissioner*.

The Higher Judiciary

22. We have dealt with the position of the High Court Judge in paragraph 19. There has been considerable evidence in support of an improvement in the position of the *Lords Justices of Appeal*. We agree that their present differential over the High Court Judge is insufficient recognition of the heavy burden of their work in the Court of Appeal. The level of the appointment should be raised to a point halfway between High Court Judge and Lord of Appeal.

23. The evidence has also pointed to the need for some improvement in the position of the *Vice-Chancellor*. It has been suggested that the appointment might be placed either above the Lords Justices and below the President of the Family Division or at the same level as the President. In view of the changes we recommend in the relative position of the Lords Justices, the appointment can be ranked either with the Lords Justices or with the President. The President is responsible for a larger Division and carries a particularly heavy administrative burden which we consider is not matched by that of the Vice-Chancellor. On balance, therefore, we conclude that the Vice-Chancellor should be at the same level as the Lords Justices. In reaching this conclusion we have not ignored the precedence proposed to be accorded to the Vice-Chancellor by the Supreme Court Bill now before Parliament.

24. Our recommendations for *Lord Chief Justice, Master of the Rolls, Lords of Appeal* and *President of the Family Division* have been dictated primarily by the need to preserve reasonable differentials between the distinct levels at the top of the structure.

B. Scotland

Sheriffs

25. Sheriffs A and Sheriffs B are within the Review Body's terms of reference. Sheriffs C are outside the terms of reference but have been covered in evidence to the Review Body. There is no difference between the jurisdiction and quality of the work of the three groups of Sheriffs. The distinction has been drawn on the basis of differences in workload. Sheriffs A work only in Glasgow. There are only two Sheriffs C, who are employed in the North of Scotland. All other Sheriffs are designated Sheriff B.

26. Sheriffs A have hitherto been equated with the Circuit Judge in England and Wales. We see no reason to disturb this relationship. Sheriffs B have been paid less than Sheriffs A on the grounds that there are greater burdens associated with the work of the Sheriffs Courts in Glasgow. The evidence we have received indicates that while a case can be made for maintaining a very small differential between Sheriffs A and B to provide a recruitment incentive for the Glasgow appointments, the distinction cannot be justified on the basis of difference in workload. In the absence of strong justification for maintenance of a differential, we recommend that the Sheriffs B should be brought up to the same level as the Sheriffs A.

27. Sheriffs C are paid substantially less than Sheriffs A and B. We understand that this is because they are officially regarded as part-time appointments. We also understand that there are different views on the question of the appropriate payment. The appointments are outside the terms of reference and it would not be appropriate for us to make any recommendation on the level of these appointments. In our view, if they are full-time appointments then they should be at the same level as other Sheriffs. If they are part-time, then they should be paid pro rata to the full-time rate. In either case, the decision is an administrative one.

Sheriffs Principal

28. We recommend that these appointments should be at the same level as the Official Referees, the Vice-Chancellor of the County Palatine of Lancaster, the Recorders of Liverpool and Manchester and the Senior Circuit Judge in England and Wales. This will improve the level of the appointments in the structure compared with the recommendations in Report No. 14, but not to the extent which has been urged on us. Nevertheless, we do not consider that the Sheriffs Principal merit grouping with the category above (which includes the Presidents of Tribunals in England and Wales) and we should be most reluctant to propose a special group for them.

Industrial Tribunals (Scotland), Lands Tribunal for Scotland, and Scottish Land Court

29. The 1978 Sub-Committee saw no reason to differentiate between the Members of the Industrial and Lands Tribunals in Scotland and their counterparts in England and Wales. It also concluded that the appointments of President of the Industrial Tribunals (Scotland) and President of the Lands Tribunal for Scotland, although similar to the equivalent appointments in England and Wales, did not justify being ranked with the English appointments because of the difference in the scale of the operation in each country. We agree with the views of the 1978 Sub-Committee. We recommend that the Members of the Scottish Tribunals should continue to rank with their counterparts in England and Wales and that the President of the Industrial Tribunals (Scotland) should continue to rank with the Sheriffs Principal.

