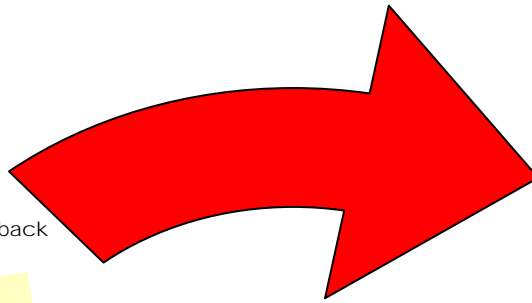
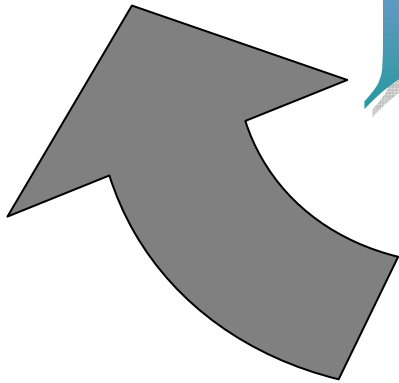


Savings will have to be cut back
drastically.



It is 1976 and everybody
[civilians] is out to get what they
can. The country is in trouble, so
the Labour Government has
imposed a ceiling on all pay rises
which is £6 per week or a
maximum of £8500 per year. We
have therefore received an
across the board supplement of
£6 except for those already on
£8500.

1976

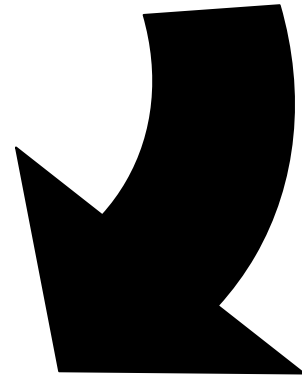


but lots of debts ..story of
your



life?

.....!



In the **BLACK** is nice, but fleeting
And all too quickly changes when meeting
The cost of our life style, married or single
With few coins left in our pockets to jingle.

Then the colour changes to **GREY** well known to mean 'uncertain' bets
That even the few coins we have are assets or debts
So we tighten our belts and look to our savings
Bemoaning our lot and our pay whilst retaining our cravings.

When the piggy-bank is empty but the needs are still there
We still go ashore with or without a care
And although now at **RED** when we should stop
We borrow a rubber, half a bar, to buy our pop.

Then it is pay day, what a relief
All debts are settled and there is a belief
That this month things will be different and debt free
How right you are matey because the ship is due for a month at sea.

{G. Dykes May 2005 – a budding Poet Laureate?}

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PARAPHLETS COLLECTION 1



REVIEW BODY
ON
ARMED FORCES PAY
FIFTH REPORT
1976

Chairman:
H. W. ATCHERLEY

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
May 1976*

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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 CBE²

The Secretariat is provided by the Office of Manpower Economics.

¹Also a member of the Top Salaries Review Body.

²Sir Leslie Williams was appointed to the Review Body by the Prime Minister in November 1975.

Introduction

1. The guidelines of the social contract which we took into account in framing the recommendations in our Fourth Report¹ have been succeeded by guidance for the determination of pay set out in the White Paper "The Attack on Inflation",² which was published on 11 July 1975 and describes the measures which the Government has adopted as its policy on pay for the period to 1 August 1976. Under the provisions of the White Paper, no-one may have a pay increase of more than £6 a week, and no-one whose earnings are already £8,500 a year or more is eligible for any increase during the period covered by the measures.

2. The individual limit of £6 a week is regarded by the Government as a maximum increase within which settlements may be reached and not as an entitlement: it applies to the total increase which an individual may receive over 12 months, and it includes the value of any improvements in non-wage benefits. Provision is also made for established incremental and wage-for-age scales to continue, provided that the overall wage bill is not increased by more than £6 per head. A further requirement is that, because of the problems that arise from the existence of different pay structures, the cash amount of any increase is to be paid as a straightforward supplement to earnings.

3. The White Paper says specifically that, where the Government is the employer, it will ensure that settlements comply with the pay limits,³ and refers directly to the position of the armed forces both in this context and in relation to a request to the three independent Review Bodies, each of which is concerned with a group whose pay is not negotiated, to comply in their recommendations with the pay limits.⁴ We have said before that, in considering armed forces' pay and the charges for food and accommodation, we attach great importance to realistic comparisons with pay levels and costs outside and our recommendations take these into account. Comparisons of this kind can only include changes that have already taken place and, in these circumstances, it follows that the application of the provisions of Government pay policies now to negotiated pay settlements generally would normally be reflected in our recommendations on armed forces pay at some future date. But we are asked to comply with the current restraint measures now, before their general application to pay settlements has fully worked its way through. We return to the problems created in this situation (paragraph 8).

