



Review Body on Armed Forces Pay

TWENTY-SECOND REPORT 1993

Chairman: Sir Peter Cazalet



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The Review Body on Armed Forces Pay was appointed in September 1971 to advise the Prime Minister on the pay and allowances of members of the Naval, Military and Air Forces of the Crown and of any women's Service administered by the Defence Council.

The members of the Review Body are:

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Dorothy Venables

The secretariat is provided by the Office of Manpower Economics.

Sir Peter Cazalet is also a member of the Review Body on Top Salaries. Professor John White CBE, was also a member of the Review Body for part of the period of the review reported on here.

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Chapter 1

Background to our report

1. The recommendations in our last report for salaries and charges to be paid from 1 April 1992 were accepted by the Government and fully implemented from that date. In accordance with our established practice since the Armed Forces Pay Review Body (AFPRB) was set up in 1971, we based our recommendations on the principle of broad comparability. This involves maintaining pay at levels broadly comparable with those experienced by people outside the Services, doing jobs of similar size and weight, and adding a percentage "X factor" to compensate for the balance of disadvantage of Service over civilian life. This approach, which underlies the concept of the military salary, recognises the fact that members of the armed forces have no right of association and thus provides fair levels of pay where there cannot be a process of collective bargaining.

2. We planned to approach our present review in the same way. However, in the Autumn Statement on 12 November 1992 the Chancellor of the Exchequer announced a limit on public sector pay increases for the following twelve months, and the Prime Minister wrote on the same day informing us that the Review Body would not be required to make recommendations on the 1993-94 basic pay award for the armed forces. A copy of the letter is at Appendix 1. The letter said that Service personnel whose pay was normally determined on the basis of the recommendations of the AFPRB would receive a pay increase of 1.5 per cent from 1 April 1993. Those existing items of additional pay which normally rose in line with the military salary would also be increased by 1.5 per cent. Additionally food and accommodation charges would rise by 1.5 per cent from 1 April 1993. We were asked, however, to continue to examine other specific issues on which the Ministry of Defence (MOD) had submitted evidence this year, and to produce a report dealing with these.

3. After careful consideration the Review Body accepted that these decisions were for the Government as the ultimate arbiter of the pay of the armed forces; and agreed that because of the importance of a number of issues related to pay and charges, some structural, we should produce a report on them. A copy of our reply to the Prime Minister's letter is at Appendix 2. In continuing our work this year we considered that the interests of Service personnel were best served by the continued presence of an independent Review Body, even though on this occasion we do not make recommendations on pay. We attach great importance to the assurance by the Prime Minister that the Review Body should resume its full role for the period 1993-94 when its work would be conducted on the same basis as in the past.

4. In Chapters 2 and 3 we comment on a number of specific issues. These include the pay of senior non commissioned officers (SNCOs) and special pay scales for Service veterinary officers, chaplains and medical and dental officers; we also return to flying pay and Northern Ireland pay. We have decided to include our comments on the pay of medical and dental officers within this, our main report, rather than produce a supplement, since these officers will also receive a 1.5 per cent increase across the board and we make no recommendations on their pay. Since pay and allowances are seen very much as a single package by Service personnel, we have commented on allowances in Chapter 3; and as we decided last year to look in more detail at the basis on which we set charges for accommodation, we comment on this in Chapter 4.

5. The last year has raised many challenges for the Services. Changes in structure continue to flow from Options for Change, including reductions in staffing, and there have been redundancies, both voluntary and compulsory, amongst officers and other ranks. The Army has been particularly affected. The effects of reductions in Service personnel in Germany have begun to be felt, and we have been told of some of the consequences in the UK, for example in Service housing, where Service personnel and their families require to be found accommodation on their return from Germany. Overseas, Service personnel have been deployed in further locations with new and in some cases particularly demanding responsibilities, including under the auspices of the United Nations, in Bosnia, Turkey and Iraq. Meanwhile, previous commitments continue and in some cases increase, most notably in Northern Ireland where we are told that conditions of service have worsened and where we heard on our two visits in 1992 of increasing overstretch, hours of work, untaken annual leave and reductions in intervals between tours. We heard similar accounts on visits to other locations.

6. As always, our visits programme last year enabled us to meet a wide range of Service personnel and discuss many issues with them. In 1992, we spent between us 62 days on a total of 16 visits, which included Northern Ireland, Germany, Cyprus and the Gulf, as well as some 10 locations in the UK. On each visit, we were able to hear the views of Service personnel, and in some cases their spouses, about pay and other matters which are associated with the problems of Service life, as well as being able to explain what our task is and how we do it. We believe that our 1993 programme of visits will be even more significant in enabling Service personnel to express their views about pay as well as allowing us to explain and reassure them about the basis of the Review Body's work.

7. We continue to look for ways in which the armed forces pay structure can be improved and simplified and in this connection we have had discussions with the leaders of single Service study teams whose remit is to look at the future structure of their Service, including matters associated with pay. They plan to make recommendations later this year. A sound structure is essential in the longer term to provide satisfactory career opportunities, which are a pre-requisite for ensuring adequate levels of recruitment and retention. We note that the manning evidence we have received shows that in the main retention is better than it has been for a number of years. It would be surprising if this were not the case, although there remain some isolated areas of difficulty.

8. Many factors as well as pay influence the attractiveness of a career in the Services and we welcome initiatives by senior management to encourage retention. This is particularly important when redundancies and other structural changes are occurring as a result of Options for Change, and when morale and motivation can easily decline. These considerations reinforce our conviction that the interests of Service personnel and the taxpayer are best served by a pay system which is based on a broad comparison of Service pay with pay levels of civilian comparators. We look forward to returning to this approach in our next report.

Chapter 2

The Military salary

9. In this Chapter we consider questions relating to the military salary, and factors which affect it.

Manning 10. We have received evidence from MOD on the manning position up to the end of September 1992. We note that premature voluntary release (PVR) applications and exits continued to decrease in most areas of the Services. These are influenced by the voluntary and compulsory redundancies which are now taking place throughout the three Services as a result of Options for Change, with the Army most affected. The Services will have a continuing need to retain high quality and experienced personnel, and retention therefore remains one of our main concerns. We are strongly of the view that a fair package of pay and allowances is essential to ensure the retention of sufficient numbers of the best Service personnel when conditions stabilize.

Hours of work 11. Service personnel are often required to work, or to be on duty, for long hours and sometimes in difficult conditions. Additionally, unlike most civilians, many Service personnel are required to be on call when they are not actually working. In previous years we have compared the hours worked with those worked by civilian comparators as part of the comparability evidence, and we have taken account of any excesses (particularly unsocial hours) in our consideration of the X factor. The evidence we have seen from MOD this year shows again that the hours worked by Service personnel have remained constant as they have over recent years, although there have been changes within each Service. On a number of our visits however we heard that hours worked had increased significantly, particularly in Northern Ireland. We have asked MOD to report back to us for our next review with particular reference to the apparent discrepancy between MOD's survey which showed no evidence of increased hours for Northern Ireland and the comments of some serving personnel in the Province that their hours had noticeably increased. We were concerned that some types of unit in the Province were particularly badly affected.

12. In our report last year we noted our concern about the evidence indicating increasing instances of leave lost due to Service commitments and we said that we had asked MOD to produce figures for us in time for this report. This year we believe from our own discussions with Service personnel that the situation is more common than we previously thought and that some groups of Service personnel, for example those in front line units, are losing quite substantial amounts of annual leave through no fault of their own. Unfortunately MOD's 1992 survey of working patterns did not analyse the reasons why leave was lost and MOD has told us that the 1993 survey will seek to differentiate between leave lost by individual choice and leave which has been denied because of Service commitments. We shall address this question in our next report when we have further evidence from MOD. If the evidence shows that lost leave has become a significant problem, we will give serious consideration to recommending the introduction of a compensation scheme.

Service pensions 13. As we said last year, personnel have spoken to us during our visits about what many see to be inequalities between the pension scheme for officers and that for other ranks. There were three main areas of contention - the age from which service

is reckonable, length of service required for immediate pension and the amount of pension available for commutation. MOD has indicated to us that there is to be a review of the Armed Forces Pension Scheme to look at these and other complaints. We welcome this review and look forward to seeing the results.

14. We are also aware of the effects on pensions when pay is constrained by the Government during a pay freeze, or a period of pay restraint, or when pay increases are staged. The Government's decision to impose a 1.5 per cent limit on public sector pay increases will affect public sector pension schemes generally, including the Armed Forces Pension Scheme. The pensions of Service personnel which first become payable in the financial year 1993-94 will be constrained correspondingly and permanently.