30. The appointments of Chairman of the Scottish Land Court and President of the Lands Tribunal for Scotland are now held by one person and are, in practice, one appointment. We understand that this arrangement is expected to continue. The weight of both appointments, while held jointly, is greater than that of either appointment taken individually. We do not consider, however, that the increase in job weight is such that we would be justified in ranking the appointments, while held by one person, at the same level as the President of the Lands Tribunal in England and Wales. Nor do we consider that it would be desirable, given the aim of simplifying the overall structure, to have a separate salary level for what amounts now to one post. We recommend therefore that the appointments should continue to be at the same level as the Sheriffs Principal. We would again emphasise, however, that this will improve the level of the appointments in the structure compared with the recommendations in Report No. 14.

Judges of the Court of Session

31. The 1978 Sub-Committee recommended that in job weight terms the Judge of the Court of Session should equate with the High Court Judge in England and Wales. The Review Body recommended in Report No. 10 that both appointments should carry the same salary. We have mentioned that we consider it more appropriate for the Review Body to decide whether there are any relevant differences in cost of living and Bar earnings as between each of the countries in assessing salaries. We ourselves are firmly of the view that parity between the English and Scottish appointments should be maintained.

Lord Justice Clerk and Lord President of the Court of Session

32. The appointment of Lord Justice Clerk is equated with the Lord Justice of Appeal in England and Wales. The Lord President of the Court of Session is at the same level as the Lords of Appeal and the Master of the Rolls. The differential between Lord President and Lord Justice Clerk, already small, is slightly reduced by our recommendations. Possible solutions to the difficulty would be to place the Lord President above the Lords of Appeal or to place the Lord Justice Clerk below the Lords Justices. However, quite apart from the case on merits for or against such adjustments, we are most reluctant to introduce fresh levels at the top of the structure.

C. Northern Ireland

Resident Magistrates

33. These appointments are currently equated with the group containing the Provincial Stipendiary Magistrates in England and Wales. We see no justification for any change.

Masters of the Supreme Court, Northern Ireland

34. These appointments have been brought within the Review Body's terms of reference for the first time in this review. The appointments correspond to those of Masters and Registrars of the Supreme Court in England and Wales and the duties and responsibilities are broadly similar. The salary for the appointments is at present the same as that for the English appointments. We recommend that the Northern Ireland appointments should continue to be at the same level as those in England and Wales.

Chairmen of Industrial Tribunals (Northern Ireland)

35. These appointments, which have also been included in the remit for the first time, are at the same salary level as their counterparts in Great Britain and their responsibilities are similar. We consider that they should continue to be at the same level as the corresponding appointments in Great Britain.

County Court Judges

36. The County Court Judge is equated with the Circuit Judge in England and Wales and the Sheriff A in Scotland. It has been strongly urged in evidence that the County Court Judge should be placed above the level of the Circuit Judge. The County Court Judge has the particular responsibility of presiding at trials of scheduled criminal offences without a jury. We have given particular attention to this argument but we have reached the conclusion that the responsibilities of the appointment, taken overall, do equate broadly with those of the Circuit Judge. We are not persuaded that it would be appropriate to differentiate between the two appointments.

Social Security Commissioners (Northern Ireland), Members of the Lands Tribunal (Northern Ireland), and President of the Industrial Tribunals (Northern Ireland)

37. These appointments, which are included in the Review Body's terms of reference for the first time, are paid at the same level as the County Court Judge. The Social Security Commissioners and the Members of the Lands Tribunal are equated with the corresponding appointments in Great Britain. Their duties and responsibilities are broadly similar in weight to those of their counterparts in Great Britain and we consider that the present parity should be maintained. The President of Industrial Tribunals, on the other hand, is ranked substantially below the level of either of the corresponding appointments in Great Britain. We consider that the size of the operation in Northern Ireland would not justify parity with the President of the Industrial Tribunals (Scotland). We have concluded that the present level of the appointment, alongside the County Court Judge, and above the Regional Chairmen of Industrial Tribunals in Great Britain, is right.

