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REVIEW BODY
ON
ARMED FORCES PAY
ELEVENTH REPORT
1982

Chairman:
SIR HAROLD 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.

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The Secretariat is provided by the Office of Manpower Economics.

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CHAPTER 1

THE BACKGROUND TO OUR RECOMMENDATIONS

1. The circumstances in which we put forward our recommendations this year are similar to those which applied at the time of our last review. There has been a continuing improvement in manning levels in the armed forces against a general background of economic recession. As past experience indicates, however, the position could easily deteriorate as economic conditions improve, and we remain firmly of the view that, over the long run, satisfactory manning depends upon remuneration in the armed forces not falling behind that available in civilian life at equivalent levels. We note that the Government has maintained its commitment to this end. Nonetheless, when judging the levels of pay that are necessary to ensure adequate manning, we need to have regard amongst other factors to the general economic and employment background. The effect of the recession on employment opportunities and job security in many areas of civil life has served to increase the attractions of a Service career at present. We cannot ignore this when considering appropriate rates of pay.

2. The manning position in the armed forces is broadly satisfactory. The Services are generally up to strength although manning problems persist in certain areas, particularly those which require technical and engineering skills that are in short supply in the economy as a whole; or where manpower shortages, which arose when pay was not kept fully up to date, are difficult to put right. We intend to examine some of these problem areas in more detail next year. In general, the number seeking to leave the armed forces before the end of an engagement is lower than at any time since national service ended. Partly because of this improvement in retention, but also because of budgetary restrictions, recruiting targets over the last year were substantially reduced and, in most cases, were met in full with good quality recruits. The Services do not expect any marked change in the general position in the coming year, though they fear that manning difficulties may re-emerge, particularly in the more specialised areas, when there is an economic upturn.

3. As in previous reviews, we have obtained detailed information on earnings levels in a wide range of jobs at equivalent levels in civilian life to provide a basis for our judgment. The methods used, which we continue to develop, provide comprehensive information on earnings in many types of organisation, both large and small, predominantly in the private sector. At junior levels, where recruitment takes place, we have particular regard to the rates paid by other employers who are competing in the same market as the armed forces for recruits.

4. The findings on levels of pay in outside employment cannot be incorporated automatically into the pay structure in the Services. Adjustments are necessary for pensions and fringe benefits to ensure that all relevant elements of remuneration are taken properly into account. In judging the appropriate level of the X factor, we need to weigh the disadvantages inherent in Service life against the advantages it offers. We discuss this in Chapter 2. We also need to ensure that our recommendations maintain a sensible pay structure with adequate

differentials, taking into account the complex pattern of ranks and pay bands; and to consider what is necessary to meet manning objectives in the light of the outside earnings evidence and the circumstances of Service life.

5. Our detailed recommendations reflect our judgment on these issues in current circumstances. We regard the resultant rates of pay as appropriate in the light of all relevant considerations, and as fair to both the serviceman and the taxpayer.

6. This year, as usual, we have looked at certain major issues affecting the pay structure and we discuss these in Chapter 2. We have examined further whether the incentives to retention provided under existing arrangements are best suited to meet the Services' needs over the longer term, but have not made specific recommendations on this matter this year: the present satisfactory manning position provides an opportunity to reconsider the basic principles involved and we have called for additional evidence from Services management. We shall also need to return next year to the question of whether the pay arrangements applying in the Royal Navy and Royal Marines remain appropriate: differentials based on job evaluation are not as fully reflected in the pay structure as they are in the other two Services. Our recommendations in Chapter 2 incorporate one major change in the pay structure which we consider to be necessary now. After a detailed study, we have concluded that the level of X factor for servicewomen should be increased to $7\frac{1}{2}$ per cent from the present 5 per cent, to reflect a narrowing of differences in conditions of service between men and women which we must take into account under the terms of the Equal Pay Act, 1970.

7. As part of each review, we also recommend the levels of charges for food and accommodation provided by the Services. Our aim is to ensure that the charges which members of the armed forces have to meet are broadly in line with those incurred by civilians in similar circumstances, taking account of the special features of a Service career. This year our recommendations involve a significant increase in charges, reflecting general trends. Given the military salary concept, it would not be right to seek to shield members of the armed forces from such movements in costs.

8. There are some important points relating to food and accommodation, and to conditions of service more generally, to which we wish to draw attention. They arise from our visits to Service units. During the course of each review we undertake a number of such visits, when we talk with as many serving personnel as possible, and their families. These discussions are an important complement to those we have with senior management and throw further light on the evidence that we receive. Moreover, we see it as vital that servicemen should have an opportunity to speak to us directly and to bring matters which concern them to our attention. Some points have been raised repeatedly. Many single servicemen and women view their conditions of service as being less favourable than those enjoyed by their married colleagues. We have examined differences in conditions of service of married and single personnel in some detail for this review. Many of the differences involved—in leave entitlements, for example—raise policy or management questions which are outside our field. Management acknowledges

that some of the differences in treatment between married and single home owners in the armed forces are inappropriate. These will be removed with the introduction of measures designed to give assistance with house purchase and more particularly with the costs of moving in the interests of the Service, which will apply equally to married and single personnel. The new arrangements are held up, for the time being, because of financial constraints. In our view they should be given high priority when the financial position permits and we hope that they will be introduced at the earliest possible opportunity. The part of these arrangements concerned with easing the problems of moving will, in our view, be especially helpful in improving the prospects of keeping families together.

9. Some differences in treatment between married and single personnel fall directly within our field, including the concession allowing free food for a married man who has decided to opt for unaccompanied terms of service. Also, we intend to look in detail in our next review at whether the present arrangements for determining single accommodation charges are equitable. We discuss both points in Chapter 4. Our concern on the latter point has been prompted in part by the very poor standard of some of the single accommodation we have seen on visits. Many individuals live in cramped and unpleasant conditions. We know that Services management shares our concern about the standard of some accommodation; they will be submitting proposals to us next year that will be designed to allow the charges for both married and single accommodation to reflect different standards with greater flexibility than at present. In the meantime, however, we recommend a temporary standstill in the charges paid by those living in Service accommodation which is classified on present criteria as sub-standard.

10. Although a standstill in charges for sub-standard accommodation will be of some benefit to the individuals affected, it can only scratch the surface of the problem. Expenditure on Service accommodation has fallen in recent years, both in real terms and as a proportion of the defence budget. It is of course difficult for Services management to balance operational and other requirements. Nonetheless, it appears to us that conditions of service other than basic pay are assuming increasing importance in the total package that makes the armed forces relatively attractive or unattractive to potential recruits and to those who may be contemplating leaving. Poor accommodation which falls far short of normal expectations in the present day will not help retention as the economy begins to pick up. We hope that management will give due weight to this when deciding financial priorities.

CHAPTER 2

MILITARY SALARIES

11. Before setting out our recommendations on the levels of military salaries we need to discuss in more detail some of the general considerations that apply.