Performance related pay in the armed forces

15. In our last report we mentioned the Citizen's Charter and the Government's views about performance related pay in the armed forces. We said that we planned to discuss performance related pay in detail with senior MOD management and with Service personnel during our visits in 1992, and to return to the subject in this report. MOD has advised us that no final conclusions have yet been reached but that Service management perceives a number of disadvantages, including those of compatibility with the structure and ethos of the armed forces; its possible divisiveness; and its probable effect on morale and motivation. Although we have some sympathy with these views we note that the concept of performance pay as it operates in civilian life has not always been clearly understood by the Service personnel we have met. We have therefore asked MOD to keep us in touch with any developments on this subject.

1993 pay rates

16. All pay rates for the 1993 report have been advised by MOD in accordance with the provisions of the Autumn Statement of 12 November. Revised pay rates showing increases of 1.5 per cent as advised by MOD are at Appendix 4.

The pay of senior non commissioned officers (SNCOs)

17. In our last two reports we have looked at the pay of SNCOs in all three Services as we have heard with increasing frequency from these personnel that they would prefer a pay system more akin to that for officers, with increments or bonuses rewarding expertise and experience in the rank. We are conscious that many SNCOs feel that pay differentials on promotion have been reduced and that their contribution to the Services is no longer fully recognised. Promotion prospects within the Services are generally diminishing during the period of the reductions; this affects morale, particularly among longer serving SNCOs. In our last report we said that although we recognised that each Service has different requirements for its SNCOs in terms of expertise and length of service, we favoured an incremental system which subsumed length of service increments (LSIs) and committal pay and we asked MOD to submit further evidence with specific proposals.

18. All three Services have indicated their interest in an incremental system. The RN has suggested for illustrative purposes an incremental pay system for Warrant Officers (WOs) and senior ratings, based on the combination of military salary, length of service pay and scale pay. The other two Services are not yet able to do more than indicate possible approaches. The Army is conducting an attitude survey amongst WOs and SNCOs to seek their reactions to these, and the RAF is conducting a similar survey; the results from both will be available to us in time for our next report.

19. We are unwilling in principle to recommend a system for the RN only, in view of the possible implications for the other two Services. However, we think the proposed RN system has merit and we have asked MOD to consider a single system which might be applicable to all three Services. One way forward might be to look at a system which took account in the first instance of WOs only. This would recognise more fully their managerial role. However we appreciate that there is a strong view that it would be preferable to introduce a system which was applicable to all SNCOs. We shall therefore be returning to this subject in our 1994 report when we hope to be able to recommend a common structure for all three Services.

Special pay scales 20. This year we have examined all the special pay scales with the aim of confirming their continued existence and satisfying ourselves as to the reasons for their differences from the main combatant scales. This has increased our awareness of the complexities of the Service pay system which we wish to rationalise and simplify whenever we can. We shall review these special scales on a quinquennial basis. Revised pay rates for certain special groups showing increases of 1.5 per cent as advised by MOD are at Appendix 6.

21. **The pay of Service veterinary officers.** We last reviewed the pay of veterinary officers in 1980 and during this review MOD has proposed some minor amendments to the current pay structure. The Royal Army Veterinary Corps is small (an establishment of only 22 officers), but the requirement is not expected to change during the reductions in the size of the Army. There is a current shortfall of three officers which MOD considers is due to the small proportion of short service commission (SSC) officers applying to convert to career engagements.

22. All veterinary officers join as Captains and are already professionally qualified. They are paid on an incremental scale based on length of reckonable service - the lowest point is the main scale rate of pay for a Captain on appointment and the highest (paid to a veterinary officer after 27 years reckonable service) is the main scale rate for a Lieutenant Colonel with eight years in the rank or 25 years commissioned service. Colonels and above are paid on main scale rates; there is one Brigadier post as Director of Army Veterinary and Remount Services. Current rules permit antedated seniority for up to four years professional experience on recruitment, and provide for one additional increment to be granted on promotion to Major and two on promotion to Lieutenant Colonel. All veterinary officers begin on an SSC of between four and eight years and must apply and be accepted for a regular commission in order to complete a full career to age 58.

23. MOD is satisfied that Service veterinary officers require a pay scale which recognises that they are a special group, whose promotion prospects and career structure differ from combatant officers. MOD has proposed that an additional increment should be paid to all veterinary officers converting from an SSC to a regular commission as an incentive to convert to career engagements, and we recommend accordingly. We also recommend that the implementation date of this measure be 1 April 1994.

24. MOD has also proposed that whilst the existing incremental scale for Lieutenant Colonels and senior Majors should be retained, the top three points on the scale should be reserved for Lieutenant Colonels. This would provide recognition of the higher level of responsibility that Lieutenant Colonels have over Majors as well as ensuring that a Lieutenant Colonel on promotion earns more than a senior Major. We agree that there are managerial advantages in this proposal. We also accept that reserved rights for all officers currently serving should apply. We recommend that the date of implementation for this measure should be 1 April 1994.

25. **The pay of Service chaplains.** Service chaplains are recruited as ordained clergy to provide for the spiritual well-being of Service personnel. We know from our discussions with a number of clergy this year, that their work also often involves acting as social workers and counsellors. As with Service veterinary officers, chaplains have special pay scales which have linkage points with combatant rates but which currently give a reasonably clear path through the rank structure from Captain to Lieutenant Colonel, with a number of selection points along the way. MOD has proposed no change to the current pay structure, but wishes to keep it under review in the light of the changes which are taking place in the armed forces.

26. We have asked that chaplains' pay should be reviewed on a quinquennial basis as for other specialist pay scales, but exceptionally we wish to look at the pay of chaplains again in our 1994 report. For this, we have asked MOD to use normal job evaluation procedures, evaluating several chaplain posts at each rank level in the three Services and to make a comparison with a range of job scores of

combatant officers of equivalent rank; this will assist us in assessing the current pay structure. We also wish to see more details of how the nature of chaplain posts changes with progression through the ranks. We see some merit in applying similar rank restrictions as for veterinary officers, reserving progression to pay as a Lieutenant Colonel to a small number of chaplains. We look forward to seeing MOD's comments.

27. **Service medical and dental officers.** Our approach in recommending pay scales for these officers has been to compare their remuneration over a full career with that available for a General Medical Practitioner (GMP) in the NHS. Our recommendations are based on an analogue which we have derived from the "intended average net remuneration" (IANR) set by the Doctors' and Dentists' Review Body for NHS GMPs, allowing for the different terms and conditions of service in the armed forces and the NHS. In our 1991 and 1992 supplementary reports we indicated that we intended to conduct a fundamental review of the analogue and our use of it as we were becoming increasingly concerned about the apparent shortages in the Defence Medical Service (DMS), especially of vocationally trained GMPs, GMP trainers and consultants; these shortages did not appear to be diminishing as a result of our recommendations on pay and additional pay. We were also concerned to ensure that with the current significant changes taking place within the NHS, we should continue to be able to make fair and meaningful comparisons, when recommending pay scales.

28. Over the past two years we have received papers of evidence from MOD and from the British Medical Association (BMA) and the British Dental Association (BDA), and had discussions with them. We have talked also with doctors and dentists during our visits to Service establishments. We have been particularly interested in two alternatives to the current system: either to introduce separate pay scales for each of the three main categories of Service medical and dental officer (GMPs, General Dental Practitioners (GDPs), hospital doctors and dentists) or to pay them all on the main combatant pay scales with forms of additional pay for the various categories.

29. MOD and the Associations have told us that they would prefer to continue with the current single analogue based system as it provides what they see as a fair professional level of pay as a benchmark for the Services against which necessary adjustments to reflect Service considerations can be applied. They doubt whether the alternatives we have suggested will enhance recruitment and retention, and believe that they would be more complex to administer and difficult to understand, as well as reflecting adversely on the professional status of the DMS.

30. We are not in a position to recommend any fundamental changes to pay this year, although we had hoped to be able to form a view on the principles of a possible new structure. Additionally the Review Body on Doctors' and Dentists' Remuneration (DDRB) decided not to produce a report this year. We shall wish to continue our examination of a possible new structure as well as to re-examine the structure of the current analogue in some depth in our next report in view of the changes which have occurred in both the NHS and the DMS. We shall be seeking information from MOD in time for our next report.

31. For this report revised pay rates as advised by MOD are at Appendix 7. The GMP supplement will continue for a further year and be uprated by 1.5 per cent.

32. **The pay of RN apprentices and probationary technicians.** We have traditionally looked at the pay of these personnel separately from their Army and RAF colleagues in view of the RN's "all of one company" principle for determining pay; in the Army and RAF normal pay banding arrangements apply. We last reviewed the pay of RN apprentices and probationary technicians in 1982 when we recommended the introduction of a simplified pay structure linking pay directly with experience.

