REVIEW BODY
ON
ARMED FORCES PAY

I. SERVICE MEDICAL AND DENTAL OFFICERS

II. OFFICERS OF THE NON-REGULAR PERMANENT STAFFS OF THE ULSTER DEFENCE REGIMENT AND THE TERRITORIAL AND ARMY VOLUNTEER RESERVE

Supplement to Fourth Report
1975

Chairman:
H. W. ATCHERLEY

Presented to Parliament by the Prime Minister
by Command of Her Majesty
July 1975

LONDON
HER MAJESTY'S STATIONERY OFFICE
28p net

Cmnd. 6146

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 GCB CBE DSC JP

Ewen M'Ewen CBE

Miss A R Murray JP

C A Roberts CBE

J R Sargent[2]

The Secretariat is provided by the Office of Manpower Economics.

---

[1] Also a member of the Top Salaries Review Body.

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

INTRODUCTION

1. In both 1973 and 1974, we completed our annual review of the pay of the armed forces up to and including Brigadier (and equivalent ranks) by submitting our recommendations on the pay of Service medical and dental officers in Supplements to our main Reports. We have never been in a position to put forward recommendations for this group at the same time as those for the rest because it is inherent in the system of assessing medical and dental officers' pay introduced in 1969 and applied regularly since then, that we have to await the Government's decisions on the recommendations of the Review Body on Doctors' and Dentists' Remuneration for general medical practitioners (GMPs) in the National Health Service (NHS). On the occasion of the current year's reviews, the Fifth Report of the Review Body on Doctors' and Dentists' Remuneration was published (18 April 1975)[1] shortly before we submitted our Fourth Report (30 April 1975)[2]. However, in the interests of the great majority of servicemen and women at a time of rapid inflation, we decided not to delay the submission of our main recommendations, although we would otherwise have welcomed this first opportunity of putting forward recommendations covering all groups and ranks within our terms of reference in a single report. Nevertheless, certain of the recommendations in our Fourth Report applied to all members of the armed forces, despite the fact that the pay recommendations did not cover all of them. As a result, medical and dental officers already pay or are liable to pay, the higher charges for food and accommodation that we recommended then and that were introduced on 1 April 1975. This is a situation that cannot be avoided in the circumstances that we have described but, equally, it cannot be allowed to continue for long. We have therefore decided to follow our practice of the last two years and we now put forward our recommendations in this Supplement to our Fourth Report; they form an integral part of our 1975 review, and the general considerations discussed in our Fourth Report (Chapter 1) apply with equal force to medical and dental officers. We refer to some of these later.

2. We have also taken this opportunity, in response to a request from the Ministry of Defence, to consider a modification of the existing arrangements for keeping the pay of the non-regular permanent staffs of the Ulster Defence Regiment (UDR) and the Territorial and Army Volunteer Reserve (TAVR) in line with the pay of officers in the regular forces. We see this too as a step in the continuing process of simplifying the pay structure generally in the armed forces.

SERVICE MEDICAL AND DENTAL OFFICERS

3. The pay of Service medical and dental officers was last increased with effect from 1 April 1974, following the Government's acceptance of the recommendations in the Supplement to our Third Report.[3] Since then, they have received threshold payments under the arrangements which we recommended

---

[1] Review Body on Doctors' and Dentists' Remuneration, Fifth Report 1975, Cmnd. 6032.

[2] Review Body on Armed Forces Pay, Fourth Report 1975, Cmnd. 6063.

[3] Review Body on Armed Forces Pay, Pay of Service Medical and Dental Officers, Supplement to Third Report 1974, Cmnd. 5729, September 1974.

for the armed forces within our terms of reference generally.[1] Threshold payments are currently paid to medical and dental officers at an annual rate of about £230. The pay increases which we recommended in our Fourth Report[2] for other servicemen and women within our terms of reference of course subsumed them, as do our present recommendations. Threshold payments for Service doctors and dentists will cease to exist separately from the date on which our recommendations are implemented. We recommend that this should be 1 April 1975, in common with the armed forces generally up to and including Brigadier (and equivalent) and with general medical practitioners in the National Heath Service.

