



Review Body on Top Salaries

Report No. 21

Seventh Report
on Top Salaries

Chairman :

THE RT. HON. LORD PLOWDEN, KCB, KBE

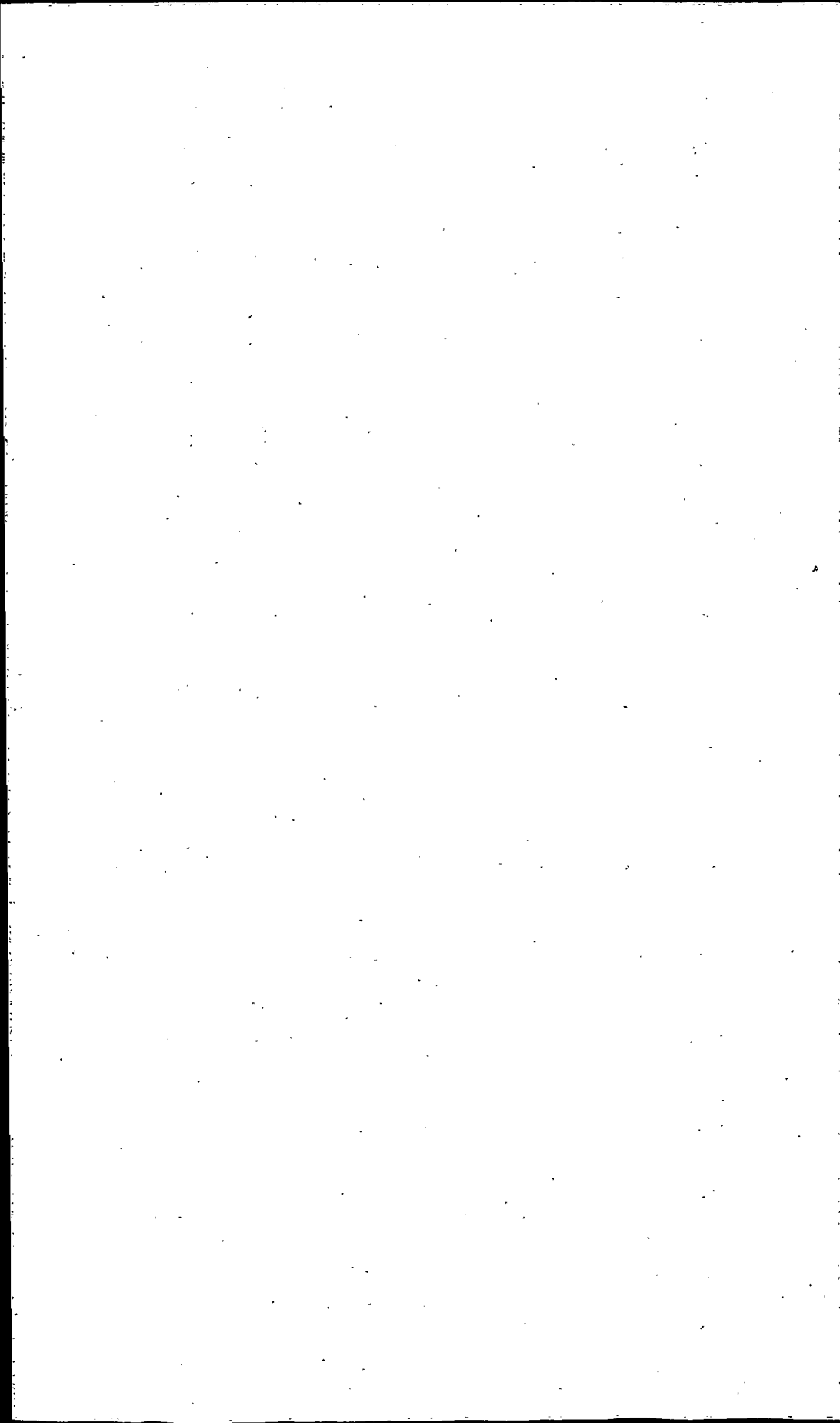
*Presented to Parliament by the Prime Minister
by Command of Her Majesty
June 1984*

LONDON

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THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 309

LECTURE 10

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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*