4. Clearly, the introduction of limits either on the amount of permissible pay increases or on the income level up to which they may be paid will inevitably distort earnings patterns in a pay structure as complex as that of the armed forces, even if distortion of salary scales and pay rates themselves is avoided by designating the increases as supplements to earnings,

¹Review Body on Armed Forces Pay, Fourth Report 1975, Cmnd. 6063, May 1975.

²Cmnd. 6151, July 1975.

³*ibid*, paragraph 12.

⁴*ibid*, paragraph 13.

as the present policy requires. The armed forces pay structure has three main components—the military salary, a variety of forms of additional pay for such special duties as flying or service in submarines or in parachute units, and certain allowances that are in the nature of pay and are broadly related to the circumstances of the individual (for example, separation allowance). All members of the Services are paid a military salary and they may also be paid one or more forms of additional pay and allowances. Under the current restraint measures the military salary and additional pay count towards the earnings limit of £8,500 for pay increases in any form. Thus, officers whose total earnings are £8,500 or more, because they qualify for additional pay as well as for salary, may not receive increments within their pay scale or increases in pay during the period of the current restraints, while officers of equal rank whose earnings are lower because they do not qualify for additional pay, may receive all or part of any increments due or increases in pay, to the extent that their total earnings do not then exceed £8,500. The result is a departure from an orderly structure of scales and leads to distortion and anomalies between individuals whose duties and experience are normally recognised in their pay relative to each other, as well as to compression. In consequence, a substantial backlog of structural problems will arise in the armed forces and will have to be resolved in the future.

5. These problems are not peculiar to the armed forces and will of course be experienced in many pay structures. They have to be accepted at present if the measures designed to bring down the rate of inflation are to succeed. The way in which they apply to the armed forces is no different from the way in which they apply to other members of the community, although the structure is particularly complex and, superficially, it may appear to be different, because servicemen and women are paid by their employer and at the same time most of them have to pay a significant part of their basic living expenditure (for the food and accommodation provided for single men and women, and married quarters for married men) through charges levied by their employer. Changes in charges attract particular notice in the armed forces because they are normally reviewed at the same time as pay. We discuss them in detail in paragraphs 12–20. The system under which pay and charges are increased at the same time is sometimes seen as putting the armed forces in the peculiar position of having what they are given with one hand taken away by the other. This ignores the fact that increases in the costs of food and accommodation outside the armed forces have to be faced as they occur throughout the year and that, in practice, many servicemen and women are protected for a time against rising costs as they occur in the community generally, because of the system of annual review. This is not the first review of armed forces pay that has had to be undertaken against the background of a policy involving measures of pay restraint and now, as on previous occasions, the armed forces are affected by the current measures in the same way as the rest of the community at equivalent earnings levels.

Pay: our approach

6. Since the publication of the White Paper on 11 July 1975, 277 major

pay settlements affecting over 6½ million employees have been made within the terms of the policy. We are aware that the £6 limit is regarded by some as a standard level of increase for all employees rather than as a maximum increase. We have not found it necessary to debate this as an issue of principle because we have adopted our normal practice of establishing the levels of pay justified now on the basis of outside evidence obtained in accordance with our normal standards, and have considered the results against the requirements of the restraint measures. Our system of checks against what has been happening in outside employment has long been recognised as the only practical method of testing absolute standards of pay in the Services and, even in present circumstances when there is a limit on the amount that can be recommended, comparison must continue to play a part in providing the justification for any pay increase. Both for this reason and for continuity, it has been necessary to collect up to date evidence of pay levels outside for work comparable to that of servicemen and women, based on the methods of job evaluation that we have found an essential aid in the past. This has been done both for officers and for other ranks in the way we described in our Fourth Report;¹ in the case of other ranks the sample of outside jobs has been increased to just over 600. We are most grateful for the co-operation of the one hundred and forty organisations which provided the data and facilities for the evaluation of jobs. These surveys indicate the levels of earnings at the end of 1975 attached to outside jobs of a wide range of values, in job evaluation terms. These levels reflect increases that came into effect in the previous twelve months; much of this period was of course before the introduction of the restraint measures.

