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**REVIEW BODY
ON
ARMED FORCES PAY**

**PAY OF SERVICE MEDICAL AND
DENTAL OFFICERS**

**Supplement to Third Report
1974**

**Chairman:
H. W. ATCHERLEY**

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
September 1974*

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REVIEW BODY ON ARMED FORCES PAY

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 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:

H. W. Atcherley (*Chairman*)¹

Admiral Sir Desmond Dreyer, G.C.B., C.B.E., D.S.C., J.P.

Ewen M^cEwen

J. E. Mortimer

Miss A. R. Murray, J.P.

C. A. Roberts, C.B.E.

J. R. Sargent²

The Secretariat is provided by the Office of Manpower Economics.

Mr. J. E. Mortimer did not take part in this review of the pay of Service Medical and Dental Officers.

¹ Also a member of the Top Salaries Review Body.

² Also a member of the Review Body on Doctors' and Dentists' Remuneration.

PAY OF SERVICE MEDICAL AND DENTAL OFFICERS

1. Medical and dental officers in the armed forces are a self-contained group for pay purposes, and their pay is considered in the light of the decisions that follow recommendations by the Review Body on Doctors' and Dentists' Remuneration as they affect General Medical Practitioners in the National Health Service (NHS). For this reason, it could not be considered in our Third Report.¹ Certain of the recommendations in that Report were, however, of general application throughout the Services. As a result, in common with other servicemen and women, doctors and dentists already benefit from the introduction of threshold arrangements and from certain new or revised allowances, including the flat-rate daily payment for all ranks up to and including Brigadier who serve continuously in Northern Ireland for more than 14 days. At the same time, the revised charges for food and accommodation which we recommended apply also to Service doctors and dentists.

2. We thought it right in our Third Report both to indicate the extent to which the recognition of the special features of Service life fall short of what we believe to be justified, and to re-state in some detail the principles on which both the military salary and the charges for food and accommodation have been based since 1970.² In the same way, we consider this a suitable occasion on which to describe again the standards by which the pay of Service medical and dental officers is assessed. The aim is to provide, over a career from Captain to Colonel before the addition of the X factor, average earnings equal to the average net earnings³ of general medical practitioners in the National Health Service. The pay of the medical and dental Brigadier is designed to provide a reasonable differential over the maximum pay of the medical Colonel, and a logical progression to the pay of the medical Major General (which is outside our terms of reference). The criterion of "the average net earnings of general medical practitioners in the National Health Service" is necessarily imprecise, if only because the average for a particular year cannot be known with certainty until long after it has ended. It follows, therefore, that in recommending Service salaries for a period ahead, we have to use the best forward estimate of the average net earnings of general medical practitioners in the NHS for the same period. The Review Body on Doctors' and Dentists' Remuneration itself provides an estimate of the average net remuneration⁴ that its recommendations are intended to produce, and we make use of this, the most authoritative, estimate. If we are to do this, we have to defer our consideration of the pay of Service doctors and dentists until decisions have been taken on those recommendations.

¹ Review Body on Armed Forces Pay: Third Report 1974, Cmnd. 5631.

² *ibid*, Chapter 1.

³ ie net of practice expenses.

⁴ The "intended average net earnings" of a general practitioner is the amount the Review Body on Doctors' and Dentists' Remuneration calculate should be received, net of expenses, by the "average" practitioner as a result of their recommendations for fees and allowances for the items of his work for the National Health Service. These include standard and supplementary capitation fees, basic practice allowance, a supplementary practice allowance for night and weekend responsibilities, fees for vaccinations, for treatment of temporary residents and for emergency treatment. A proportion of practice expenses are reimbursed by direct payments but the remainder have to be met out of the gross remuneration from fees and allowances.