Sir Harold Atcherley

Lord Chorley

Lord Hirshfield

Sir Robin Ibbs¹

Andrew Morritt, QC

Sir David Orr, MC²

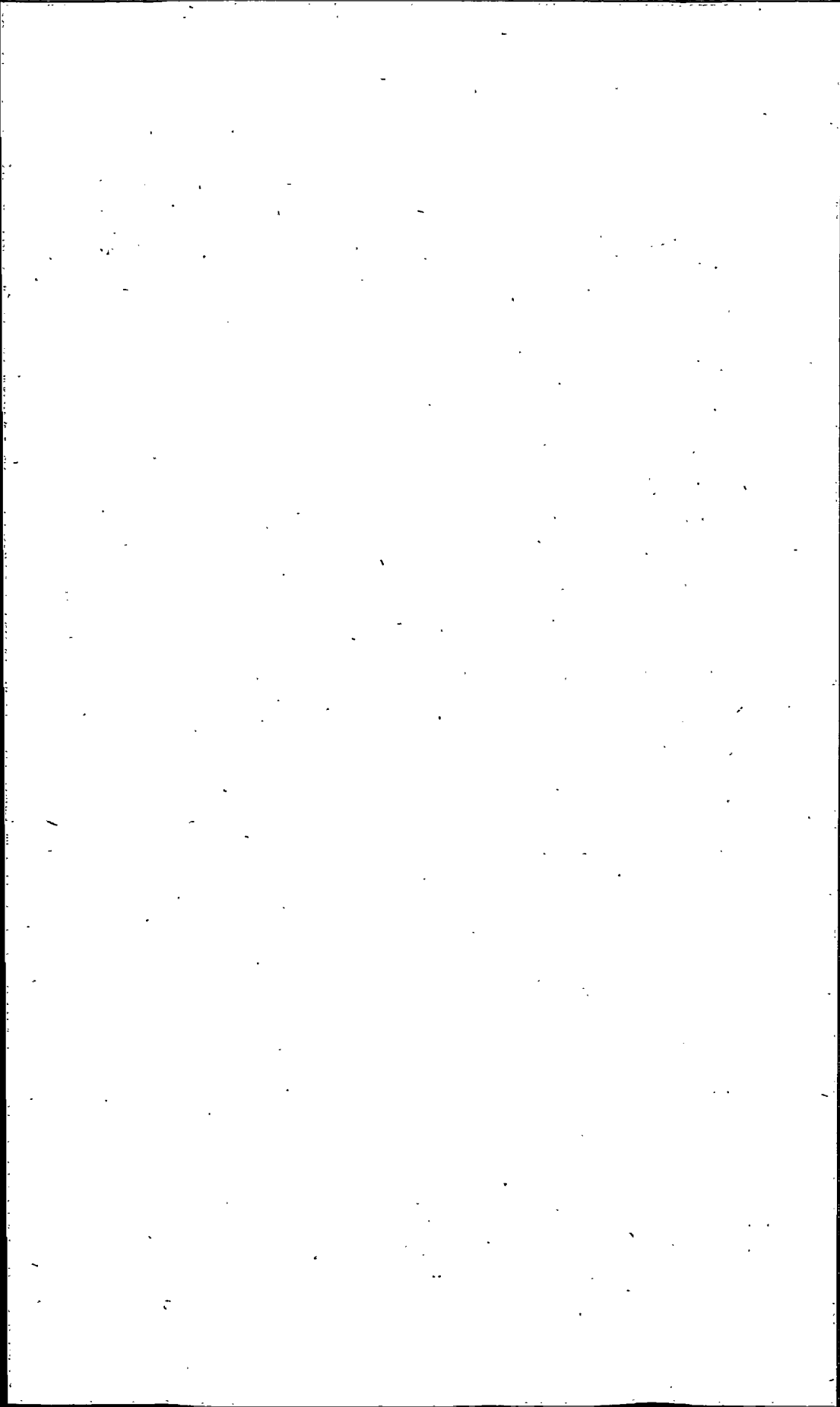
Baroness Seear

Sir Thomas Skyrme, KCVO, CB, CBE, TD

The Secretariat is provided by the Office of Manpower Economics.

¹ Sir Robin Ibbs was appointed to the Review Body by the Prime Minister in November 1983.

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



SEVENTH REPORT ON TOP SALARIES

Background

1. Our last Report on Top Salaries (Report No. 19¹) contained our recommendations on the salary levels which we judged to be appropriate at 1 April 1983. Those recommendations involved average increases of 6.9 per cent over the salaries which we had recommended for 1 April 1982. The actual increases required were higher as our 1982 recommendations had not been fully implemented: an overall increase of slightly less than 5 per cent was needed to bring pay up to the levels we had recommended as appropriate at 1 April 1982.

2. Our recommendations as to amount were accepted by the Government, but were not implemented with effect from 1 April 1983. Instead, the Government decided that the increases should be implemented in two stages: the first payable from 1 August 1983; and the second from 1 January 1984. This means that for this Report, and for the first time in many years, we are making our recommendations against the background that our last recommendations on levels of salary have been implemented in full, albeit from a later date than we recommended. This is a most welcome development, which we believe has helped to restore the faith of those affected by the method of independent review, and we hope now that it will be possible to maintain salaries at up-to-date levels. The current salaries are set out in Appendix B.

The current review

3. Our recommendations for 1 April 1982 flowed from a comprehensive review of salaries which we had begun in 1980. For our 1983 recommendations we decided that it was too soon to carry out another comprehensive review. We therefore confined our attention to the increases required to bring the salary levels recommended for 1982 up to date at 1 April 1983. We have adopted the same approach in this review.

4. Last year we indicated that we would be looking again in this review at the judicial structure as a whole, in view of a number of representations that had been made. We also undertook to consider a number of issues involving specific judicial posts (Report No. 19: paragraphs 7 and 8).

5. When we started work on the present review we appointed a sub-committee under Sir Thomas Skyrme's chairmanship, to advise on the relative levels of judicial appointments for salary purposes. The sub-committee soon concluded, and we agreed, that it was necessary to carry out a fresh comprehensive study of the judicial structure. It became clear that the extensive study required could not be completed in time for us to take account of the results in the present review. We agreed, therefore, that the sub-committee should aim to submit its report later this year for consideration as part of our next review. For this year we decided to confine our attention to establishing what changes are required in the judicial salary levels recommended for 1983 to bring them up to date, leaving the present structure unchanged.

¹ A full list of our previous reports covering senior civil servants, senior officers of the armed forces and the judiciary is in Appendix A.

6. Members of the judiciary have already been informed of this decision in letters inviting them to provide written evidence for the sub-committee. Some have expressed concern that we will not be recommending changes in the judicial salary structure this year and have suggested that they have a strong case for an interim adjustment to their position in the structure. We have considered these representations, but have concluded that it would be wrong to single out any posts for special treatment, particularly as it is not practicable for the sub-committee to advise us at this stage. There is no evidence of any major development in the last year that requires urgent adjustment for a particular post.

The next review

7. We intend that our next review should cover comprehensively all the groups within our remit. In addition to the study of the judicial salary structure, we propose to undertake a major re-examination of salary levels in the civil service and armed forces. This will include a more extensive survey of private sector remuneration, including pensions and other fringe benefits, along the lines of those carried out for Reports Nos. 6, 10 and 18, and such other studies as we judge to be necessary.

8. In paragraph 9 of Report No. 19 we mentioned that the Committee of Inquiry into Civil Service Pay, under the chairmanship of the Rt Hon Sir John Megaw, had commented in its report (Cmnd. 8590, July 1982) on a number of matters which, if pursued, could be relevant to our work in future. We said that we were awaiting the results of the Government's consideration of these matters and their discussions on them with those concerned. We understand that the discussions are continuing but it has been suggested that we should, nonetheless, recommend the introduction of London weighting for the civil service grades of Deputy Secretary and above, as proposed by the Committee in paragraph 347 of its report. We feel that consideration of this issue should be deferred, and examined as part of next year's comprehensive review.

Inquiries for the current review

9. *Evidence.* For this limited review we took evidence from the Lord Chancellor's Department, the Scottish Courts Administration, the Treasury, the Ministry of Defence and the Council of Civil Service Unions. Some members of the judiciary have also made comments relevant to the present review in evidence to the sub-committee.

10. *Surveys.* For this review we commissioned two surveys. We have again sought information about the receipts prior to appointment to the High Court and Circuit Benches from those appointed since our last such survey. The number who have responded this year is too small for us to attach any weight to the results. We would in any case be reluctant to use this information in isolation; it can only be taken into account as one of a number of elements which make up a whole range of evidence on earnings at the Bar. Such information is of great importance when assessing appropriate levels for judicial salaries given that appointments to the Circuit and High Court Bench are made from those who are well-established in practice at the Bar. We do not suggest that salary levels are the only factor that individuals take into account when considering judicial appointments but there can be no doubt that recruitment would be affected if a

satisfactory relationship were not maintained between Bar earnings and judicial remuneration. We will be looking at this relationship more closely in the next review when we hope to obtain comprehensive information on earnings. In the past, some members of the Bar have not felt able to provide us with such information, perhaps because of the more pressing demands of their practice. We hope, however, that members of the profession will appreciate how essential it is for us to obtain adequate information on earnings at the Bar and that, with their assistance, we shall be able to gain a representative indication of earnings for our next review.

11. We have also obtained information on remuneration at senior levels in the private sector. Our last full survey in 1980 covered pay and cash benefits (that is, salary and bonus, commission and profit-sharing payments) and pensions and fringe benefits. Further surveys were carried out in the Autumn of 1981 and 1982 covering pay and cash benefits only. We decided that the survey for the present review should again concentrate on pay and cash benefits alone. However, for the next review, we intend to carry out a full remuneration survey covering pay, pensions and fringe benefits.