7. The validity of the evidence provided by the surveys can be tested by reference to other published evidence and it is our usual practice to check it in this way. In particular, the sample used for the other ranks survey is designed to reflect the national distribution of manual workers by region, occupation and industry recorded by the New Earnings Survey (NES) so far as this is possible in a relatively small sample that is intended also to reflect the supervisory content of jobs in the armed forces at this level. However, after adjusting the sample to bring it as closely as possible in line with the NES distribution, and after bringing the NES earnings data (which relate to April each year) into line with the date of our own surveys (November), we have found a close relationship in cash terms between the increases in average earnings between November 1974 and November 1975 shown by the two surveys. In percentage terms our own surveys, which start from a higher base figure than the NES, show an increase of 19.0 per cent. The NES shows an increase of 21.2 per cent. Over the same period, the Index of Average Earnings rose by 21.3 per cent and the General Index of Retail Prices by 25.2 per cent.

8. We are satisfied that, on the basis of all of this evidence, the maximum increase of £6 a week allowed under the restraint measures is justified for all adult servicemen who are eligible to receive an increase under them.

¹Cmnd. 6063, paragraphs 9-14.

But it is, in fact, clear that pay increases for jobs outside in the period between 1 April 1975 (when servicemen's pay was last increased) and 11 July 1975 (when the White Paper was published) have given rise to a situation that is almost exactly parallel to the situation immediately before the introduction of the November 1972 counter-inflation measures. In normal circumstances, these settlements would have been taken into account in our current recommendations, because they have affected levels of pay outside the armed forces for comparable work. In the present circumstances, account can be taken of their effect on earnings only to the extent that they provide clear evidence in support of the increases that we recommend. If, in the longer term, pay levels are to be maintained for the armed forces that are competitive with pay levels for comparable work outside, remedial action will be needed. We regard it as our duty to make these problems known to the Government to enable account to be taken of them in the development of future pay policies and measures.

9. The armed forces pay structure includes incremental scales and wage-for-age scales which provide the pattern of payment for all officers, for junior servicemen and women under the age of 17½, and for other ranks who serve for nine years or more. In our experience, where systems of this kind operate on a large scale, the cost will balance over a fairly long period, because individuals move off the highest points of the scales and are replaced by entrants at the lowest points; but the same is not necessarily true of a single year and we have therefore found it necessary in the context of the restraint measures to ask the Ministry of Defence to make a detailed calculation of the cost. We have examined this, and we are satisfied that, at the present time, the continued operation of the armed forces' incremental and wage-for-age scales does not require an amount to be offset against the £6 pay limit.

Pay: our recommendations

10. We therefore recommend that, provided individual earnings are not thereby increased beyond £8,500 a year, a supplement of £6 a week should be paid to all members of the armed forces within our terms of reference, with the exception of medical and dental officers (whose pay will be considered separately) and of junior servicemen and women (paragraph 11 below) with effect from 1 April 1976.

11. Junior servicemen and women (that is, those under 17½ years of age) and apprentices serving apprenticeships of three years or more, are paid on special scales and we recommend supplements based on the proportion of £6 that reflects the relationship between those scales and the minimum adult rate of pay. Details of the recommended supplements are in the Appendix. Junior servicemen who are in productive service and have hitherto been paid the full adult rate of pay will be paid the same supplements as junior servicemen undergoing training. As a result they will no longer be liable to pay the full adult rate of accommodation charge for servicemen below the rank of Corporal, and will instead pay the lower rate charged to those who are paid less than the minimum adult rate of pay. The effect will be that those who are currently in productive service will pay a lower accommodation charge than they pay at present.

Charges: our approach

12. The charges for food and accommodation provided by the Services are related to the corresponding expenses which people outside the Services have to bear in similar circumstances, and to Service pay. We have explained the methods adopted to put this principle into practice in the past, but we consider that they will bear repetition, both as an explanation of how the charges are built up and so that servicemen and women themselves will be in no doubt that we regard the methods used and the levels of charges which emerge from their use as equitable, from their point of view as well as from the taxpayer's.

13. The basis of the charge for food is the formula, based on the retail value of the daily ration, which had been used to calculate the ration allowance which, prior to the introduction of the military salary in April 1970, was paid to servicemen who were not on the ration strength of their units and did not therefore receive free food. The gross sum calculated on this formula is abated to take account of absences of less than 48 hours and single servicemen pay the resultant charge on a continuous basis when they are on the ration strength of their unit, whether or not they take the meals, but not when they live out, are on leave for 48 hours or more, or are serving at sea or in the field for two nights or more.