4. The basic principle governing the pay of Service medical and dental officers was introduced in 1969–70. It is that, over a career spanning 32 years from Captain to Colonel, average earnings before the addition of the X factor should equate to the average net remuneration of GMPs in the NHS, as recommended by the Review Body on Doctors' and Dentists' Remuneration. The pay of the medical and dental Brigadier is designed to provide a reasonable differential over the maximum of the medical Colonel's scale, and a sensible progression to the pay of the medical Major General (which is outside our terms of reference and is currently £12,000). The Fifth Report of the Review Body on Doctors' and Dentists' Remuneration[3] provides an intended average net remuneration for GMPs in the NHS in 1975–76 of £8,485. This represents an increase of 38 per cent over the corresponding average net remuneration figure for 1974–75, and it has been accepted and implemented by the Government. We have considered proposals put to us by the Ministry of Defence and by the British Medical Association in the light of that increase. We have also considered various forms of additional pay for which consultants, specialists and holders of certain qualifications in the medical and dental branches of the Services are eligible. The current rates of these date from 1970.

5. In the course of our 1974 review, both the British Medical Association and the Ministry of Defence questioned the interpretation of average net remuneration of GMPs in the NHS hitherto adopted, and both suggested that the criteria should take account of total earnings from all sources. We ourselves recognised in the Supplement to our Third Report[4] the need to examine pay systems from time to time, so that necessary changes can be made as appropriate, and we said that we should take their views into account in the current review in considering a range of factors on which we had no evidence at that time. We also recognised in our Fourth Report (Chapter 1) the need for periodic re-examination of principles and standards and the need to consider from time to time whether modification and refinement of methods of application of the principles is necessary. We have approached our present task with all these considerations in mind.

---

[1] Review Body on Armed Forces Pay, Third Report 1974, Cmnd. 5631, May 1974, Chapter 5.

[2] Review Body on Armed Forces Pay, Fourth Report 1975, Cmnd. 6063, May 1975, paragraph 14.

[3] Review Body on Doctors' and Dentists' Remuneration, Fifth Report 1975, Cmnd 6032.

[4] Review Body on Armed Forces Pay, Pay of Service Medical and Dental Officers, Supplement to Third Report 1974, Cmnd. 5729, paragraphs 3 and 4.

The evidence

6. The further evidence on salary levels submitted to us both by the British Medical Association and by the Ministry of Defence in the course of this review is based on the premise that the GMP in the NHS continues to be an appropriate analogue for the Service doctor, but each has proposed an addition to the average net remuneration standard of £8,485 to cover earnings from sources other than the NHS, estimated as £1,000 and £700 respectively. The Ministry of Defence suggested that, if an adjustment of this kind were to be made, it would be necessary to take account of factors such as the contributions made by GMPs under the NHS superannuation scheme by a deduction from the average net remuneration of £8,485. We have also been asked (by the British Medical Association) to recommend that the average net remuneration of £8,485 enhanced by earnings from sources other than the NHS should be further enhanced by a "special allowance" to compensate for what they see as disadvantages of a medical career in the Services and, in addition, that the X factor for medical and dental officers should be increased from 6·25 per cent to 10 per cent, to come into line with other members of the armed forces. We discuss these proposals in greater detail (paragraphs 15–20): we mention them here because they have a bearing on our view of the limitations of the "earnings from other sources" argument presented to us.

7. We find the concentration in the evidence on specific and individual elements of pay an unsatisfactory approach: if a "package" is to be re-opened, all the elements that go to make it up have to be examined. To change a single element in a complicated pay package on a piecemeal basis must be unacceptable. We know that, before the 1969 decision to base the military salary of Service medical and dental officers on the average net remuneration of GMPs in the NHS was reached, a comparison of the total emoluments of Service doctors and of NHS GMPs was made. This included an evaluation of the superannuation arrangements of each; an assessment of the value of subsidised accommodation that was then available to the Service doctor; and a comparative evaluation of a number of fringe benefits. Since 1969, changes have been made in the superannuation arrangements both in the NHS and in the Services, and in the basis of accommodation charges payable by all servicemen. These considerations reinforce our view that it would be wrong to propose changes in any one element in isolation without examining the whole remuneration package.