12. The results of the latest survey are set out in Appendix C. For this updating review, our main interest is in the movements in pay not the pay levels as such. The following table shows the changes in the levels of direct remuneration between 1 September 1982 and 1 October 1983 in those companies in the private sector which responded to the survey, and for posts which were paid at £20,000 or over at the time of our previous survey.

Range of 1982 salary, plus bonus, commission and profit-sharing	Mean salary plus bonus, commission and profit-sharing		
	1982	1983	Percentage increase
	£000	£000	%
£100,000 and over	121.6	135.8	11.8
£90,000 —	95.4	97.8	2.6
£80,000 —	82.4	88.8	7.8
£70,000 —	73.4	78.3	6.7
£60,000 —	64.0	68.9	7.6
£50,000 —	54.7	58.6	7.2
£45,000 —	47.1	52.9	12.4
£40,000 —	42.0	46.8	11.4
£35,000 —	36.9	40.1	8.5
£30,000 —	31.9	35.9	12.7
£25,000 —	27.2	30.2	10.9
£22,500 —	23.7	26.4	11.6
£20,000 —	20.9	23.4	11.8

Source: OME

Overall, in the period 1 September 1982 to 1 October 1983 the average increase in cash benefits for all posts in the survey was 10.7 per cent. For salaries alone, the average increase was 9.4 per cent. These average figures mask a wide variability. The interquartile range of increases in cash benefits over the period was from 6 per cent at the lower quartile to 14 per cent at the upper quartile, with 9 per cent as the median.

13. The results of the latest survey relate to 1 October 1983, and have to be brought up to date at 1 April 1984. The survey shows that

differentials have continued to widen at senior levels after some years of compression. We have had to consider, for the purposes of updating, whether the relatively high general level of pay increases achieved at senior levels in the survey period to 1 October 1983 will be maintained in the period to 1 April 1984, or whether some other level will apply. We have no evidence that would support a conclusion that a higher average level of increase will be achieved; nor, conversely, that a lower level will apply. We have assumed, therefore, for updating that the average level of increases achieved in the survey period will be broadly maintained over the period to April 1984. On this basis¹ the average level of increases is likely to be about 9½ per cent: and the interquartile range to extend from about 5½ per cent at the lower quartile to about 12½ per cent at the upper quartile, with 8 per cent as the median.

14. *General.* There can be no doubt that the information we have on movements in earnings elsewhere would support a relatively high award this year for the groups within our remit. However, as we have often made clear, we do not operate any mechanistic system of comparison. Information on the range of pay movements at senior levels elsewhere provides a starting point for our deliberations but we have to take many other considerations into account when framing our recommendations. Among these is information on general movements in pay. This year, increases generally among the employed workforce, whether measured by the average level of settlements or by movements in average earnings, are lower than the increases being achieved on average at the senior levels covered by our survey. The latest indications suggest that pay settlements are averaging about 6 per cent; and, in the year to January 1984, average earnings increased by 7¼ per cent. We must also have regard to manning considerations when framing our recommendations. So far as we are aware there are no particular problems at the moment in obtaining individuals of the calibre needed for the posts covered by our remit, nor in retaining them, although there appear to be some warning signs. Some concern has been expressed about recruitment to certain judicial appointments: and the Council of Civil Service Unions have suggested that there may be some relationship—albeit indirect—between salaries at the levels with which we are concerned and a growing difficulty in the civil service of attracting enough good quality graduates and retaining the most able in mid-career. We intend to examine manning matters in more detail in the forthcoming major review. We have also had regard to the general economic background. Although the pace of economic activity is now quickening, there are still difficulties and uncertainties in many areas which cannot be disregarded when assessing the value of secure employment at senior levels in the public service. We have concluded in the light of such considerations that, for the present updating review, we should recommend an increase in salaries that is relatively modest in relation to evidence on the range of increases received at senior levels elsewhere. Our next review will provide the opportunity to undertake a major reassessment of salary levels and to consider whatever adjustments may be appropriate.

¹ Allowance must be made for the fact that the latest survey covered a 13 month period (1 September 1982–1 October 1983). This requires an adjustment to be made to remove the effects of those receiving two awards in the survey period.

Recommendations

15. Taking all these considerations into account we conclude that the salary levels recommended below are appropriate for implementation from 1 April 1984. Overall, they will involve increases over those recommended for 1 April 1983 of just under 6½ per cent. Although this falls some way short of the average level of increases being achieved at senior levels elsewhere we hope that our recommendations will be seen, nonetheless, as reasonable in the circumstances of this updating review and that the Government will feel able to implement them in full from 1 April 1984. In our view a lower increase would not be reasonable in the light of developments at senior levels elsewhere. In keeping with the undertaking that applies to all the review bodies, we would expect the Government to implement our recommendations unless there were clear and compelling reasons in the wider national interest which we had not been able to take into account. The credibility of a system of independent review cannot be sustained if, in the absence of such compelling reasons, recommendations are not accepted but simply used as a basis for further judgment by others. It would also be unfortunate if a failure to implement our recommendations on this occasion were to exacerbate the problems with 'catching up' awards which have so bedevilled our reviews, and Government decisions, in this area in the past. Moreover, for the reasons the Government itself set out when announcing its decisions on our 1982 recommendations, the national interest will not be served in the long run if salaries at the levels with which we are concerned are not kept up to date. There is an opportunity now to establish a more settled basis for determining the salaries of those within our terms of reference on the basis of our recommendations which we urge the Government to accept, in full, from 1 April 1984.

	<i>Recommended 1 April 1984 salaries £</i>
<i>a. Senior grades of the higher civil service</i>	
Secretary of the Cabinet	} 51,250
Permanent Secretary to the Treasury	
Permanent Secretary	45,500
Second Permanent Secretary	42,000
Deputy Secretary	36,500
Under Secretary	29,500
<i>b. Senior officers in the armed forces</i>	
Admiral of the Fleet	} 51,250
Field Marshal	
Marshal of the Royal Air Force	
Admiral	} 45,500
General	
Air Chief Marshal	
Vice-Admiral	} 36,500
Lieutenant General	
Air Marshal	

	<i>Recommended 1 April 1984 salaries £</i>
Rear Admiral Major General Air Vice-Marshal	} 29,500
<i>c. Judiciary</i>	
Lord Chief Justice	64,000
Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland)	} 58,500
Lord Chief Justice (Northern Ireland) President of the Family Division	} 57,000
Vice Chancellor Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	} 55,500
High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland)	} 51,250
President, Lands Tribunal (England and Wales) President, Transport Tribunal Chief Social Security Commissioner (England and Wales and Scotland) President, Industrial Tribunals (England and Wales)	} 36,000
President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Land Court President, Lands Tribunal (Scotland) Official Referee (London) Vice-Chancellor of the County Palatine of Lancaster Recorder of Liverpool Recorder of Manchester Senior Circuit Judge, Newington Causeway Recorder of Belfast (Northern Ireland) President of the Lands Tribunal (Northern Ireland) Chief Social Security Commissioner (Northern Ireland)	} 35,000
Circuit Judge Chief Metropolitan Magistrate Member, Lands Tribunal (England and Wales and Scotland) Social Security Commissioner (England and Wales and Scotland) Judge Advocate General Sheriffs A and B (Scotland) County Court Judge (Northern Ireland) Master of the Court of Protection	} 33,000

