



Modernisation: Select Committees – pay for chairs

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On 30 October 2003, the House agreed to pay certain select committee chairs an additional salary of £12,500, from the beginning of the 2003-04 Session, following a recommendation to that effect from the Review Body on Senior Salaries (SSRB). These additional salaries were paid in accordance with resolutions of the House.

Responsibility for paying Members' salaries transferred to the Independent Parliamentary Standards Authority (IPSA) in May 2010; and provisions in the *Constitutional Reform and Governance Act 2010* giving it responsibility for determining Members' salaries came into force in May 2011. IPSA issued its first determination in January 2013, setting salaries for April 2013 and April 2014. It issued a further determination in December 2013, setting the salaries of committee chairs from April 2015.

On 19 March 2013, the House agreed a resolution setting out which chairs were entitled to an additional salary.

The additional salaries of select committee chairs, determined by IPSA, are:

<u>April 2013</u>	<u>April 2014</u>	<u>April 2015</u>
£14,728	£14,876	£15,025

In 2003, when the House agreed to pay additional salaries to select committee chairs, it also endorsed the Committee on Standards and Privileges' report on *Pay for Select Committee Chairmen*, which argued that select committee chairs could continue to have outside interests, subject to full declaration; and introduced term limits for select committee chairs. In January 2014, following a report from the Committee on standards in Public Life on lobbying and a complaint about a committee chair, investigated by the Commissioner for Parliamentary Standards, the Committee on Standards issued a consultation document seeking views on "whether the rules relating to committee Chairs' interests remain appropriate".

This note briefly reviews the background to proposals for paying select committee chairs, the recommendations from the Modernisation Committee that led to the SSRB considering the

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issue, and the Committee on Standards and Privileges' report on chairs' outside interests. It summarises views on paying additional salaries to select committee chairs. Finally, it reviews the effect of the resolution agreed on 30 October 2003, for the pay and pensions of Members who serve as select committee chairs.

A separate note covers the salaries of members of the Panel of Chairs (Members who chair general and public bill committees).

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1 Why pay select committee chairs?

In its report “*Shifting the Balance*”, the Liaison Committee¹ reviewed the 1979 select committee system. It expressed some concern about the effectiveness of the select committee system but also noted the extent of government’s dominance in the House. It expressed concern that members of select committees were “easily tempted” away from select committees by government or opposition appointments:

Ministerial office has a powerful attraction for many back-benchers on the government side of the House. But it is a matter of concern when able and effective select committee members – and sometimes even chairmen – are so easily tempted by the lowliest of government and opposition appointments.²

The Liaison Committee wanted to see “a better *balance* between the attractions of government office and service on select committees”. It believed that the recommendations in its report could shift that balance, and one outcome would be that Members would “see service on select committees as a career path which, in terms of status and influence, will be a proper reward for their hard work and commitment”.³

It called for the position of chairs to be considered. It noted that “Membership of an investigative select committee requires considerable work and commitment, and chairmanship even more”. The Liaison Committee suggested two ways of assisting chairs with their additional responsibilities, either “to pay Chairmen of specified select committees (including the departmental and “cross-cutting” committees)”, or “to make Chairmen eligible for a higher Office Costs Allowance to pay for additional secretarial and research support”. It argued that these matters needed “entirely independent assessment” and invited the Senior Salaries Review Body (SSRB) to consider the matter.⁴

Before the Liaison Committee’s report, the Hansard Society had established a Commission on parliamentary scrutiny. It too noted the attractiveness of the frontbench to Members of Parliament. It suggested limiting the number of Parliamentary Private Secretaries, and payments for members of select committees:

... the prospect of committee service must be made more attractive and should provide specific incentives for MPs. Evidence from Age Concern to the Commission reflected the views of many in stating that committees would be more effective if “Committee membership, especially the chairmanship, was better resourced and considered on a par with ministerial office”. The Commission also noted that Lord Wakeham’s Commission recommended that salaries should be paid to those members who chair significant committees in the second chamber. The Commission agrees with these views and believes that **key posts on select committees should be paid and MPs chairing committees should receive a salary equivalent to that of a minister**.⁵

The Commission to Strengthen Parliament, which was established by the then leader of the Conservative Party, William Hague, in 1999, endorsed these views. It noted that “at present, there is a rather limited career structure within the House. Apart possibly from the Speakership, there is no position that is parliamentary that many MPs aspire to in preference

¹ A committee consisting of all Chairs of select committees

² Liaison Committee, *Shifting the Balance: Select Committees and the Executive*, 2 March 2000, HC 300 1999-2000, para 29

³ *Ibid*, para 30

⁴ *Ibid*, paras 31-34

⁵ Hansard Society, *The Challenge for Parliament: Making Government Accountable*, (2001) paras 2.33-2.34

to a government post". It then recited the incentives offered by a ministerial position, and called for "an alternative career structure to that of government office", and made the following recommendation:

We recommend the payment of select committee chairmen. Chairmen of investigative select committees should receive the same salary as a minister of state. The chairmen of certain major committees should receive the same salary as a Cabinet minister.

It suggested that those falling in the latter category included the chairs of the Public Accounts Committee and the Treasury Committee.⁶

On 4 March 2010, the House agreed with a recommendation from the Select Committee on the Reform of the House of Commons that references to "chairman" etc in Standing Orders should be replaced by references to "chair" etc.⁷

2 Modernisation Committee proposals on a parliamentary career for select committee chairs

In its 2002 report on select committees, the Modernisation Committee reviewed the debate on select committee work as an alternative career structure for Members of Parliament. It acknowledged that there was no consensus on whether select committee chairs should receive salaries, within the House, among select committee chairs, or even among members of the Modernisation Committee. It reached the following conclusion:

As long as Government office is the principal Parliamentary role to be recognised by additional payment, it need not be surprising that the role of scrutiny should be regarded by the world as inferior. Accordingly **we recommend that the value of a parliamentary career devoted to scrutiny should be recognised by an additional salary to the chairmen of the principal investigative committees.** We envisage such committees including the departmental select committees and other major committees of scrutiny such as the Public Accounts Committee and the Public Administration Committee, together with the Deregulation and Regulatory Reform Committee, European Scrutiny Committee and Procedure Committee.