Earnings comparisons

12. We base our judgments, in part, on evidence on levels of earnings in a range of jobs outside the Services. This requires a satisfactory method for comparing jobs, as well as for providing reliable and representative data on earnings. It is not sufficient to make comparisons by relying on job titles or job descriptions: many members of the armed forces are in jobs that have no direct equivalent elsewhere. Neither would it be appropriate to rely on general earnings indicators such as the index of average earnings and the New Earnings Survey. They are not specific enough to provide a satisfactory basis for the wide range of pay levels within the armed forces structure, although they do provide valuable supplementary evidence, particularly at more junior levels (paragraph 16).

13. As we have explained in previous reports¹, we use job evaluation as an important aid in this process. It allows basically dissimilar jobs in the armed forces and outside to be compared directly in terms of common factors such as skill, responsibility and management content. A range of points is available for each factor, weighted according to the factor's relative importance. This enables each Service and civilian job to be given a total score, as a measure of its relative size or weight. The range of earnings attaching to the civilian jobs that have been similarly scored can then be used as a basis for comparison. All the jobs concerned are re-evaluated over a 5-year cycle in both the Service and civilian areas: arrangements also exist for jobs to be re-evaluated out of cycle if management considers that there have been significant recent changes that may affect pay banding in a particular trade. This ensures that the evaluations remain up to date and that organisational changes, and changes in the nature of jobs, can be taken properly into account.

14. We explained in our Tenth Report (paragraph 10) that the job evaluation studies are carried out by specially trained members of the armed forces who make up the Joint Services Job Evaluation Team. The objectivity of the judgments made by this team is of fundamental importance. They work under the guidance of management consultants who oversee the process on our behalf and submit annual monitoring reports to us. We also have to be satisfied that the information obtained from the associated earnings surveys is both comprehensive and representative. Three separate levels in the armed forces are covered, although they overlap to some extent. At Corporal level—and throughout this report, references to Army ranks relate also to equivalent ranks in the other Services where the context allows—a sample of over 600 civilian jobs in 175 organisations of widely different size was used for comparison this year, to reflect as far as practicable the national distribution of occupations within industries and within geographical regions indicated by the Department of

¹A full list of our previous reports is at Appendix 1.

Employment's New Earnings Survey. At Warrant Officer level a survey of almost 300 jobs in 125 organisations was undertaken; and the system of job evaluation employed at officer level is used extensively throughout industry and commerce, allowing ready access to evidence on remuneration in a sample of almost 400 organisations of many types and sizes. These three surveys cover civilian occupations in both small and large organisations throughout the country, mainly in the private sector.

15. To provide a further check on the information so obtained, we introduced a new and separate approach in 1978 which we are still developing. Under this approach, organisations which are not participating in other armed forces pay surveys are asked to 'price' certain Service jobs (ranging from Corporal to Colonel for this review) in relation to their own internal pay structures and whatever system of job evaluation might be in use. It has produced for this review over 500 further observations on earnings. We are most grateful for the continuing goodwill and co-operation of the organisations concerned in all the surveys.

16. We also take account where appropriate of evidence on earnings from other sources such as the New Earnings Survey and the index of average earnings. These sources are of greater value in relation to those important parts of the armed forces pay structure where job evaluation is not applied directly (officers below the rank of Captain and servicemen below the rank of Corporal) but where recruitment takes place. For officer recruits, we look additionally at information on the starting salaries and early salary progression of management recruits in other areas of employment; and, for servicemen at Private level, account is taken of earnings levels indicated by the New Earnings Survey for male manual workers of similar age.

17. In making comparisons, we take account of any overtime and bonus earnings received by the comparators, as well as basic pay. The remuneration comparisons relate to a point some months before we put forward our recommendations, and we bring them up to date so that we can judge the rates of pay appropriate for 1 April. When updating, we assess the average level for new settlements during the period between the date of the survey in question and 1 April, allowing for the fact that only a proportion of the comparators will be due for a new pay settlement in that period; and also have regard to movements in the index of average earnings over the period. On this basis we apply an updating factor to the overall results of the survey.

18. The point at which earnings comparisons are drawn has also to be considered, given the wide spread of earnings found among comparator jobs at any one level and the range of job size within any given rank in the armed forces. In general, we base our judgments about appropriate rates of pay on comparisons at the median of the range of comparator earnings.

19. We are confident that the wide range of information that we obtain on outside earnings provides a sound base for judging levels of pay for members of the armed forces and that our approach is equitable to serviceman and taxpayer alike.

Pensions and fringe benefits

20. To compare total remuneration, it is also necessary to assess the value of pensions arrangements and fringe benefits. Last year, we reduced comparator earnings by 11 per cent before using them to judge the levels of pay appropriate for the armed forces. This followed a detailed evaluation of the pension benefits of members of the armed forces and their civilian comparators undertaken by the Government Actuary at our request. The reduction made, which was significantly larger than in previous years, fell within a wide potential range indicated by the Government Actuary. We considered it to be an appropriate adjustment to take account of all the benefits available under the Armed Forces Pension Scheme, including particularly the provisions for early pensionability with an immediate pension (broadly after 16 years' reckonable service for officers, and 22 years' for servicemen); the general benefits of inflation-proofing of pension either from age 55 (for those qualifying for an immediate pension) or from age 60 (for those qualifying for a deferred pension); and the arrangements for those who do not qualify for deferred or immediate pension rights (under which a transfer value is paid into a new employer's pension scheme, if approved for the purpose, or the serviceman is bought back into the upper tier of the State scheme).

21. We have considered further with management the basis of the approach we adopted last year, particularly with regard to our judgments about the extent to which early pensionability in the armed forces should be regarded as a benefit or as compensation for career disruption; and about the extent to which the pension benefit accruing from subsequent civilian employment of those who leave the Services early should be taken into account for the purposes of a comparative evaluation. We shall give further consideration to both points but, for this review, see no need to change our assessment on either count and our recommendations again reflect a deduction of 11 per cent from comparator earnings for both officers and servicemen.

22. We understand that the Government is still considering the issues raised by the report of the Scott Inquiry¹ into the value of public service pensions. We may need to examine the implications of any decisions in a future report. Also, the Ministry of Defence have told us of their intention to undertake a full review of pension arrangements in the armed forces. We shall consider in due course whether any resultant changes in the Services scheme affect the level of adjustment it is appropriate for us to make in the remuneration comparison.

23. The value of any fringe benefits available to members of the armed forces also have to be weighed, as far as is practicable, against those applying in the areas where remuneration comparisons are drawn, and any balance of advantage or disadvantage reflected in our assessment of military salaries. The private use of a company car remains the most significant benefit provided in such areas, particularly at levels equivalent to officers in the armed forces. We adopted last year a modified approach in evaluating this benefit in which we sought to estimate the private motoring costs saved by the provision of a company car. We have followed the same general approach this year, but on this occasion have

¹Inquiry into Value of Pensions, Cmnd. 8147, February 1981.

been able to make use of data on private motoring expenditure from the Family Expenditure Survey. Unlike the Automobile Association survey which we used last year, this permits an assessment of motoring expenditure over a wider range of income levels, and therefore reflects the extent to which such expenditure rises with income.

24. So far as other fringe benefits are concerned we take the view that, at present, those available to members of the armed forces broadly balance those available to their comparators. Accordingly no adjustment has been made on this account.