14. Charges for all forms of Service accommodation are derived from the charges for married quarters. These are made up of four elements: basic rent, rates, furniture and additional maintenance. The basic (unfurnished) rent for the other ranks' quarters is based on local authority rents weighted according to the distributions of age and type of dwelling of Service quarters. The basic rent of officers' quarters up to Type III is calculated proportionately to the rent for other ranks' quarters, according to floor area. The rates element is the average of the rates and water rate paid by the Ministry of Defence for each type of quarter. The furniture charge is based on the annual sum that would be required to repay the cost of furnishing and equipping each type of quarter (on the assumption that the contents are on average ten years old) on an annuity basis over a twenty year period. The additional maintenance charge covers the maintenance work undertaken in excess of the work normally done by local authorities and is based on a part of the total costs of maintenance (excluding estate maintenance) for each type of quarter. As we said in our Fourth Report¹ in relation to charges implemented on 1 April 1975, and we repeat here as it is important that the position should be widely known and understood, the use of the latest available information on these costs gives servicemen who live in quarters an inbuilt advantage because it relates to dates up to one year before the date on which new levels of charges are implemented, in contrast to the usual position outside the Services where increased costs have to be met as they arise.

15. The method of assessing the charges was introduced in 1970 following recommendations made by the National Board for Prices and Incomes and accepted by the Government. It is kept under continuing review and we

¹Cmnd. 6063, paragraph 8.

have made certain refinements to the methods where we have found them to be justified in the past. However, in practice, the introduction of charges calculated on this basis was deferred and they were not brought fully into effect until 1 April 1975.¹ In the context of the current restraint measures, an important factor which we have to bear in mind is that any improvements in non-wage benefits have to be offset against the £6 a week pay limit. The Ministry of Defence have told us that, if increases in accommodation charges were to be restricted, the difference between the restricted levels of charges and those justified by the evidence on the accepted basis of calculation would count as a benefit to the serviceman and would have to be offset against the £6 pay limit. At the same time, the Ministry of Defence have also told us that increases in accommodation charges to the levels justified by the outside evidence in conjunction with the pay limit of £6 a week and the earnings ceiling of £8,500 will bear hardly on some servicemen and may result in an increase in the number of servicemen moving out of quarters into their own properties. They see this as a potential problem in relation to the operational efficiency of the Services. As such, we shall give it our serious consideration and we have asked the Ministry of Defence to provide us with further information on this aspect of the accommodation problem.

16. For the present, and in the context of the current review, they recognised that within the current restraint measures no other option is open to us than one of the two that we have described. They have asked us not to recommend the introduction of a non-wage benefit which would affect some servicemen only and which would have to be offset against the £6 pay limit for all of them. Before reaching our general conclusion, we nevertheless considered the possibility of dividing the increase into pay and non-wage benefits, but we concluded that it would be manifestly unjust for those who would receive little or no non-wage benefit from restrictions on increases in charges to be doubly penalised by the imposition of a new and lower limit for pay increases. We have therefore recommended an increase in pay of the full £6 permissible (paragraph 10) for all servicemen and women other than juniors and those apprentices who are paid less than the minimum adult rate of pay (for whom we recommend pro rata increases). But the corollary is that charges must be increased to the levels indicated by the evidence. The average increase in basic (unfurnished) rent that this entails is some 54p a week and this is well within the average of 60p envisaged in the White Paper² as the average rent increase "next Spring" (that is, now). The increases in the total charges are, of course, greater because they incorporate increases in rates, in the costs of maintenance and of providing furniture and equipment.

Charges: our recommendations

Food charges

17. The gross charge calculated by the method we have described is now 85·82p a day (£6·01 a week): after abatement to take account of absences of less than 48 hours, this is reduced to 77·24p a day or £5·41 a week. We

¹*ibid.*, paragraphs 84, 85.

²White Paper "The attack on Inflation", Cmnd. 6151, July 1975 paragraph 35.

therefore recommend that, with effect from 1 April 1976, the food charge should be 77p a day (£5.39 a week). This represents an increase of 17p a day (£1.19 a week) over the current charge of 60p a day (£4.20 a week) introduced on 1 April 1975.