Recorder of Belfast

38. This appointment is equated with the Senior Circuit Judge appointments in England and Wales. Since the 1978 review, the Recorder's differential over the County Court Judge has decreased in both cash and percentage terms while the burden of the appointment has increased following the Judicature (Northern Ireland) Act 1978. We have no doubt that the differential should be increased and we recommend that the appointment should continue to be ranked with the Official Referees and Senior Circuit Judge, at the higher level which we propose for that group.

Chief Social Security Commissioner (Northern Ireland) and President of the Lands Tribunal (Northern Ireland)

39. These appointments, which are included in the Review Body's terms of reference for the first time, are at the same salary level as the Recorder of Belfast. As in the case of the President of Industrial Tribunals (Northern Ireland), we consider that the difference in the size of their organisations in Northern Ireland compared with the size of the equivalent organisations

in Great Britain must rule out any question of parity with any of the corresponding appointments in Great Britain. The evidence suggests that the appointments should continue to be ranked with the Recorder of Belfast.

Puisne Judges

40. The Review Body recommended in Report No. 10 that the Puisne Judge should be equated with the High Court Judge in England and Wales and the Judge of the Court of Session in Scotland. Both the 1972 Advisory Group and the 1978 Sub-Committee had recommended parity on the basis of job-weight; but, in Report No. 6, the Review Body took account of differences in cost of living and Bar earnings and recommended a lower salary for the Puisne Judge (and for Judge of the Court of Session) than for the High Court Judge in England and Wales. As we have explained, final consideration of the question of parity will be a matter for the Review Body in determining salary levels. On the basis of our own knowledge and experience, however, we would strongly support maintenance of the parity principle established in Report No. 10. We consider it fully justified on both job weight and other grounds.

Lords Justices of Appeal

41. These appointments rank with the Lords Justices in England and Wales and the Lord Justice Clerk in Scotland. Our recommendation for the Lords Justices in England and Wales and, consequently, for the Lord Justice Clerk, is that they should be raised to a higher level in the structure, in recognition of the substantial burden of their work. In Northern Ireland, the position of the Lords Justices differs in some respects from that of the Lords Justices in England and Wales. In Northern Ireland they are not exclusively employed in the Court of Appeal; they sit in the Crown Court and may also sit in the High Court. However, we have been told in evidence that the business of the Court of Appeal in Northern Ireland has been increasing. We have also noted, as did the 1978 Sub-Committee, that for some 35 years now appointments of Lord Justice in Northern Ireland have been made from the High Court and that the appointment is regarded as a promotion. Taking all factors into account, we consider that a differential over the High Court Judge continues to be appropriate and that the appointments should continue to equate with the corresponding appointments in England and Wales.

Lord Chief Justice of Northern Ireland

42. The 1978 Sub-Committee considered whether this appointment should equate with that of Lord President of the Court of Session. It concluded that the relative sizes of the judiciaries and of the populations served could not be ignored in determining the relative weight of the appointments. The Sub-Committee drew attention to the possible effect of changes in the responsibilities of the Lord Chief Justice that might result from legislation. The legislation concerned, the Judicature (Northern Ireland) Act 1978, has had some effect on the responsibilities of the Lord Chief Justice but we do not consider

that the changes are such that, taken overall, they warrant a significant change in the ranking of the appointment in the structure. We share the view of the 1978 Sub-Committee that size of population and judiciary (particularly the higher judiciary) is relevant. The figures are:

	<i>Population</i>	<i>Higher Judiciary</i>
England and Wales	49.2 million	105 (1 : 470,000)
Scotland	5.2 million	21 (1 : 250,000)
Northern Ireland	1.5 million	8 (1 : 190,000)

We consider therefore that the Lord Chief Justice of Northern Ireland should continue to be immediately below the Lord President of the Court of Session and at the same level as the President of the Family Division.