*Recommended
1 April 1984
salaries
£*

Senior and Chief Masters and Registrars of the Supreme Court	}	33,000
Registrar of Criminal Appeals		
President, Industrial Tribunal (Northern Ireland)		
Member, Lands Tribunal (Northern Ireland)		
Social Security Commissioner (Northern Ireland)		
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland)	}	31,000
Chairman, Foreign Compensation Commission		
Vice-Judge Advocate General		
Masters and Registrars of the Supreme Court	}	28,500
Metropolitan Magistrate		
Chairmen, Industrial Tribunals (England and Wales and Scotland)		
Provincial Stipendiary Magistrate		
Resident Magistrate (Northern Ireland)		
Chairman, Industrial Tribunal (Northern Ireland)		
Master, Supreme Court (Northern Ireland)		
County Court Registrars and District Registrars of the High Court		

PLOWDEN
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 CHORLEY
 HIRSHFIELD
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 DAVID ORR
 SEEAR
 THOMAS SKYRME

OFFICE OF MANPOWER ECONOMICS
 19 April 1984

APPENDIX A

PREVIOUS REVIEW BODY REPORTS ON TOP SALARIES

- No. 2: Interim Report on Top Salaries—Cmnd. 5001, June 1972.
- No. 3: Second Interim Report on Top Salaries—Cmnd. 5372, July 1973.
- No. 4: Third Interim Report on Top Salaries—Cmnd. 5595, June 1974.
- No. 6: Report on Top Salaries—Cmnd. 5846, December 1974.
- No. 10: Second Report on Top Salaries—Cmnd. 7253, June 1978.
- No. 11: Third Report on Top Salaries—Cmnd. 7576, June 1979.
- No. 14: Fourth Report on Top Salaries—Cmnd. 7952, July 1980.
- No. 16: Interim Report on Top Salaries—Cmnd. 8243, May 1981.
- No. 18: Fifth Report on Top Salaries—Cmnd. 8552, May 1982.
- No. 19: Sixth Report on Top Salaries—Cmnd. 8879, May 1983.

APPENDIX B

SALARIES CURRENTLY IN PAYMENT

	<i>Salaries currently in payment £</i>	<i>Numbers in post at 1 January 1984</i>
<i>a. Senior grades of the higher civil service</i>		
Secretary of the Cabinet Permanent Secretary to the Treasury	} 48,000	2
Permanent Secretary	42,750	21
Second Permanent Secretary	39,500	16
Deputy Secretary	34,250	140
Under Secretary	27,750	503
 <i>b. Senior officers in the armed forces</i>		
Admiral of the Fleet Field Marshal Marshal of the Royal Air Force	} 48,000	1
Admiral General Air Chief Marshal	} 42,750	22
Vice-Admiral Lieutenant General Air Marshal	} 34,250	37
Rear Admiral Major General Air Vice-Marshal	} 27,750	155
 <i>c. Judiciary</i>		
Lord Chief Justice	60,000	1
Master of the Rolls Lord of Appeal Lord President of the Court of Session (Scotland)	} 55,000	11
Lord Chief Justice (Northern Ireland) President of the Family Division	} 53,500	2
Vice Chancellor Lord Justice of Appeal Lord Justice Clerk (Scotland) Lord Justice of Appeal (Northern Ireland)	} 52,000	26
High Court Judge Judge of the Court of Session (Scotland) Puisne Judge (Northern Ireland)	} 48,000	101
President, Lands Tribunal (England and Wales) President, Transport Tribunal Chief Social Security Commissioner (England and Wales and Scotland) President, Industrial Tribunals (England and Wales)	} 33,750	4

	<i>Salaries currently in payment £</i>	<i>Numbers in post at 1 January 1984</i>
President, Industrial Tribunals (Scotland) Sheriff Principal (Scotland) Chairman, Scottish Land Court President, Lands Tribunal (Scotland) Official Referee (London) Vice-Chancellor of the County Palatine of Lancaster Recorder of Liverpool Recorder of Manchester Senior Circuit Judge, Newington Causeway Recorder of Belfast (Northern Ireland) President of the Lands Tribunal (Northern Ireland) Chief Social Security Commissioner (Northern Ireland)	32,750	20
Circuit Judge Chief Metropolitan Magistrate Member, Lands Tribunal (England and Wales and Scotland) Social Security Commissioner (England and Wales and Scotland) Judge Advocate General Sheriffs A and B (Scotland) County Court Judge (Northern Ireland) Master of the Court of Protection Senior and Chief Masters and Registrars of the Supreme Court Registrar of Criminal Appeals President, Industrial Tribunal (Northern Ireland) Member, Lands Tribunal (Northern Ireland) Social Security Commissioner (Northern Ireland)	31,000	466
Regional Chairmen, Industrial Tribunals (England and Wales and Scotland) Chairman, Foreign Compensation Commission Vice-Judge Advocate General	29,000	19
Masters and Registrars of the Supreme Court Metropolitan Magistrate Chairmen, Industrial Tribunals (England and Wales and Scotland) Provincial Stipendiary Magistrate Resident Magistrate (Northern Ireland) Chairman, Industrial Tribunal (Northern Ireland) Master, Supreme Court (Northern Ireland) County Court Registrars and District Registrars of the High Court	26,750	367

APPENDIX C

SURVEY OF TOP SALARIES IN THE PRIVATE SECTOR, 1982-83

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

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SURVEY OF TOP SALARIES IN THE PRIVATE SECTOR 1982-83

Introduction

1. On behalf of the Review Body on Top Salaries, the Office of Manpower Economics carried out a survey of salaries and other direct remuneration, such as bonuses and commission, of Board members and senior executives in the private sector. Pensions and other fringe benefits were not covered. The main purpose of the survey was to bring up to date the information on pay obtained from the previous survey.¹ The results of this survey relate to the period 1 September 1982 to 1 October 1983. The Review Body is most grateful for the co-operation of those who contributed to the surveys.

Selection of the sample

2. As in the two most recent surveys, companies in the non-financial sector were selected from the 'Times 1,000' list of the largest companies in the United Kingdom using turnover as a measure of company size and as the basis of stratification. In order to make valid comparisons with the previous survey the boundaries for each of the size bands were established, using the 'Times 1,000' list of companies, so that each size band encompassed the same number of companies as last year. Generally, companies which had co-operated in previous surveys were reselected. In addition a small sample of the new entrants to the 'Times 1,000' was chosen, giving 147 companies altogether, the same as last year.