The X Factor

25. The X factor is an element in the military salary which, as a matter of judgment, is designed to reflect the balance of the largely unquantifiable aspects that have to be taken into account in a comparison of the advantages and disadvantages of Service and civil life. Since 1974, the X factor has been set at 10 per cent of military salaries for men and 5 per cent for women. This year, we have considered whether the balance of disadvantage in Service life remains such as to justify a 10 per cent X factor for servicemen; and whether the differential between servicemen and servicewomen remains appropriate.

26. We confirmed the existing levels of the X factor in 1980 after a detailed examination. The question for this review, therefore, is whether there have been any significant changes since then in considerations affecting the X factor. There remain significant disadvantages in Service life. It involves an inherent degree of exposure to danger. There is substantial personal separation and turbulence, combined with a greater commitment to a term of engagement than is found in other walks of life. Moreover, a survey of hours of work in the armed forces, undertaken at our request during this review (paragraphs 42-43) showed that, in the week of the survey, many of the servicemen covered were working hours that were in excess of those normally found in civil life, and which therefore fell outside the range of compensation provided by the military salary on the basis of civilian experience. Nonetheless, there are advantages associated with a Service career. For example, the Services still offer a range of trade training at a time when equivalent opportunities in civil life are diminishing and there are good career prospects. The satisfactory overall manning position in the Services suggests that the balance of these advantages and disadvantages is not at present acting as a deterrent to recruitment or retention.

27. One aspect that may have changed since 1980, however, is the relative degree of job security inherent in a Service career. We have always viewed this as an important factor in judging the appropriate level for the X factor. We are in no doubt that, in general, the degree of job security found in the public services exceeds that in the private sector. The armed forces are no exception to this general rule. The point at issue is whether job security in the armed forces, by comparison with outside experience, has increased since 1980 to the extent that some adjustment of the X factor is now appropriate. Although unemployment and redundancy are widely prevalent in the economy at large, we regard it as important to take a relatively long term view of trends in the essentially unquantifiable elements affecting the X factor. Moreover, this has to be judged

against the background of the redundancy programme which has recently been announced for both officers and ratings in the Royal Navy. Given this development, and the various disadvantages involved in a Service career, we conclude that there has been no change in the overall position that is pronounced enough to justify an alteration in the relative value of the X factor for servicemen.

28. We have also examined whether servicewomen should continue to receive a lower X factor than servicemen. We last reviewed this in 1975, when we concluded that the differential was justified. We pointed out that, in general, servicewomen were not exposed to danger on active service to the same extent as men; that they were less subject to the turbulence of Service life because their restricted role reduced the liability to move from place to place; that they were not as affected by the rigours of military discipline; and not committed to the same extent to long terms of engagement. We were also satisfied that the differential could be justified under the terms of Section 7 of the Equal Pay Act 1970, which requires any pay distinction to be attributable fairly to differences between the obligations undertaken by men in the armed forces and those undertaken by women.

29. We have now re-examined the position of servicewomen in relation to the various elements that constitute the X factor. We have also had an opportunity to discuss the issues involved on our visits to Service units. There have been important changes since 1975. Servicewomen are now subject to the Service Discipline Acts, and share the restrictions on personal liberty not normally found in civil life. Moreover, in 1980, the Army and the RAF decided to arm servicewomen (for self-defence purposes) which is indicative of a trend in those Services towards employing women on tasks involving a greater degree of danger than was previously the case, although not in a combat role. The fact that a servicewoman is obliged to leave the Services on pregnancy, with no right of return, also represents a significant disadvantage, particularly with current levels of unemployment.

30. These considerations point to a narrowing of the gap between servicemen and servicewomen in the conditions of service covered by the X factor. But other factors have to be taken into account. As we have said, women are not trained to undertake a combat role. For example, there are no women pilots in the RAF: and members of the WRNS are not permitted to go to sea. The Ministry of Defence have also produced evidence to suggest that, in the Army at least, servicewomen are likely to remain in one location for a longer time than their male colleagues, which reduces the degree of turbulence. Against the requirement to leave on pregnancy must be set the fact that servicewomen have the right to leave upon marriage without serving a formal period of notice. Finally, the survey of hours of work (paragraphs 42-43) indicated that, overall, a smaller proportion of servicewomen work exceptionally long hours.

31. On balance, we conclude that the differences between servicemen and servicewomen in terms of the elements reflected in the X factor have diminished since 1975 and, in equity, we consider that some relative improvement in the rate of X factor for servicewomen is now necessary. We recommend an X factor of $7\frac{1}{2}$ per cent to allow for this. We are satisfied that the difference that we have

retained is justified under the terms of Section 7 of the Equal Pay Act 1970, as being attributable to differences in obligations between servicemen and service-women.

Incentives to retention

32. We have not yet been able to complete our examination of the arrangements for ensuring that, within the general framework of military salaries and the rank structure, there are adequate incentives to retention. The present arrangements involve the provision of committal pay; and of length of service increments (LSIs) which come into payment after 9 years' service.

33. As explained in our last two reports, we have serious reservations about the existing committal pay approach. We are not convinced that the concept of payment for service promised rather than completed is sound, given that exit arrangements in the Services have been eased to some extent in recent years. The current approach means that individuals doing the same job are paid at different rates because of differences in their notional term of engagement. It also complicates the pay structure.

34. We drew attention in our Tenth Report (paragraphs 23-30) to the attraction of a revised approach proposed for the Royal Navy that would link rewards to periods of completed service, as well as simplifying the pay structure. This would replace committal pay with a new system based on a single pay scale, but provide periodic lump sum bonuses to be earned (at the 4½ and 6 year service points) for service completed. These arrangements were designed to complement the introduction of a new engagement structure in the Royal Navy with a reduced degree of formal commitment. We asked the Ministry of Defence to examine whether this approach might provide a basis for all three Services over the long term and, pending this examination, deferred further consideration of the Navy's proposals.

35. Neither the Army nor the RAF have completed their studies into the desirability of adopting the RN approach. The issues involved raise important questions for both Services and the position is further complicated in the Army because a fundamental review of manning policy is under way. This is of direct relevance to any consideration of the most appropriate long term approach to retention incentives. We have been assured, however, that both the Army and the RAF will submit detailed proposals for the next review. For both Services the present satisfactory manning situation provides a breathing space to allow considered judgments about the longer term.

36. Consequently, we have had to consider again whether to deal with the Royal Navy's proposals in isolation. We have been told that, despite the redundancy programme that has recently been announced, the Royal Navy is keen to introduce its new open engagement structure and to implement the revised approach to the provision of retention incentives. It has been put to us that the restructuring of the Royal Navy, of which the redundancy programme is a part, will not reduce the need to improve retention among ratings over the next few years: indeed, retention has been represented as being of vital impor-

tance given the planned reduction in training capacity and the need to run the Royal Navy in as cost effective a manner as possible.