8. A comprehensive examination of this kind must mean that account has to be taken (for example) of how Service doctors are actually employed, between hospital work, general duties (equivalent to general practice) and administration, and of the position of the Service dentists by comparison, *inter alia,* with general dental practitioners in the NHS. Such factors raise the question whether, in principle, the average net remuneration of GMPs in the NHS continues to be the appropriate basis for the pay of Service medical and dental officers as a group. The statistics of the distribution of medical officers between the three main types of work reinforce the need to look at the present package as a whole: they show that a minority (40·3 per cent) is employed on general duties that are broadly analogous to the work of the GMP in the NHS; most are employed in hospitals (48·7 per cent) and the remainder on administration (11 per cent). On the basis of this current pattern of employment (Appendix), we conclude

that we must look again at the present arrangements and consider further whether it is right in principle that Service medical and dental officers' pay should continue to take account of the remuneration of NHS GMPs alone, or whether the position of hospital doctors and dentists, and of doctors employed on administration in the NHS, or any other factors, ought also to feature in the reckoning: it seems to us too that the position of Service dentists also needs further consideration. We do not know whether further examination will show a wider approach of this kind to be realistic: we shall seek further evidence to enable us to form a judgment in a later review and we intend to start the necessary work immediately.

Factors governing Service pay in 1975–76

9. Meanwhile, just as it would be wrong to base our current recommendations on the average net remuneration of GMPs enhanced by earnings from other sources without taking stock of all the other elements that are relevant to the remuneration package and forming a judgment of the balance, so clearly would it be wrong to recommend other changes in the basis for determining Service doctors' and dentists' pay without a thorough examination of all the arguments, and without proper consideration of alternative principles and standards. We reckon that the increases which would result from endorsement of one or other of the proposals put to us would involve recommending very substantial increases in pay retrospective to 1 April 1975, ranging up to some 78 per cent (in the case of the BMA's proposals). We see this as unrealistic, judged both by the intended average net remuneration of GMPs in the NHS and by the salary levels of other Service officers.

10. On this occasion, therefore, our recommendations on the pay of Service medical and dental officers from Captain to Colonel continue to be based on the principle that was first adopted in 1969 (paragraph 4). They provide average pay before the addition of the X factor, over a 32 year career from Captain to Colonel, equal to the average net remuneration of GMPs in the NHS of £8,485 in 1975–76, as recommended by the Review Body on Doctors' and Dentists' Remuneration. This involves an average increase of 38 per cent over 1 April 1974 scales (or 33·1 per cent over current rates including threshold payments) and reflects the increase already implemented for GMPs; it compares with the average increase of just under 30 per cent recommended for the armed forces generally in our Fourth Report,[1] and it will increase the already substantial pay differentials between medical and dental officers on the one hand, and combatant and other professional officers on the other, rank for rank.

Pay structure

11. We have, of course, taken account of the need for the Services to attract and retain the required number of suitably qualified doctors and dentists, as far as pay can be expected to do this on its own. The present manning position in the medical and dental branches of the armed forces is as follows:

---

[1] Cmnd. 6063, paragraph 90.

Present manning of the medical and dental branches of the armed forces

	RN	Army	RAF
Medical officers:			
Establishment	345	649	482
Current strength	300[a]	523[b]	482[c]
Percentage shortfall	*13·0*	*19·4*	—
Dental officers:			
Establishment	93	184	128
Current strength	91[d]	186[e]	124[f]
Percentage shortfall	*2·2*	*(1·1)*	*3·1*

[a] Excluding 71 medical cadets and pre-registration medical practitioners (PRMPs).
[b] Excluding 118 medical cadets and PRMPs.
[c] Excluding 134 medical cadets and PRMPs.
[d] Excluding 7 dental cadets.
[e] Excluding 14 dental cadets.
[f] Excluding 8 dental cadets.

Thus for dental officers generally and for medical officers in the RAF the position is satisfactory, but there is a shortage of medical officers in the Navy (13·0 per cent) and in the Army (19·4 per cent). We have been told that, in practice, the manning of the medical and dental branches of the Services depends almost entirely on the recruitment of doctors and dentists on Short Service Commissions (SSCs) of up to 5 years, and that to provide continuity of service and to generate the necessary specialist and consultant expertise that any medical service must have, it is essential for an adequate number of SSC doctors and dentists to transfer to permanent regular commissions for a minimum of 16 years' total service. We understand that the number of doctors and dentists who at present transfer to permanent regular commissions does not enable the requirements of each of the three Services to be met. The following tables illustrate the position in the last 12 months and compare the number of transfers with the number of medical and dental officers who leave the Services.