3. Forward estimates are unlikely to coincide regularly and exactly with the historic figures of average net earnings. But we would not expect to have to make retrospective adjustment unless, taking one year with another, it could be demonstrated that the method adopted did not provide the comparability with the NHS general medical practitioner that is its aim. Certain doubts have been expressed to us on the adequacy of the criterion as it has been interpreted and applied since it was introduced in 1969-70. The British Medical Association have told us that, in their view, the criterion should, and indeed was intended to, comprehend the total earnings from all sources of general medical practitioners in the NHS. The Ministry of Defence also have questioned whether it is right to use earnings from the NHS alone as the standard of comparison for the pay of Service medical and dental officers.¹

4. We recognise that every pay system needs to be examined from time to time, so that change may be introduced where it is shown to be necessary: in this case, the long-standing interpretation of the remuneration of the analogue of general medical practitioners in the NHS has been questioned, and we intend to examine the structure and pay levels of Service medical and dental officers in the light of present-day requirements during our next review, when we shall take into account the views that have been expressed to us. This will entail consideration of a range of factors on which we have no evidence at present.

5. The BMA have emphasised to us the importance of an early report and, on this occasion, because this supplementary review is part of the review that formed the basis of our Third Report and the increases will be effective from 1 April 1974, our recommendations are made within the provisions of the Stage 3 Pay Code² in the same way exactly as in the main review. The recommendations in the Fourth Report of the Review Body on Doctors' and Dentists' Remuneration were also made in this context: they have been accepted by the Government and the report has been published.³ They are designed to produce an increase in the average net remuneration of general medical practitioners in the NHS and, in the same way as in the 1973 Report, to allow for a modest increase in earnings from other official sources.⁴ The recommended total increase in the average net earnings of the GMP is £377, of which £335 falls within the pay limits and £42 is met from the flexibility margin permitted by the Pay Code.⁵ The balance of the increase within the individual pay limit of £350⁶ which is estimated to be taken up by increased earnings from other official sources is, therefore, £15. Because Service medical and dental officers are not in a position to earn additional fees from other official sources, we took the view last year that the increase justified by comparison with earnings

¹ The Report of the Defence Medical Services Inquiry Committee 1973 also drew attention to the fact that some general practitioners in the NHS earn more than the average (paragraph 208 and recommendation (78)).

² The provisions are in Statutory Instrument 1973 No. 1785, The Counter-Inflation (Price and Pay Code) (No. 2) Order 1973.

³ Cmnd. 5644, June 1974.

⁴ A General Medical Practitioner in the NHS may receive fees from other official sources for service outside his practice responsibilities: examples include locum work in hospitals, medical examinations for Government Departments and Local Authorities and for the Police.

⁵ Counter-Inflation (Price and Pay Code) (No. 2) Order 1973, paragraphs 139 and 140.

⁶ *ibid.*, paragraph 138.

from the NHS should not be restricted on this account. We take the same view now, and we conclude that the increase in the average earnings of general medical practitioners in the NHS on which the increase in pay of Service medical and dental officers should be based is £392 (that is, £377 plus £15).

6. A further adjustment has to be made. The most recent estimate of the average net remuneration of general medical practitioners in the NHS for 1973-74 is £5,770¹, or £20 more than the intended average net remuneration of £5,750 which the recommendations in the Third Report (1973) of the Review Body on Doctors' and Dentists' Remuneration were designed to produce, and on which the recommendations in the supplement to our Second Report² were based. Under the provisions of the Pay Code, the increase recommended in the Fourth Report of the Review Body on Doctors' and Dentists' Remuneration has to be added to the base figure of £5,770, and an average increase of £412 in the pay of Service medical and dental officers can therefore be justified now on the basis of comparison with intended average net earnings of general medical practitioners in the NHS:

	£
Estimated average net earnings of GMPs in the NHS in 1973-74	5,770
Add the estimated increase in fees from "other official sources" in 1973-74	10
Add the increase recommended in 1974-75 (including £15 increase in fees from "other official sources")	392
	6,172
Deduct the "intended average net earnings" from NHS in 1973-74 (£5,750) plus the £10 increase in fees from "other official sources", adopted in 1973-74 as a basis for the pay of Service medical and dental officers	5,760
Overall difference	412