The appropriate body to assess what such an additional salary might be is the SSRB who make recommendations on Parliamentary pay and allowances. However, we are unanimous in our view that the decision in principle of whether or not such an extra payment should be made is a matter for the House. When the House is given an opportunity to endorse the recommendations in this Report as a whole, there should be a specific opportunity to vote on the principle of payment to chairmen.⁸

The Modernisation Committee also considered opportunities for Members to serve on select committees, and in connection with its recommendation on reviewing salaries, it also recommended time limits for chairs of committees:

There is a significant demand among back-bench Members to serve on scrutiny committees. There is also a powerful argument in principle to give more Members experience both of serving on and chairing these committees. We therefore favour the introduction of term limits for service as chairmen of committees. The case for such limits is unanswerable if chairmen are to be paid. **We recommend that the House should impose an indicative upper limit of two consecutive Parliaments on**

⁶ Commission to Strengthen Parliament, *Strengthening Parliament*, July 2000, p36

⁷ HC Deb 4 March 2010 cc1086-1088

⁸ Modernisation Committee, *Select Committees*, 6 February 2002, HC 224-I 2001-02, paras 41-42

service as chairman. We recognise that the House may wish to make special provision in the case of short Parliaments.⁹

The Liaison Committee responded to the Modernisation Committee's proposals.¹⁰ It welcomed the proposals on salaries for select committee chairs, although it acknowledged that that support was not unanimous. It recommended that those who received an additional salary should relinquish outside interests, as Deputy Speakers and other non-ministerial postholders who are paid an additional salary do. However, it opposed a time limit on the length of service for select committee chairs.¹¹

3 Debate on the Modernisation Committee's proposals for select committee chairs' salaries

At the end of the debate on the Modernisation Committee's proposals, on 14 May 2002, the House decided on 11 motions arising from the Committee's report. Two of the motions related to payments for chairs of select committees. First, the House rejected a motion that would have prevented payments being made to them:

That this House considers that there should be no differences in remuneration among Members who are not Ministers of the Crown beyond those already authorised.—
[*Stephen Twigg.*]

The motion was defeated by 197 votes to 175.¹²

Subsequently, the House approved a motion that requested the SSRB to consider the level of remuneration for select committee chairs:

That, in the opinion of this House, the Review Body on Senior Salaries should be invited to consider what additional remuneration is appropriate for chairmen of select committees.—[*Mr. Robin Cook.*]

This motion was approved by 199 votes to 158.¹³

Throughout the debate, various views on paying select committee chairs were expressed. Gwyneth Dunwoody opposed it because of the impact it might have on relationships within select committees:

Will my right hon. Friend make it clear that Chairmen who oppose payment do so because we believe that the strength of Select Committees is that all members are equal? They all work together and appoint their Chairmen, and we strongly believe that payment would make Select Committee chairmanship another office of patronage under whatever arrangements prevailed.¹⁴

Paul Tyler, speaking for the Liberal Democrats, also opposed salaries for chairs, arguing that it was hard to justify singling out just one new career path:

The only substantial issue on which I disagree with the majority on the Liaison Committee and on the Modernisation Committee is that we should somehow pick out

⁹ *Ibid*, para 43

¹⁰ Liaison Committee, *Select Committees: Modernisation Proposals*, HC 692 2001-02

¹¹ *Ibid*, paras 27-33

¹² HC Deb 14 May 2002 cc721-723

¹³ *Ibid* cc723-726

¹⁴ *Ibid* c 662

the Chairmen of Select Committees as worthy of special treatment in terms of additional salary. ...

Apart from those who are in the Chair or have ministerial office, Members of Parliament are here to serve their constituents. We all have different ways of doing that. I have personal crusades in which I believe passionately that have nothing to do with my constituency. I also have a responsibility to my party. Above all, however, I am here as a Member of Parliament for my constituency and as a member of this national assembly. In that context, I find it difficult to justify singling out Chairs of Select Committees as special people who need to be provided with a new career path.¹⁵

However, other Members supported the case for paying select committee chairs. Sir Archy Kirkwood supported additional salaries to reflect both the expertise needed and the time commitment that being a select committee chair required:

The proposal to provide salaries for the Chairmen of Select Committees is the right approach, because an alternative career structure within the current system is an essential third part of the package ... We need professional Chairmen, especially for Committees such as the Work and Pensions Committee, whose work is becoming ever more technical. It needs a specialist, who spends two, three, or even three and a half days a week on the work. We need to provide the career structure and money that will make that work worth while. For the first time ever, we have an opportunity to bring that about.¹⁶

Another select committee chair, Sir Nicholas Wintererton argued that it would compensate those whose additional responsibilities in the House prevented them from taking other jobs outside the House:

If we are to encourage the most able people to participate in matters relating to the House, not merely to seek to become Ministers and to do all that that requires, we need an alternative career structure. ... The payment of Chairmen of Select Committees ... would recognise such service to the House. That service prevents hon. Members from undertaking other tasks and jobs, including other jobs outside the House, from which they could obtain additional remuneration. Bearing it in mind that people's final pensions are based on their salaries, there is good reason to consider the matter seriously.¹⁷

During the course of the debate, Mr Cook reiterated the link between pay and length of service as a select committee chair.¹⁸ Such a time limit was agreed, without a division:

the following Standing Order (Term limits for chairmen of select committees) be made: "Unless the House otherwise orders, no select committee may choose as its chairman any Member who has served as chairman of that committee for the two previous Parliaments."—[*Mr. Robin Cook.*]

Amendment made: ... at end add

'or a continuous period of 8 years, whichever is the greater period.'—[*Mr. Greg Knight.*]

Main Question, as amended, put and agreed to.¹⁹

¹⁵ *Ibid* cc675-676

¹⁶ *Ibid* c702

¹⁷ *Ibid* c684

¹⁸ *Ibid* cc661-662

Standing Order No 122A limits the length of time any Member can serve as the chair of a single select committee. (Standing Order No 122A was amended on 13 July 2005 – see section 6.3.)