The questionnaire

3. The survey covered pay only. 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 a turnover of at least £530 million and all those in the financial sector were asked for details of the pay of senior executives at the next level down and of full-time Board members of major subsidiaries. In all cases companies were asked to provide the information for posts whose nature and responsibility had not changed in the year up to 1 October 1983.

Response

4. The response rate was high. 126 organisations provided usable replies—a response rate of 86 per cent: this compares with an 87 per cent response rate in the previous survey. This continued high response rate was due in part to the inclusion of those who had co-operated previously, although it should be noted that this had also been the case in the past when response rates were lower—between 65 and 75 per cent. The response for different sectors is shown in Table A. The poorest response rate of

¹ The current survey is the ninth of this kind to be carried out. Reports on the previous surveys are given in Report No. 2 (Cmnd. 5001, June 1972), Appendix E; Report No. 6 (Cmnd. 5846, December 1974), Appendix L; Report No. 10 (Cmnd. 7253, June 1978), Appendix E; Report No. 11 (Cmnd. 7576, June 1979), Appendix C; Report No. 14 (Cmnd. 7952, July 1980), Appendix C; Report No. 16 (Cmnd. 8243, May 1981), Appendix B; Report No. 18 (Cmnd. 8552, May 1982), Appendix D; Report No. 19 (Cmnd. 8879, May 1983), Appendix C. Pensions and other benefits were covered in the second, third and sixth surveys.

75 per cent was in the smallest size band of non-financial companies. The response of companies in the top two size bands was 100 per cent. Table 1 contains further information, including details of the posts covered by the replies.

TABLE A
Organisations' response to the survey

Sector	Number in 'Times 1,000'	Number selected	Providing replies		Number used
			Number	As a percentage of number selected	
	No.	No.	No.	%	No.
Non-financial					
Turnover (£ million)					
1,050 and over	62	19	19	100.0	19
530 but under 1,050	62	19	19	100.0	18
270 but under 530	89	23	18	78.3	17
135 but under 270	139	22	18	81.8	17
62 but under 135	275	20	17	85.0	16
31 but under 62	373	24	18	75.0	20
All non-financial	1,000	127	109	85.8	107
Financial	NA	20	19	95.0	19
Total	NA	147	128	87.1	126

Five companies gave information for a subsidiary in a lower size band, two having a turnover of under £31 million.

NA = Not applicable.

Scaling up of the replies

5. The replies received were scaled up to provide estimates for all companies and posts within the definitions of the survey¹. Where appropriate, subsequent tables give both the actual number of posts in the replies and the number of scaled up posts.

Results

6. Detailed results are in Tables 2 to 5. The main points are described in paragraphs 7 to 11.

Movements in pay

7. In the period covered by the survey—September 1982 to October 1983—percentage increases in mean remuneration² were as follows (the figures in brackets show increases from the period September 1981–September 1982).

¹ A description of the scaling up procedure is given in paragraph 5 of Appendix B to Report No. 16, Interim Report on Top Salaries (Cmnd. 8243, May 1981).

² That is, salary plus bonus, commission and profit-sharing.

			<i>Salary</i>	<i>Salary & Bonus</i>
Non-financial sector ¹	...	...	9.5 (10.4)	10.8 (11.3)
Financial sector ¹	...	...	6.8 (10.8)	5.7 (11.0)
Both sectors	...	...	9.4 (10.5)	10.7 (11.3)

8. The data show that the mean increase in salary alone across both sectors and for all posts was 9.4 per cent, and 10.7 per cent when bonus, commission and profit-sharing is included. The data also show that, for the period covered, increases in bonuses, etc. were more prevalent in the non-financial sector than in the financial sector.

The range of increases

9. The above estimates of mean increases in salary plus bonus, etc. mask a substantial degree of variability in the levels of both salary and salary plus bonuses, etc. between the groups of companies categorised by turnover, and between the various executive grades within these groups of companies. For example, the percentage increase in salary plus bonus for deputy chief executives ranged from 5 per cent in companies with a turnover of between £62 millions and £135 millions, to 24 per cent in companies with turnovers between £530 millions and £1,050 millions. The percentage range was not so great for the other grades in those groups of companies, most of which achieved increases nearer to the mean; e.g. 11.79 per cent for the chief executives and 11.65 per cent for Board members respectively. If the extremes are excluded, the range of percentage increases is more consistent. The lower quartile, median and upper quartile of the percentage increase in salary plus bonus for all companies and all executive grades are 6 per cent, 9 per cent and 14 per cent respectively.

Date of last increase in salary

10. Table 4 shows the distribution of the date of the last increase in salary for the different levels of post in the survey. Salaries for 45 per cent of the posts had been increased between May 1983 and October 1983, leaving 55 per cent for which a salary review might be expected in the period November 1983 to April 1984. As in previous surveys, January, April, July and October were the most frequent months for increases, accounting for about three quarters 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. As was the case with the previous year's survey, the figures confirm the tendency for levels of pay in the non-financial sector to be higher for the larger size bands, and for levels of pay in the financial sector to be higher than for the non-financial sector as a whole. The table also indicates the variation in pay at a given level of post in a given size band.

¹ As in previous surveys, the non-financial sector was selected from the 'Times 1000' list of companies. The financial sector consists of the clearing banks and a selection of insurance companies and building societies.

Comparisons with the previous survey

12. Since both this and the previous year's survey asked for information about salary plus bonus, etc. at 1 September 1982 it is possible to compare the figures from the two surveys for this date. Table B below summarises information about mean salary plus bonus, etc. and gives an indication of the consistency of the results compared with the previous year's. For the non-financial sector the aggregated differences in Table B mask some larger differences in the comparisons for individual size bands. These differences could be caused by a number of factors:

- (i) Sampling variation, which had led to different companies and different posts within the same company being included in the current survey compared with the previous survey.
- (ii) Changes in the pay data, for example, because of backdated pay increases.
- (iii) Changes in the constituent companies in a given size band.
- (iv) Changes in the classification of level of responsibility.
- (v) Changes in the weights used in scaling up the replies.

TABLE B

Comparison of mean salary plus bonus, commission and profit-sharing at 1 September 1982 for the main levels of post as shown (A) by the previous survey and (B) by the present survey

	Mean salary plus bonus, etc. 1 September 1982		Percentage difference
	(A) Previous survey	(B) Current survey	
Main Board members	£000	£000	%
Chief executives			
Non-financial	52.7	54.8	4.0
Financial	63.8	61.5	-3.6
Deputy chief executives			
Non-financial	59.8	57.1	-4.5
Financial	55.7	58.7	5.4
Other main Board members			
Non-financial	34.9	34.8	-0.3
Financial	50.6	54.4	7.5
Senior executives			
Heads of function reporting to main Board members			
Non-financial	23.5	23.9	1.7
Financial	37.2	38.0	2.2
Others reporting to main Board members			
Non-financial	20.9	21.8	4.0
Financial	*	*	

* Number of posts too small to provide reliable figures for comparison.