Table 2

Conversions from short service to regular commissions in the 12 months to 31 December 1974

Service	RN	Army	RAF
Medical officers	10	13	17
Dental officers	3	6	3

Table 3

Numbers leaving the Services in the 12 months to 31 December 1974 (all reasons)

Service	RN	Army	RAF
Medical officers:			
Regular	13	28	24
Short service	20	21	33
Dental officers:			
Regular	4	7	4
Short service	8	5	3

The Ministry of Defence see the position on doctors in part as a result of the absolute level of pay by comparison with what can be earned by some doctors outside, and in part as a result of the Service pattern of pay, related to a progressive rank structure in which higher rank is rewarded by higher pay, in contrast to the pattern of earnings of general medical practitioners which is directly related to workload and may therefore lead to high earnings for some individuals at a relatively early age. It has to be recognised, however, that additional factors related to particular features of a career in medicine or dentistry also enter into the individual doctor's or dentist's decision.

12. We have considered proposals to modify the Service pay structure to improve the relative position of doctors and dentists in their early 30s when they are normally promoted to Major. This can be achieved only by some modification of salaries elsewhere in the structure, which is designed to produce an average net remuneration at a specified level. We have been told that the advantages of this course are two-fold: that it would reflect more nearly the pattern of outside earnings available to general medical practitioners, thereby reducing the differences which may, in the early years at any rate, act as a disincentive to taking up a Service career; and that it would provide a substantial pay increase at the point of promotion to Major, which coincides with the point at which the decision to transfer from a SSC to a permanent regular commission would normally be made.

13. The course has some attraction. If it were adopted, salaries would be re-distributed within the fixed average increase to provide an incentive at a particular career point, over and above the existing specific incentive of a permanent commission grant (which we discuss in paragraph 30). A combination of the two might provide sufficient counter-attraction to the immediate benefit provided by the gratuity that is paid on completion of a Short Service Commission[1] to persuade more doctors and dentists to forgo it. A practical difficulty arises from the different nature of the two incentives: the Short Service gratuity is paid free of tax, whereas salary and the permanent commission grant are both taxable. It would be unrealistic, and wrong in principle,

[1] The gratuity is payable under the provisions of the Services' Pensions Codes, which are outside our terms of reference.

for us to attempt to equate the incentives in cash terms, and it would not in any case be desirable, as the transfer to a permanent commission carries with it other benefits at a later stage, including the reckoning of service for pension.

14. We conclude that, in the context of the manning situation that has been described to us (paragraph 11), there is a good case for modifying the pay structure along the lines that have been proposed to us by the Ministry of Defence, in order to improve the situation. Our recommendations are framed to take account of this.

The X factor

15. Prior to 1974, the X factor was uniform for all servicemen at 5 per cent, subject to certain upper limits. At that time, the X factor for servicewomen generally was 1 per cent but, exceptionally, women doctors and dentists (who were not and are not members of the women's Services) were paid the same 5 per cent X factor as men. In 1974, in our Fourth Report and the Supplement to it, we recommended the introduction of different X factors for the Services generally (10 per cent for men) and for all doctors and dentists (6·25 per cent). The difference (3·75 per cent for men) was attributable to the evidence provided to us of the extent to which the generality of servicemen and women were required to work during "unsocial hours" as defined in the Stage 3 Pay Code[1]. We had no direct evidence of the amount of work done in "unsocial hours" by medical and dental officers and, in any case (as we said at the time), the average net remuneration of GMPs in the NHS already included an amount for out-of-hours services which, in 1974, averaged some £614. We found the arguments unconvincing that the work done by Service doctors during "unsocial hours" was not already recognised, or that the Service doctor was called on to do more work during "unsocial hours" than the GMP in the NHS. We concluded that to increase the X factor for Service medical officers—and by extension for dental officers—on the grounds of work done in "unsocial hours" would involve paying twice for the same feature.

16. We were of course concerned that problems might 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 said that we would review the matter as soon as we were in a position to do so. We have been told that the existence of differential X factors is "divisive, inequitable and unjust" and we have been urged to recommend that the X factor for medical and dental officers should be restored to parity with other servicemen at 10 per cent.