Recommendations

43. We recommend the following structure to the Review Body as a basis for consideration of salary levels. Our recommendations are in Column C. For comparison purposes we have included the relativities recommended by the Review Body in their most recent report, Report No. 14 (Column B), and in the last report for which there was an 'in depth' examination of the judicial structure, Report No. 10 (Column A).

THE JUDICIAL SALARY STRUCTURE: RELATIVITIES SHOWN ON THE BASIS OF MASTERS AND REGISTRARS OF THE SUPREME COURT = 100

	A	B	C
	<i>Report No. 10</i>	<i>Report No. 14</i>	<i>Sub- Committee recommen- dations</i>
Lord Chief Justice	223	191	222
Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland)	203	178	204
Lord Chief Justice (Northern Ireland) President of the Family Division	193	171	196
Vice-Chancellor	177	160	191
Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	184	162	

	A	B	C
	<i>Report No. 10</i>	<i>Report No. 14</i>	<i>Sub- Committee recommen- dations</i>
High Court Judge	170	156	178
Judge of the Court of Session (Scotland)			
Puisne Judge (Northern Ireland)			
President, Lands Tribunal (England and Wales)	131	116	122
President, Transport Tribunal	128		
Chief Social Security Commissioner (England and Wales and Scotland)			
President, Industrial Tribunals (England and Wales)			
President, Industrial Tribunals (Scotland)	125	112	118
Sheriff Principal (Scotland)			
Chairman, Scottish Land Court			
President, Lands Tribunal (Scotland)			
Official Referee (London)	120	109	118
Vice-Chancellor of the County Palatine of Lancaster			
Recorder of Liverpool			
Recorder of Manchester			
Senior Circuit Judge, Newington Causeway			
Recorder of Belfast (Northern Ireland)			
President of the Lands Tribunal (Northern Ireland) ¹	—	—	
Chief Social Security Commissioner (Northern Ireland) ¹	—	—	

	A	B	C
	Report No. 10	Report No. 14	Sub- Committee recommen- dations
Circuit Judge	115	107	111
Chief Metropolitan Magistrate			
Member, Lands Tribunal (England and Wales and Scotland)			
Social Security Commissioner (England and Wales and Scotland)			
Judge Advocate General			
Sheriff A (Scotland)	110		
County Court Judge (Northern Ireland)			
Master of the Court of Protection	—	—	
Registrar of Criminal Appeals			
Senior and Chief Masters and Registrars of the Supreme Court			
President, Industrial Tribunals (Northern Ireland) ¹	—	—	
Member, Lands Tribunal (Northern Ireland) ¹			
Social Security Commissioner (Northern Ireland) ¹	110	104	
Sheriff B (Scotland)			
Regional Chairman, Industrial Tribunals (England and Wales and Scotland)	110	104	107
Chairman, Foreign Compensation Commission			
Vice-Judge Advocate General	100	100	
Masters and Registrars of the Supreme Court	100	100	100
Metropolitan Magistrate			
Chairman, Industrial Tribunals (England and Wales and Scotland)			
Provincial Stipendiary Magistrate			
Resident Magistrate (Northern Ireland)			
Chairman, Industrial Tribunals (Northern Ireland) ¹	—	—	
Master, Supreme Court (Northern Ireland) ¹			