Response and coverage of survey

TABLE 1

Sector	Number of organisations in 'Times 1,000'	Questionnaires despatched	Replies used ¹	Members of main Board								Senior executives				Others ²	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)																			
1,050 and over	62	19	19	14	1	3	18	1	9	10	94	173	29	202	91	15	106	21	451
530 but under 1,050	62	19	18	6	2	6	14	1	6	7	77	137	43	180	65	35	100	9	387
270 but under 530	89	23	17	9	1	5	15	1	1	2	71	108	37	145	} note ₃	} note ₃	} note ₃	4	237
135 but under 270	139	22	17	6	2	7	15	1	3	4	79	134	47	181				3	282
62 but under 135	275	20	16	8	1	5	14	—	1	1	57	91	24	115				2	189
31 but under 62	373	24	20	7	1	8	16	—	—	—	55	129	24	153	8	232			
All non-financial	1,000	127	107	50	8	34	92	4	20	24	433	772	204	976	156	50	206	47	1,778
Financial	NA	20	19	—	1	17	18	—	8	8	32	161	1	162	114	1	115	33	368
Total	NA	147	126	50	9	51	110	4	28	32	465	933	205	1,138	270	51	321	80	2,146

¹ Five non-financial companies provided information for a subsidiary in a smaller size band, two of which had a turnover of less than £31 million.

² '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.

³ 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 1982 and 1 October 1983 by ranges of 1982 salary plus bonus, etc

All posts

Range of 1982 salary plus bonus, etc	Number of posts		Mean salary			Mean salary plus bonus, etc		
	Actually used	Scaled up	1982	1983	Per-centage increase	1982	1983	Per-centage increase
	No.	No.	£000	£000	%	£000	£000	%
£100,000 and over	23	74	111.3	125.2	12.5	121.6	135.8	11.8
£90,000 —	11	50	56.0	61.6	10.0	95.4	97.8	2.6
£80,000 —	21	73	74.4	80.9	8.8	82.4	88.8	7.8
£70,000 —	52	171	70.7	74.6	5.5	73.4	78.3	6.7
£60,000 —	75	386	56.8	60.8	7.0	64.0	68.9	7.6
£50,000 —	130	655	51.7	55.2	6.7	54.7	58.6	7.2
£45,000 —	113	776	44.0	48.0	9.1	47.1	52.9	12.4
£40,000 —	148	1,270	39.6	43.6	10.1	42.0	46.8	11.4
£35,000 —	227	1,890	35.6	38.3	7.8	36.9	40.1	8.5
£30,000 —	246	3,202	30.4	33.8	11.2	31.9	35.9	12.7
£25,000 —	345	4,480	26.2	28.6	9.3	27.2	30.2	10.9
£22,500 —	197	2,889	22.9	25.1	9.8	23.7	26.4	11.6
£20,000 —	167	2,760	20.4	22.6	10.5	20.9	23.4	11.8
£17,500 —	165	2,843	18.1	19.8	9.1	18.7	20.6	10.2
£15,000 —	126	2,530	15.4	17.0	10.2	16.1	17.9	11.6
£12,500 —	66	1,442	13.5	14.7	8.5	13.9	15.2	8.9
£10,000 —	29	957	11.3	12.3	9.1	11.4	12.5	9.5
Under £10,000	5	101	8.5	9.9	15.9	8.8	10.1	15.5
Total	2,146	26,550	26.2	28.6	9.4	27.4	30.4	10.7

TABLE 3

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1982 and 1 October 1983

Level of post and sector	Number of posts		Mean salary			Mean salary plus bonus, etc		
	Actually used	Scaled up	1982	1983	Percentage increase	1982	1983	Percentage increase
	No.	No.	£000	£000	%	£000	£000	%
Main Board members								
All chief executives on main Board								
Non-financial								
Turnover (£m)								
1,050 and over	18	59	86.1	95.2	10.6	88.7	96.0	8.2
530 but under 1,050	14	48	70.9	78.8	11.1	80.1	89.6	11.8
270 but under 530	15	79	64.9	72.0	11.0	69.5	75.6	8.8
135 but under 270	15	123	55.6	62.9	13.0	58.4	67.1	14.9
62 but under 135	14	241	45.5	51.2	12.6	47.3	53.9	13.8
31 but under 62	16	298	35.6	38.0	6.9	44.8	47.7	6.5
All non-financial	92	847	49.5	54.8	10.6	54.8	60.6	10.5
Financial	18	18	59.4	64.8	9.2	61.5	66.3	7.8
Total	110	865	49.7	55.0	10.6	55.0	60.7	10.4
All deputy chief executives on main Board								
Non-financial								
Turnover (£m)								
1,050 and over	10	33	84.5	91.2	7.9	84.8	91.2	7.5
530 but under 1,050	7	24	59.3	74.3	25.5	65.6	81.3	24.0
270 but under 530	2	10	52.0	59.5	14.4	52.0	59.5	14.4
135 but under 270	4	33	44.1	48.2	9.4	46.6	53.5	14.9
62 but under 135	1	17	15.0	15.8	5.0	15.9	16.6	4.7
31 but under 62	—	—	—	—	—	—	—	—
All non-financial	24	117	54.9	61.8	12.6	57.1	64.9	13.5
Financial	8	8	56.3	62.7	11.5	58.7	64.3	9.5
Total	32	125	55.0	61.9	12.5	57.2	64.8	13.3
Other main Board members								
Non-financial								
Turnover (£m)								
1,050 and over	94	307	51.3	57.4	11.9	51.8	58.5	12.9
530 but under 1,050	77	265	49.4	54.9	11.2	52.9	59.3	12.0
270 but under 530	71	372	38.2	41.9	9.6	40.3	44.6	10.7
135 but under 270	79	646	31.1	33.9	9.1	32.9	36.0	9.5
62 but under 135	57	980	31.3	34.7	11.0	33.1	37.5	13.0
31 but under 62	55	1,026	23.3	25.3	8.7	25.7	28.7	11.7
All non-financial	433	3,595	32.7	36.0	10.2	34.8	38.8	11.7
Financial	32	32	52.0	57.5	10.6	54.4	58.6	7.7
Total	465	3,627	32.9	36.2	10.2	34.9	39.0	11.7