33. It is essential that the RN attracts young men and women of high calibre to meet manning requirements in the artificer, communications technicians and medical branches. Recruitment figures are generally good, but there are difficulties in the manning of some branches, particularly as regards medical technicians and communications technicians. These problems however seem to be caused more by lack of status of the trained grade within the RN than by pay. We believe that current pay scales for RN apprentices and probationary technicians compare favourably with apprentices and trainees in civilian organisations, and that pay levels in relation to other RN new entrants are appropriate. We therefore recommend that the current pay structure for these personnel continues. The revised scales which have been advised by MOD are shown at Appendix 6. We wish to review these pay scales on a quinquennial basis.

The pay of Service nurses

34. In our 1992 report we noted that Service nurses have traditionally been linked to the pay system for the armed forces as a whole, rather than aligned separately with comparators in the NHS, as is the case for medical and dental officers. We had been told by the medical services on our visits of severe recruitment and retention problems for Service nurses, of discrepancies between the three Services in the way in which nurses are employed and graded, and of various changes in the NHS which appeared to us to sit uneasily with the Service rank structure. We therefore asked MOD to consider the continuing appropriateness of the pay banding system for nurses.

35. We received some updated evidence from MOD which indicated that recruitment and retention levels have stood up reasonably well to the uncertainties of change in the Services and in the profession generally. In this connection we note that on the whole Service nurses are better paid than their NHS equivalents. We have asked MOD to keep us informed on a regular basis of structural changes within each of the nursing Services and for further clarification of current differences in pay banding and employment practices between them. We will wish to review the pay of these personnel on a quinquennial basis.

Recruitment and retention incentives

36. **RN and Army officer bonus schemes.** On the advice of MOD, we recommended the introduction of financial retention incentives for Army officers in our 1990 report, and for RN officers in our 1991 report. Following the implementation of this recommendation, bonuses of £6,500 have been payable in the Army since 1 January 1991 to substantive Captains on completion of six years service and again on promotion to substantive Major on completion of nine years service. In the RN, the officer bonus was introduced on 1 April 1991 for General List Lieutenants and RM equivalents with five years seniority and a further bonus on promotion to Lieutenant Commander. In all cases there is a return of service requirement of three years.

37. As a result of reductions in the Services arising from Options for Change and because fewer officers were leaving in view of the recession, both Services found that there was no longer a shortage of officers in the age groups concerned and it also became clear that some individuals who had received a bonus and were consequently time-barred from leaving, were to be selected for redundancy. It was unacceptable that such officers should also receive a bonus and we were asked in the Autumn of last year to agree to the termination of both schemes, given that we had decided previously that there would be a minimum period of 12 months notice for Service personnel if the bonuses were to be withdrawn. Thus an announcement of the withdrawal of the Army officer bonus scheme was made by the Adjutant General on 29 July 1992, with reserved rights applying to those officers who had received the first bonus, or who would receive the first bonus, before 31 August 1993. A similar announcement by the Second Sea Lord was made to the RN in November 1992 with a comparable timescale. We accept that some officers who had an expectation of a bonus will be disappointed, but we believe that the decision to rescind the scheme was right in current circumstances.

38. **The committal bonus scheme/financial retention incentives for other ranks.** In our 1990 report we paid particular attention to ways of improving retention in the armed forces, and we recommended the extension of the RN's open engagement pay scheme for non commissioned personnel to the Army and RAF. This effectively abolished the concept of committal pay for service promised (Scale A, the basic rate, for men serving for less than six years; Scale B for between six to nine years committed service; and Scale C for men committed to, or who had completed nine years service) and looked instead to reward service rendered by means of bonuses. For personnel joining on or after 1 January 1991 (apart from RAF airmen aircrew) committal bonuses of £2,000 were introduced for all entrants on open engagements across the three Services, on completion of 4.5 and 7.5 years service in the RN and RAF, and after five and eight years in the Army provided they had not given notice to leave. Basic pay at Scale A rates was to be paid to these personnel until they had completed nine years service when they would move to Scale C rates. Special arrangements were made for personnel already serving on notice engagements with less than nine years service: they were to receive pay on Scales B and C as appropriate, according to commitment and length of service as well as being eligible for the £2,000 bonuses. We said in our 1990 report that we would review the need for, and level of, bonuses from time to time in the light of experience with the scheme, and of the manning position.

39. We have received interim evidence about the open engagement scheme from each of the three Services. All conclude that although PVR rates have fallen since the bonus scheme's introduction, it is too early to judge how the scheme, as opposed to other factors (principally the recession and uncertainties generated by Options for Change), has influenced career decisions. They propose that the scheme should continue until it has been properly evaluated during the 1993-94 review, as it is not generally inconsistent with the force reductions following Options for Change. The Army however has a particular difficulty as its run-down programme and consequent redundancies have transformed the manning situation as seen in 1989-90. The third phase of these redundancies is expected to affect a number of notice engagement personnel in the Army who currently expect to receive committal bonuses as well as already receiving Scale B and C rates of pay under the transitional arrangements described above.

40. MOD has asked us, in view of the revised manning situation and forthcoming redundancies, to recommend the withdrawal of committal bonuses from notice engagement soldiers (ie those who were already on notice engagements on 1 January 1991 when the open engagement scheme was introduced). MOD proposes that the effective date of withdrawal is 1 April 1994, to give twelve months advance warning as in the case of the withdrawal of the officers' bonuses described above. A comparable position does not apply in the RN and RAF which do not wish to take any similar action in 1994 for RN notice engagement personnel and RAF personnel who joined prior to 1 January 1991. Both the RN and RAF are content to await the full evaluation of financial retention incentives before making any specific proposals to us.

41. We accept MOD's proposal in respect of the Army and recommend accordingly. We shall however undertake a full evaluation of the financial retention incentives available to non commissioned ranks in our next report, although our current view is that any significant changes to the open engagement pay scheme could well involve a change to terms of service and would need to be addressed accordingly.

42. **Enlistment bounties for Army recruits.** In our 1991 report, we announced a trial scheme with the aim of encouraging Army recruits to join corps with acute manpower shortfalls and to reduce recruit wastage. If recruits join designated arms or corps which the Army declares in shortfall, they qualify for a bounty of £350, once they have successfully completed initial training and served beyond the period at which they can exercise their statutory right of discharge. MOD has advised us that it continues to believe this a useful scheme and proposes that it be left in place to be used when necessary. We agree this suggestion and recommend accordingly. We propose to review the position again in our 1996 report.

43. **Recognition of Service qualifications.** On our visits we heard the complaint that some Service qualifications were not recognised by civilian employers. Although we appreciate that the three Services are seeking to improve the recognition of Service training and experience for civilian qualifications and membership of professional institutions, this is a long-standing problem and we believe that there is still some way to go. This is particularly important in the current period of redundancies and reductions in the size of the armed forces. We therefore ask that MOD and the Employment Department take steps to ensure that wherever possible Service trades, professions and levels of ability are fully recognised in civilian life.

The Royal Irish Regiment

44. We have received evidence from MOD this year on the pay and conditions of service of the newly formed Royal Irish Regiment (Home Service Full Time (HSFT) element), ie predominantly the previous Ulster Defence Regiment (UDR) Permanent Cadre. A few differences in pay, which reflect the differing conditions of service, remain between HSFT personnel and personnel in the Regular Army. Whilst these differences in conditions of service continue (such as the Regular Army's liability to serve anywhere in the world), we agree with MOD's view that the current separate pay arrangements for HSFT personnel should continue. We were however pleased to note that a new allowance package has been introduced for HSFT personnel, to reflect their new liability to train in other areas, including outside the Province. Nevertheless, we shall look again at the remuneration of both the HSFT and Home Service Part Time elements of the Royal Irish Regiment in our 1994 report.

The Reserves

45. In our 1992 report we mentioned that MOD was undertaking a fundamental review into the role, strength and shape of the Reserve forces. MOD has advised us that studies have still not proceeded far enough to enable substantive proposals to be submitted to us. MOD has informed us of progress on various changes and advised how these might impact on possible pay and bounty measures. It is clear that the wide range of challenging roles to be undertaken by the restructured Reserve forces has highlighted the importance of the volunteer forces achieving and maintaining required standards of effectiveness, including availability. Although we understand that the new manpower targets for the Reserve forces are lower, we believe it will continue to be important to secure good rates of retention, in order to maintain and improve operational effectiveness. MOD has told us of several management initiatives which it is hoped will address the principal reasons for outflow, and will be suggesting to us what accompanying measures are needed to improve financial incentives for Reservists to assist retention and help to raise operational effectiveness.