17. The circumstances in which different X factors for medical and dental officers on the one hand, and servicemen in general on the other, were established in 1974 no longer exist[2], but the reason for the difference remains. The average net remuneration of GMPs in the NHS continues to include an amount for out-of-hours services, estimated at £836 in 1975–76, and it would be wrong to recommend an X factor of 10 per cent for medical and dental officers, of which

---

[1] The X factor for servicewomen was increased to 5 per cent and the increase included the 3·75 per cent attributable to work in "unsocial hours".

[2] The statutory controls on pay increases ended in July 1974.

3·75 percentage points relate to work in "unsocial hours", without first deducting the "out-of-hours" payment from the average net remuneration of GMPs in the NHS. If we were to follow this course, medical and dental officers would in practice fare less well than under the present arrangements and, just as we are not able to recommend change by way of adding earnings from other sources to the standard that has been followed since 1970, so we do not recommend a change which would have an adverse effect without a full examination of the total remuneration package.

18. We were also asked by the BMA to recommend the payment of a "special allowance" over and above the basic salary, to compensate for the professional disadvantages that they saw as inherent in Service life (an example cited was the interruption of training for higher degrees and diplomas) and by doing so, to make the medical branches of the armed forces an attractive career alternative to the NHS. The BMA suggested that Service life affects the career of a doctor more seriously than a career in other branches of the armed forces and that a combination of a "special allowance" with the X factor was necessary to establish a clear lead over the average net remuneration of GMPs in the NHS. They saw the X factor alone as insufficient recognition of this aspect.

19. The armed forces employ members of a wide variety of professions and it is in the nature of Service life that periods of further training of any or all of them are liable to be interrupted. We have no evidence on the extent of interruption in the various professional fields that would enable us to make comparisons. We are aware of the importance of further training for doctors, but we would not expect the opportunities for it to be less favourable than for the other professional groups—indeed, there are some indications that they may be more favourable. Moreover, the X factor is intended to compensate for the balance of advantage and disadvantage of Service life by comparison with civil life and obviously it covers a wide range of individual circumstances. We conclude that a case for a "special allowance" for doctors (and dentists) has not been established.

20. We have considered the argument that different X factors are "divisive, inequitable and unjust" in the light of their cash value. In cash terms, in 1974–75, the greatest difference between the X factor elements of 10 per cent and 6·25 per cent in the military salaries, given the upper limits of the X factor, was £175. But the salaries of medical and dental officers were nonetheless higher than the salaries of all combatant officers, rank for rank, by between some £900 and some £1,450 and, as we have said (paragraph 10), our recommendations will increase the difference. On balance, therefore, we do not in present circumstances recommend a change in the level of the X factor for medical and dental officers, which should remain at 6·25 per cent but, as for other officers, the upper limit should be increased so that it comes into operation at the same rank as hitherto. Our recommendations take this into account.

Military salaries

21. We recommend the introduction of the following pay scales for medical and dental officers from Captain to Brigadier with effect from 1 April 1975. (Current pay scales are shown for the purpose of comparison.)

Table 4

Recommended scales of military salary, inclusive of X factor, for Service medical and dental officers: annual rates[a]

Rank	Recommended scale of military salary (from 1 April 1975)	Current scale (1 April 1974)
	£	£
Captain:		
on appointment	5,997	4,548
after 2 years	6,355	4,614
4 years	6,716	4,701
Major:		
on appointment	7,738	5,413
after 1 year		5,479
2 years	8,015	5,552
3 years		5,643
4 years	8,293	5,898
5 years		5,990
6 years	8,567	6,052
7 years		6,147
Lieutenant Colonel:		
on appointment	8,906	6,577
after 2 years	9,183	6,705
4 years	9,457	6,836
6 years	9,735	6,968
8 years	9,946	7,092
Colonel:		
on appointment	10,067	7,512
after 2 years	10,235	7,596
4 years	10,406	7,702
6 years		7,789
8 years		7,873
Brigadier	11,001	8,304

[a] Rounded to the nearest £.