Continued

TABLE 3 *continued*

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1982 and 1 October 1983

Level of post and sector	Number of posts		Mean salary			Mean salary plus bonus, etc		
	Actually used	Scaled up	1982	1983	Per-centage increase	1982	1983	Per-centage increase
	No.	No.	£000	£000	%	£000	£000	%
Senior executives								
(A) Head of function reporting to main Board members								
Non-financial								
Turnover (£m)								
1,050 and over	173	1,230	32.7	36.2	10.7	33.1	37.2	12.4
530 but under 1,050	137	975	31.1	33.9	8.9	34.1	37.8	10.9
270 but under 530	108	890	25.5	27.7	8.5	26.8	29.3	9.2
135 but under 270	134	1,357	22.0	23.7	7.5	22.8	24.4	7.1
62 but under 135	91	2,716	21.9	23.6	7.8	22.3	24.3	8.9
31 but under 62	129	3,096	16.9	18.4	8.9	18.0	19.7	9.4
All non-financial	772	10,264	22.9	24.9	8.7	23.9	26.2	9.7
Financial	161	202	36.5	39.2	7.3	38.0	40.0	5.4
Total	933	10,466	23.1	25.1	8.7	24.2	26.5	9.6
(B) Others reporting to main Board members								
Non-financial								
Turnover (£m)								
1,050 and over	29	447	32.2	34.2	6.4	32.6	34.6	6.0
530 but under 1,050	43	434	33.3	36.2	8.8	33.8	36.9	9.1
270 but under 530	37	403	26.0	28.3	8.8	26.8	29.2	8.9
135 but under 270	47	666	21.2	23.6	11.5	22.0	24.7	12.5
62 but under 135	24	1,083	14.9	16.1	7.9	15.3	16.5	7.9
31 but under 62	24	951	14.9	16.9	13.5	16.3	18.5	13.6
All non-financial	204	3,985	21.0	23.0	9.5	21.8	23.9	9.7
Financial	1	1	39.9	45.3	13.6	47.0	45.3	-3.7
Total	205	3,986	21.0	23.0	9.5	21.8	23.9	9.7
Senior executives reporting to head of function at (A) above ¹								
Non-financial								
Turnover (£m)								
1,050 and over	91	2,894	27.9	31.0	11.2	28.9	33.4	15.6
530 but under 1,050	65	1,553	25.1	26.6	5.8	26.9	29.0	7.8
530 and over	156	4,448	26.9	29.5	9.4	28.2	31.9	13.0
Financial	114	301	34.8	36.7	5.6	36.2	38.2	5.3
Total	270	4,749	27.4	29.9	9.1	28.7	32.3	12.3

¹ For the non-financial sector information for posts at this level was only sought from companies whose turnover was £530 million or over.

Continued

TABLE 3 continued

Percentage increase in mean salary and mean salary plus bonus, commission and profit-sharing between 1 September 1982 and 1 October 1983

Level of post and sector	Number of posts		Mean salary			Mean salary plus bonus, etc		
	Actu-ally used	Scaled up	1982	1983	Per-centage increase	1982	1983	Per-centage increase
	No.	No.	£000	£000	%	£000	£000	%
Senior executives reporting to those at (B) above ¹								
Non-financial	15	548	25.2	27.5	9.2	25.7	28.2	9.9
Turnover (£m)	35	1,822	21.3	23.5	10.3	21.6	23.9	10.6
1,050 and over								
530 but under 1,050								
530 and over	50	2,370	22.2	24.5	10.0	22.5	24.9	10.4
Financial	1	1	32.6	34.5	5.8	39.1	41.9	7.3
Total	51	2,371	22.2	24.5	10.0	22.5	24.9	10.4
Others ²								
Non-financial	47	329	45.2	50.2	11.0	47.9	53.4	11.5
Financial	33	33	56.5	59.9	6.0	57.4	60.7	5.6
Total	80	362	46.3	51.1	10.5	48.8	54.1	10.8
All posts								
Non-financial	1,778	25,954	25.9	28.3	9.5	27.1	30.1	10.8
Financial	368	596	38.5	41.2	6.8	40.1	42.4	5.7
Total	2,146	26,550	26.2	28.6	9.4	27.4	30.4	10.7

¹ For the non-financial sector information for posts at this level was only sought from companies whose turnover was £530 million or over.

² See note 2 to Table 1.

TABLE 5

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 October 1983, by level of post and by sector

Level of post		Non-financial						Financial	Total	
		Turnover (£ million)								
		1,050 and over	530 but under 1,050	270 but under 530	135 but under 270	62 but under 135	31 but under 62			Total
Main Board members										
1. Chief executives										
	£000	133.4	154.7	90.6	119.5	71.2	81.2	89.2	94.6	89.2
Highest decile										
Upper quartile	£000	109.6	129.0	82.8	74.8	68.4	55.8	71.9	85.6	71.9
Median	£000	95.8	78.5	73.5	60.0	50.0	46.5	52.7	61.5	52.7
Lower quartile	£000	74.9	65.0	54.0	46.3	40.0	34.5	40.0	45.4	41.3
Lowest decile	£000	64.8	50.0	42.0	43.5	38.5	27.1	35.5	39.2	35.5
Mean	£000	96.0	89.6	75.6	67.1	53.9	47.7	60.6	66.3	60.7
Actual posts	No.	18	14	15	15	14	16	92	18	110
Scaled up posts	No.	59	48	79	123	241	298	847	18	865
2. Deputy chief executives										
	£000	118.5	213.6	*	*	*	—	115.0	83.8	113.6
Highest decile										
Upper quartile	£000	115.0	65.0	*	*	*	—	67.5	78.5	75.8
Median	£000	86.2	62.1	*	*	*	—	60.5	73.3	60.5
Lower quartile	£000	63.8	58.5	*	*	*	—	46.2	40.9	46.2
Lowest decile	£000	63.1	46.8	*	*	*	—	16.6	40.9	16.6
Mean	£000	91.2	81.3	*	*	*	—	64.3	64.3	64.8
Actual posts	No.	10	7	2	4	1	—	24	8	32
Scaled up posts	No.	33	24	*	*	*	—	117	8	125
3. Other main Board members										
	£000	80.0	86.5	56.6	52.7	57.0	40.7	60.5	74.4	60.5
Highest decile										
Upper quartile	£000	68.2	73.0	49.7	46.4	48.4	32.5	48.5	65.9	48.5
Median	£000	54.7	54.5	44.1	35.0	33.0	25.6	35.5	57.8	35.6
Lower quartile	£000	48.0	44.0	39.0	24.4	28.0	21.5	25.6	50.7	26.4
Lowest decile	£000	43.0	39.2	32.5	20.3	20.4	18.8	20.4	45.1	20.4
Mean	£000	58.5	59.3	44.6	36.0	37.5	28.7	38.8	58.6	39.0
Actual posts	No.	94	77	71	79	57	55	433	32	465
Scaled up posts	No.	307	265	372	646	980	1,026	3,595	32	3,627

* Number of actual posts too small to provide reliable figures.