4 Review Body on Senior Salaries Report – *Pay for Select Committee Chairmen in the House of Commons*

In June 2002, following the debate on the Modernisation Committee’s proposals, Robin Cook, the then Leader of the House, wrote to the SSRB requesting that it advise the House on “what additional remuneration is appropriate for chairmen of select committees”.²⁰ Peter Hain, the new Leader of the House, laid the SSRB’s report on 17 July 2003.

In making its report, the SSRB noted that it had commented on the payment of select committee chairs twice in the past. In 1996, it noted “evidence to the effect that the responsibilities of a major Select Committee Chairman could require the same level of expertise as some junior ministerial posts”. At that time, it did not consider it appropriate to make recommendations, but it undertook to consult relevant authorities with a view to making recommendations at a later stage. In 2001, it said that “there was no doubt that the [Select Committee] Chairmen in the House of Commons had a higher level of responsibility than other MPs”. But again on that occasion the SSRB was not asked to recommend a differential pay structure to reflect this.²¹

In its report, the SSRB noted the difference between the Modernisation Committee’s recommendation which referred to “principal investigative committees” and the motion adopted by the House which referred to “Select Committees”. It noted that its work and that of its consultants, who undertook a job evaluation exercise, showed that “not all the jobs carried the same burdens or responsibilities”. The SSRB distinguished between departmental, domestic and cross-departmental select committees.

It concluded that:

... the job weight of the Chairmanships of the purely ‘domestic’ committees did not take them beyond the range already attributed to backbench MPs as a whole under our previous reviews.

The issue is not so clear-cut regarding the Chairmen of what we have called ‘cross-departmental’ committees. The responsibilities and burdens of these posts vary a great deal and certainly cannot be simply categorised in job weight terms. We have no doubt that the responsibilities of some of the Chairmanships in this group are on a par with, and may even exceed, those of the departmental committees. Others, however, seem less demanding.

We have sought to refine a list of Chairmanships which analysis suggests may be considered as of equal weight for the purposes of our review. In this we have been guided primarily by the clear steer given by the Modernisation Committee that extra remuneration should be considered for the Chairmen of the departmental and principal investigative committees. We believe that this category comprises the Chairmanships of the departmental committees, along with the other ‘outwardlooking’ committees which are Environmental Audit, European Scrutiny, Human Rights, Public Accounts,

¹⁹ *Ibid* c726

²⁰ Review Body on Senior Salaries, *Pay for Select Committee Chairmen in the House of Commons*, Report No 55, Cm 5673, Appendix A

²¹ *Ibid*, paras 1.08-1.09

Public Administration, Deregulation and Regulatory Reform and Statutory Instruments. These are the 'relevant committees' for the purposes of our review. We recognise that the House of Commons itself will need to take the final decision on where the boundary needs to be drawn.²²

Later, the SSRB summarised the conclusions of the job evaluation exercise, in the following way:

... the Chairmen of departmental and scrutiny committees have jobs clearly bigger than those of most other MPs, and broadly equivalent in job weight terms to at least the median of Parliamentary Under-secretary, mitigated by their time commitment.²³

The SSRB noted that there were some calls for a 'sliding scale' of payment depending on the influence or onerous nature of particular committees. However, it considered this would be "impractical – at least at this stage".²⁴

The SSRB believed that the House needed to clarify the issue of whether select committee chairs should relinquish outside interests before payments were introduced.²⁵

Its full list of recommendations was:

Recommendation 1: Payment should be made only to the Chairmen of the departmental Select Committees, and to the Chairmen of the externally focussed 'cross-departmental' committees such as the following: Environmental Audit, European Scrutiny, Human Rights, Public Accounts, Public Administration, Deregulation and Regulatory Reform, and Statutory Instruments. The final decision on which committees to include should be determined by the House itself. (Paragraph 2.21)

Recommendation 2: A single level of additional payment should be introduced for the Chairmen of the relevant committees. (Paragraph 2.24)

Recommendation 3: An extra payment of £12,500 per annum should be made to the Chairmen of the relevant committees, over and above their other parliamentary entitlements. (Paragraph 2.31)

Recommendation 4: The House of Commons should decide on whether or not Chairmen of the relevant committees should relinquish paid or conflicting outside interests. Such a decision should be made before introducing the extra payment for Chairmen. (Paragraph 2.34)²⁶

5 Outside interests

5.1 2003 review

When Peter Hain announced the publication of the SSRB's report, he also announced that he had asked the Committee on Standards and Privileges to consider the effect of salaries for chairs on their outside interests:

The SSRB has also recommended that payment should not be implemented until the House has decided its approach to the issue of Chairmen's outside interests.

²² *Ibid*, paras 2.04-2.06

²³ *Ibid*, para 2.16

²⁴ *Ibid*, para 2.23

²⁵ *Ibid*, para 2.33

²⁶ *Ibid*, pii

I have asked the Chairman of the Committee on Standards and Privileges whether his Committee would look into the matter and report its findings to the House in the autumn.

Members will now have the summer recess to consider the report's recommendations. I intend to discuss the matter widely and reflect on Members' views before deciding on the terms of the motion to be put before the House in the autumn.²⁷

On 15 October 2003, the Committee on Standards and Privileges published its report *Pay for Select Committee Chairmen*. The Committee reported that it had received no evidence that the current arrangements for ensuring that select committee chairs' outside interests did not conflict with their responsibilities as chairs were not working. The Committee reported the present arrangements:

The most common situation in which a committee needs to choose a chairman is when it first meets. Before then, or at that meeting, all members are required to declare their interests. They then proceed to choose a chairman. The fact that members have declared their interests is recorded in the Committee's Minutes of Proceedings. Besides registrable interests, members declare relevant non-registrable interests, pecuniary and non-pecuniary. If it is necessary to choose a new chairman at any other time, the procedures used ensure that any prospective chairman's relevant interests are known to the committee.²⁸

It reiterated that "in some cases of conflict, or the appearance of a conflict, this may mean that a chairman must either divest himself or herself of an interest, or stand aside".²⁹ It then commented on the general principle governing outside interests:

Receipt by a Member of a salary from public funds has not hitherto been a ground *per se* for imposing restrictions on their outside interests. We see no reason why a different principle should apply to payments to select committee chairmen.³⁰

It sought the House's endorsement of a recommendation that chairs should not receive, or appear to receive, "any double payment – from both a chairman's salary and an outside interest" for outside activities arising as a result of the chairing a committee. Neither should chairs benefit privately from work done with public assistance.

