



Ministry of Defence

Ministry of Defence
Main Building (06/D/14)
Whitehall
London SW1A 2HB
United Kingdom

Telephone [MOD]: [REDACTED]

Ref: [REDACTED]
[REDACTED]
[REDACTED]

21 November 2014

Dear [REDACTED]

Thank you for your email dated 24 October in which you requested the following information:

Can you tell me; how changes in Small Station Local Overseas Allowances are determined; what changes have been made in the last 12 months; the relationship between SSLOA and FCO COLA; what changes have been made to COLA in the last 12 months

I am treating your correspondence as a request for information under the Freedom of Information Act (FOI) 2000.

The aim of Local Overseas Allowance (LOA) is to contribute towards the necessary additional local cost of day-to-day living, when Service personnel are required to serve overseas.

Small Stations LOA (SSLOA) is calculated for locations where there are 20 or fewer permanently assigned UK Service Personnel. SSLOA is calculated by reference to data provided commercially by Employment Conditions Abroad (ECA). ECA provides cost of living data to many organisations including FCO, DfID and MOD. The MOD uses ECA data for SSLOA and also for the Cost of Living Addition (COLA) paid to MOD Civil Servants and Defence Attachés (DA). ECA data is derived from the results of cost of living questionnaires completed by the employees of their clients who range from UK civil servants and SP to employees of multi-national companies.

ECA provides cost of living for around 300 locations globally which is updated biannually (usually in March and September). The data summarises the additional annual cost of living for Service Personnel assigned to each overseas location, depending on their family makeup and their annual UK salary. The contractual arrangements with ECA do not permit any visibility of the background data supporting the ECA cost of living uplift therefore it is not possible to determine the precise reasons why the resulting rates of SSLOA increase or decrease at each change of data. That said the last two issues of ECA data have led to widespread reductions in SSLOA, a contributory factor to which has been the relative strength of sterling against the majority of foreign currencies.

The data provided by ECA for SSLOA is the same as that used by the FCO for their COLA. The only difference between SSLOA and FCO COLA is that – for unaccompanied Service Personnel who are not fed and accommodated within service/host nation facilities - the MOD adds Food and Incidental Allowance (FIA). The aim of FIA is to assist single and unaccompanied SP assigned in the UK to meet the additional costs of food and incidental expenses when they are without access to service messing facilities. For the purposes of SSLOA, the FIA is first adjusted by reference to current ECA cost of living index for the location concerned.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Head of Corporate Information, 1st Floor, Zone N, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.gov.uk>.

Yours sincerely

Defence Personnel Secretariat