



## Factsheet M6 Members Series

Revised May 2004

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House of Commons Information Office

# Ministerial Salaries

Ministerial salaries are currently governed by the *Ministerial and Other Salaries Act 1975* (as amended) and are updated periodically by Orders (which are statutory instruments). The Order first has to be approved in draft by a resolution of each House. Like Members' pay, the official salary of Ministers has been the subject of review by the Review Body on Senior Salaries (SSRB - previously the Top Salaries Review Body) since 1971. Current salary rates are quoted on page 3. For information on the salaries of Members of Parliament, see **Factsheet M5**.

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## Summary

Government ministers, the Speaker of the House of Commons and deputy speakers, as well as the Leader of the Opposition and Opposition Chief and Deputy Chief Whips are entitled to a salary in addition to their salaries as Members of Parliament. The current rates of salary are given in the table on page 3.

Salaries to Ministers have always been paid in some form or other but it was not until the *Ministers of the Crown Act 1937* that there was any comprehensive treatment. The current legislation governing salaries for Ministers is the *Ministerial and Other Salaries Act 1975 (c.27)* (as amended).

Salaries are updated annually (from 1 April) according to the average increase in the mid-points of the Senior Civil Service pay bands (the same formula as for salaries of Members of Parliament). Ministers do not always take the maximum salary entitlement and they have sometimes opted to take reduced salaries. On 8 May 1997, the incoming Labour Government announced that the Prime Minister and Cabinet Ministers would not take the post election increases. Similarly, they also took a reduced salary throughout the 1997 Parliament, although their pensions continued to be based on full salary entitlements. After the 2001 General Election, the Cabinet chose to take their full salaries.

Ministers who are also in the House of Commons also receive their salary as a Member of Parliament (currently £56,358). Prior to July 1996 they received only a reduced parliamentary salary on the grounds that ministerial office impinged on the individual's ability to undertake the full range of an MPs' parliamentary duties. In July 1996, the Review Body on Senior Salaries (SSRB, successor to the TSRB) recommended in its 38<sup>th</sup> report that Ministers should receive a full parliamentary salary.<sup>1</sup> Following a debate on 10 July 1996, the House agreed to accept the recommendation.<sup>2</sup>

In March 1999, the SSRB recommended that the salaries for Ministers below Cabinet level in the House of Lords, and certain other Office holders in the Lords, should be increased over and above the standard annual uprating for Ministers<sup>3</sup>. A one-off increase of £8,500 was recommended to restore the relativity in pay arrangements between Ministers in the Lords and Ministers in the Commons. The Government accepted the recommendation, which was implemented by the *Ministerial and Other Salaries Order 1999*.

The *Ministerial and Other Salaries Act 1975* (as amended) limits the number of ministerial salaries that can be paid at any one time to 109 (including the Lord Chancellor)<sup>4</sup>, although unpaid Ministers may be appointed. There is also a limit of 95 on the number of Members of the House of Commons who can be ministers at any one time.<sup>5</sup> This does not include Parliamentary Private Secretaries.

This Factsheet will now look at the changes to Ministers salaries that have been made over time. Appendices A to C give more details on the levels of ministerial salaries.

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<sup>1</sup> Review of Parliamentary Pay and Allowances, CM 3330, July 1996

<sup>2</sup> HC Deb 10 July 1996 c488

<sup>3</sup> Devolution: Salaries for Ministers and Office –holders, CM 4246, March 1999

<sup>4</sup> The current Lord Chancellor has chosen to take the salary of a Secretary of State in the Lords. However, for the purposes of the 1975 Act he is still counted as the Lord Chancellor

<sup>5</sup> s.2(1) *House of Commons Disqualifications Act 1975* c.24

### Ministers' and other Office-holders' salaries: 1 April 2004

Salaries of Ministers and other office-holders detailed in this table are the maximum available; post holders may accept a lesser salary. Where it has been announced that post holders are drawing a lesser salary, this has noted.

All Ministers receive £1,618 London Supplement, with the exception of those who are provided with an official residence and any Lords Ministers who receive Night Subsistence Allowance.