The Committee also considered that "if select committee chairmen are to be paid, their declared interests should become a matter of public knowledge as soon as possible after they have been chosen". It therefore saw no reason to prevent the Minutes of Proceedings of meetings at which select committee chairs were elected from being "reported to the House immediately and published separately, ahead of the complete Session's Minutes". These should "include all relevant declarations of interest".³¹

The House endorsed the Committee's report when it set the initial level of additional salary, on 30 October 2003 (see section 6.1).

²⁷ HC Deb 17 July 2003 cc83WS-84WS

²⁸ Committee on Standards and Privileges, *Pay for Select Committee Chairmen*, 15 October 2003, HC 1150 2002-03, para 7

²⁹ *Ibid*, para 13

³⁰ *Ibid*, para 14

³¹ *Ibid*, paras 22-23

5.2 Interests of committee chairs: 2014 consultation

In January 2014, the Committee on Standards published *Interests of Committee Chairs: a consultation*. It sought views on “whether the rules relating to committee Chairs’ interests remain appropriate”.³²

The Committee noted that the question of whether “the question of whether there might be ‘an inherent incompatibility between chairing a select committee and having commercial interests, even though fully transparently registered, in the sector covered by that committee’” had been raised by the Speaker; that an allegation that a select committee chair had acted improperly had been investigated by the Parliamentary Commissioner for Standards; and that the Committee on Standards in Public Life had recommended that consideration should be given to:

Whether Chairmanship of a Select Committee brings with it a particular influence on matters of public policy that justifies the imposition of additional restrictions in relation to conflicts of interests.³³

The Committee on Standards outlined the current rules on Members’ interests; and noted that since it last reviewed the question, the House has agreed that chairs of certain select committees should be elected by the whole House. The Committee identified key issues and asked respondents to address nine specific questions.

6 Salary entitlements of select committee chairs 2003-2013

6.1 Initial introduction

Having previously agreed in principle to pay select committee chairs, and to limit their tenure, on any one committee,³⁴ on 30 October 2003, the House agreed that the initial level of the additional salary should be £12,500, from the beginning of the 2003-04 Session, in line with the SSRB recommendation.

The House also endorsed the Committee on Standards and Privileges’ report on *Pay for Select Committee Chairmen*, which argued that select committee chairs could continue to have outside interests, subject to full declaration.

In presenting the motions to the House, Mr Hain said:

I am sure that Members on both sides of the House would support the view that the scrutiny Committees add to Parliament’s ability to achieve accountability from Government. The Government are keen to promote and facilitate changes that enhance scrutiny and the public perception of Parliament. The motions before the House reflect recommendations of the Modernisation Committee and the SSRB that are designed to achieve these ends. However, the decision is, of course, one for the House, not for the Government. It is in that spirit that I table the motions for debate and decision by the House.³⁵

³² Committee on Standards, [Interests of Committee Chairs: a consultation](#), 20 January 2014, HC 997 2013-14, para 1

³³ Committee on Standards, [Interests of Committee Chairs: a consultation](#), 20 January 2014, HC 997 2013-14, paras 1-2. In November 2013, the Committee on Standards in Public Life published [Strengthening Transparency around Lobbying](#), the Committee on Standards quoted part of Recommendation 3

³⁴ See section 3

³⁵ HC Deb 30 October 2003 vol 412 c453

The resolution of the House confirmed that the chairs of the 25 select committees, recommended by the SSRB, should receive an additional salary. The resolution made provision for the additional salary to increase, annually, from 1 April, in line with Members' salaries.

The full text of the resolution and of a further resolution to give effect to it, which were agreed on 30 October 2003, can be found in Appendix 1. The list of chairs qualifying for an additional salary, as amended, is given in Appendix 2.

6.2 Uprating

The additional salary increased annually, as Members' salaries were uprated. In 2004 and 2005, it increased in line with the uprating formula applied to Members' salaries, and in 2006 the increase was staged in accordance with a further resolution.³⁶

On 1 April 2007, salaries increased in line with the formula but, on 24 January 2008, when the House debated the SSRB's *Review of parliamentary pay, pensions and allowances 2007*, it decided to stage pay increases in excess of the formula increase in 2007/08. The salary levels recommended by the SSRB were paid from 1 November 2007.³⁷ The resolution that gave rise to these changes provided for increases in addition to the salary as it stood after the automatic uprating on 1 April 2007. The resolution of 24 January 2008 also abolished the mechanism for the automatic uprating of salaries.

In January 2008, the House also agreed to a Government proposal that Sir John Baker, the retiring chairman of the SSRB, should undertake a review of Members' salaries and identify a mechanism that would remove from Members the need to set their own salary. Sir John reported on 17 June 2008 and the House debated his report on 3 July 2008.

Sir John recommended that Members' pay should increase in line with the Public Sector Average Earnings Index. The Government disagreed and suggested that MPs should receive the median average of the settlements of a wide basket of public sector workforces. The House agreed with the Government.³⁸ The SSRB calculated the annual increase; informed the Speaker; and it was implemented automatically.³⁹

On 21 March 2011, the House agreed to a freeze in Members' salaries for two years.⁴⁰ Accordingly, with effect from 1 April 2011, the additional salary for chairs of select committees remained at £14,582 (until it was increased by a determination made IPSA from 1 April 2013).

Appendix 3 details the annual level of the additional salary for select committee chairs since it was introduced.

6.3 Revisions to the rules

On 13 July 2005, the House debated a number of motions on the membership of select committees, pay for chairs and related matters. One of the motions increased the number of

³⁶ Members' salaries increased in accordance with the resolution of 10 July 1996. On 18 May 2006, the House agreed that the increase in Members' salaries in 2006/07 should be staged.