Accommodation charges

18. We recommend that the following charges for married and single accommodation, calculated on the basis we have described, should be introduced with effect from 1 April 1976:

Table 1
Married Quarters

Type of quarter	Annual charge			
	Standard quarters		Sub-standard quarters	
	Existing	Recommended	Existing	Recommended
	£	£	£	£
Other ranks				
A	222.65	273.75	149.65	182.50
B	324.85	379.60	215.35	251.85
C	375.95	438.00	251.85	292.00
D/WO	438.00	474.50	292.00	317.55
Officers				
V	518.30	609.55	346.75	405.15
IV	613.20	722.70	408.80	481.80
III	693.50	821.25	463.55	547.50
II	784.75	923.45	—	—
I	876.00	1,032.95	—	—

Table 2
Single Quarters

Rank	Annual charge					
	Standard quarters		Officers occupying single rooms		Sub-standard quarters	
	Existing	Recommended	Existing	Recommended	Existing	Recommended
	£	£	£	£	£	£
Young servicemen receiving less than the minimum adult (ie Private IV) rate	80.30	98.55	Not applicable		54.75	65.70
Corporal and below	105.85	127.75	Not applicable		69.35	83.95
Warrant Officer and Senior NCO ...	204.40	244.55	Not applicable		135.05	164.25
Captain and below	288.35	346.75	Not applicable		193.45	229.95
Major ...	354.05	423.40	299.30	357.70	237.25	281.05
Lieutenant Colonel and above ...	394.20	474.50	324.85	383.25	262.80	317.55

Garage charge

19. We recommend that, with effect from 1 April 1976, the garage charge should be increased from the present level of £40.15 a year to £43.80 a year.

The relationship of pay and charges

20. We understand the Ministry of Defence's dilemma in relation to the options open to us under the current restraint measures: it has a dual responsibility in relation to pay and charges in the armed forces, since it is both bound by the incomes policies of Governments and responsible for the management and morale of the armed forces as a whole. We believe that the great majority of servicemen and women recognise and accept that they cannot be treated differently from the rest of the community in the context of measures specifically designed to bring down inflation and, in doing so, to ensure that the value of the pay that they earn is not eroded. The reality of the situation is that pay, which was last brought up to date on 1 April 1975, is to be increased by £6 a week for most members of the armed forces. We have already drawn attention to problems of compression that will arise at the higher levels of the pay structure and that will have to be resolved at a future review and we recognise that officers whose earnings already exceed £8,500 will face increases in charges without increased remuneration, but again this reflects the position in the rest of the community. At the lower levels where in normal circumstances financial pressures can perhaps be expected to be greatest, the amount of the pay increase recommended on this occasion is substantial both in absolute and percentage terms. It represents 17.2 per cent for the Private IV (Scale B) and between 11.2 per cent and 18.3 per cent for Privates generally; it ranges from 9.1 per cent to 12.3 per cent for Corporals; and from 7.0 per cent to 10.6 per cent for senior NCOs and Warrant Officers. Nor is it negligible at any level up to the £8,500 earnings limit: for officers who receive the full £6, it represents increases that range from 9.4 per cent for the Lieutenant on appointment to 3.8 per cent for the Colonel on appointment. Increases in charges which, in the case of accommodation charges, are based on levels prevailing outside up to twelve months ago, and which reflect only part of the increased costs that people outside the Services already have had to meet, compare reasonably. This is illustrated in Table 3 below:

Table 3

Comparison of a supplement to earnings of £6 a week^(a) with increases in charges for food and accommodation

	Servicemen		Officers		
	Corporal and below	SNCO/WO	Captain and below	Major	Lt Colonel and Colonel on appointment
	£	£	£	£	£
Weekly supplement to earnings (gross)	6.00	6.00	6.00	6.00	6.00
Net amount after deduction ^(b) of tax at appropriate rate(s)	3.90	3.90	3.90	3.30-3.90	2.70 ^(c) -3.30
Increase in total food and accommodation charges (single servicemen and women) ...	1.61	1.96	2.31	2.52	2.73
Increase in accommodation charges for married servicemen occupying quarters ...	Type	£	Type	£	
	A	: 0.98	V	: 1.75	
	B	: 1.05	IV	: 2.10	
	C	: 1.19	III	: 2.45	
	D/WO	: 0.70			

^(a)Subject to £8,500 limit on earnings.

^(b)Assuming no income other than the military salary plus £6 a week supplement and income tax allowances for single men and women and married men with up to two children at the levels announced for the year 1976-77.

^(c)Colonel on appointment only.