#### Office-holders in House of Commons

	Ministerial Entitlement (£)	Total (including parliamentary salary) (£)
Speaker	72,862	130,347
Chairman of Ways & Means	37,796	95,281
First Deputy Chairman of Ways & Means	33,218	90,703
Second Deputy Chairman of Ways & Means	33,218	90,703
Prime Minister	121,437	178,922
Cabinet Minister	72,862	130,347
Minister of State	37,796	95,281
Parliamentary Under Secretary	28,688	86,173
Solicitor General	63,486	120,971
Advocate General for Scotland	63,486	120,971
Government Chief Whip	72,862	130,347
Government Deputy Chief Whip	37,796	95,281
Government Whip/Assistant Whip	24,324	81,809
Leader of Opposition	66,792	124,277
Opposition Chief Whip	37,796	95,281
Deputy Chief Opposition Whip	24,324	81,809

#### Office-holders in House of Lords (No parliamentary salary)

	Ministerial Entitlement (£)
Lord Chancellor (a)	207,736
actual salary taken by Lord Chancellor	98,899
Chairman of Committees	77,220
Principal Deputy Chairman	72,243
Cabinet Minister	98,899
Minister of State	77,220
Parliamentary Under Secretary	67,255
Attorney General	103,461
Government Chief Whip	77,220
Government Deputy Chief Whip	67,255
Government Whip	62,191
Leader of the Opposition	67,255
Opposition Chief Whip	62,191

- (a) The *Ministerial and other Pensions and Salaries Act 1991*, as amended by the *Ministerial and Other Salaries Order 1996*, determines that the Lord Chancellor should receive £2,500 a year more than the salary for the time being payable to the Lord Chief Justice. He receives (14%) of his salary from the House of Lords in respect of his Speaker's salary. The remaining 86% is paid from the Consolidated Fund. The current Lord Chancellor has chose to take a Cabinet Minister's salary and is described as the Secretary of State for Constitutional Affairs.

## History

Ministers of the Crown have always been paid in one form or another but it was not until as late as the *Ministers of the Crown Act 1937* that there was any comprehensive treatment of Ministers' salaries. Until the late eighteenth century, the regular salary of a Ministerial office represented the least important aspect of the income of a Minister. According to Macaulay's *History of England*:

"From the nobleman who held the White Staff and the Great Seal, down to the humblest tidewaiter and gauger, what would now be called gross corruption was practised without disguise and without reproach. Titles, places, commissions, pardons, were daily sold in the market overtly by the greatest dignitaries of the realm; in the 17th Century a statesman who was at the head of affairs might easily, and without giving scandal, accumulate in no long time, an estate amply sufficient to support a dukedom." [vol 1, pp 307-10]

The period of reform of Ministers' salaries and incomes began with Edmund Burke's bill introduced in 1782, which became "*An Act to enable His Majesty to recompense the Services of Persons holding, or who have held, certain high and efficient Civil Offices*". This abolished several paid offices and positions which were considered to be outdated, and referred to a "new and economical Plan (which) it is intended to be adopted concerning the reimbursement of his Majesty's Ministers". Edmund Burke described his Bill as "a cutting off of all those sources of influence which were so derogatory to the spirit of the Constitution, and have proved so fatal to this country".

In the fifty years after 1782, more and more paid offices and pensions were abolished; in some cases the actual salary was reduced as well. The 1831 Select Committee on the Reduction of Salaries (1830-31 HC 322, Vol III, p445) further recommended further reductions and reform. For example, the Home Secretary's salary was reduced by £1,000 to £5,000. By the time of the *Reform Act 1832*, ministerial office could no longer be said to offer much financial gain. For example, William Pitt the Younger, had a net income as First Lord of the Treasury of about £5,000 and from late 1792 he also received £4,382 gross as Lord Warden. However, the costs of official life were such that this was insufficient and he died deeply in debt.

The 1850 Select Committee on Official Salaries (HC 611) made no major changes to the structure suggested by the 1831 Committee but it is of special interest because of the variety and number of witnesses who agreed that a degree of proper remuneration was absolutely necessary. For example, evidence was given by the then Chancellor of the Exchequer, Sir Charles Wood:

Question 101: Mr Ellice - If you were to reduce the salaries of public offices very much, would not the consequence be, that no persons who had not large private fortunes could venture to undertake them?

Answer: Sir Charles Wood - That would be the consequence. If the salaries of these offices were brought so low as to exclude the possibility of men of small fortune taking them, I conceive it would do a most irreparable injury to the public service, and great injustice to such parties.

Question 102: Mr Ellice - If you do not give adequate salaries to persons holding these high offices, would not persons of moderate fortune be exposed to

ruin and their private fortunes from the numerous applications that would be made to them, and from the expectations that would be entertained of their filling the offices with the same degree of hospitality which others in better circumstances had done?