46. We have not taken oral evidence from the Council of Territorial Auxiliary and Volunteer Reserve Associations (TAVRA) this year as we are not in a position to make recommendations on pay for members of the Reserves, but we are aware from TAVRA's written evidence to us of general concern throughout the Reserves about their future. We shall return to their remuneration in our 1994 report for which we hope to receive a full paper of evidence from MOD.

Daily rates of pay

47. We asked MOD this year about the continued use of daily rates of pay, rather than annual salaries within the armed forces. The current system produces monthly variations in gross and net pay which generate complaints from Service personnel. The system also presents complications during a leap year and creates the potential for error in the annual comparability calculations. Furthermore, daily rates are an anachronism in comparison with payment practices adopted in civilian life. MOD has advised that although the implications and cost of such a change could be significant, a small working group is being set up to look further at the concept of annual salaries rather than daily rates of pay, taking account of the work of the single Service structure studies currently in hand. We hope to be able to receive MOD's comments in time for our 1994 report.

Chapter 3

Additional pay and allowances

Additional pay

48. In principle additional pay is an augmentation to the military salary paid for certain posts where there is evidence of particular difficulty in recruitment or retention, although it is not based directly on comparability. It may be paid when the armed forces are in competition with other employers for scarce and marketable skills or because personnel are asked to take on particularly demanding duties, for example involving work in difficult conditions or exceptionally long hours. The purpose of additional pay is to alleviate the manning problems which would otherwise result. Each year we review some of these payments.

49. We have also looked this year at the principle of paying additional pay to one star officers and have heard some initial views from MOD. Our own view is that in general civilian comparators at this level do not receive special payments for skills obtained or retained during their career, but are paid for their total responsibilities and receive the rate for the job. Our preliminary view is that it is anomalous that Service personnel at one star level should be in receipt of additional pay. We acknowledge however that such a change would require a fundamental review of the overall pay scales to retain reasonable differentials, and we have asked MOD to submit evidence to us in time for the 1994 report.

50. Revised rates of additional pay and allowances showing increases of 1.5 per cent as advised by MOD are at Appendix 8.

51. **Flying pay.** Flying pay accounts for some 50 per cent of the total paybill for additional pay and is paid to aircrew in the three Services in the rank of Air Commodore and below on a continuous basis provided that such personnel remain medically fit and appointable to flying duties. Tapered rates are currently paid to senior Wing Commanders and above to take account of the lower proportion of flying appointments in these higher ranks as well as to maintain differentials. We have sought by offering what we see as competitive rates of additional pay, to provide incentives to counteract the pull from civilian airlines and to persuade expensively trained aircrew to remain in the Services. This year in our review of flying pay, we have taken evidence from the MOD and from the Aviation Training Association, amongst other civilian aviation organisations. We have also spoken to large numbers of aircrew throughout the three Services during our visits programme.

52. Despite the current recession and its effects in the civil aviation industry, flying pay continues to be necessary to retain aircrew, particularly fast-jet pilots, whose training costs are substantial and whose experience is invaluable. We do not fully agree with MOD's assessment of the extent of future risks to retention, but we accept that some Service personnel will choose to leave for work with civilian airlines, when job opportunities begin to re-open. We also understand that flying pay is seen as an important and integral part of the total earnings of those who receive it.

53. We have recommended changes to the structure of flying pay of both officers and other ranks over recent years in order to maximise retention. In the main, we see no reason to recommend further changes, although we continue to question MOD's "all of one company" principle for aircrew officers, since we believe that different categories of aircrew have different retention problems and should be

compensated accordingly. On the question of internal differentials, MOD asked that we formalise the differential between the earnings of specialist aircrew Flight Lieutenants on the maximum rate of flying pay and the military salary of Wing Commanders on appointment at 1.0 per cent, in order to establish a constant relativity. We recommend accordingly and that the date of implementation of this measure be 1 April 1994.

54. We continue to have doubts about the justification for the continuous payment of flying pay for officers. Currently in each of the three Services, flying pay is paid on a continuous basis to aircrew personnel of one star rank and below, provided that they remain medically fit and appointable to flying duties, but whether or not they are in flying or flying-related appointments. Our approach in principle remains that flying pay should be subjected to the same continuity rules as other forms of additional pay. For specialist aircrew officers and all other rank aircrew, this is already the case, whether by regulation or practice, but for other officers the situation is rather different in that some officers who have not occupied flying or flying-related appointments for a number of years continue to receive flying pay. We believe that additional pay of all kinds should be payable only when the reasons for which it was introduced are being met or will be again reasonably soon.

55. We have discussed with MOD a system of reserve banding whereby any aircrew who are away from flying or flying-related appointments for more than six consecutive years should have their flying pay reduced by 25 per cent until they return to such appointments. This would not affect many personnel in any of the three Services, but it would bring the criteria for flying pay into line with those for most other forms of additional pay. More importantly this measure would seek to ensure two important principles: that additional pay continues to have a finite linkage with the reasons for which it was originally paid and that Service management will be encouraged to make the most rigorous and cost effective posting decisions.

56. Although we are not in a position to make such a recommendation to be effective this year, we are minded to recommend with effect from 1 April 1994 the introduction of reserve bands of 75 per cent of flying pay rates for all aircrew personnel after six consecutive years in non flying-related appointments. In the meantime, revised rates of flying pay as advised by MOD to be effective from 1 April 1993 are at Appendix 8.

57. **Northern Ireland (NI) pay.** Many personnel serving in Northern Ireland are required to work exceptionally long hours and in particular more unsocial hours than the generality of Service personnel. In 1974 we concluded that the extent of unsocial hours worked in the Province lay outside the ordinary range of circumstances covered by the military salary including the X factor and we recommended the introduction of Northern Ireland pay. In subsequent reviews we have found that the hours worked continued to justify this form of additional pay and on our two visits this year we were concerned to hear that hours worked had increased substantially in some areas since our previous visit in 1991. As we say in paragraph 11 above this is at variance with the evidence on working patterns we have seen from MOD. We shall be conducting a full review of NI pay next year and we have asked MOD to address this apparent discrepancy as well as the fact that roulement tours have been increased from 4.5 months to six, and that tour frequencies have increased significantly.

58. For our forthcoming review we shall ask MOD to look at the basis of NI pay; to see whether there are grounds for changing its purpose and the amount paid; and whether a two-tier system might usefully be introduced to take account of some of the varied conditions of service which currently exist. In the meantime the rate of NI pay applicable from 1 April 1993 as advised by MOD is shown at Appendix 8.

59. **REME artificers avionic.** MOD told us about severe recruitment and retention problems amongst REME avionic artificers and technicians at Sergeant level and above and proposed a new form of additional pay in order to aid

retention. We met personnel in the affected trade during our visits and saw for ourselves how serious the retention problem had become. Many believe that the professional competence of Staff Sergeant artificers and Sergeant technicians avionic is not fully recognised by the Army, in that the artificers are not correctly banded. They are able to secure better salaries and better working conditions in civilian life, and large numbers are choosing to do so.

60. Our view is that this is a problem not best resolved by additional pay and MOD has agreed to look at the situation again and take urgent appropriate remedial action.

Allowances 61. During our visits to Service establishments we heard complaints about MOD's system of reimbursable allowances. For example, these were strongly expressed when referring to expenses incurred while attending Service courses. We sought advice from MOD, who told us that the rules governing attendance on in-house Service courses are the same as for any other temporary detachment for Service reasons and that it would be inequitable to make them more financially attractive. We see the matter rather differently in that courses are attended in the main either to gain specific qualifications or to facilitate promotion; they are therefore similar to courses in civilian life. On that basis there is a case for compensating them accordingly. We believe that the fundamental principle should be that Service personnel are not out of pocket financially when they attend courses: this applies particularly to food and accommodation charges and to travel arrangements. We have made some specific suggestions on these items which we have asked MOD to consider.

Chapter 4

Charges

62. Each year we normally make recommendations about the charges paid by Service personnel for accommodation and food. Accommodation charges are for rent and furniture hire with an addition for water and sewerage. We see it as appropriate that all charges should compare fairly with the costs civilians might expect to incur after making due allowance for the special circumstances of service in the armed forces. Thus rental charges are abated by an amount we judge suitable, to take account of the additional disadvantages of living in Service accommodation when compared with civilian equivalents; food charges are based on data from the Family Expenditure Survey making allowance for meals missed. The Government has decided that this year all charges for accommodation and food will be increased by 1.5 per cent and the revised amounts as advised by MOD are at Appendix 9. However, we comment on several areas on which we expect to make recommendations in our 1994 report.