Continued

TABLE 5 continued

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 October 1983, by level of post and by sector

Level of post	Non-financial							Financial	Total	
	Turnover (£ million)						Total			
	1,050 and over	530 but under 1,050	270 but under 530	135 but under 270	62 but under 135	31 but under 62				
Senior executives										
4. Heads of function reporting to main Board members										
Highest decile	£000	46.0	52.5	37.5	32.6	34.1	29.1	40.0	59.2	40.3
Upper quartile	£000	42.0	45.0	32.0	27.5	28.3	22.8	31.6	47.8	32.0
Median	£000	37.4	37.0	29.0	23.5	23.6	18.5	24.9	39.1	25.0
Lower quartile	£000	31.0	27.1	25.2	20.0	20.0	15.6	19.2	28.7	19.2
Lowest decile	£000	27.3	24.0	21.6	16.7	16.0	12.9	15.4	23.6	15.4
Mean	£000	37.2	37.8	29.3	24.4	24.3	19.7	26.2	40.0	26.5
Actual posts	No.	173	137	108	134	91	129	772	161	933
Scaled up posts	No.	1,230	975	890	1,357	2,716	3,096	10,264	202	10,466
5. Others reporting to main Board members										
Highest decile	£000	43.4	48.3	46.5	33.4	24.0	24.0	38.1	*	38.2
Upper quartile	£000	38.8	40.4	31.7	27.5	20.0	19.4	29.6	*	29.7
Median	£000	34.8	35.6	28.5	24.0	15.8	19.0	20.5	*	20.5
Lower quartile	£000	30.2	29.8	21.6	20.5	13.5	16.2	17.0	*	17.0
Lowest decile	£000	24.7	26.3	18.8	17.5	11.2	13.3	13.5	*	13.5
Mean	£000	34.6	36.9	29.2	24.7	16.5	18.5	23.9	*	23.9
Actual posts	No.	29	43	37	47	24	24	204	1	205
Scaled up posts	No.	447	434	403	666	1,083	951	3,985	*	3,986

* Number of actual posts too small to provide reliable figures.

Continued

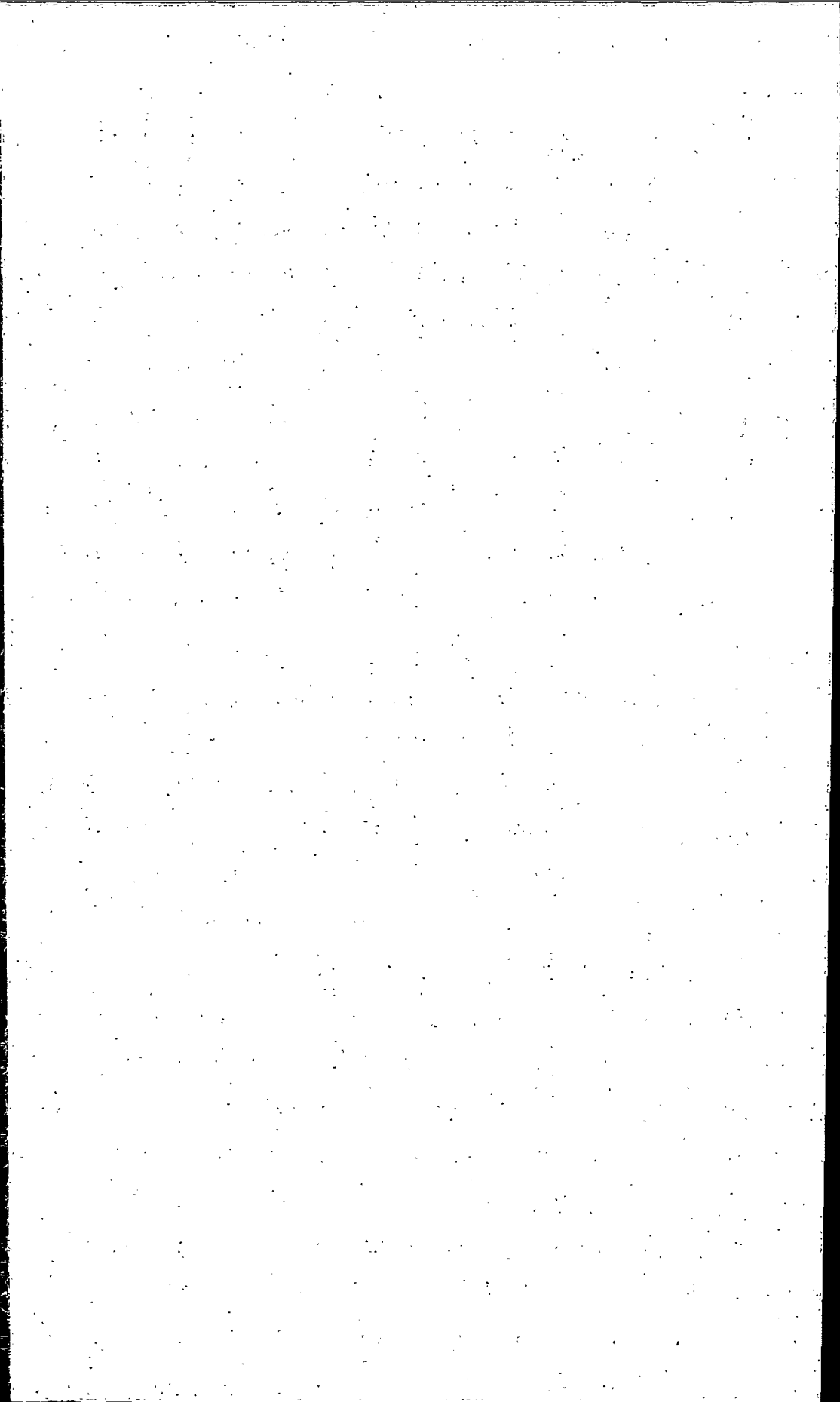
TABLE 5 continued

Median, quartile and decile salaries, including bonus, commission and profit-sharing at 1 October 1983, by level of post and by sector

Level of post	Non-financial						Financial	Total		
	Turnover (£ million)									
	1,050 and over	530 but under 1,050	270 but under 530	135 but under 270	62 but under 135	31 but under 62			Total	
6. Executives reporting to heads of function at 4 above										
Highest decile	£000	45.3	40.7	}	1	1	}	41.8	55.5	43.4
Upper quartile	£000	38.7	34.4					37.6	48.4	37.6
Median	£000	31.7	28.4					31.0	38.6	31.0
Lower quartile	£000	26.4	23.3					26.2	27.1	26.2
Lowest decile	£000	25.1	18.3					22.1	22.2	22.1
Mean	£000	33.4	29.0					31.9	38.2	32.3
Actual posts	No.	91	65	156	114	270				
Scaled up posts	No.	2,894	1,553	4,448	301	4,749				
7. Executives reporting to those at 5 above										
Highest decile	£000	34.0	31.3	}	1	1	}	31.3	*	31.3
Upper quartile	£000	31.1	27.0					28.6	*	28.6
Median	£000	28.6	22.1					25.6	*	25.6
Lower quartile	£000	28.6	20.1					21.1	*	21.1
Lowest decile	£000	25.0	15.8					15.8	*	15.8
Mean	£000	28.2	23.9					24.9	*	24.9
Actual posts	No.	15	35	50	1	51				
Scaled up posts	No.	548	1,822	2,370	*	2,371				

¹ Information about these posts was not sought from companies in this sector.

* Number of actual posts too small to provide reliable figures.



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