37. We remain attracted to the Royal Navy's proposals, but we do not feel able to recommend their introduction in isolation in this review. Although we understand the Navy's concern to ensure adequate retention rates later in the decade, when the first bonus payments would be made, we do not believe that insurmountable retention difficulties will occur if the number of recruits likely to enter the Royal Navy in the next year on open engagement terms cannot do so under the proposed bonus arrangements. We have concluded, with some reluctance, therefore, that we should defer consideration of the Royal Navy's proposals until the next review so that we can examine the position of all three Services. This will also enable us to look at the Royal Marines and the Royal Navy together: the proposals put to us left consideration of the Royal Marines until such time as the Army had completed its deliberations. There are other aspects which would make it difficult for us to deal with the proposals now. Detailed evidence on the merits and effects of the 'all of one company' principle will not now be available until the next review (paragraphs 40-41) and it is desirable that issues which may have a significant impact on the pay structure should be examined at the same time, rather than in successive years. Moreover, we need to be able to judge the need for retention incentives across the whole rank structure, and the Ministry of Defence has not yet completed its examination of incentives to retention for officers and servicewomen, as well as for servicemen. We intend to complete our examination of all these aspects during the next review.

38. This may affect the Royal Navy's intention to introduce the open engagement structure later this year. Our understanding is that the open engagement will provide only for a 4 year return of service. Under the committal pay approach, which will be retained for the time being, this degree of commitment justifies only Scale A rates of pay which are payable to those who are committed to less than 6 years' service. We recommend that those rates should apply to any entrants under open engagement terms in the next 12 months.

39. Length of service increments represent a recognition of service rendered. We consider it appropriate that their value should continue to be kept up to date, broadly in line with movements in the military salary. We recommend that the rates set out in Appendix 3 should be introduced with effect from 1 April 1982.

'All of one company' principle

40. In our Tenth Report (paragraph 41), we said that we wished to examine the 'all of one company' principle which applies in the Royal Navy and the Royal Marines. Under this approach, servicemen are not allocated to pay bands on the basis of job evaluation as is the case in the Army and RAF. At levels equivalent to Corporal and below, naval ratings—and their equivalents in the Royal Marines—are placed in one pay band (Band 2): and at higher ranks payment is linked broadly to at most three of the available pay bands, with allocation according to trade or specialisation rather than by individual job. We were concerned that this approach might be giving rise to manning diffi-

culties in some areas of service in the Royal Navy and Royal Marines, because some individuals are placed in a lower pay band than might be indicated by strict application of job evaluation.

41. An examination of this policy requires a significant number of jobs to be evaluated in the Royal Navy and in the Royal Marines to provide an indication of the likely impact of changing to a fully job-evaluated approach. The Ministry of Defence have advised us that the work will not be completed until early in our next review. We shall accordingly consider this matter further in our next report. The fact that the examination of the 'all of one company' principle has not been completed also has some relevance for our consideration this year of certain proposals affecting additional pay in both the Royal Navy and the Royal Marines. We discuss these in Chapter 3.

Hours of work

42. In our Ninth and Tenth Reports we expressed concern that a 1979 survey of the hours worked by servicemen had demonstrated that, at least in the short period covered, some servicemen were working hours well beyond the normal range. We made clear our intention to examine with management the extent to which such hours were being worked on a regular and systematic basis.

43. The Ministry of Defence have undertaken a further survey in the last year. It is more detailed but allows comparisons to be drawn to some extent with the results of the earlier survey. We have not as yet had an opportunity to make a full evaluation of the survey results and will be examining them further with the Ministry of Defence. However, even at this stage it appears that many servicemen are working long hours, in excess of any normal standard, which is relevant to consideration of the X factor (paragraph 26); and, in the same context, that the proportion of servicewomen working such hours is less (paragraph 30).

Military salaries

44. The evidence on outside remuneration does not determine in a mechanistic fashion the rates of pay for members of the armed forces: rather, the process produces a range of figures which provide a base for judging appropriate military salary levels, taking account of other relevant considerations.

45. The surveys we use have indicated a very wide range of increases in individual earnings this year. Indeed, some individuals were earning less than in the previous year because of reduced overtime or bonus payments. Average increases in earnings of those in the surveys at levels equivalent to the Service ranks and pay bands covered were also spread over a wide range. After updating, they varied from about 4 per cent to about 10 per cent, with the increases occurring at officer level being generally higher than those at lower levels. For the more junior ranks in the armed forces, where general information such as the New Earnings Survey is of particular importance, increases at the lower end of this range are indicated this year.

46. In applying our judgment to the range of evidence on earnings, we must have regard to the pay structure and, in particular, the need to provide adequate

differentials between ranks. Concern over differentials has been expressed frequently in our visits to Service units, but there are limits to what can be achieved given that the pay structure is extremely complex, embodying a large number of ranks and, below officer level, different pay bands at each rank. We also have regard to management objectives which are seen as capable of achievement or reinforcement through the pay structure; to the latest, and at present satisfactory, recruitment and retention situation in the armed forces (on which we have commented in Chapter 1) as a measure of the adequacy of remuneration both in overall terms and in particular areas; and to our perception of what is appropriate at any time against the general background.

47. We are satisfied that the military salaries that we recommend in Tables 1-3 adequately reflect all the evidence on outside levels of earnings, after taking due account of all the adjustments and considerations, including the manning position, that we have already discussed; and are appropriate for implementation from 1 April 1982.

48. The recommended military salaries for officers are higher than the current rates (Appendix 2) by between 4.5 per cent and 8.9 per cent; for warrant officers and senior non-commissioned officers by between 5.6 per cent and 7.0 per cent; and for Corporals and below by between 4.0 per cent and 5.8 per cent.

Table 1

Recommended annual^(a) scales of military salary inclusive of the X factor for male officers up to Brigadier

Rank										Military salary
										£
Brigadier	..	..	..	..	..	..	..	..	..	22,750
Colonel	..	..	..	..	..	..	..	..	after 8 years	20,998
										6
										4
										2
										on appointment
Lieutenant Colonel	..	..	..	..	..	..	..	..	after 8 years	18,060
										6
										4
										2
										on appointment
Major	..	..	..	..	..	..	..	..	after 8 years	14,498
										7
										6
										5
										4
										3
										2
										1
										on appointment
Captain	..	..	..	..	..	..	..	..	after 6 years	11,129
										5
										4
										3
										2
										1
										on appointment
Lieutenant	..	..	..	..	..	..	..	..	after 4 years	8,450
										3
										2
										1
										on appointment
Second Lieutenant	..	..	..	..	..	..	..	..	..	6,249
Officer Cadet	..	..	..	..	..	..	..	..	..	4,391

^(a)Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Table 2

Recommended annual^(a) rates of military salary inclusive of the X factor for male Warrant Officers and senior NCOs

Scale B (men committed to 6 years or more but less than 9 years' service) ^(b)	Band			
	4	5	6	7
	£	£	£	£
Warrant Officer 1	8,913	9,537	10,253	11,074
Warrant Officer 2	8,369	8,994	9,709	10,530
Staff Sergeant	7,858	8,483	9,198	10,019
Sergeant	7,380	8,004	8,720	—

Table 3

Recommended annual^(a) rates of military salary inclusive of the X factor for adult servicemen of the rank of Corporal and below

Scale B (men committed to 6 years or more but less than 9 years' service) ^(b)	Band		
	1	2	3
	£	£	£
Corporal I	6,771	7,344	8,001
Corporal II	6,344	6,917	—
Lance Corporal I	5,942	6,515	7,172
Lance Corporal II	5,566	6,139	—
Lance Corporal III	5,212	5,785	—
Private I	5,212	5,785	6,442
Private II	4,884	5,457	—
Private III	4,573	5,146	—
Private IV	4,249	—	—

^(a)Rounded to the nearest £.