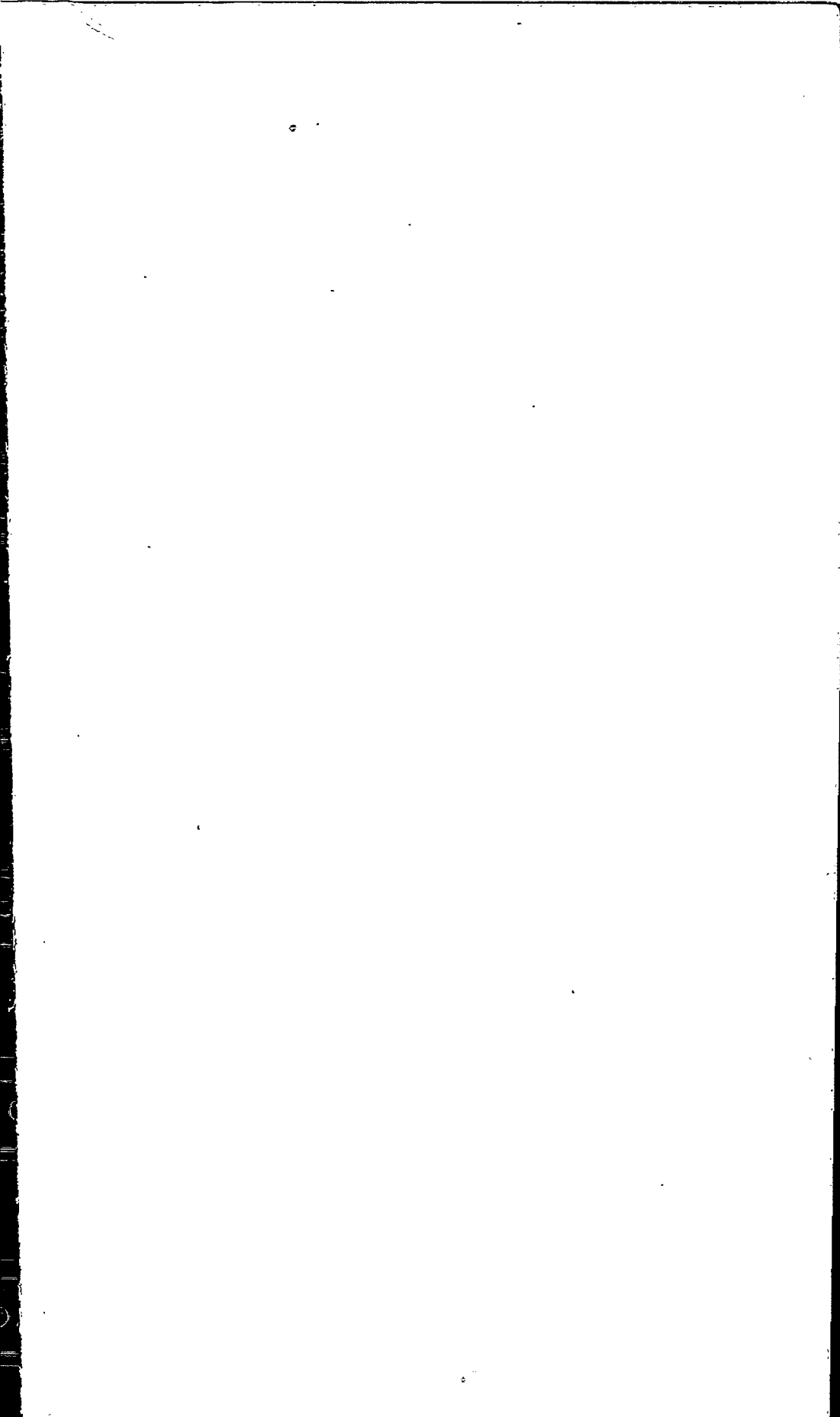
	A	B	C
	<i>Report No. 10</i>	<i>Report No. 14</i>	<i>Sub- Committee recommen- dation</i>
County Court Registrars and District Registrars of the High Court ²	—	98	98

Notes:

¹ Addition to remit since Report No. 14.

² Addition to remit since Report No. 10.

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