Accommodation charges

63. **Rental charges.** We have traditionally based our recommendations on rents on the evidence we receive about local authority housing rentals. We have applied an abatement to allow for the comparative lack of security of tenure for Service personnel (they must generally vacate Service accommodation on leaving the armed forces), the absence of the right to buy available to local authority tenants, and lack of choice in the allocation of quarters. We add an element to the charges to cover the provision of certain maintenance beyond that undertaken by local authorities, and we recommend a separate element for the hire of furniture.

64. Charges are determined by Type and Grade of accommodation. The Type of accommodation (ie the size) allocated to personnel varies according to rank, marital status and family size. The Grade of each property depends on qualitative criteria such as its condition and location. We have in previous reports made a number of comments about inconsistency in grading standards between the three Services, and the tendency to downgrade accommodation rather than improve it. We continue to believe however that ideally all accommodation should be Grade 1 or Grade 2. We are aware that MOD has recently completed a major review of the four-tier accommodation grading system, and we wish to discuss the results further with MOD before we make further comment.

65. We have made a start this year on reviewing the methods by which we set our charges for accommodation as well as looking in some detail at how we assess the abatement to Service rental charges. We believe it essential that we continue to set and maintain fair comparisons before we consider and apply the level of the abatement. Our initial thoughts are that we might look wider than just local authority housing for our rental comparators, to include evidence from housing associations and private rented accommodation so as to provide a fairer representation of civilian life and in view of the fact that local authority property has recently been a declining proportion of the rented housing stock. On housing associations, we note that they represent some 9 per cent of the total rental market and that they are now the main provider of new low cost housing for rent and sale. MOD advises us that differing housing associations have differing aims, policies, and conditions of tenancy, frequently excluding the right to buy. We therefore wish to examine these further before we draw any direct comparisons on rents. We

agree however that local authority accommodation should continue to provide the main rental comparator, even though we note that the bases on which these rents are determined bear little relationship to those charged by other sources of rented accommodation.

66. Looking in more detail at the civilian rental market, we commissioned consultants during 1992 to set up a database of rented properties, based on location in the UK, on size and on the standard of accommodation. The consultants collected rental information from the private sector and housing associations as well as from local authorities throughout Great Britain: some 3,000 properties were evaluated and classified using MOD criteria. It will however be necessary for us to refine and expand the database before we can make a full evaluation and decide what action, if any, is appropriate. We shall continue our work on this during the coming year, also taking evidence from MOD, and we shall comment further in our 1994 report.

67. **The abatement.** Our previous approach in determining the abatement is set out in paragraph 63 above. In addition to those factors, we have been concerned about a number of other points, including the lack of choice to Service personnel on decoration, and the relatively short periods in each quarter before being required to move. MOD reviewed the abatement in its evidence to us and pointed out that some of these disadvantages are not exclusive to personnel living in Service accommodation, whilst others are taken account of in assessing the Grade (and therefore the rent) of the Service accommodation, or in the X factor.

68. MOD has also told us about the introduction of the Services' Home Savings Scheme which was introduced in December 1992 and is designed to provide similar benefits to the tax relief available under MIRAS. The scheme is open to all Service personnel who have completed at least three years service and are not already home owners. Provided they save £50-£200 each month for at least five years and use the proceeds for house purchase, for every £3 of capital and interest accrued, MOD will add a further £1. The scheme is unique to the armed forces and MOD believes it to be a welcome addition to the measures aimed at encouraging home ownership amongst Service personnel. MOD has therefore proposed that as the Home Savings Scheme will help Service personnel to buy their own homes and lessen the impact of the absence of a right to buy together with the lack of security of tenure at the end of a Service career, there should be a reduction in the abatement we apply to comparator rents. MOD also proposed that any reduction should be phased in over five years as more Service personnel become eligible for the Home Savings Scheme.

69. We note however that there will be large numbers of Service personnel who will be unable to benefit from the Home Savings Scheme, and those who do will not benefit immediately. All existing homeowners will be ineligible, as will anyone with an expectation of less than five years further service. Those who have not yet served three years will be unable to join until the three year point and then only if they have five years left to serve. This will impact particularly on the Army, where there is generally less requirement for long service, but where at times we have found accommodation standards to be poor and sometimes rather worse than the other two Services. We therefore intend to continue with our review of the abatement after further discussions with MOD and to comment more fully in our 1994 report.

70. **Furniture hire.** Rental charges for Service accommodation contain an element for furniture hire which is related to an assumed average life for furniture. MOD continues to suggest that we should base our recommendations on a shorter average life for the furniture and is setting up a special exercise to validate its estimate of furniture life. MOD has also proposed that the furniture hire charge should apply according to Type of accommodation and not vary according to Grade as currently. We look forward to seeing the results of MOD's study and will address these matters in our 1994 report.

71. **Water and sewerage charges.** Although this year, water and sewerage charges will be increased by 1.5 per cent, in our 1994 report we intend to recommend increases to these charges for married quarter occupants, to reflect more closely the evidence of similar charges to civilians. This will continue the steps taken in our 1992 report. We also intend to equalise charges for officers and other ranks. We believe that current charges for personnel living in single accommodation are at about the correct level.

72. **The council tax.** With effect from 1 April 1993 the community charge will be replaced by a new council tax. MOD has advised us that all armed forces married and single domestic accommodation is formally exempt from the normal council tax legislation and that MOD will instead pay contributions to local authorities broadly equivalent to the amount of council tax that would have been due. Of the total sum payable, the amount attributable to occupied property will be recovered through averaged additions to accommodation charges, by which individual occupants will pay their share of the cost of local services and amenities, and the amount attributable to unoccupied property will be met by MOD. MOD states that overall these arrangements will avoid the variations of liability and problems over residence and registration of Service personnel experienced under the community charge. The amounts payable will be calculated by MOD and we understand will be separately identifiable on individual payslips. We are advised by MOD that the overseas facilities charge, about which we have not been asked to make recommendations, is likely to be abolished and that alternatives are currently being considered. The precise details were however unavailable to us at the time of writing this report, and we shall wish to return to the subject in our 1994 report. In the meantime we have asked MOD to keep us in touch with developments.

Pay as you dine (PAYD)

73. In several of our previous reports we have said that since PAYD systems seem to operate successfully in some overseas armed forces, as well as being widespread in civilian life, and given the consistent support we have heard for such systems from UK Service personnel over a number of years, we would like MOD to evaluate such a system for the armed forces. We have no pre-conceived ideas as to how such a system might operate, other than that the current system under which personnel normally pay a standard charge for all meals whether or not they take them would be replaced by a system under which at least a proportion of meals would be paid for only when they were taken.

74. MOD undertook to conduct a detailed study and to carry out some trials into the feasibility of such a system. Unfortunately MOD has told us that it cannot proceed with the proposed trials on the grounds that the study showed the financial implications of introducing any subsequent PAYD system into the Services to be too great. MOD advise us that VAT would become payable on meals taken by Service personnel under the systems of individual payment they had studied.

75. We do not fully accept the basis on which MOD has made its recommendations to us and we wish to discuss this further. MOD has however raised several points on the policy of food charging in its assessment of PAYD which we wish to pursue and we shall return to this subject in our 1994 report.

PETER CAZALET (*Chairman*)

PETER BALL

MICHAEL BOLTON

GORDON HOURSTON

ROY SANDERSON

RICHARD TRANT

DOROTHY VENABLES

OFFICE OF MANPOWER ECONOMICS

21 January 1993

Appendix A



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

12 November 1992

Dear Sir Peter,

In the Autumn Statement today the Chancellor has announced the Government's policy of restricting public sector pay settlements during the coming year to between zero and 1½ per cent in order to keep the growth in public sector paybills as low as possible. This policy will apply to the whole of the public sector without exception, regardless of whether the normal method for settling pay is by negotiation, by applying a formula or, as is the case for the Armed Forces, by reference to recommendations of an independent Pay Review Body. All public sector employees will therefore be treated alike.

Without pay restraint, there would be less room for expenditure on programmes, including the provision of services and capital projects, designed to help promote recovery, employment and longer-term prosperity, within an overall total for public expenditure that the country can afford.

In the light of this policy, the Armed Forces Pay Review Body will not be required to make recommendations on the 1993-94 basic pay award for the Armed Forces. Service personnel whose pay is normally determined on the basis of the recommendations of the AFPRB will receive a pay increase of 1½ per cent from 1 April 1993. Those existing items of additional pay which normally rise in line with the military salary will also be increased by 1½ per cent. Food and accommodation charges will also rise by 1½ per cent from 1 April 1993. I consider it important, however, that the

AFPRB should continue to examine other specific issues on which the Ministry of Defence has submitted evidence this year. I should like to invite the Review Body, therefore, to produce a report dealing with these.