Answer: Sir Charles Wood - Yes; some people have given up the profession of the law, for instance, for a political office, but they could not have done that, unless they had happened to have some private fortune to fall back upon in the event of their being turned out of office.

Developments between the 1850 select committee report and the *Ministers of the Crown Act 1937* were summarised in the report of the 1964 Lawrence Committee.<sup>6</sup> Some of the changes in ministerial salaries between 1780 and 1965 are set out in Appendix C of this Factsheet. This shows that for many of the great offices of state there was no change in salary for the hundred years between 1830 and 1930.

#### **Ministerial Pay from 1937 to date**

The *Ministers of the Crown Act 1937* was the first comprehensive legislation relating to ministerial salaries. Several individual salary changes were made, but apart from providing for a salary of £10,000 for the Prime Minister, it generally gave statutory confirmation to the existing levels of remuneration which had been paid for over a century in some cases. The Act also provided for the payment of an annual salary of £2,000 to the Leader of the Opposition.

The next *Ministerial Salaries Act* was in 1957. This Act followed the increase in the emoluments of Members of the House of Commons to a total of £1,750, of which £750 took the place of the existing sessional allowance. By repealing section 6(2) of the 1937 Act, Ministers could receive this allowance of £750 in addition to their salaries. The Act also made increased some ministerial salaries blow £3,000 by providing:

- (1) that the salaries of the Financial Secretary and the Economic Secretary to the Treasury should be £3,750;
- (2) that other salaries should be increased by
  - (a) £1,000 where they were less than £2,000 and
  - (b) £750 in any other case.

The next change in ministerial salaries followed the 1964 Lawrence Report. The Lawrence Committee recommended that ministerial salaries should be substantially increased. One argument given was that Ministers were only allowed £750 of their parliamentary salary and were not able to supplement their ministerial salary with an occupation outside Parliament. The highest salary for senior ministers had been established as long ago as 1831. The Lawrence Committee's recommendations are listed in Appendix C. Ministers' salaries were increased considerably in 1965 by the *Ministerial & Other Salaries Consolidated Act* but these increases fell below the recommendations of the Lawrence Committee.

The next relevant statute was the *Ministerial and Other Salaries Act 1972*. This Act followed the Boyle Report of 1971 (Cmnd 4836). The Top Salaries Review Body (TSRB) had recommended increases in ministerial salaries and also "some element of remuneration... for the time spent by ministers in attending to the interests of their constituents" instead of just a tax

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<sup>6</sup> The Remuneration of Ministers and Members of Parliament, Cmnd 2516

allowance. The Boyle Report recommended a parliamentary salary of £3,000 which was accepted.

The 1972 Act implemented in full the TSRB recommendations as follows (the previous figures are shown in brackets):

Prime Minister	£20,000 (£14,000)
Cabinet Minister (Commons)	£13,000 (£8,500)
Minister of State	£7,500 - £9,500 (£5,625 - £7,625)
Parliamentary Secretary or Under Secretary of State	£5,500 (£3,750)

The *Ministerial and other Salaries Act 1975* consolidated the existing legislation and is still in force as amended (see the *Ministerial and Other Pensions and Salaries Act 1991*), bringing together a number of previous enactments. Ministers' salaries are now periodically updated by means of Orders made under this Act. The table on page 3 gives further details of the present salaries of various ministers including, where appropriate, the parliamentary salary (see below).

The amounts stated are the maximum that can be paid; ministers have sometimes opted to take reduced salaries.

### **Parliamentary Salary for Ministers**

In the Boyle Committee Report of 1979 (Cmnd 7598) it was confirmed that the parliamentary salary of a Minister should not equal the full salary of a backbench MP on the grounds that the responsibilities of Ministerial office impinged on the individual's ability to undertake the full range of an MP's Parliamentary activities. The Committee found that the average amount of time Ministers as a group devoted to constituency business had decreased since 1975.

In July 1996 the Review Body on Senior Salaries (SSRB, successor to the TSRB) recommended in its 38th Report (Cm 3330) that Ministers should receive the full parliamentary salary as from 1 July 1996, on the grounds that the responsibilities of a Minister to his or her constituents are the same as those of a backbencher. Following a debate on 10 July 1996 the House agreed to accept the recommendation.

### **Related Allowances**

Ministers receive a number of allowances. Ministers who do not have an official London residence may claim a London Supplement, currently £1,618 (2004/05). Ministers in the House of Lords who maintain a second home in London receive a Night Subsistence Allowance of £28,160 per annum but they are not entitled to the London Supplement. All Ministers are entitled to an official car for departmental duties.

