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**REVIEW BODY
ON
ARMED FORCES PAY**

SERVICE MEDICAL AND DENTAL OFFICERS

**Supplement to Fifth Report
1976**

**Chairman :
H. W. ATCHERLEY**

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
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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 GCB CBE DSC JP

Ewen M'Ewen CBE

Miss A. R. Murray JP

C. A. Roberts CBE

J. R. Sargent

Sir Leslie Williams CBE

The Secretariat is provided by the Office of Manpower Economics.

¹Also a member of the Top Salaries Review Body.

Introduction

1. Since 1973, we have put forward our recommendations each year on the pay of Service medical and dental officers, medical and dental cadets and pre-registration medical practitioners (PRMPs) in a Supplement to our main Report. It has been necessary to deal with this group separately from our main recommendations as we have so far followed the principle first adopted in 1969 of relating the pay of Service medical and dental officers to the average net earnings¹ of general medical practitioners in the National Health Service. This has meant that, on each occasion, we have considered their position after the publication of the relevant Report of the Review Body on Doctors' and Dentists' Remuneration, whose pay recommendations, like ours, are implemented with effect from 1 April each year. In 1975, the Ministry of Defence and the British Medical Association each questioned certain aspects of the existing basis for assessing Service medical and dental pay and, in order to satisfy ourselves whether or not the 1969 system continued to be appropriate, we decided to embark on a comprehensive re-examination of it. This decision was immediately overtaken by events which themselves have limited the action that we have been able to take so far: on the heels of the publication of the Supplement to our Fourth Report last year, the Government introduced the pay restraint measures announced in the White Paper "The Attack on Inflation"², which apply to our present recommendations, in common with those in our Fifth Report³ and with those in the Sixth Report of the Review Body on Doctors' and Dentists' Remuneration⁴.

2. We explained in our Fifth Report the nature of the structural problems that inevitably arise when strict limits are introduced in the amount of the pay increase that is permissible and on the income level eligible for an increase, particularly where the pay structure is as complex as in the armed forces⁵. Likewise, the Review Body on Doctors' and Dentists' Remuneration has drawn attention to special problems in their field⁶ and has exemplified as one such problem the effect of the restraint measures on the pay systems for general medical practitioners (and general dental practitioners). These problems are related primarily to the nature and purpose of the scales of fees and practice expenses: but the translation into the military salary structure of the average net remuneration from the NHS structure introduces for doctors and dentists in the armed forces the same kind of structural problems as we described in our Fifth Report.

¹ ie net of practice expenses.

² Cmnd. 6151, July 1975.

³ Review Body on Armed Forces Pay, Fifth Report 1976, Cmnd. 6470, May 1976.

⁴ Review Body on Doctors' and Dentists' Remuneration, Sixth Report 1976, Cmnd. 6473, May 1976.

⁵ Cmnd. 6470, May 1976, paragraphs 3-5.

⁶ Cmnd. 6473, May 1976, Chapter 1 (paragraph 3) and Chapter 2 (paragraph 12).

Our approach

3. In principle, we have adopted the same approach to the consideration of the pay of medical and dental officers as we did to the pay of other officers and servicemen on this occasion. For them, we obtained evidence of pay levels for jobs of equivalent weight and responsibility in civil life in accordance with our normal methods and standards, and we considered this evidence against the requirements of the pay restraint measures. For medical and dental officers, we have again looked to the average net remuneration which the recommendations of the Review Body on Doctors' and Dentists' Remuneration¹ are designed to produce for general medical practitioners in the National Health Service to provide our outside check. Those recommendations are themselves consistent with the requirements of the pay restraint measures and have been accepted.

4. In our Fifth Report, we said that the levels of pay generally indicated by the outside evidence reflected increases that came into effect over a period of twelve months of which a significant part preceded the introduction of the restraint measures on 11 July 1975². This had given rise to a parallel position to the one that existed immediately before the introduction of the November 1972 counter-inflation measures: on both occasions the maximum increase allowed under the restraint measures was shown to be fully justified by the outside evidence, but it did not increase servicemen's earnings to the full levels justified by that evidence.

5. The position of Service medical and dental officers is different in one respect. Because we have again used the average net remuneration of general medical practitioners in the NHS as our main test, our consideration of general outside evidence is therefore at one remove. However, the Review Body on Doctors' and Dentists' Remuneration has referred to

“... a measure of shortfall [in the earnings of doctors and dentists] compared with the earnings of those at similar income levels even after our recommendations have been implemented, because of increases in pay to some other professional groups in the period between 1 April 1975 . . . and the date of the introduction of the pay restraint measures.”³

To this extent the problem of shortfall is identical (paragraph 4 above) and it will have to be borne in mind in future reviews when circumstances allow, as well as in our examination of the principles on which the pay structure of medical and dental officers is based.

6. The Review Body on Doctors' and Dentists' Remuneration has recommended payment of the maximum amount permissible within the

¹ Cmnd. 6473, May 1976, Chapter 4.

² Cmnd. 6470, May 1976, paragraphs 6-8.