7. We now recommend new rates of pay for medical and dental officers from Captain to Brigadier, for provisionally registered medical practitioners (PRMPs) and for medical and dental cadets, in the light of the recommendations for general medical practitioners in the NHS and taking into account evidence submitted to us by the Ministry of Defence and by the British Medical Association (who also gave oral evidence). We need to satisfy ourselves that the increases which we recommend comply with the provisions of the Stage 3 Pay Code, and we have therefore considered these calculations in relation to them. The pay limit under the Code, in terms of the maximum amount by which the average pay bill per head of a group may be increased in a 12-month period, is either—

- i. 7 per cent of the average pay bill per head of the group for the preceding 12-month period; or

¹ Cmnd. 5644, paragraph 48.

² Review Body on Armed Forces Pay. Pay of Service Medical and Dental Officers: Supplement to Second Report 1973, Cmnd. 5450; and Review Body on Doctors' and Dentists' Remuneration. Third Report 1973, Cmnd. 5353, paragraph 34.

ii. £2.25 per week per head¹.

subject to a further limit of £350 a year for any individual². An increase in the pay limit of up to 1 per cent of the pay bill (or one-seventh of £2.25 per week per head) is also allowed, inter alia where a settlement incorporates changes in pay structures or grading structures or in systems of payment designed to remedy anomalies or to secure specific improvements in efficiency³.

8. The pay limit of 7 per cent of the average pay bill provides more than enough for an increase of £350 for all Service doctors and dentists at all ranks from Captain to Brigadier as a principal pay increase. This leaves a balance of £62 by comparison with the average increase of £412 which can be justified on the basis of comparison with the earnings of the general medical practitioner in the NHS. This balance can be met only to the extent that the requirements for the use of the flexibility margin are observed and within the financial provision available under it⁴. It is not enough to point to the use of the flexibility margin by the Review Body on Doctors' and Dentists' Remuneration as the means of modifying the fee structure applicable to general medical practitioners in the NHS, to claim equal justification for its use in the armed forces, where no such fee structure exists: we need to satisfy ourselves that the use of the flexibility margin is justified in armed forces terms.

9. A flat rate cash increase of £350 at all points in the pay scales from Captain to Brigadier would be admissible under the Pay Code and can be justified both by the external criterion and by the need to improve recruitment (a point to which the BMA attached great importance in evidence to us); but it would run counter to the principles which we have adopted hitherto in distributing increases in pay, and which we consider should continue. These principles recognise the need to provide incentives both to achieve higher rank and to transfer at appropriate stages from short service commissions to permanent regular commissions. In our view, rather higher increases in pay, commensurate with higher rank, are required and, on this occasion, we consider that this can best be achieved by superimposing on the flat rate £350 increase a series of stepped additional increases which produce, on average, the additional £60 justified by the external comparison and permitted under the flexibility margin.

The X factor

10. We explained the background to the introduction of the X factor in our Third Report⁵: briefly, it is intended to compensate for the balance of advantage and disadvantage of Service life by comparison with civil life which cannot be precisely measured in financial terms⁶. In that report⁷, we were able to

¹ Statutory Instrument 1973 No. 1785, The Counter-Inflation (Price and Pay Code) (No. 2) Order 1973, paragraph 118.

² *ibid*, paragraph 138.

³ *ibid*, paragraphs 139 and 140.

⁴ Flexibility margin (1 per cent of average pay bill per head) £104,680 divided by the number of officers from Captain to Brigadier (1,741)—average amount per officer: £60.13.

⁵ Cmnd. 5631, Chapter 1.

⁶ The Stage 3 Pay Code provided, for the first time, a standard against which payment for one of the elements which made up the basis of the X factor could be measured and quantified— we refer to work done in “unsocial” hours.