³⁷ HC Deb 24 January 2008 cc1653-1720

³⁸ For further details on the establishment of Sir John Baker's review, and for details of his and the Government's alternative proposals, see House of Commons Library Research Paper RP 09/29, *Members' pay and the independent review process*, 31 March 2009

³⁹ HC Deb 3 July 2008 cc1088-1089

⁴⁰ HC Deb 21 March 2011 c824

committees whose chairs should receive an additional salary, with immediate effect. The Leader of the House, Geoff Hoon, commented on the motion:

Motion 37 extends the current arrangements for Select Committee Chairmen's pay to those Select Committees that are not already eligible. In its 2003 report on Select Committee Chairmen's pay, the SSRB suggested which Committee Chairmen should be remunerated, but it said that the final decision should rest with the House. At the time, there was some unhappiness that the distinction between externally focused scrutiny Committees and other Committees did not fairly reflect the relative work loads.

In introducing the motion on Standing Committee Chairs, I thought it only right to give the House the opportunity to decide whether the remaining Select Committees should also receive remuneration. The remaining Committees include the Administration Committee—this is contingent on the motion appointing that Committee being agreed by the House—the Finance and Services Committee, the Liaison Committee, the Procedure Committee, the Committee of Selection and the Committee on Standards and Privileges. Those Committee Chairmen's responsibilities are varied, but they are comparable in work load to those that are already paid. In some ways, those Chairmen are even more deserving, because they do their work on behalf of us all out of the media spotlight. The cost of the proposal depends on take-up, but it would amount to around £17,000 a year per Chairman, including national insurance and pensions contributions.⁴¹

At the end of the debate, the motion was agreed to by 232 votes to 59,⁴² and those committees mentioned in the motion were added to those agreed on 30 October 2003 (see Appendix 2).

At the same time, changes were made to the wording of the Standing Order which limits the length of a select committee chair's term to two Parliaments or eight years. The Standing Order was changed to "... no select committee may have [in place of "choose"] as its chairman any Member who has served as chairman of that committee for the two previous Parliaments or continuous period of eight years, whichever is the greater period". The motion to effect this change was approved by 233 votes to 102.⁴³ The change means that, if a member were re-elected chair of a committee in a third Parliament, they would step down at the expiry of eight years from their first election. This has already happened to Sir Nicholas Winterton, who chaired the Procedure Committee from 28 October 1997. On 8 November 2005, he reported that Greg Knight would replace him as chair from 9 November.⁴⁴

On 18 May 2006, when the House debated the motion to permit the annual increase in Members' salaries to be staged, it also considered a motion to add the Chair of the Select Committee on the Crossrail Bill to the list of chairs who should be paid. After explaining the background to the introduction of additional salaries for chairs of select committees, Jack Straw, the Leader of the House of Commons, commented on the difficulties of paying non-permanent committees but outlined the case for exceptions, and specifically for the Crossrail Bill Committee:

⁴¹ HC Deb 13 July 2005 cc857-858

⁴² HC Deb 13 July 2005 c927

⁴³ HC Deb 13 July 2005 c912; the Standing Order now reads:

Unless the House otherwise orders, no select committee may have as its chair any Member who has served as chair of that committee for the two previous Parliaments or a continuous period of eight years, whichever is the greater period. [House of Commons, *Standing Orders of the House of Commons – Public Business – 2010 (New Parliament)*, April 2010, HC 539 2009-10, Standing Order No 122A]

⁴⁴ House of Commons, *Votes and Proceedings*, 8 November 2005

Chairmen of non-permanent Committees have not been paid, partly because they do not fit the criteria as clearly as other Chairmen. ... However, where there is an exceptional case, I hope that colleagues agree that we should reflect that in arrangements for the payment of salaries.

The Select Committee on the Crossrail Bill appears to be such a case. It first sat on 13 December, and it sits up to four times a week when the House is sitting. Until last week it had sat on 36 days, so as it typically sits twice a day, it has many more sittings than other Committees. It may continue to sit—but perhaps not at the same rate—until the autumn. The House will agree that its work load is higher than that of many other Committees whose members are paid an additional salary. It is higher, too, than the work load of other ad hoc committees.⁴⁵

The Committee was formally wound up on 18 October 2007.

On 25 July 2007, following machinery of Government changes, the House agreed a number of changes to departmental select committees. In June 2007, on becoming Prime Minister, Gordon Brown announced that the Department for Education and Skills was to be replaced by the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills; and that the Department for Trade and Industry was to be replaced by the Department for Business, Enterprise and Regulatory Reform. In March 2007, the Ministry of Justice was established, replacing the Department for Constitutional Affairs. On 25 July 2007, the following select committees were created to monitor those departments: Business, Enterprise and Regulatory Reform Committee;⁴⁶ Children, Schools and Families Committee; Innovation, Universities and Skills Committee;⁴⁷ and Justice Committee. As a result of the machinery of Government changes, none of these committees directly replaced their predecessors. However, the House also agreed that:

for the purposes of Standing Order No. 122A (Term limits for chairmen of select committees) the Business, Enterprise and Regulatory Reform Committee, the Children, Schools and Families Committee, the Innovation, Universities and Skills Committee and the Justice Committee shall be deemed to be the same committees as the Trade and Industry Committee, the Education and Skills Committee, the Science and Technology Committee and the Constitutional Affairs Committee respectively.⁴⁸

On 28 October 2008, the House agreed to establish a select committee on Energy and Climate Change, following the creation of the Department of Energy and Climate Change on 3 October 2008. Following an amendment to the original motion, the Standing Order change took effect from 1 January 2009.⁴⁹

On 3 March 2009, the House debated a number of issues that were consequent on its decisions of 22 January 2009 to accept a revised Green Book and to replace the Advisory Panel on Members' Allowances with a Committee on Members' Allowances. The House was asked to approve motions to give the Chair of the Committee on Members' Allowances an additional salary, in line with most other select committee chairs; and to agree that he should be a member of the Liaison Committee. Chris Bryant, the Deputy Leader of the House, explained that the motion:

⁴⁵ HC Deb 18 May 2006 c1155

⁴⁶ The Committee was renamed Business and Enterprise Committee on 11 March 2008 [HC Deb 11 March 2008 c255]

⁴⁷ The Committee was renamed Innovation, Universities, Science and Skills Committee on 11 March 2008 [*Ibid*]

⁴⁸ HC Deb 25 July 2007 c940

⁴⁹ HC Deb 28 October 2008 c867 (debate: cc843-867)

... would provide for the Chairman of the Committee to be paid, in common with all other Chairmen of Select Committees, other than the regional Committees, whose Chairmen will not be paid.⁵⁰

Andrew Mackinlay disagreed with the proposal:

I intend to divide the House on this point, because I believe that it is wrong in principle. I explained to the right hon. Member for Islwyn (Mr. Touhig), who would be the beneficiary of the motions, that it was nothing personal. I hope that he and the House will notice that I have argued consistently against the growth of additional emoluments for other Members in this House. I see this as another increment, and it is extremely unhealthy. In November, the House was with me, by a majority of two, in preventing the payment to Chairpersons of the regional Select Committees. I was very pleased about that, and I think that it was right. We have to bring a halt to this. Although the motion is a one-off and relates to one particular chairmanship, it is simply wrong.

That matter goes to the heart of our democracy and is creating two tiers of Members of Parliament. I understand from an answer that I received to a parliamentary question that, from memory, some 160 Members are paid differently from Back Benchers. We have to put a halt to that. If I win tonight, it will be unfortunate for the right hon. Member for Islwyn, but we need to put on the brakes.⁵¹

The House divided on the question of paying an additional salary to the Chair of the Committee on Members' Allowances. It agreed to the Chair being added to the list of those qualifying for an additional salary by 242 votes to 73.⁵² On 5 July 2011, the Committee was removed from the list of committees whose chairs receive an additional salary.⁵³

On 25 June 2009, following machinery of Government changes announced on 5 June, the House agreed further changes to the structure of select committees. The Department for Innovation, Universities and Skills, which had been established in 2007, was incorporated into the expanded Department for Business, Innovation and Skills (formerly the Department for Business, Enterprise and Regulatory Reform). The House agreed that, with effect from 1 October 2009, the Business, Innovation and Skills Committee would replace the Business and Enterprise Committee and that the Science and Technology Committee would replace the Innovation, Universities, Science and Skills Committee. Again the House agreed that the new committees would take responsibility for the proceedings of the older committees. The House also agreed that, for the purpose of the Standing Order relating to term limits, service on the old committees would be added to service on the new committees.⁵⁴

On 7 June 2010, following the establishment of the Conservative/Liberal Democrat Coalition Government, the House agreed to establish a select committee on Political and Constitutional Reform which "reflects the new portfolio of the Deputy Prime Minister".⁵⁵ The House also agreed that the chair of this committee should receive an additional salary.⁵⁶

On 15 June 2010, following a recommendation from the Select Committee on Reform of the House of Commons, in November 2009, that the House approved in principle in March 2010,

⁵⁰ HC Deb 3 March 2009 c808

⁵¹ HC Deb 3 March 2009 c810

⁵² HC Deb 3 March 2009 cc815-818

⁵³ HC Deb 5 July 2011 c1479

⁵⁴ HC Deb 25 June 2009 cc986-1018

⁵⁵ HC Deb 7 June 2010 c137; c148

⁵⁶ HC Deb 7 June 2010 c148

the House agreed to establish a Backbench Business Committee.⁵⁷ At the same time, the House agreed that the Chair of the Backbench Business Committee should receive a salary as a select committee chair.⁵⁸

6.4 Select committees whose chairs were not paid

On 12 November 2008, the House agreed to appoint eight regional select committees on a temporary basis, until the end of the Parliament.

The Government had proposed that the chairs of regional select committees should receive additional salaries. However, an amendment to the Government's motion, that added "except that Chairmen of regional select committees shall not be paid", was agreed on a division, by 239 votes to 237, and so the chairs of regional select committees were not paid.⁵⁹

Following the 2010 General Election, Sir George Young, the Leader of the House of Commons, announced that the regional select committees will not be re-appointed.⁶⁰

7 Salary entitlements of select committee chairs since 2013

7.1 Transfer of responsibility for determining Members' pay to the Independent Parliamentary Standards Authority

Under the *Parliamentary Standards Act 2009*, responsibility for paying Members' salaries transferred to the Independent Parliamentary Standards Authority (IPSA) in May 2010; and provisions in the *Constitutional Reform and Governance Act 2010* subsequently gave it responsibility for determining Members' salaries.⁶¹

Before it issued its first determination on Members' pay in January 2013, IPSA paid salaries in accordance with resolutions of the House of Commons.⁶² However, once it issued a determination, salaries were paid to Members in accordance with sections 4 and 4A of the *Parliamentary Standards Act 2009*, as amended. Subsection 4A(2) allowed IPSA to pay additional salaries to "members while holding an office or position specified for the purposes of this subsection in a resolution of the House of Commons".⁶³

On 19 March 2013, the House of Commons agreed a resolution (for the purposes of subsection 4A(2)) which set out who was entitled to an additional salary and what should be done in cases where an individual appeared to qualify for more than one additional salary:

That—

⁵⁷ For background see: House of Commons Library Standard Note, [Reform of the House of Commons: The establishment of a Backbench Business Committee](#), SN/PC/5269

⁵⁸ HC Deb 15 June 2010 c846

⁵⁹ HC Deb 12 November 2008 c840-843; c858. For further details on the background to and establishment of regional select committees, see House of Commons Library Standard Note SN/PC/4411, [Regional Accountability at Westminster](#)

⁶⁰ HC Deb 26 May 2010 c173

⁶¹ The [Constitutional Reform and Governance Act 2010 \(Commencement No 5\) Order 2011](#), SI 2011/1274, brought into force provisions that transferred responsibility for determining Members' pay to the Independent Parliamentary Standards Authority on 17 May 2011