^(b)Scale A (men committed to less than 6 years' service)—deduct £109.50 a year from the above rates.

Scale C (men committed to, or who have completed, more than 9 years' service)—add £164.25 a year to the above rates.

Special scales and rates of pay

49. Special scales of pay apply to certain groups of officers and servicemen. These include Service medical and dental officers (and medical and dental cadets) and, in accordance with our normal practice, we shall make recommendations on their salaries in a supplement to this report when the 1 April 1982 salary levels for doctors and dentists in the NHS, which provide the basis for comparison in this case, are known. Our recommendations for 1 April 1982 for veterinary officers in the Royal Army Veterinary Corps and for university cadets are in Appendix 4: for others in this category, we recommend that existing relationships with the main military salary structure (Tables 1-3) should be maintained.

Training bounties for members of the reserve forces

50. For days spent in training, members of the reserve forces and part-time members of the Ulster Defence Regiment (UDR) are paid rates based on the military salaries of the equivalent rank in the regular forces but with a lower X factor. A variable tax-free training bounty, reflecting the differing degrees of training commitment, is also paid. We have considered this year proposals for an increase in the level of the training bounties, and have had an opportunity to discuss the issue with members of the reserve forces during the course of our visits and with the Council of the Territorial Auxiliary and Volunteer Reserve Associations. The present bounty levels were established in 1979 when the previous levels were substantially increased as part of a general restructuring. Part-time members of the UDR were brought into this general bounty structure in 1980, but with higher levels of payment (incorporating a £50 lead).

51. The main bounty scale, for those members of the Territorial Army (TA) and the RN, RM and RAF reserve forces who have the highest training commitment, currently provides payments of £100 after completion of training in the first year; £200 for the second year; and £300 for the third and subsequent years. The progressive nature of the bounty structure is designed to provide an incentive to long service against the background that the reserve forces lose a high proportion of volunteers in the first two years of service.

52. Recent changes in defence policy will affect the role of the reserve forces, particularly the Territorial Army. The establishment of the TA is to be increased from 74,000 to 86,000 over the next few years, and the Ministry of Defence have suggested that a major change of emphasis in the bounty structure is now required to meet manning and training objectives. They have proposed a new and more progressive structure, with increasing bounty payments up to the fifth year of service, designed to improve retention in the third and subsequent years. The Ministry of Defence have argued that, in equity, any revised structure should apply also to the RN and RAF reserve forces, although the same manning considerations do not arise. For those reservists with lower training commitments, and hence a lower scale of bounties, the Ministry of Defence see merit in applying a similar structure, but have suggested that the value of the bounty payments should not be increased to the same degree.

53. The training bounty has an important role to play in achieving satisfactory manning levels and we conclude that some increase in bounty payments is now necessary. This will help in consolidating the manning improvements that have occurred in recent years and in building up to new levels. But we do not endorse the structure proposed by the Ministry of Defence. When the present arrangements were introduced in 1979 we saw a three-tier structure as being appropriate on the basis that, as all those who had served for three years would be fully trained, it would be wrong thereafter to draw a distinction between them in terms of the bounty payment; and that as the major retention problems in the reserve forces occur in the first two years of service, when they may not in any event be readily susceptible to pay solutions, a more progressive structure extending beyond three years would not be appropriate. While recognising the importance of retaining fully trained men, we consider that our earlier con-

clusions remain valid and that the present bounty structure should be retained, for the time being at least. We intend next year to carry out a detailed review of the general pay arrangements applying in the reserve forces. In that review we shall be looking in particular at whether the pay structure, as distinct from the bounties, provides sufficient incentive to long service; at the differences in treatment of those reservists who have previous military service and those who do not; and at the level of X factor for both male and female reservists.

54. Against this background we conclude that the present rates of payment should be increased: for those with the highest training liability we recommend the following bounty levels should apply for training undertaken in the training year 1982-83:

	£
Year 1	150
Year 2	275
Year 3	400

Our recommendations for those in the lower training liability categories are set out in Appendix 5.

55. The Ministry of Defence have pointed to the special conditions of service in the Ulster Defence Regiment, which entail greater training requirements and a higher degree of operational involvement. They consider that these special conditions justify the maintenance of the existing bounty lead of £50 for part-time members of the UDR. In forming a view on this matter we have been helped by a recent visit to Northern Ireland when we met members of the UDR. We agree that there should be a lead, and in order to ensure that the bounty payments for part-time members of the UDR continue to provide a positive inducement, we recommend that they should now incorporate a lead of £100 over the amounts recommended above.

CHAPTER 3

ADDITIONAL PAY AND ALLOWANCES

Additional pay

56. Some members of the armed forces are eligible for supplementary payments over and above the basic military salary. These payments are given the general description of 'additional pay', although the items involved differ considerably in character and importance.

57. As we explained in our Tenth Report (paragraph 53), certain of these items are paid continuously whilst individuals are eligible to receive them and can constitute a significant proportion of total income. Their purpose is to provide an incentive to recruitment and retention in specific areas of employment in the armed forces where the military salary alone does not provide sufficient inducement. These are areas where the Services need to attract and retain individuals with particular skills that are scarce; or where the nature of the work involved is such that some additional financial inducement is necessary to ensure adequate manning. Such payments are made at present to eligible aircrew; submariners; divers; parachutists; hydrographers; members of the Special Air Services Regiment and the Special Boat Squadron of the Royal Marines; those seconded to service with the Brigade of Gurkhas; and the Academy Sergeant Major at Sandhurst and certain other Warrant Officers. From time to time we look at each item of payment in some detail, to ensure that it is still needed and that its structure and level remain appropriate to meet the underlying manning objectives. In 1980, we examined flying pay and Gurkha service pay (Ninth Report, paragraphs 50-72); and, in 1981, parachute pay and submarine pay (Tenth Report, paragraphs 57-69). For this review we have looked at hydrographic pay (paragraphs 62-67) and diving pay (paragraphs 68-79) in the light of management evidence. We have also returned to certain issues affecting submarine pay that were raised by our detailed examination in the last review (paragraphs 85-87).

58. In addition to specific recommendations in the following paragraphs on the items we have reviewed in detail this year, we recommend that the current rates of the other forms of additional pay to which we have referred above should be increased with effect from 1 April 1982 on the established bases—in most cases broadly to maintain their value with reference to the overall movement in military salaries from that date. The value of these items needs to be maintained in this way so that they remain effective in meeting manning requirements.

59. We have given preliminary consideration to a general issue affecting the major items of additional pay. As we have said, these items are designed to achieve a specific manning purpose and are paid continuously to those who are eligible. However, an individual can receive additional pay when not engaged in the duties for which the payment is intended: for example, flying pay is paid to RAF aircrew during staff appointments. The general test applied by management is that additional pay should be paid continuously so long as the individual retains a liability for, and is capable of carrying out, the duties for which the payment is intended. This is not unreasonable for periods spent in an appointment closely relevant to, but not involving active engagement in, the specialised

work in question, or for periods away from such work for career development or medical reasons: the fluctuation in earnings that would arise if additional pay were to be withdrawn in such circumstances could have an adverse effect on recruitment and retention in the areas concerned.