⁷ *ibid*, Chapter 2.

recommend an increase in the X factor for the generality of servicemen and women covered by it: the greater part of this increase, 3·75 percentage points, was based on detailed evidence of the extent to which they were required to work during “ unsocial ” hours and we regarded it as right that the payment which we considered justified on this account should be added to the X factor. We limited our recommendation to an increase of 3·75 percentage points in order to comply with the provisions of the Pay Code, but we made known in our report our general view on the levels of the X factor, and the Government took account of this and decided that it should be increased from 5 per cent to 10 per cent for the men’s Services and from 1 per cent to 5 per cent for the women’s Services: the additional 1·25 percentage points is in recognition of the increased degree of turbulence in Service life, which applies to Service medical and dental officers in the same way as to other members of the armed forces.

11. We are, however, unable to recommend that the X factor for Service medical and dental officers should be increased by the same total amount, for the following reasons:

(a) The average net earnings of general medical practitioners in the NHS include an amount (at present averaging £614·40) for out-of-hours services. Indeed, we were told by the BMA in oral evidence that this element recognises the extent to which general medical practitioners are “ on call ” and, to this extent, an element of the X factor is already recognised in the pay of Service doctors and dentists. We have no firm evidence of the amount of work done in “ unsocial ” hours by Service medical and dental officers and we are not convinced by the arguments put to us by the BMA that it is not already recognised, or that the Service doctor is called on to do more work during “ unsocial ” hours than is the NHS general medical practitioner. To increase the X factor for Service medical and dental officers on the grounds of work done in “ unsocial ” hours would involve paying twice for the same feature, and the “ unsocial ” hours provisions of the Pay Code do not admit recognition of being “ on call ”.

(b) Nor did the Review Body on Doctors’ and Dentists’ Remuneration recommend increases in the payments for out-of-hours service—the supplementary practice allowance, the supplementary capitation fee and the night visit fee—under the “ unsocial ” hours provisions of the Code, because these payments form part of the average net remuneration of general medical practitioners in the NHS. In our view, it would be wrong to recommend an increase in the pay of Service medical and dental officers by using provisions of the Code that have been found inapplicable to their NHS counterparts.

12. We conclude, therefore, that the X factor for Service medical and dental officers should be increased to reflect the amount of the general increase that is attributable to increased turbulence only (ie by 1·25 percentage points). This recommendation¹ reflects exactly the element of the X factor increases that was covered by a Ministerial consent for the armed forces as a whole under the Stage 3 arrangements, and assuming, as we do, that this consent applied to the whole of the armed forces within our terms of reference, the 1·25 percentage points increase in the X factor can now be extended to Service doctors and

¹ It provides additional amounts which range from £4·46 to £6·25 per month for Captains and higher ranks.

dentists. We recommend an increase in the upper limit of the X factor to £325, except for Brigadiers to whom the £300 tapered limit recommended in our Third Report¹ for the other branches of the armed forces should apply. We are, however, concerned about the problems that may be created by the existence of different levels of X factor for different categories of servicemen, resulting from the application of different criteria in the determination of their pay, and we intend to review the matter as soon as we are in a position to do so.

13. Taking all these factors into account, we recommend the introduction of the following pay scales for medical and dental officers from Captain to Colonel with effect from 1 April 1974. (Current pay scales are shown for the purpose of comparison.)

Table 1

Proposed military salaries, inclusive of X factor, for Service medical and dental officers: annual rates

Rank	Proposed scale of military salary (from 1 April 1974)		Current scale (1 April 1973)
	£		£
Captain:			
On appointment	...	4,548	4,099
After 2 years	...	4,614	4,165
After 4 years	...	4,701	4,249
Major:			
On appointment	...	5,413	4,938
After 1 year	...	5,479	5,001
After 2 years	...	5,552	5,070
After 3 years	...	5,643	5,161
After 4 years	...	5,898	5,413
After 5 years	...	5,990	5,504
After 6 years	...	6,052	5,566
After 7 years	...	6,147	5,658
Lieutenant-Colonel:			
On appointment	...	6,577	6,085
After 2 years	...	6,705	6,212
After 4 years	...	6,836	6,340
After 6 years	...	6,968	6,471
After 8 years	...	7,092	6,596
Colonel:			
On appointment	...	7,512	7,008
After 2 years	...	7,596	7,092
After 4 years	...	7,702	7,198
After 6 years	...	7,789	7,282
After 8 years	...	7,873	7,366

¹ Cmnd. 5631, paragraph 43.