⁶² *Constitutional Reform and Governance Act 2010* (chapter 25), section 29(3) stated that "Until the first determination under section 4(4) of that Act comes into effect, the amounts of the salaries payable by the Independent Parliamentary Standards Authority under section 4 of that Act are to be determined in accordance with the relevant resolutions of the House of Commons"

⁶³ *Parliamentary Standards Act 2009* (chapter 13), section 4A(2)

(1) Subject to paragraphs (2) and (3), the following offices of positions are specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009, with effect from 1 April 2013—

(a) the Chair of a select committee appointed under Standing Order No. 152 (Select Committees related to government departments), the Administration Committee, the Backbench Business Committee, the Environmental Audit Committee, the European Scrutiny Committee, the Finance and Services Committee, the Liaison Committee, the Political and Constitutional Reform Committee, the Select Committee on Procedure, the Committee of Public Accounts, the Select Committee on Public Administration, the Regulatory Reform Committee, the Committee of Selection, the Committee on Standards, the Joint Committee on Human Rights or the Joint Committee on Statutory Instruments; and

(b) a member of the Panel of Chairs appointed under Standing Order No. 4 (Panel of Chairs), other than a member who is the Chair of a committee specified in sub-paragraph (a) or a member who is entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

(2) If a Member already holds an office or position referred to in paragraph (1)(a), then any other office or position referred to in paragraph (1)(a) is not specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009 in respect of any period for which that other post or position is held by that Member.

(3) Any office or position referred to in paragraph (1)(a) for the purposes of section 4A(2) of the Parliamentary Standards Act 2009 is not specified for the purposes of that section in respect of any period in which it is held by a Member who is also entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

(4) Any reference to any committee in paragraph (1)(a) shall, if the name of the committee is changed, be taken to be a reference to the committee by its new name.⁶⁴

IPSA issued its first determination in January 2013, setting salaries for April 2013 and April 2014. It issued a further determination in December 2013, setting the salaries of select committees chairs from April 2015.

Members' pay: additional salaries for select committee chairs (£ per annum)

	April 2013	April 2014	April 2015
Chair of a Select Committee	£14,728	£14,876	£15,025

Sources: Independent Parliamentary Standards Authority, [Reviewing MPs' Pay and Pensions: A First Report](#), January 2013, Annex A; Independent Parliamentary Standards Authority, [MPs' Pay and Pensions – Final Report](#), December 2013, Annex B

8 Pension entitlements of select committee chairs

All serving Members of the House of Commons may participate in the Parliamentary Contributory Pension Fund (PCPF). The basic MPs' scheme is a final salary scheme.⁶⁵

⁶⁴ [HC Deb 19 March 2013 cc900-902](#)

⁶⁵ This is an IPSA scheme made under section 40 and Schedule 6 of the [Constitutional Reform and Governance Act 2010](#)

Select Committee chairs are also eligible for benefits from the supplementary career average scheme for certain office holders (namely, the Chairman and Deputy Chairman of Ways and Means, paid Select Committee Chairmen and the Members of the Panel of Chairs). These benefits are calculated in the same way as Ministers' pensions, based on the additional pay they receive as an office holder.⁶⁶

Members can opt to contribute at one of three rates, with pension benefits building up at different rates depending on the contribution rate. Nearly all MPs contribute and accrue benefits at the highest level.⁶⁷ The current rates are:

- 13.75 per cent for Members with an accrual rate of 1/40th;
- 9.75 per cent for Members with an accrual rate of 1/50th;
- 7.75 per cent for Members with an accrual rate of 1/60th.

IPSA has announced details of a new pension scheme for MPs to be introduced following the 2015 general election. The new scheme would provide benefits based on career average revalued earnings, individuals would have a normal pension age linked to their State Pension age; and there would be protection for those closest to retirement (enabling them to remain in the existing scheme).⁶⁸

⁶⁶ Independent Parliamentary Standards Authority, [MPs' Pensions – Report on the Consultation](#), March 2012, p12, para 4; [HC Deb 30 October 2003 c 451](#)

⁶⁷ Independent Parliamentary Standards Authority, [MPs' Pensions – Report on the Consultation](#), March 2012, para 19

⁶⁸ Independent Parliamentary Standards Authority, [MPs' Pay and Pensions – Final Report](#), December 2013; For more detail, see Library Note SN 6283 [MPs' Pension Scheme – 2012 onwards](#) (December 2013)

Appendix 1: Resolutions on Pay for Chairmen of Select Committees (30 Oct 2003)

Resolved,

That this House—

1. takes note of the Report of the Review Body on Senior Salaries on Pay for Select Committee Chairmen in the House of Commons presented to Parliament on 17th July (Cm. 5673);

2. approves the Sixth Report of the Committee on Standards and Privileges on Pay for Select Committee Chairmen (HC 1150); and endorses the principles set out in paragraph 16 of that report; and

3. expresses the opinion that—

(a) with effect from the beginning of the next Session of Parliament, the salary of a Member should be £12,500 per annum higher than the figure determined in accordance with the provisions of the Resolution of the House of 10th July 1996 in respect of any period during which he is the Chairman of a select committee appointed under Standing Order No. 152 (Select Committees related to government departments), the Environmental Audit Committee, the European Scrutiny Committee, the Committee of Public Accounts, the Select Committee on Public Administration, the Regulatory Reform Committee, the Joint Committee on Human Rights or the Joint Committee on Statutory Instruments, other than to the extent that the provisions of sub-paragraph (c) apply;

(b) a period begins for the purpose of sub-paragraph (a)—

(i) with the day on which the Member becomes Chairman of such a committee, or

(ii) with the beginning of the next Session of Parliament, in the case of a Member who became Chairman before that time;

and ends on the day on which the Member ceases to be Chairman (or, if he is Chairman of more than one such committee, he ceases to be Chairman of the last of those committees);

(c) there shall be disregarded for the purpose of sub-paragraph (a)—

(i) any period which is of less than 24 hours duration; and

(ii) any period, or part thereof, in respect of which the Member is also entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975;