Charges for sub-standard accommodation

21. With the exception of senior officers for whom the single accommodation charge incorporates an element for personal service, the charge for both married and single sub-standard quarters is two-thirds of the standard charge, adjusted to produce a daily rate. As in the case of standard quarters, the accommodation charges are the same, either for each type of quarter or for each group of ranks as appropriate, wherever the quarters are located and regardless of their individual characteristics. We regard this as right: it is in any case dictated by the pattern of Service life. Servicemen are moved frequently and, in our view, should be able to expect the minimum fluctuation in the amount that they have to pay for food and accommodation where this is in the control of their employer.

22. In the course of 1975, the Ministry of Defence drew our attention to a recommendation of the House of Commons Expenditure Committee¹ that "urgent attention be given to the charges levied for sub-standard accommodation", following a visit by members of the Defence and External Affairs Sub-Committee to the British Forces in Germany. We have studied the evidence given to the Committee. Specifically, the recommendation

¹Seventh Report from the Expenditure Committee, Session 1974-75, British Forces, Germany.

arose from criticisms of the standard of single accommodation at Belfast Barracks, Osnabrück: by implication, the charges were considered to be too high. The charges for single accommodation were defined by the National Board for Prices and Incomes¹ as intended to cover the space used by single men for sleeping, eating and "living" with small elements for heat and light and for the service provided in messes. At the time of the Committee's visit, sub-standard accommodation for single men cost £1.05 a week for Corporals and below, although it was on the point of being increased to £1.33 a week with effect from 1 April 1975 as a result of the recommendations in our Fourth Report.² We ourselves have been concerned at the quality of some of the sub-standard accommodation that we have seen on some of our visits to the Services both at home and overseas, and we have made our views known to the Ministry of Defence. However, it is inescapable that the quality of quarters will vary widely according to age, location, materials etc. In our view, it would be wrong in principle to set the charge for each type of accommodation by reference to the worst example, or only one example, of the type.

23. We do not consider the charges for sub-standard accommodation excessive: on 1 April 1975 the weekly pay of junior servicemen ranged from an absolute minimum of £32.76 for the uncommitted recruit to £65.73 for the Corporal Class I in Band 3 committed to serve for 9 years or more. In relation to pay at this level, a weekly charge of £1.33 is not unreasonable, although it may have been less of a bargain in Belfast Barracks, Osnabrück than perhaps in some other places. We recognise of course that reductions in the Defence Budget will inevitably slow down still further some of the improvements that are essential to ensure an acceptable minimum standard across the board. Nevertheless, we consider that the revised level of charges is in general equitable, both for standard and sub-standard accommodation.

The cost of our recommendations

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

<i>Cost of weekly supplements to earnings</i>		£ million
Officers		12.775
Servicemen and women including juniors and apprentices		88.477
		<hr/>
Total cost ³ of recommendations on pay		101.252
<i>Charges (all Services)</i>		£ million
Increased yields: Food		6.000
Accommodation		12.328
		<hr/>
<i>Net cost of current recommendations</i>		82.924

¹Report No. 142, Cmnd. 4291, February 1970, paragraph 114.

²Cmnd. 6063, May 1975, paragraph 86 and Table 17.

³The total cost is not directly related to the total additional expenditure from the Defence Budget in 1976-77 as the latter will also take into account items such as the increased yields from food charges and accommodation charges which reduce total expenditure.

The supplement represents an average increase in officers' total pay of 5.5 per cent and in servicemen's total pay of 10.8 per cent. For the Services as a whole the total cost represents an average increase of 9.6 per cent.

Women's services

25. When we recommended the implementation of the final step towards equal pay for the women's and nursing services last year, we noted that the types of engagement used were not consistent either between the services or with those used in the men's services. We also noted that a review of the engagement policies for the women's services¹ was in progress. The Ministry of Defence have completed this review and have told us that the enlistment policies in each of the women's and nursing services have generally been brought into line with each other on the basis of the notice engagement. The rules for prolongation of service after the initial engagement will remain different from each other, as they will continue to reflect the differences between the equivalent men's services. The small differences of detail that will remain no more than reflect the different manning requirements of the three services. We welcome the measure of simplification which the new arrangements introduce into engagement policies in the women's and nursing services. The differences that remain appear to be soundly based and should not give rise to problems in practice.