Since 1991 former Prime Ministers have been entitled to a Public Duty Costs Allowance (PDCA) to assist with additional office costs which they are liable to incur because of their special position in public life (not payable if the individual also occupies the position of Leader of the Opposition). The allowance was £52,760 (from 1 April 2001), equal in amount to the Members' Office Cost Allowance. It was increased to £70,000 on 19 July 2001, following the introduction of new staffing allowances for Members of Parliament. From April 2002 the allowance was increased to £72,310, remaining in line with the new staffing allowance figure for Members of Parliament. The current allowance is £77,534

**Severance Pay**

Ministers and other paid office holders who receive a Ministerial salary are entitled to a severance payment when they leave office. Ministers who leave office are granted a severance payment, which generally equals three months of their annual ministerial salary. However, the Prime Minister and Speaker of the House of Commons are not entitled to severance payments as they have preferential pension arrangements.<sup>7</sup>

For information on Members' salaries, see **Factsheet M5**.

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<sup>7</sup> *Ministerial and other Pensions and Salaries Act 1991* (Chapter 5), s.4

## Appendix A

### Salary entitlement for Ministers since 1965

	Prime Minister	Cabinet Ministers		Ministers of State		Parliamentary Under Secretaries	
		Commons	Lords	Commons	Lords	Commons	Lords
Apr 1965	£14,000	£8,500	£8,500	£5,625	£5,625	£3,750	£3,750
Apr 1972	£20,000	£13,000	£13,000	£7,500	£7,500	£5,500	£5,500
Jun 1976	£20,000	£13,000	£13,000	£7,500	£7,500	£5,500	£5,500
Jun 1977	£20,000	£13,000	£13,000	£7,500	£7,500	£5,500	£6,020
Jul 1978	£22,000	£14,300	£14,300	£8,250	£8,822	£6,050	£6,622
Jul 1979	£33,000	£19,650	£19,650	£12,625	£12,911	£9,525	£9,811
Jul 1980	£34,650	£23,500	£23,500	£16,250	£16,400	£12,350	£12,500
Jun 1981	£36,725	£27,825	£27,825	£19,775	£23,275	£15,100	£18,600
Jun 1982	£38,200	£28,950	£28,950	£20,575	£24,200	£15,700	£19,350
Jul 1983	£38,987	£29,367	£30,110	£20,867	£25,350	£15,917	£20,390
Jan 1984	£40,424	£30,304	£31,680	£21,364	£26,670	£16,154	£21,450
Jan 1985	£41,891	£31,271	£33,260	£21,881	£28,000	£16,411	£22,520
Jan 1986	£43,328	£32,208	£34,820	£22,378	£29,320	£16,648	£23,580
Jan 1987	£44,775	£33,145	£36,390	£22,875	£30,640	£16,885	£24,640
Jan 1988	£45,787	£34,157	£40,438	£23,887	£34,688	£17,897	£28,688
Jan 1989	£46,109	£34,479	£41,997	£24,209	£37,047	£18,219	£30,647
Jan 1990	£46,750	£35,120	£44,591	£24,850	£39,641	£18,860	£33,241
Jan 1991	£50,724	£38,105	£48,381	£26,962	£43,010	£20,463	£36,066
Jan 1992	£53,007	£39,820	£50,558	£28,175	£44,945	£21,384	£37,689
Jan 1994	£54,438	£40,895	£52,260	£28,936	£46,333	£21,961	£38,894
Jan 1995	£57,018	£42,834	£55,329	£30,307	£48,835	£23,002	£41,065
Jan 1996	£58,557	£43,991	£57,161	£31,125	£50,328	£23,623	£42,361
Jul 1996	£58,557	£43,991	£58,876	£31,125	£51,838	£23,623	£43,632
May 1997	£100,000	£60,000	£77,963	£31,125	£51,838	£23,623	£43,632
Apr 1998	£102,750	£61,650	£80,107	£31,981	£53,264	£24,273	£44,832
Apr 1999	£107,179	£64,307	£83,560	£33,359	£64,426	£25,319	£55,631
Apr 2000	£110,287	£66,172	£85,983	£34,326	£66,294	£26,053	£57,244
Apr 2001	£113,596	£68,157	£88,562	£35,356	£68,283	£26,835	£58,961
Apr 2002	£116,436	£69,861	£94,826	£36,240	£74,040	£27,506	£64,485
Apr 2003	£119,056	£71,433	£96,960	£37,055	£75,506	£28,125	£65,936
Apr 2004	£121,437	£72,862	£98,899	£37,796	£77,220	£28,688	£67,255