In a period of low inflation and declining wage increases in the country as a whole, the Government could not accept that a year of pay restraint should be followed by a series of catching-up settlements which would dissipate the benefits achieved. Government policy on public sector pay for future years will depend on a wide range of economic and other factors. The current period of pay restraint will last for one year only and I should be grateful if the AFPRB would resume its full role next year with a view to making recommendations on Armed Forces' pay which should apply from 1 April 1994. The Review Body's work next year should be conducted on the same basis as in the past.

I would like to thank you and your fellow Review Body members for your continuing work, which I have greatly valued, and to express the Government's ongoing confidence in the Review Body system as the right way of determining the pay of those staff within your remit.

*Yours sincerely,
Alan Hevia*

Sir Peter Cazalet

Appendix B



OFFICE OF MANPOWER ECONOMICS
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LONDON WC2B 6JY

Telephone 071-405 5944
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Rt Hon John Major MP
The Prime Minister
10 Downing Street
LONDON
SW1A 2AA

20 November 1992

Dear Prime Minister

Thank you for your letter of 12 November informing me that the AFPRB will not be required to make recommendations on the 1993-94 basic pay award for the Armed Forces.

I have discussed your letter with the Review Body and we accept that this is a decision for the Government to take as the ultimate arbiter of the pay of the Armed Forces. You asked however that we should continue to examine other specific issues on which the Ministry of Defence has submitted evidence this year, and as you requested we have agreed to produce a report dealing with these. We expect to meet the Armed Forces Principal Personnel Officers shortly and we shall discuss the matter further with them.

We welcome your statement that the Review Body should resume its full role next year, and we look forward to conducting a review on the same basis as in the past with recommendations on Armed Forces' pay applying from 1 April 1994.

Yours sincerely
Peter Cazalet

SIR PETER CAZALET
Chairman, Armed Forces Pay Review Body

Appendix 3

Previous Reports of the Review Body on Armed Forces Pay

First Report	Cmnd. 4954, April 1972
Second Report	Cmnd. 5336, June 1973
Supplement to Second Report	Cmnd. 5450, October 1973
Third Report	Cmnd. 5631, May 1974
Supplement to Third Report	Cmnd. 5729, September 1974
Second Supplement to Third Report ..	Cmnd. 5853, January 1975
Fourth Report	Cmnd. 6063, May 1975
Supplement to Fourth Report	Cmnd. 6146, July 1975
Second Supplement to Fourth Report ..	Cmnd. 6420, March 1976
Fifth Report	Cmnd. 6470, May 1976
Supplement to Fifth Report	Cmnd. 6515, July 1976
Sixth Report	Cmnd. 6801, April 1977
Seventh Report	Cmnd. 7177, April 1978
Supplement to Seventh Report	Cmnd. 7288, December 1978
Eighth Report	1979
Supplement to Eighth Report	Cmnd. 7603, June 1979
Second Supplement to Eighth Report ..	Cmnd. 7770, November 1979
Ninth Report	Cmnd. 7899, May 1980
Supplement to Ninth Report	Cmnd. 7956, July 1980
Tenth Report	Cmnd. 8241, May 1981
Supplement to Tenth Report	Cmnd. 8322, July 1981
Eleventh Report	Cmnd. 8549, May 1982
Supplement to Eleventh Report	Cmnd. 8573, June 1982
Twelfth Report	Cmnd. 8880, May 1983
Supplement to Twelfth Report	Cmnd. 8950, July 1983
Thirteenth Report	Cmnd. 9255, June 1984
Supplement to Thirteenth Report	Cmnd. 9301, July 1984
Fourteenth Report	Cmnd. 9526, June 1985
Supplement to Fourteenth Report	Cmnd. 9568, July 1985
Fifteenth Report	Cmnd. 9784, May 1986
Supplement to Fifteenth Report	Cmnd. 9866, July 1986
Sixteenth Report	Cm 126, April 1987
Supplement to Sixteenth Report	Cm 176, July 1987
Seventeenth Report	Cm 357, April 1988
Supplement to Seventeenth Report	Cm 396, June 1988
Eighteenth Report	Cm 579, February 1989
Supplement to Eighteenth Report	Cm 667, April 1989
Nineteenth Report	Cm 936, February 1990
Supplement to Nineteenth Report	Cm 1065, May 1990
Twentieth Report	Cm 1414, January 1991
Supplement to Twentieth Report	Cm 1529, May 1991
Twenty-First Report	Cm 1815, February 1992
Supplement to Twenty-First Report	Cm 1941, May 1992

Appendix 4

Military salaries inclusive of the X factor with effect from 1 April 1993

Table 4.1 Officers^a: annual^b rates

Rank/length of service	Military salary £
Brigadier	53,600
Colonel after 8 years	48,293
6	47,143
4	45,994
2	44,848
on appointment	43,698
Lieutenant Colonel after 8 years	41,475
6	40,486
4	39,497
2	38,508
on appointment	37,518
Major after 8 years	32,051
7	31,386
6	30,722
5	30,061
4	29,397
3	28,733
2	28,072
1	27,408
on appointment	26,744
Captain after 6 years	24,667
5	24,094
4	23,517
3	22,944
2	22,371
1	21,794
on appointment	21,221
Lieutenant after 4 years	18,425
3	17,987
2	17,549
1	17,111
on appointment	16,677
Second Lieutenant	12,611
Officer Cadet	8,851

^a Army ranks are shown in these tables; the pay rates apply equally to equivalent ranks in the other Services.

^b Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Table 4.2 Warrant Officers and Senior NCOs^a: annual^b rates

Scale B ^c	Band ^d			
	4	5	6	7
	£	£	£	£
Warrant Officer I	18,801	20,341	22,448	24,524
Warrant Officer II	17,637	19,181	21,261	23,338
Staff Sergeant	16,502	18,042	19,732	21,769
Sergeant	15,611	17,151	18,838	—

Table 4.3 Corporals and below^a: annual^b rates

Scale B ^c	Band ^d		
	1	2	3
	£	£	£
Corporal I	14,326	15,757	17,469
Corporal II	13,355	14,782	16,494
Lance Corporal I	12,443	13,874	15,582
Lance Corporal II	11,574	13,005	14,713
Lance Corporal III	10,840	12,268	13,848
Private I	10,840	12,268	13,848
Private II	9,997	11,428	13,012
Private III	8,950	10,377	11,957
Private IV	8,001	—	—

^a Rates shown are for Army personnel. These rates apply also to personnel of equivalent rank and pay band in the other Services. Where ranks are not precisely equivalent, or because of application of the "all of one company" principle in the RN, pay rates for the personnel concerned are derived from the Army rates by established formulae.

^b Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

^c Scale B rates of pay apply to men committed to, or to personnel (both male and female) who have completed, 6 years or more but less than 9 years service.

From 1 January 1991 most new entrants are on open engagements and paid, for the first 9 years service, on the Scale A rates of pay applicable to men committed to less than 6 years service.

Scale C rates of pay apply to men committed to, or to personnel (both male and female) who have completed, 9 years service.

^d The pay structure below officer level is divided into pay bands. Jobs at each rank are allocated to bands according to their score in the job evaluation system.

Table 4.4 Rates of length of service increments

Rating/Rank	Daily rates after completing the following years service					
	9	12	15	16	18	22
	£	£	£	£	£	£
Royal Navy/Royal Marines						
Warrant Officer, Warrant Officer I (RM)	1.07	1.67	—	2.33	—	2.84
Warrant Officer II (RM)	1.07	1.67	—	2.33	—	2.79
Chief Petty Officer, Colour Sergeant (RM)	1.07	1.67	—	2.18	—	2.18
Petty Officer, Sergeant (RM)	0.91	1.27	—	1.88	—	1.88
Ordinary, Able, Leading Marine 2nd Class, Marine 1st Class, Corporal (RM)	0.76	1.07	—	1.07	—	1.07
Army						
Warrant Officer I	0.91	1.27	1.57	—	2.18	2.84
Warrant Officer II	0.91	1.27	1.57	—	2.18	2.49
Staff Sergeant	0.91	1.27	1.57	—	2.18	2.18
Sergeant	0.91	1.27	1.57	—	1.88	1.88
Corporal	0.76	1.07	1.27	—	1.27	1.27
Private, Lance Corporal	0.76	1.07	1.07	—	1.07	1.07
Royal Air Force						
Warrant Officer	0.91	1.27	1.57	—	2.18	2.84
Chief Technician, Flight Sergeant	0.91	1.27	1.57	—	2.18	2.18
Sergeant	0.91	1.27	1.57	—	1.88	1.88
Corporal	0.76	1.07	1.27	—	1.27	1.27
Leading Aircraftman, Senior Aircraftman, Junior Technician	0.76	1.07	1.07	—	1.07	1.07

Appendix 5

Military salaries inclusive of the X factor introduced with effect from 1 April 1992

Table 5.1 Officers^a: annual^b rates

Rank/length of service	Military salary
	£
Brigadier	52,808
Colonel after 8 years	47,578
6	46,446
4	45,315
2	44,183
on appointment	43,052
Lieutenant Colonel after 8 years	40,862
6	39,887
4	38,913
2	37,938
on appointment	36,964
Major after 8 years	31,576
7	30,923
6	30,269
5	29,616
4	28,963
3	28,309
2	27,656
1	27,003
on appointment	26,349
Captain after 6 years	24,302
5	23,736
4	23,170
3	22,604
2	22,039
1	21,473
on appointment	20,907
Lieutenant after 4 years	18,151
3	17,721
2	17,290
1	16,859
on appointment	16,429
Second Lieutenant	12,425
Officer Cadet	8,720

^aArmy ranks are shown in these tables; the pay rates apply equally to equivalent ranks in the other Services.