60. Nonetheless, the fact that eligibility for payment can be retained on a continuous basis in this way raises certain issues that we shall need to examine further next year. The present regulations place no time limit on the period during which it is possible to receive additional pay without undertaking the duties to which the payment relates: this also makes it possible for some to receive more than one form of additional pay at the same time. We shall be considering the merits of this in more detail in our next review. We also intend to examine the arrangements governing withdrawal of additional pay when individuals lose eligibility for it. The loss of additional pay can lead to difficulties where it constitutes a significant part of total earnings. It is for consideration whether more general measures might be introduced to ease any transitional problems by, for example, allowing the phasing out of payments over a period in certain defined circumstances. This would appear to be necessary particularly in the case of those who lose eligibility on medical grounds—where there is already some flexibility—or by reason of some management requirement outside their direct control and where neither promotion nor payment of another major form of additional pay is involved.

61. As well as continuous payments of the type we have described, certain other items of additional pay are awarded periodically, usually to meet management needs when individuals are undertaking tasks beyond the normal call of duty. We review these items every three years and will be looking at them in detail next year, although we have considered certain aspects of hard-lying money in this review (paragraphs 91-93). With one exception, we consider that the current levels of payment remain appropriate for the time being. The exception is Northern Ireland pay. Taking account of such factors as the hours worked by members of the armed forces in the Province, we recommend that Northern Ireland pay be increased to £2.00 a day from 1 April 1982.

Hydrographic pay

62. Hydrographic pay is a continuous payment to qualified officers and ratings in the RN surveying service. The current rates vary from £175 a year to £1,098 a year. The level of payment increases generally with rank, but there is some overlap between ratings and officers.

63. The Ministry of Defence argue that hydrographic pay remains a necessary inducement because of certain unfavourable conditions in the surveying service compared with other branches of the Royal Navy. These arise from the nature of the work, which is becoming increasingly monotonous with automation of much of the survey task; the inhospitable waters in which survey work is concentrated; the long periods away from home port that are a feature of the operational cycle of survey vessels; and the fact that some vessels in the survey fleet are old, with relatively poor standards of accommodation.

64. The question is whether in view of these conditions a specific inducement is required to attract sufficient volunteers to the surveying service, and to keep them there. A degree of monetary compensation already exists for some of the conditions. Separation allowance provides some compensation for the married man for the periods spent away from home; there is a remission of food charges whilst at sea; and hard-lying money is designed to reflect poor accommodation standards. The latest information does not suggest that there are particular manning difficulties at present. The surveying service is generally up to strength although there are some shortages, particularly at Petty Officer level. It has been suggested, however, that the situation could deteriorate if hydrographic pay were allowed to fall in relative terms, particularly as comparatively few people are employed in this area so that it is particularly vulnerable to small numerical shortfalls. It has also been stressed that recent manning improvements in the surveying service need to be consolidated. We agree with this analysis. In our view the fact that the manning position is generally satisfactory indicates that hydrographic pay is at the right relative level to meet manning objectives, and we recommend that the rates of payment should be increased with effect from 1 April 1982 broadly to maintain their value in relation to the overall movement in military salaries from that date.

65. A minor change has been suggested in the structure of hydrographic pay. It has been proposed that Chief Petty Officers and Fleet Chief Petty Officers, because of their knowledge and expertise, should be equated to a Surveying Officer Second Class, rather than Third Class as at present. We agree with this proposal, and recommend its implementation.

66. One further issue affecting hydrographic pay has been brought to our attention. It concerns the eligibility of members of the surveying service for hard-lying money. In the past, hydrographic pay has itself been regarded as offering a degree of compensation for the poor standard of living accommodation aboard ship that is more generally recognised by hard-lying money. There is an anomaly in the surveying service because the rate of hard-lying money, for which non-surveying personnel on board surveying ships may qualify, is now higher than the lowest rate of hydrographic pay. Management has sought to overcome this anomaly by permitting junior ratings in the surveying service to receive hard-lying money if higher than the rate of hydrographic pay for which they are eligible and if hard-lying money is payable to the non-survey personnel on board the same vessel. We have been asked to endorse this practice.

67. Hydrographic pay and hard-lying money are designed to meet essentially different needs and we do not consider that one should be regarded as a substitute for the other in the surveying service. Hence the concern to avoid any element of double payment, which has led in part to the present anomaly, is in our view misplaced. We recommend that members of the surveying service should, henceforth, be eligible to receive hard-lying money as well as hydrographic pay if the vessel in which they are serving qualifies for hard-lying money under standard criteria. We return to this latter aspect in paragraph 93.

Diving pay

68. The present arrangements for diving pay were introduced in 1975 following

our last detailed examination. Under these arrangements, all qualified divers in the armed forces who undertake prescribed dives receive diving pay on a continuous basis. Most divers are in the Royal Navy, although the Royal Marines and the Army also have a requirement for some diving specialists. The rate of diving pay varies: divers are allocated to one of four broad categories defined by the levels of skill and training required and the duties undertaken. The annual rates of payment range at present from about £400 to £1,955. In addition, certain divers who undertake specially hazardous and experimental work are also eligible to receive 'dip money.' This is paid by the minute and replaces diving pay on days when qualifying dives are made. The present scales range from a minimum of 3·3p to a maximum of 17·5p a minute. The highest scale of payment is for diving at sea, and the lowest for simulated deep diving in the shore-based Diving Trials Unit at HMS Vernon. Each scale increases with the depth of the dive. Instructors in the Submarine Escape Tank Training unit at HMS Dolphin also receive a special form of payment based on the dip money principle, but at a specially assessed rate (currently 4p a minute for officers and 2·2p a minute for other ranks). Again, when in payment, this replaces diving pay.

69. We have undertaken a detailed re-examination of these arrangements in the light of evidence from the Ministry of Defence; and have discussed the issues involved with management and with a number of divers in the course of visits to the diving establishments at HMS Dolphin and HMS Vernon. We see a continuing need on manning grounds for additional pay in this area. There is a persistent and serious overall shortage of divers, particularly at junior levels; wastage rates are relatively high; and attractive opportunities for civilian employment still exist, despite the general economic situation. Against this manning background, we have considered the structure and levels of the various payments.

70. It has been put to us that the existing broad-banded structure for the payment of diving pay remains the most appropriate approach and we accept this view; and we note that because of changing diving techniques there has been some modification in recent years of the qualifications for the payment of Group 3 diving pay. We have considered whether there is a case for a relative improvement in the value of diving pay, given the manning difficulties to which we have referred. The evidence suggests, however, that the manning problems are attributable to a range of factors including the high rates of wastage in training and the unpopularity of certain features of a diver's career, rather than to an inability to attract sufficient volunteers in the first place or a failure to provide conditions of service that are generally adequate in the face of competition from commercial diving companies. We agree with management, therefore, that the present relative level of payment is adequate, and we recommend that the rates of diving pay should be increased with effect from 1 April 1982 broadly to maintain their value with reference to the overall movement in military salaries from that date.