Work in progress

26. Since our appointment in September 1971, we have submitted recommendations designed to be implemented with effect from 1 April each year; nevertheless, the fact that the process of reviewing armed forces' pay is continuous means that whenever we submit our recommendations certain issues are outstanding. One important matter outstanding now is our comprehensive review of additional pay which we began in 1972² and on which we resumed work last year after deferring it at the request of the Ministry of Defence during the period of statutory pay restraint. We have received written submissions on three major items of additional pay—flying pay, submarine pay and parachute pay—and we have asked the Ministry of Defence for further information. For this reason it would be premature to reach conclusions, even in principle, at this stage; but the examination will continue and in due course will cover each form of additional pay.

27. A second outstanding issue is the Education Allowance which, at the time of our Fourth Report³, was under examination by the Ministry of Defence following a substantial improvement in the arrangements for adjusting the levels of the allowance in accordance with movements in school fees. A large scale survey of the operation of the allowance has been made and the results are currently being analysed and interpreted. We expect to have the Ministry of Defence's conclusions during 1976.

¹Cmnd. 6063, paragraph 53.

²Report of the Review Body on Armed Forces Pay 1972, Cmnd. 4954, April 1972, paragraph 27 and Chapter 6.

³Cmnd. 6063, paragraph 73.

28. Finally, we return to the related subjects of house purchase and the charges levied for accommodation: both of these subjects have been very much in the forefront of our minds since we were appointed in 1971 and, as we have said (paragraphs 15-16), are matters of great concern to the Ministry of Defence. Their view that servicemen are increasingly reluctant to live in quarters, because of a belief that the money spent in charges is better invested in house purchase, and that in consequence, the operational efficiency of the Services may be adversely affected, introduces a new element into the argument. The facts about the occupancy of married quarters need to be established and we have asked to be provided with them. When we know more about this aspect we shall be better placed to evaluate the problem. This too will be a part of our continuing review.

Conclusion

29. We are satisfied that our recommendations comply with the restraint measures set out in the White Paper "The Attack on Inflation", as the Government requested but, at the same time, we have seen it as right to point to some of the problems that will arise from their application.

HAROLD ATCHERLEY (*Chairman*)

D P DREYER

EWEN M'EWEN

A R MURRAY

C A ROBERTS

J R SARGENT

LESLIE WILLIAMS

APPENDIX

RECOMMENDED INCREASES IN PAY FOR JUNIOR SERVICEMEN AND SERVICEWOMEN AND APPRENTICES

Recommended increases for all categories of young entrants other than those serving apprenticeships of three years or more

Age					Weekly supplement
On entry before	16½	...	...		£
	16½	...	...		3.36
	17	...	...		3.71
					4.55

Recommended increases for young entrants serving apprenticeships of three years or more

Age					Weekly supplement during year of training			
					First	Second	Third	Fourth
					£	£	£	£
16	...	...	...		3.36	4.76	—	—
17	...	...	...		3.71	4.76	5.60	—
18	...	...	...		4.55	4.83	5.60	6.00
19	...	...	...		5.32	5.74	6.00	6.00
20	...	...	...		5.74	6.00	6.00	6.00
21 (and over)	...	...	...		5.74	6.00	6.00	6.00

SUPPLEMENT

PREPARED BY THE MINISTRY OF DEFENCE

The Pay Supplement

and

Accommodation Charges

Pay

1. The increases in pay recommended by the Review Body will be applied as a straightforward supplement to earnings. Consequently the rates of service pay and additional pay set out in the Ministry of Defence Supplement to the Fourth Report of the Review Body on Armed Forces Pay, 1975 (Cmnd. 6063) remain current and are not repeated in this document; total remuneration is enhanced by the amounts shown below.

2. The amount of the supplement is as follows:

a. For all officers, who are earning less than £8,188 a year; for Midshipmen, Midshipmen (UCE), Sub-Lieutenants (UCE), Probationary 2nd Lieutenants RM (University Cadets), Officer Cadets and University Cadets in the Army, and Officer Cadets and Acting Pilot Officers (University Cadets) in the RAF, and equivalent ranks in the women's services; and for all adult servicemen and servicewomen—£6 a week.

b. For junior servicemen, servicewomen and apprentices—the daily rates shown in Tables 1–3.

c. For officers earning £8,188 a year or more:

(1) if their “reckonable” pay already exceeds £8,500 a year, nil;

(2) if their “reckonable” pay already lies between £8,188 and £8,500 a year, such amount as increases “reckonable” pay to £8,500 a year.