^bAnnual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Table 5.2 Warrant Officers and Senior NCOs^a: annual^b rates

Scale B ^c	Band ^d			
	4	5	6	7
	£	£	£	£
Warrant Officer I	18,524	20,042	22,115	24,163
Warrant Officer II	17,378	18,896	20,947	22,995
Staff Sergeant	16,257	17,776	19,440	21,447
Sergeant	15,381	16,900	18,560	—

Table 5.3 Corporals and below^a: annual^b rates

Scale B ^c	Band ^d		
	1	2	3
	£	£	£
Corporal I	14,115	15,523	17,210
Corporal II	13,158	14,564	16,250
Lance Corporal I	12,260	13,669	15,352
Lance Corporal II	11,403	12,812	14,494
Lance Corporal III	10,680	12,085	13,644
Private I	10,680	12,085	13,644
Private II	9,851	11,260	12,819
Private III	8,818	10,224	11,782
Private IV	7,884	—	—

^a Rates shown are for Army personnel. These rates apply also to personnel of equivalent rank and pay band in the other Services. Where ranks are not precisely equivalent, or because of application of the "all of one company" principle in the RN, pay rates for the personnel concerned are derived from the Army rates by established formulae.

^b Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

^c Scale B rates of pay apply to men committed to, or to personnel (both male and female) who have completed, 6 years or more but less than 9 years service.

From 1 January 1991 most new entrants are on open engagements and paid, for the first 9 years service, on the Scale A rates of pay applicable to men committed to less than 6 years service. For Scale A deduct £109.50 a year from the above rates.

Scale C rates of pay apply to men committed to, or to personnel (both male and female) who have completed, 9 years service. For Scale C add £164.25 a year to the above rates.

^d The pay structure below officer level is divided into pay bands. Jobs at each rank are allocated to bands according to their score in the job evaluation system.

Appendix 6

Military salaries for certain special groups with effect from 1 April 1993

Table 6.1 Annual^a rates of military salary for veterinary officers of the Royal Army Veterinary Corps

Rank/length of service	Military salary
	£
Brigadier	53,600
Colonel after 8 years	48,293
6	47,143
4	45,994
2	44,848
on appointment	43,698
Lieutenant Colonel, Major, Captain .. after 27 years	41,475
25	40,227
23	38,978
21	37,726
19	36,285
17	34,708
15	33,135
13	31,613
11	30,237
9	28,733
7	27,233
5	25,729
3	24,225
1	22,725
on appointment	21,221

Table 6.2 Annual^a rates of military salary for Chaplains

Rank/length of service	Military salary
	£
Chaplain-General	53,600
Deputy Chaplain-General ^b	45,994
Principal Chaplain	43,698
Chaplain (Class 1) ^b	
After 2 years in the rank or on appointment with 24 or more years service	41,019
On appointment with less than 24 years service	39,497
Chaplain	
Class 2	
Class 3	
Class 4	
After 26 years service	41,019
After 24 years service	39,497
After 22 years service	37,971
After 20 years service	36,449
After 18 years service	34,923
After 16 years service	33,401
After 14 years service	31,879
After 12 years service	30,357
After 10 years service	28,835
After 8 years service	27,313
After 6 years service	25,787
After 4 years service	24,265
After 2 years service	22,743
On appointment	21,221

^a Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

^b Army only.

Table 6.3 Annual^a rates of military salary for officers promoted from the ranks (other than those who enter the General List)

Years of commissioned service	Years of service in the ranks		
	Less than 12 years	12 years but less than 15 years	15 years or more
	£	£	£
After 16 years	28,390		
14	28,003		
12	27,620	28,390	
10	27,233	28,003	
8	26,849	27,620	28,390
6	26,462	27,233	28,003
5	26,079	26,849	27,620
4	25,692	26,462	27,233
3	25,101	26,079	26,849
2	24,506	25,692	26,462
1	23,915	25,101	26,079
on appointment	23,320	24,506	25,692

Table 6.4 Annual^a rates of military salary for university cadets

	£
fourth year	10,194
third year	9,337
second year	8,318
first year	7,245

Table 6.5 Annual^a rates of military salary for naval apprentices and probationary medical technicians

	£
fourth year	13,246
third year	9,140
second year	7,479
first year	5,818

Table 6.6 Annual^a rates of military salary for junior entrants (all categories, including young soldiers)

Age	Military salary
	£
17½ and over (or on entering productive service before this age)	7,891
17 but under 17½	5,964
16 but under 17	4,917

^aAnnual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Appendix 7

Rates of pay for the Defence Medical Service with effect from 1 April 1993

Table 7.1 Military salaries inclusive of the X factor for Service medical and dental officers^a: annual^b rates

Rank/length of service	Military salary £
Brigadier	53,973
Colonel after 8 years	51,932
6	50,888
4	49,844
2	48,804
on appointment	47,757
Lieutenant Colonel after 8 years	46,979
6	45,782
4	44,592
2	43,318
on appointment	42,048
Major after 6 years	38,705
4	37,475
2	36,248
on appointment	32,131
Captain after 4 years	29,226
2	27,590
on appointment	25,952
Lieutenant (PRMP ^c) on appointment	20,112
Second Lieutenant (UCE ^d) after 2 years	10,760
1	9,672
on appointment	8,603

Table 7.2 Additional pay for Service medical and dental officers: annual^b rates

Consultant pay after 10 years	£ 8,015
after 5 years	6,953
on appointment	5,887
GMP pay	1,847
GMP supplement	1,015
GMP trainer pay	1,847
GDP trainer pay	1,015

^aArmy ranks are shown in these tables; the pay rates apply equally to equivalent ranks in the other Services.

^bAnnual salaries are derived from daily rates in whole pence and rounded to the nearest £.

^cPre-registration medical practitioner.

^dUniversity cadet entrant.

Appendix 8

1 April 1993 rates of additional pay and allowances

Major items of additional pay

FLYING PAY

£ per day

Officer aircrew (trained)

All officer aircrew in the rank of Wing Commander^a (with less than 6 years service in the rank) and below except RAF specialist aircrew

Flight Lieutenant		Initial rate	8-55
		Middle rate ^b	14-36
		Top rate ^b	21-69
Wing Commander ^a			
After 6 years service			20-52
After 8 years service			19-32
Group Captain ^a			
On appointment			18-10
After 2 years service			16-89
After 4 years service			15-69
After 6 years service			13-89
After 8 years service			12-07
Air Commodore ^a			7-24
RAF specialist aircrew			
(a) <i>Flight Lieutenants (not Branch Officers)</i>			
On designation as specialist aircrew			27-38
After 1 years service as specialist aircrew			27-80
After 2 years service as specialist aircrew			28-22
After 3 years service as specialist aircrew			28-63
After 4 years service as specialist aircrew			29-05
After 5 years service as specialist aircrew			29-47
After 6 years service as specialist aircrew			29-88
After 7 years service as specialist aircrew			30-30
After 8 years service as specialist aircrew			30-71
After 9 years service as specialist aircrew			31-13
After 10 years service as specialist aircrew			31-55
After 11 years service as specialist aircrew			31-96
After 12 years service as specialist aircrew			32-38
After 13 years service as specialist aircrew			32-80
After 14 years service as specialist aircrew			33-23
After 15 years service as specialist aircrew			33-66
After 16 years service as specialist aircrew			34-58
(b) <i>Branch Officers</i>			
On designation as specialist aircrew			22-08
After 5 years service as specialist aircrew			24-38
Non commissioned aircrew (trained)			
Army P1 pilots ^{c,d}		Initial rate	8-55
		Middle rate ^b	14-36
		Top rate ^b	21-69
RM (except pilots) and Army, RAF ^d		Initial rate	4-24
		Middle rate ^e	9-34
		Top rate ^f	10-98
Aero-medical and escort duties pay (RAF)			4-79
Flight Nursing Assistant's pay			3-38
Royal Corps of Transport air despatch pay ^g		Lower rate	2-96
		Higher rate ^b	4-79
Flying extra pay (RN), crew pay (RAF), Royal Corps of Transport helicopter crew pay ^g			2-96

^a Including equivalent ranks in the other Services. However pilots in the Army and RM who are qualified only to P2 standards do not receive officer flying pay but receive the Army NCO rate of P2 flying pay.