Deep and experimental diving

71. The Ministry of Defence have put forward proposals for a major change in the basis of the separate payment made for deep and experimental diving. They consider that payment by the minute is inappropriate for the very deep and

necessarily long dives that are now becoming the norm; that depth and duration should no longer provide the main criteria for assessing rates of payment, as they do not adequately recognise the demanding nature of the shorter experimental dives that take place at relatively shallow depths in the Diving Trials Unit; and that the distinction, in pay terms, between diving in the sea and in the Diving Trials Unit should be removed. It has been proposed that all those engaged in experimental diving should receive basic diving pay continuously at the appropriate rate and that, in addition, all dives certificated as being experimental in nature should attract a lump sum payment and an hourly rate irrespective of depth. Under these proposals, experimental dives would be graded in relation to the nature and hazard of the work undertaken. There would be four grades: major experimental dives (Grade 4 dives) which would attract a lump sum of £200; and dives involving lesser risk which would attract payments of £100 (Grade 3) or £50 (Grade 2). Minor dives (Grade 1) would attract no lump sum payments. In addition to these payments, the Ministry of Defence have proposed that £4 should be paid for each hour of a dive in Grades 2, 3 and 4; and £2 an hour for Grade 1 dives.

72. These proposals represent a radical change in approach. In considering them, we have examined the latest manning information to establish whether it supports the need for such supplementary payments for experimental work. We have also considered the range of earnings and job opportunities currently available in commercial organisations; and have had detailed discussions with management and those most directly affected by the proposals. We have concluded that there remains a clear manning need for supplementary payments to experimental divers, especially as we understand that they qualify automatically for full commercial certification for work in the civil sector. The absence of any payment for experimental work at shallow depths in the Diving Trials Unit is a deficiency in the present 'dip money' approach. This calls for some shift in emphasis. Moreover, it seems to us inappropriate that payment should continue to be made entirely on a piece rate basis, both because dives can now be sustained for much longer than was the case when we endorsed that approach in 1975 and because it involves the individual in considerable uncertainty about likely income from involvement in the experimental diving programme.

73. We have considered whether piece rate payments for experimental diving, which remain as an element in the proposals that have been put to us, should be abandoned completely. We have discussed with management the merits of offering a guaranteed salary to experimental divers that might be taken to comprehend all reasonable demands of the job. Management sees a need, however, to preserve some relationship between pay and the degree and duration of experimentation involved. The valid point has also been made that, as experimental work is likely to represent only a small proportion of the annual workload of a diver, a guaranteed salary would not be wholly appropriate. We conclude, therefore, that the approach put forward by management, including the rates of payment proposed (paragraph 71), is acceptable and we recommend its implementation with effect from 1 April 1982.

Submarine escape tank training

74. The Ministry of Defence have also proposed a change in the approach to payment of instructors employed in the Submarine Escape Tank Training unit (SETT). Again they wish to move away from payment by the minute. They have suggested that a new form of additional pay should be introduced at a rate of £3 a day, to be paid continuously to all eligible instructors; and that any diving pay for which an instructor might also qualify should remain in continuous payment. At present, such concurrency of payment is not permitted.

75. The work of the SETT is vital to submarine operations and it is important that sufficient volunteers continue to come forward. We also agree that there is a need to move away from the current piece rate approach. However, we are not able to endorse the management proposals in full. Our reservations centre on the extent to which they would involve payment of more than one form of additional pay at the same time. Generally speaking, SETT instructors are drawn from the submarine service and, as most senior ratings would expect to return to it at the end of their tour of duty in SETT, they remain eligible to receive submarine pay continuously (under the rules we have outlined in paragraph 59). Some of the submariners may also be qualified ship's divers in their own right and eligible to receive diving pay (at Group 1 rates) on days when SETT pay is not in payment; and some may also be eligible to receive parachute pay as members of the subsunk parachute assistance group that is composed of SETT staff although at present, as we explain in paragraph 77, they would ordinarily receive parachute pay only for days when they jump. There is an added complication. We have been advised that officers in SETT are unlikely to return to the submarine service, and do not qualify for the continuous payment of submarine pay; but they could qualify for one of the higher rates of basic diving pay by virtue of certain responsibilities undertaken in the SETT, and may also be eligible to receive parachute pay on a continuous basis in their own right.

76. Given the present range of eligibility for the payment of additional pay among SETT staff, we cannot endorse the proposition that SETT pay should be introduced as a separate continuous payment before we have considered the underlying questions relating to concurrency of payment (paragraph 60). However, as an interim measure, we recommend that SETT pay should be introduced from 1 April 1982 at £3.75 a day, to be paid on a continuous basis; but that it should subsume any Group 1 rate of diving pay for which SETT instructors might qualify.

77. As we have pointed out, some staff of the SETT make up the subsunk parachute assistance group. This group, drawn exclusively from the SETT because of their specialist knowledge in submarine escape procedures, provides rapid assistance in the event of submarine mishaps. To carry out this role, members of the group are trained to parachute into the sea. At present, they receive parachute pay only for days on which they jump. The Ministry of Defence have suggested that continuous payment should be made in view of the continuing operational liability; but that payment should be at half the standard rate because of the more limited parachuting role, involving descent into water only.

78. We looked at this issue last year as part of our review of parachute pay (Tenth Report, paragraphs 61-63). We said then that there could be no case on manning grounds for the change proposed, as membership of the group is a direct (and for officers inevitable) consequence of volunteering for duty in the SETT. This is still our view. Moreover, as we have explained, we are reluctant to extend the range of continuous additional payments for which individuals might qualify until we have looked at the question of concurrency of payment in more detail. We conclude that the rate of SETT pay that we have recommended (paragraph 76) should also be taken to subsume any parachute pay for which the individual might qualify.

Diving supervisors

79. There is one further issue affecting diving pay. It has been proposed that a new category of diving pay should be created, linked to a point in the general diving pay framework. This would be payable to those who have become medically unfit for diving but who, because of their valuable experience, continue to be employed in the diving branches in a supervisory capacity. The supervisors concerned fill an important role but we do not agree that they should qualify for additional pay as proposed. In our view, the supervisory function in diving, as elsewhere in the Services, is part and parcel of the overall duties covered by the military salary. Neither is there any case on manning grounds for the payment proposed (the point that persuaded us last year to continue payment of a higher rate of parachute pay for parachute jumping instructors). Those who are declared medically unfit for diving may gain some benefit, however, if improved transitional arrangements are introduced following our examination of the subject next year (paragraph 60).

The Mountain and Arctic Warfare Cadre

80. Last year, we examined proposals for a new form of additional pay to improve the manning position in the Mountain and Arctic Warfare Cadre (MAWC) of the Royal Marines. We were not able to endorse the proposals on that occasion (Tenth Report, paragraph 72). Although we recognised the manning difficulties facing the Cadre, and the demanding nature and importance of its role, we concluded that it would be premature to introduce a new form of payment until the review of the Royal Navy's 'all of one company' principle, and its application to the Royal Marines, had been completed. We suggested that the Ministry of Defence should re-examine the case and consider the possibility of extending the field of recruitment.