(d) reference to any Committee in sub-paragraph (a) shall—

(i) if the name of the Committee is changed, be taken (subject to paragraph (ii)) to be a reference to the Committee by its new name; and

(ii) if the functions of the Committee become functions of a different Committee, be taken to be a reference to the Committee by whom the functions are for the time being exercisable;

(e) the provisions of paragraph (2) of the Resolution of the House of 10th July 1996 relating to Members' Salaries (No. 2) shall apply, with effect from 1st April 2004, to a salary determined in accordance with the provisions of sub-paragraph (a) as they apply in relation to a salary determined in accordance with the provisions of that Resolution; and

(f) the Speaker shall have authority to interpret these provisions and to determine rules from time to time for their implementation.⁶⁹

⁶⁹ HC Deb 30 October 2003 vol 412 cc504-505

Agreed,

That the following provision shall be made with respect to the salaries of Members of this House—

(1) With effect from the beginning of the next Session of Parliament, the salary of a Member shall be £12,500 per annum higher than the figure determined in accordance with the provisions of the Resolution of the House of 10th July 1996 in respect of any period during which he is the Chairman of a select committee appointed under Standing Order No. 152 (Select Committees related to government departments), the Environmental Audit Committee, the European Scrutiny Committee, the Committee of Public Accounts, the Select Committee on Public Administration, the Regulatory Reform Committee, the Joint Committee on Human Rights or the Joint Committee on Statutory Instruments, other than to the extent that the provisions of paragraph (3) apply.

(2) A period begins for the purpose of paragraph (1)—

- (i) with the day on which the Member becomes Chairman of such a committee, or
- (ii) with the beginning of the next Session of Parliament, in the case of a member who became Chairman before that time;

And ends on the day on which the Member ceases to be Chairman (or, if he is Chairman of more than one such committee, he ceases to be Chairman of the last of those committees).

(3) There shall be disregarded for the purpose of paragraph (1)—

- (i) any period which is of less than 24 hours duration; and
- (ii) any period, or part thereof, in respect of which the Member is also entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

(4) Reference to any Committee in paragraph (1) shall—

- (i) if the name of the Committee is changed, be taken (subject to sub-paragraph (ii)) to be a reference to the Committee by its new name; and
- (ii) if the functions of the Committee become functions of a different Committee, be taken to be a reference to the Committee by whom the functions are for the time being exercisable.

(5) The provisions of paragraph (2) of the Resolution of the House of 10th July 1996 relating to Members' Salaries (No. 2) shall apply, with effect from 1st April 2004, to a salary determined in accordance with the provisions of paragraph (1) as they apply in relation to a salary determined in accordance with the provisions of that Resolution.

(6) The Speaker shall have authority to interpret these provisions and to determine rules from time to time for their implementation.⁷⁰

⁷⁰ *Ibid* cc505-506

Appendix 2: Select committees whose chairs were paid when the House of Commons determined salaries

The chairs of the following committees received an additional salary, under resolutions of the House of Commons:

From the beginning of Session 2003-04 the chairmen of the following committees or their predecessors received additional salaries

Business, Innovation and Skills	Scottish Affairs
Communities and Local Government	Transport
Culture, Media and Sport	Treasury
Defence	Welsh Affairs
Education	Work and Pensions
Environment, Food and Rural Affairs	Environmental Audit Committee
Foreign Affairs	European Scrutiny Committee
Health	Committee on Public Accounts
Home Affairs	Public Administration Select Committee
International Development	Regulatory Reform Committee
Justice	Joint Committee on Human Rights
Northern Ireland Affairs	Joint Committee on Statutory Instruments ⁷¹
Science and Technology	

Added on 13 July 2005

Administration Committee	Procedure Committee
Finance and Services Committee	Committee of Selection
Liaison Committee	Committee on Standards and Privileges ⁷²

Added on 18 May 2006

Select Committee on the Crossrail Bill⁷³

Note: The Committee was formally wound up on 18 October 2007.⁷⁴

Added on 28 October 2008

Energy and Climate Change (with effect from 1 January 2009)⁷⁵

Added on 3 March 2009: removed on 5 July 2011

Committee on Members' Allowances⁷⁶

Added on 7 June 2010

Political and Constitutional Reform Committee⁷⁷

Added on 15 June 2010

Backbench Business Committee⁷⁸

⁷¹ HC Deb 30 October 2003 cc505-506

⁷² HC Deb 13 July 2005 c927

⁷³ HC Deb 18 May 2006 c1164

⁷⁴ Crossrail Bill Select Committee, http://www.parliament.uk/parliamentary_committees/crossrail.cfm

⁷⁵ HC Deb 28 October 2008 cc843-867

⁷⁶ HC Deb 3 March 2009 c818; HC Deb 5 July 2011 c1479

⁷⁷ HC Deb 7 June 2010 c148

⁷⁸ HC Deb 15 June 2010 c846

Appendix 3: Select committee chairs – level of additional salary

(a) Salary determined in accordance with resolutions of the House of Commons

	£ per annum
from 26 November 2003	12,500
from 1 April 2004	12,750
from 1 April 2005	13,107
from 1 April 2006	13,239
from 1 November 2006	13,370
from 1 April 2007*	13,571
from 1 November 2007	13,713
from 1 April 2008	14,039
from 1 April 2009	14,366
from 1 April 2010	14,582
from 1 April 2011	14,582
from 1 April 2012	14,582

* at the beginning of 2007/08 the additional salary of select committee chairmen increased to £13,459 per annum but this increase was superseded by a back-dated increase following the publication of the SSRB review of parliamentary pay and allowances in January 2008.⁷⁹

(b) Salary determined by the Independent Parliamentary Standards Authority

	£ per annum
from 1 April 2013	14,728
from 1 April 2014	14,876
from 1 April 2015	15,025

Sources: Independent Parliamentary Standards Authority, [Reviewing MPs' Pay and Pensions: A First Report](#), January 2013, Annex A; Independent Parliamentary Standards Authority, [MPs' Pay and Pensions – Final Report](#), December 2013, Annex B

⁷⁹ HC Deb 24 January 2008 cc1653-1720