^b After 4 years on the preceding rate.

^c Rates include Aircraft Commander's pay.

^d Rates for RN aircrew, including RM pilots, are adjusted to give them the same total earnings as Army or RAF personnel of equivalent rank carrying out similar duties.

^e After 9 years total service, subject to a minimum of 3 years aircrew service.

^f After 22 years reckonable service.

^g Also payable while under training.

	<i>£ per day</i>
LONGER SERVICE AT SEA BONUS	
2 and less than 5 years total sea service	2.69
5 and less than 10 years total sea service	4.52
10 years sea service and over	5.59

DIVING PAY

Category

1	RN Diver (Ordinary and Junior rate) prior to Category 3 qualification Ship's Diver—all ranks and ratings Army Compressed Air Diver—all ranks	2.48
2	RN Search and Rescue Diver—all ratings Army Unit Diving Supervisor	4.95
3	RN Diver (Junior, Ordinary and Able Diver) when qualified to Category 3 standards Army Advanced Diver—all ranks	7.10
4	RN Diver (Leading Diver etc) when qualified to Category 4 standards Army Supervisor and Instructor—all ranks RN Mine Countermeasures and Diving Officer ^h	12.05
5	RN Diver (Petty Officer and above) when qualified to Category 5 standards	
	on appointment	17.43
	after 3 years	18.67
	after 5 years	19.85
	(unfit to dive)	
	on appointment	5.49
	after 3 years	6.67
	after 5 years	7.86

Deep and experimental diving		<i>£ per dive</i>
Lump sum per dive	Grade 4	420.21
	Grade 3	210.10
	Grade 2	107.59
	Grade 1	—
Additional hourly rates	Grade 1	4.25
	Grades 2-4	8.47

SUBMARINE PAY

1	Midshipman, Able Rate and below	7.91
2	Leading Rate and Petty Officer	8.66
3	Acting Sub-Lieutenant/Sub-Lieutenant (except SD List), Chief Petty Officer, Warrant Officer	10.33
4	Sub-Lieutenant (SD), Lieutenant (all lists until break points for 5th tier below)	11.08
5	Seaman Lieutenants on qualifying Advanced Warfare Course, Marine Engineer Lieutenant on recommendation for Deputy Marine Engineer Officer, Weapons Engineer Lieutenant on recommendation for Charge appointment, Lieutenant Commander and qualifying Captains	12.75

Addition for Nuclear Propulsion Senior Rates:

Category B watchkeeper	5.27
Category A watchkeeper (Nuclear Chief of Watch)	7.74

Reserve bands of submarine pay after three years ashoreⁱ

Personnel in tiers 1 to 3	7.58
Officers (tiers 4 and 5)	10.06

^hTo be paid Category 5 diving pay when in post requiring immediate control of diving operations.

ⁱSpecial transitional arrangements apply to personnel who were ashore 3 or more years on 1 April 1991. The mark-time rates which apply are £8.18 for tiers 1 to 3 and £10.10 for tiers 4 and 5.

£ per day

HYDROGRAPHIC PAY

Captain/Commander/Lieutenant Commander/Lieutenant in charge of survey	6-46
Surveyor 1st Class, Warrant Officer/Chief Petty Officer Survey Recorder	4-47
Surveyor 2nd Class, Petty Officer Survey Recorder	2-31
Leading Seaman Survey Recorder	1-73
Junior/Ordinary/Able Seaman Survey Recorder	1-08

Reserve bands of hydrographic pay after three years out of designated billetⁱ

Captain/Commander/Lieutenant Commander/Lieutenant in charge of survey	4-84
Surveyor 1st Class, Warrant Officer/Chief Petty Officer Survey Recorder	3-35
Surveyor 2nd Class, Petty Officer Survey Recorder	1-74
Leading Seaman Survey Recorder	1-30
Junior/Ordinary/Able Seaman Survey Recorder	0-81

LONDON PAY

Basic rate	Inner London	2-56
	Outer London	1-44
Owner occupier rate	Inner London	4-00
	Outer London	2-02

£ per day

SUBMARINE ESCAPE TANK TRAINING PAY ^k	7-42
RM SPECIAL SERVICE PAY (MOUNTAIN LEADERS)	6-34
ACADEMY SERGEANT MAJOR, SANDHURST	5-69
SOUTH GEORGIA ADDITIONAL PAY	3-86
NORTHERN IRELAND ADDITIONAL PAY	3-86
PARACHUTE JUMPING INSTRUCTOR'S PAY	4-30
PARACHUTE PAY	3-23

Minor items of additional pay

GURKHA SERVICE PAY

£ per day

Regular officers of Gurkha Rifle Regiments	
Lieutenant Colonel and above	4-92
Major	4-31
Captain	3-65
Lieutenant and Second Lieutenant	3-10

GURKHA LANGUAGE PAY

Seconded officers and servicemen	
Oral proficiency rate	0-51
Oral and written proficiency	0-86

EXPERIMENTAL PAY	1-62 per test
EDUCATION OFFICER ASSISTANT'S PAY	1-22

PAYMENT FOR WORK OF AN OBJECTIONABLE NATURE (PWON)

Basic rate	2-13
Higher rate	10-76

PAYMENT FOR WORK IN UNPLEASANT CONDITIONS (PWUC)

0-56

PAYMENT FOR ACTING AS A COURT SHORTHAND WRITER

0-51 per folio

Allowances

SEPARATION ALLOWANCE

Outside NW Europe	3-50
Within NW Europe	2-74

ⁱSpecial transitional arrangements apply to personnel already 3 years or more out of designated billet on 1 April 1992. The mark-time rates which apply are £6-00, £4-15, £2-15, £1-60 and £1-00 respectively.

^kDivers receive an additional £1-29 a day. Trained parachutists in the Subsink Parachute Assistance Group receive an additional 67p a day.

Appendix 9

Charges to be effective from 1 April 1993

Table 9.1 Married quarters accommodation^a charges

Type of quarter	Annual ^b charge			
	Grade 1	Grade 2	Grade 3	Grade 4
	£	£	£	£
Officers				
I	3,099	2,814	1,967	1,241
II	2,796	2,540	1,778	1,128
III	2,453	2,234	1,570	1,004
IV	2,154	1,960	1,424	905
V	1,887	1,723	1,237	814
Other ranks				
D	1,500	1,369	1,000	642
C	1,380	1,259	920	599
B	1,270	1,161	843	555
A	971	887	657	445

Table 9.2 Single quarters accommodation^a charges

Rank	Annual ^b charge			
	Grade 1	Grade 2	Grade 3	Grade 4
	£	£	£	£
Major and above	1,248	1,135	821	522
Captain and below	1,040	949	683	442
Warrant Officer and Senior NCO	774	704	515	332
Corporal and below	449	412	307	212
Young serviceman ^c	347	318	245	172

^a Accommodation charges comprise a rental element (including additional maintenance), furniture hire (full) and water and sewerage charges.

^b Annual charges are derived from daily rates in whole pence and rounded to the nearest £.

^c Those receiving less than the minimum adult (ie Private IV) rate.

Table 9.3 Breakdown of total annual accommodation charge for Grade 1 married quarters

Type of quarter	Basic rent (unfurnished) and maintenance	Furniture hire (full)	Water charge	Recommended total rental charge ^a
	£	£	£	£
Officers				
I	2,379	568	152	3,099
II	2,137	507	152	2,796
III	1,871	430	152	2,453
IV	1,608	394	152	2,154
V	1,390	346	152	1,887
Other ranks				
D	1,113	261	126	1,500
C	1,028	226	126	1,380
B	954	190	126	1,270
A	689	156	126	971

^aThe recommended total rental charge may not be the exact sum of the components because all components have been rounded to the nearest £.

Garage charge £223 per annum

Table 9.4 Food charges

	Weekly charge
	£
Single charge	20.93
Married unaccompanied charge	13.51

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