Pre-registration medical practitioners (PRMPs)

22. PRMPs in the Services are newly qualified doctors who are required to serve for one year as House Officers in National Health Service hospitals before registration with the General Medical Council. Their duties are identical to those of NHS House Officers and they work alongside them, but they receive Service pay and allowances from which the appropriate charge for single Service accommodation is deducted. On completion of the pre-registration year, they are promoted to Captain and enter the Service medical and dental officer pay structure. It has been past practice to relate PRMPs' salaries broadly to the earnings of House Officers in the NHS hospital service, taking account of the fact that the arrangements for accommodation charges are different; that House Officers are compensated by Extra Duty Allowance when they work more than 80 hours a week and their duties encroach by more than a specified

amount into minimum off-duty time; and that, as for all members of the Services, total commitment is one of the aspects of Service life for which the X factor is designed to compensate.

23. It is clearly right that the salaries of PRMPs should bear a suitable relationship to the earnings of House Officers in the NHS since both are at the same stage of a career and at broadly the same age. But it is only possible to establish a fairly precise relationship in the case of the basic salary, the charge for accommodation, and the X factor. The eligibility of House Officers for Extra Duty Allowance presents greater difficulty. Extra Duty Allowance is paid only when House Officers are required to work for longer than 80 hours a week, and it follows that payments to individuals will fall within a wide range according to the actual hours worked. Unless, therefore, PRMPs are compensated on the same terms, and in the same way, for the extra duties that they perform, the element of payment for extra duties must inevitably be based on an average, either of the amounts paid to House Officers, or of the units of extra duty attributable to PRMPs. But it is not possible to take account of the average number of units of extra duty worked by PRMPs without collecting detailed information over an adequate period on which to base a reliable average. We therefore conclude that the salary of PRMPs should take account of the most recent information[1] relating to the average payment of Extra Duty Allowance to House Officers in the NHS and we recommend that, with effect from 1 April 1975, the military salary of the PRMP should be £3,909.

Medical and dental cadets

24. We have considered the total emoluments (pay and education grant) of medical and dental cadets in the light of our recommendations for university cadets, and of the position of medical students generally. The total amount of pay and education grant of medical and dental cadets introduced on 1 April 1974 was £5·38 a day (£1,964 a year). In common with medical and dental officers, they have since received threshold payments which, at the present annual rate of about £230, have increased total emoluments to an annual rate of some £2,194. We limited the recommendation for university cadets in our Fourth Report[2] to the consolidation of threshold payments into total emoluments. We are aware of course that an increase in student grants has since been announced which will come into effect on 1 September 1975. But we consider that the total emoluments (including threshold payments) of medical and dental cadets compare favourably with the maximum level of grant[3] which students generally can expect even at the increased levels, as well as with the total emoluments of Services university cadets introduced on 1 April 1975 (£1,475). We therefore recommend that, as for university cadets, threshold payments should be consolidated into the total emoluments of medical and dental cadets, to provide a total of £2,194. We also recommend that one-half of this total should be treated as pay and one-half as education grant.

---

[1] Fifth Report of the Review Body on Doctors' and Dentists' Remuneration 1975, Cmnd. 6032, paragraph 11, footnote 3.

[2] Cmnd. 6063, paragraph 40.

[3] Including extra weekly allowance payable when the academic year exceeds 30 weeks.

Additional pay

25. Medical and dental officers up to and including Major General and equivalent are eligible for certain forms of additional pay. Those who are classified as specialists, senior specialists and consultants and who occupy appointments within approved establishments are eligible for Specialist, Senior Specialist and Consultant pay. The current annual rates of payment, introduced in 1970, are:

	£
Specialist pay	164·25
Senior Specialist pay	438·00
Consultant pay: on appointment	602·25
after 5 years	730·00
after 10 years	876·00

Medical officers (but not dental officers) who hold specified diplomas and who do not receive any of the other forms of additional pay are eligible for Diploma pay at an annual rate of £109·50.