³ Review Body on Doctors' and Dentists' Remuneration, Sixth Report 1976, Cmnd. 6473, May 1976, paragraph 12.

current pay limits, £6 a week or £312 a year¹, to those general medical practitioners who are eligible to receive it under the current restraint measures, to be paid as a cash supplement to gross fees and allowances². They have estimated that the supplement to general medical practitioners who earn less than £8,500 a year (under half of them) will increase the estimated average net remuneration of *all* general medical practitioners by £108 in 1976-77, assuming no change in the general level of workload and responsibility³. It is this increase of £108 in average net remuneration of all general medical practitioners that provides the justification for an increase in the pay of medical and dental officers in the armed forces. Last year we based our recommendations on the average net remuneration of £8,485 that the recommendations in the Fifth Report of the Review Body on Doctors' and Dentists' Remuneration were designed to produce for general medical practitioners in the NHS in 1975-76, and we are satisfied that the addition of £108 to this justifies for those eligible to receive it an increase of the maximum amount permissible under the restraint measures (£6 a week). This is because the basic principle which at present governs the pay of Service medical and dental officers 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 general medical practitioners in the NHS.

Our recommendations

Medical and dental officers

7. An increase in average earnings of £108 could, in theory, be achieved by adding £108 to each of the 32 points on the salary scales. But at the present time, 21 of these 32 points and the fixed salary of medical and dental Brigadiers are above £8,500 and for that reason are not eligible for any increase under the restraint measures. For the average (32 year) earnings to be increased by £108, payment of the maximum permissible supplement⁴ at earnings levels equivalent to the remaining 11 salary scale points is fully justified. We recommend that, provided that individual earnings do not as a result exceed £8,500 a year, a supplement of £6 a week should be paid to medical and dental officers in the armed forces with effect from 1 April 1976.

Pre-registration medical practitioners

8. We concluded last year⁵ that the salaries of pre-registration medical practitioners (PRMPs) should bear a suitable relationship to the earnings of House Officers in the NHS (which then included extra duty allowances),

¹ Based on a year of 52 weeks exactly.

² Cmnd. 6473, May 1976, paragraphs 12, 13 and 37.

³ *ibid*, paragraph 46.

⁴ £6 a week or such amount as the £8,500 pay limit allows.

⁵ Review Body on Armed Forces Pay, Supplement to Fourth Report 1975, Cmnd. 6146, July 1975, paragraphs 22 and 23.

since both were at the same stage of a career and at broadly the same age. Moreover, they worked alongside each other in NHS hospitals in the pre-registration year. Although the contract arrangements for junior hospital doctors have since been changed, and extra duty allowances have been superseded, the principle of the relationship is not affected. The Review Body on Doctors' and Dentists' Remuneration has recommended the payment of a supplement of £6 a week to House Officers in the NHS and we therefore recommend that a supplement of £6 a week should be paid to PRMPs with effect from 1 April 1976.

Medical and dental cadets

9. Officer cadets and university cadets will receive the supplement of £6 a week that we recommended in our Fifth Report¹. We recommend the same level of supplement for medical and dental cadets.

The cost of our recommendations

10. The estimated cost of our recommendations in the year beginning 1 April 1976 is:

<i>Cost of weekly supplements to earnings</i>	£ thousand
Medical and dental officers earnings £8,500 or less including the recommended supplement	230·0
Pre-registration medical practitioners	42·0
Medical and dental cadets	84·0
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Total cost ² of recommendations	356·0

The supplements to earnings represent an average increase in the total pay of all medical and dental officers up to and including the rank of Brigadier and equivalent of 2·4 per cent. For those who will receive the full supplement of £6 a week, the percentage increases are:

Medical and dental officers	5·2 per cent–3·9 per cent
PRMPs	8·0 per cent
Medical and dental cadets	14·3 per cent

11. We have examined the current manning position in the medical and dental branches of the armed forces, but we have concluded that it is impossible to make a direct comparison with the position last year (which we described in the Supplement to our Fourth Report³) because of changes in the number of established posts following the Defence Review. However,

¹ Cmnd. 6470, May 1976, paragraph 10.

² The total cost does not take into account the increased yields from the food and accommodation charges recommended in our Fifth Report 1976 for all members of the armed forces. The sum involved for medical and dental officers is included in the total of £18·328 million in paragraph 24 of our Fifth Report.

³ Cmnd. 6146, July 1975, paragraph 11.

the shortfall of doctors in the Navy has increased, and, so far as we can judge, a seemingly significant improvement in the Army and the creation of a small surplus in the RAF are largely attributable to a reduction in the number of established posts.

12. We are satisfied that our recommendations are consistent with the restraint measures in the White Paper "The Attack on Inflation". Similar problems of distortion will arise from the application of these measures to the pay structure of Service medical and dental officers to those that, as we pointed out in our Fifth Report¹, will arise for the Services as a whole.

13. We shall take the manning position and the structural and other problems into account as our re-examination of the basis of Service medical and dental pay progresses. We have taken the preliminary steps in the re-examination that we see as necessary: it is a difficult task and will necessarily take time to complete. We aim to carry it forward in the coming year, notwithstanding the fact that our work will again be undertaken against the background of new restraint measures.

HAROLD ATCHERLEY (*Chairman*)
D P DREYER
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A R MURRAY
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LESLIE WILLIAMS

OFFICE OF MANPOWER ECONOMICS
4 June 1976

¹ Cmnd. 6470, May 1976, paragraphs 4 and 5.