#### Notes:

- (a) The figures shown are the full entitlement. In 1979 the Prime Minister chose to forego any increase and from 1980 to 1991 accepted the same salary as a Cabinet Minister in the Commons. In 1997 the Prime Minister and Cabinet Ministers decided to accept the pre-election salaries of £58,557 (Prime Minister); £43,991 (Cabinet Commons) and £58,876 (Cabinet Lords). They also took a reduced salary in April 1998, 1999, 2000 and 2001. In July 2001 the Prime Minister and Cabinet Ministers agreed to draw their full entitlement.
- (b) Until 1980 some Ministers of State received a higher salary than that shown here.

## Appendix B

### Parliamentary salary for ministers in the Commons

Oct 1964	£1,250
Jan 1972	£3,000
Jun 1975 (a)	£3,000 to £3,700
Jun 1976	£3,000 to £4,012
Jun 1977	£3,208 to £4,222
Jun 1978	£3,529 to £4,642
Jun 1979	£5,265 to £5,820
Jun 1980	£6,930
Jun 1981	£8,130
Jun 1982	£8,460
Jun 1983	£9,543
Jan 1984	£10,626
Jan 1985	£11,709
Jan 1986	£12,792
Jan 1987	£13,875
Jan 1988	£16,911
Jan 1989	£18,148
Jan 1990	£20,101
Jan 1991	£21,809
Jan 1992	£23,227
Jan 1994	£23,854
Jan 1995	£24,985
Jan 1996	£25,660
Jul 1996 (b)	£43,000
May 1997	£43,860
May 1998	£45,066
Apr 1999	£47,008
Apr 2000	£48,371
Apr 2001	£49,822
Jun 2001	£51,822
Apr 2002	£55,118
Apr 2003	£56,358
Apr 2004	£57,485

#### Notes:

- (a) Between 1975 and 1980, three different rates of pay applied as a result of the operation of pay policies. The amount received depended on an individual's salary in 1975-76.
- (b) From July 1996 Ministers were entitled to the full parliamentary salary

## Appendix C

### Representative Ministerial Salaries: 1780-1965

	First Lord of the Treasury (after 1937 Prime Minister)	Chancellor of the Exchequer	Secretary of State (not including Scotland)	Minister of Agriculture
1780		£5,398+ about £800 in fees	about £7,000 (from various sources)	
1830	£5,000	£5,398+ about £800 in fees	£6,000	Fixed by Statute in 1859 at £2,000
1831 Report	£5,000	£5,000	£5,000	
1930	£5,000	£5,000	£5,000	
Ministers of the Crown Act 1937	£10,000	£5,000	£5,000	£5,000
1964	£10,000	£5,000	£5,000	£5,000
1964 Lawrence Committee recommendations	£18,000	£12,000	£12,000	£12,000
Ministerial & Other Salaries Consolidated Act 1965	£14,000	£8,500	£8,500	£8,500
	Attorney General	Under Secretary	Minister of State/ Ministers not in Cabinet	Leader of the Opposition
1780	Wholly from fees until fixed in 1871 at £7,000+;	n/a		
1830		£2,000		
1831 Report		£1,500		
1930	fees of about £18,000 in the 1920s	£1,500		
Ministers of the Crown Act 1937	Unchanged	£1,500		£2,000
1964	£10,000 fixed in 1946 fees abolished	£2,500 from 1957	usually £3,750, some £4,500	£3,000 from 1957
1964 Lawrence Committee recommendations	£16,000	£5,000	£7,500-£10,750	
Ministerial & Other Salaries Consolidated Act 1965	£13,000	£3,750	£5,625-£7,625	£4,500

## Further Reading

William Farr  
On the Pay of Ministers of the Crown  
(lecture)  
1957

Select Committee on the Reduction of  
Salaries 1831  
[HC 322], Vol 111, p 445

Select Committee on Ministers' Salaries  
1850  
[HC 611], Vol XV, p 179

Lawrence Committee Report 1964  
[Cmnd 2516]

House of Commons Library Research Paper  
04/40 'Parliamentary Pay and Allowances'  
[www.parliament.uk/commons/lib/research/rp2004/rp04-040.pdf](http://www.parliament.uk/commons/lib/research/rp2004/rp04-040.pdf)

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