26. In the context of military salaries based on the average net remuneration of GMPs in the NHS, the concept of additional pay for particular categories of medical and dental officers is in some respects odd, although we recognise that it is the present system that creates the oddity. In general, GMPs in the NHS do not receive comparable additions to pay and we see this as a further reason for considering again whether the average net remuneration of GMPs alone continues to be the appropriate basis for Service medical and dental pay. As we have said, all this is for a future review, and we have to consider now whether rates introduced 5 years ago should be increased meanwhile, and if so, by how much. We are satisfied that it would be inequitable to recommend that no action at all should be taken. It was not possible to consider increases in these forms of additional pay during the currency of the counter-inflation programme. Immediately prior to that, in 1972, the Defence Medical Services were the subject of an Inquiry[1] and it was considered premature to examine additional pay in advance of its findings. On the other hand, the restoration of a former relativity with the military salary—in this case the relativity that existed in 1970—would magnify the differentials between the total emoluments of Colonels and Brigadiers who are senior specialists and consultants, and other officers of equivalent or higher rank in the medical and other branches of the Services. It would, too, need very careful consideration in the context of the salaries of consultants in the NHS. We do not regard the recommendations of our Fourth Report[2] on the major forms of additional pay for the Services generally as limiting our freedom to recommend different measures in the medical and dental field. We see our task as being to make recommendations covering all aspects of Services medical and dental officers' pay on standards that are generally appropriate to them.

27. We have therefore adopted a third course which takes some account of the reduced value of additional pay in real terms over the last 5 years, and we recommend that the forms of additional pay we have referred to should be increased with effect from 1 April 1975 to the following annual rates:

---

[1] The Defence Medical Services Inquiry Committee.

[2] Cmnd. 6063, Chapter 4.

Table 5

Recommended annual rates[a] of medical and dental additional pay

Type of additional pay	Annual rate
	£
Specialist Pay	225
Senior Specialist Pay	600
Consultant Pay:	
on appointment	850
after 5 years	1,000
10 years	1,250
Diploma Pay	150

[a] The detailed rates promulgated by the Ministry of Defence will be expressed as daily rates of pay and may vary slightly from these rates.

28. We have also been asked by the Ministry of Defence to consider recommending the extension of diploma pay to dental officers who hold approved and appropriate higher degrees in periodontology, prosthetics, or advanced conservation; or a diploma in orthodontics. We have been told that such qualifications are comparable in standing and status to those for which diploma pay may be paid to medical officers. The intention underlying the proposal is that the conditions of medical and dental officers (who already receive identical salaries) should be brought into line. We were told that it was related also to a recommendation by the Ministry of Defence Armed Forces Committee on Post-Graduate Medical Education that the opportunities available to selected general duties dental officers to obtain suitable higher qualifications should be improved, and that it was seen as an encouragement to obtain such higher qualifications and thereby to bring more advanced knowledge and skills to bear on treatment standards.

29. This proposal has to be considered against the background that the identity of pay between Service medical and dental officers, based on the average net remuneration of GMPs in the NHS, itself gives a substantial advantage to the Service dental officer, by comparison with the target average net income of General Dental Practitioners in the NHS recommended by the Review Body on Doctors' and Dentists' Remuneration.[1] In these circumstances, we are unable at present to recommend that this advantage should be increased through the introduction of a new form of additional pay at this time, and we shall consider the proposal further when we have completed our intended re-examination of the appropriateness of the average net remuneration of GMPs in the NHS as the single outside standard.

The Permanent Commission Grant (PCG)

30. We have referred (paragraph 13) to the existence of the Permanent Commission Grant as a form of inducement to officers to transfer from Short

[1] Review Body on Doctors' and Dentists' Remuneration, Fifth Report, Cmnd. 6032, paragraph 60.

Service Commissions to Regular Commissions. The PCG is a taxable payment of £1,500, made to those medical and dental officers who take Permanent Commissions following Short Service Commissions. It was introduced in 1953 as a special inducement in the medical and dental field, and the rate has not been changed since. It has to be recognised that, in circumstances in which the Services normally recruit medical and dental officers via a Short Service Commission, an incentive of this kind is unnecessary and may even be counter-productive in the case of the few who would otherwise have taken up a Permanent Commission at the outset. In deciding whether to transfer to a Permanent Commission, an officer will balance the PCG of £1,500 against the immediate alternative benefit of a tax free gratuity of £3,000 on completion of a Short Service Commission of 5 years. We have already concluded (paragraph 13) that the PCG cannot, and indeed should not, attempt to match the gratuity in cash terms. But, for as long as it is necessary to use an inducement of this kind, if it is to have any effect it must provide a realistic alternative. We recommend that the Permanent Commission Grant should be increased to £3,000.