“Reckonable” pay for this purpose is defined as service pay plus the following:

All forms of flying pay

Submarine pay

Parachute pay, parachute jumping instructors' pay

Hydrographic pay

Diving pay

Medical additional pay (ie consultant pay, senior specialist pay, specialist pay and diploma pay)

Gurkha service pay

Gurkha language pay

London pay

Loan service pay

Command money.

3. The Review Body's recommendations on service medical and dental officers (including medical and dental cadets) will follow.

Accommodation Charges

4. Revised charges for single and married quarters and garages are set out in Tables 4–7.

Table 1
ROYAL NAVY AND ROYAL MARINES
JUNIORS
ARMY
JUNIOR ENTRANTS (ALL CATEGORIES, INCLUDING YOUNG SOLDIERS)
ROYAL AIR FORCE
AIRMEN AND APPRENTICES WHO ENTER THE RAF BELOW AGE 17½

Age	Daily rate of Pay Supplement
	£
16 but under 16½	0.48
16½ but under 17	0.53
17 but under 17½	0.65

Table 2
ROYAL NAVY
ARTIFICER APPRENTICES, MECHANICIAN APPRENTICES
JUNIOR AND PROBATIONARY MEDICAL TECHNICIANS

Daily rate of Pay Supplement at age	Stage of training in years			
	First	Second	Third	Fourth
	£	£	£	£
16 and under	0.48	0.68	—	—
17	0.53	0.68	0.80	—
18	0.65	0.69	0.80	*
19	0.76	0.82	*	*
20	0.82	*	*	*
21 and over	0.82	*	*	*

*£6 a week.

Table 3
JUNIOR SERVICEWOMEN
(INCLUDING LOCAL SERVICE ENGAGEMENTS)
WRNS: WRAC/QARANC:
PMRAFNS (NON-COMMISSIONED ELEMENT) AND WRAF GROUND AIRWOMEN

Rating/Rank	Daily rate of Pay Supplement
	£
Wren (Ordinary Rating) Private Class IV† Aircraftwoman	0.65
} under age 17½	

†£0.53 if aged under 17.

ACCOMMODATION CHARGES

Table 4

CHARGES FOR STANDARD MARRIED QUARTERS

Payable from 1 April 1976

Type of Quarter	Daily	Weekly	Annual
	£	£	£
<i>Other Ranks</i>			
A	0.75	5.25	273.75
B	1.04	7.28	379.60
C	1.20	8.40	438.00
D/WO	1.30	9.10	474.50
<i>Officers</i>			
V	1.67	—	609.55
IV	1.98	—	722.70
III	2.25	—	821.25
II	2.53	—	923.45
I	2.83	—	1,032.95

Table 5

CHARGES FOR SUB-STANDARD MARRIED QUARTERS

Payable from 1 April 1976

Type of Quarter	Daily	Weekly	Annual
	£	£	£
<i>Other Ranks</i>			
A	0.50	3.50	182.50
B	0.69	4.83	251.85
C	0.80	5.60	292.00
D/WO	0.87	6.09	317.55
<i>Officers</i>			
V	1.11	—	405.15
IV	1.32	—	481.80
III	1.50	—	547.50

Table 6
CHARGES FOR SINGLE QUARTERS
 Payable from 1 April 1976

Rank	Daily	Weekly	Annual
	£	£	£
<i>Standard Accommodation</i>			
Young servicemen receiving less than the minimum adult rate (i.e. Private IV rate)	0·27	1·89	98·55
Corporal and below	0·35	2·45	127·75
Warrant Officer and Senior NCO	0·67	4·69	244·55
Captain and below	0·95	6·65	346·75
Major	1·16	8·12	423·40
Lieutenant Colonel and above ...	1·30	9·10	474·50
<i>Senior Officers occupying single rooms</i>			
Major	0·98	6·86	357·70
Lieutenant Colonel and above ...	1·05	7·35	383·25
<i>Sub-Standard Accommodation</i>			
Young servicemen receiving less than the minimum adult rate (i.e. Private IV rate)	0·18	1·26	65·70
Corporal and below	0·23	1·61	83·95
Warrant Officer and Senior NCO	0·45	3·15	164·25
Captain and below	0·63	4·41	229·95
Major	0·77	5·39	281·05
Lieutenant Colonel and above ...	0·87	6·09	317·55

Table 7
CHARGES FOR STANDARD GARAGES
 Payable from 1 April 1976

	Daily	Weekly	Annual
	£	£	£
All ranks	0·12	0·84	43·80