Medical and dental Brigadiers

14. We recommend that the military salary of the medical and dental Brigadier should be increased from £7,818 to £8,304 with effect from 1 April 1974.

Provisionally registered medical practitioners

15. We recommend that the military salary of the provisionally registered medical practitioner should be increased from £2,416 to £2,785 with effect from 1 April 1974.

Medical and dental cadets

16. We recommend that the pay of medical and dental cadets should be increased by 7 per cent with effect from 1 April 1974, as we recommended for university cadets who intend to take up commissions in other arms of the Services. We do not propose an increase in the education grant at the present time.

17. We have expressed the recommended salaries as the annual amounts which approximate most closely to daily rates of pay. The detailed scales (prepared by the Ministry of Defence) are in the Appendix.

The cost of our recommendations

18. The pay limit calculated in accordance with the provisions of the Stage 3 Pay Code amounts to £733,000 and this may be extended by a maximum of £105,000 to accommodate the proposal which we make under the flexibility margin provisions of the Code. The cost of proposals chargeable against these limits is:

	£
<i>Principal pay increases</i>	
Captain to Brigadier	616,000
PRMPs	25,000
Medical and dental cadets	17,000
	<hr/>
	658,000
<i>Flexibility margin</i>	
Captain to Brigadier	105,000

The cost of the proposed increase in the X factor is £118,000. The total cost¹ of our proposals is thus £881,000.

H. W. ATCHERLEY (*Chairman*)

D. P. DREYER

EWEN M'EWEN

A. R. MURRAY

C. A. ROBERTS

J. R. SARGENT

OFFICE OF MANPOWER ECONOMICS

23 August 1974

¹ The figures have been rounded to the nearest £1,000.

APPENDIX

ALL SERVICES

PAY OF MEDICAL OFFICERS AND DENTAL OFFICERS

Rank	New rates of pay	
	Daily	Annual
	£	£
*Cadet, Medical	2.78	1,015
*Cadet, Dental		
Provisionally registered medical practitioners: Acting Surgeon Lieutenant/Lieutenant/Flying Officer	7.63	2,785
Surgeon Lieutenant/Captain/Flight Lieutenant: On appointment	12.46	4,548
After 2 years in the rank	12.64	4,614
After 4 years in the rank	12.88	4,701
Surgeon Lieutenant-Commander/Major/Squadron Leader: On appointment	14.83	5,413
After 1 year in the rank	15.01	5,479
After 2 years in the rank	15.21	5,552
After 3 years in the rank	15.46	5,643
After 4 years in the rank	16.16	5,898
After 5 years in the rank	16.41	5,990
After 6 years in the rank	16.58	6,052
After 7 years in the rank	16.84	6,147
Surgeon Commander/Lieutenant-Colonel/Wing Commander: On appointment	18.02	6,577
After 2 years in the rank	18.37	6,705
After 4 years in the rank	18.73	6,836
After 6 years in the rank	19.09	6,968
After 8 years in the rank	19.43	7,092
Surgeon Captain/Colonel/Group Captain: On appointment	20.58	7,512
After 2 years in the rank	20.81	7,596
After 4 years in the rank	21.10	7,702
After 6 years in the rank	21.34	7,789
Colonel/Group Captain after 8 years in the rank ...	21.57	7,873
Surgeon Captain with 8 years' seniority	22.75	8,304
Brigadier/Air Commodore		

* Education Grant of £949 per annum (£2.60 daily) is paid in addition.