81. We have now received further evidence on the issues involved and have had an opportunity to discuss them with members of the Cadre during our visits this year. The Ministry of Defence take the view that even if the review of the 'all of one company' principle—now scheduled for our next review—placed Mountain Leader jobs in a higher pay band, this would not in itself provide a solution to the manning problem. They argue that some specific payment, over and above the military salary, will be necessary if the required number of volunteers is to be obtained.

82. The Ministry of Defence have also considered the possibility of extending

the field of recruitment but see only limited scope for this. They believe it would not be cost-effective to seek personnel on loan from the other Services or to retrain NCOs from other specialisations within the Royal Marines; and are doubtful whether permanent transfer would be seen as an attractive proposition. Moreover, they do not consider it right to abandon the 'volunteers only' policy in this area, given the arduous nature of the work; and are satisfied that, with the proposed additional pay, they could both achieve the necessary annual flow of volunteers to undertake training and encourage existing members of the Cadre to stay.

83. We have given further consideration to the proposals in the light of these additional comments. We are unable to say at this stage whether the detailed examination of the 'all of one company' principle would result in a fully job-evaluated structure in the Royal Marines; but note the view that any resultant upbanding would be unlikely to be sufficient, in itself, to increase the flow of volunteers as the increased rates of pay that would be involved would not have the same impact as a separate form of additional pay. However, any judgments now about the appropriate levels of additional pay would need to take account of a possible change in pay banding. We still have reservations as to whether the recruitment target is attainable, given the limited recruitment pool. However, there has now been some reduction in the establishment levels for the MAWC; and the Ministry of Defence have told us that the latest manpower projections envisage a more gradual build up in strength levels than was the case when we looked at the proposals last year. This has reduced the recruitment target and there is, therefore, a greater prospect that additional pay can serve a genuinely useful purpose. In view of the changed manning background and the importance of achieving adequate manning in this vital operational area, we conclude that some supplementary payment is justified for members of the Cadre. We have considered whether a lump sum payment, to provide a once-and-for-all inducement, might provide a more acceptable approach than additional pay, but have decided against this course of action. The manning problems affecting the Cadre are likely to persist for some time, given the increased establishment and the gradual build up in strength that is now envisaged, and we see additional pay as being more appropriate in this situation.

84. We have reconsidered the proposals put to us last year for two rates of payment, linked to degree of qualification, which would subsume the parachute pay for which members of the Cadre currently qualify. Pending the review of the 'all of one company' principle, which could affect the pay banding of members of the Cadre and consequently the levels of additional pay that are necessary, we regard a single rate of payment as more appropriate. We recommend that members of the RM Mountain and Arctic Warfare Cadre should qualify for additional pay of £3 a day, to subsume parachute pay, with effect from 1 April 1982.

Submarine pay

85. We undertook a review of submarine pay last year but indicated in our Tenth Report (paragraph 68) that we wished to look at the structure of payment in more detail. Our main concern was whether the present rank-related structure

of submarine pay should be replaced by a more progressive structure linking rewards generally to length of service with an enhanced rate payable after five years' service. It seemed to us that this approach might help to dissuade men from leaving the Royal Navy altogether during the early years of submarine service; and might also increase the numbers prepared to stay beyond five years.

86. Management considers that the present structure satisfactorily meets the manpower needs of the submarine service, and that a structural change along the lines we had proposed would not deal with the major problem facing the submarine service, which lies in the proportion of submariners who leave the Navy during the early years of service. This is regarded as symptomatic of a general problem which can only be dealt with by measures for inducing longer service in the Navy as a whole.

87. We accept that it is important to assess the need for changes in the structure of submarine pay in relation to this wider problem which affects the Navy as a whole. We shall, accordingly, give further consideration to submarine pay in the light of the conclusions we reach in due course on measures to improve overall retention in the Royal Navy (paragraph 37). In the meantime, we recommend that the present structure be retained, and that the rates in payment be increased with effect from 1 April 1982 broadly to maintain their value relative to the overall movement in military salaries from that date.

Nuclear propulsion senior ratings

88. Our attention has been drawn to certain manning difficulties in relation to the senior ratings who operate the reactor and propulsion machinery in nuclear-powered submarines. These are composed of three groups: nuclear chiefs of the watch and, below them, senior ratings who are either reactor panel operators or marine engineering artificers of the watch. The individuals in these three groups can be defined in general terms as nuclear propulsion senior ratings (NPSRs).

89. These ratings are more highly trained than any others in the Royal Navy, in skills which are in considerable demand in industry, and academic and intellectual standards are necessarily high because of the rigorous safety requirements involved. It is this combination of features which contributes to the manning difficulties. There are limits to the number of men who are able to complete successfully the rigorous training courses. Consequently, the Navy needs to obtain the longest possible return of service from those who are fully qualified, despite the job opportunities that exist in civil life. Experience has shown that some specific inducement is necessary in addition to that provided by the basic rates of submarine pay for which these ratings are eligible. In 1979, we endorsed a special bounty scheme which provided a taxable payment of £3,000 in return for a three year guaranteed return of service. This was viewed as a short term measure to deal with particular difficulties at the time and to allow the Royal Navy to find a more permanent solution to the manning problem. The bounty scheme was successful in giving a boost to manning levels but the period of service promised by those who took the bounty in the initial phase of the scheme is now coming to an end and some manning difficulties remain.

We have been asked to examine whether the bounty should be repeated for a further limited period or whether it should be replaced by a more permanent alternative.

90. We have concluded that a repetition of the bounty would not be appropriate. It was introduced as a temporary expedient and we think that a more permanent arrangement is now required. We have examined a number of options, including the possibility of commissioning NPSRs or employing officers on their duties, but agree with management that these do not provide a satisfactory solution. We have taken particular account of management's judgment that a daily supplement to basic pay, rather than a lump sum payment, would be attractive to the ratings involved, including those who are nearing the end of the present bounty period and who have the option of giving notice to leave the Royal Navy. It is also management's view that no particular manning difficulties will arise from the absence of formal commitment to further service under this approach. We recommend that a supplement to submarine pay should be introduced for the ratings in this group with effect from 1 April 1982 (or the end of any residual bounty period under present arrangements); and that it should be set at 75 per cent of the rate of submarine pay for which they are eligible.

Hard-lying money

91. Hard-lying money is paid to naval officers and ratings in those ships where living conditions fall well below an acceptable standard of seagoing accommodation. At present, this standard is defined by reference to accommodation on a Leander class frigate. There are certain other qualifying conditions. They require that the ship's company lives and sleeps on board and stipulate minimum qualifying periods at sea. We endorsed this general approach in our Ninth Report (paragraph 73) and the present rate of payment of hard-lying money is 55p a day.

92. It has been suggested to us that it is time to set a new and higher standard of accommodation by which to judge eligibility for hard-lying money; and that all vessels where accommodation is of a lower standard, instead of only those falling well below it, should qualify for payment. We recognise that living and working conditions on board ship are generally cramped and uncomfortable, but seagoing is fundamental to life in the Royal Navy and, in our view, hard-lying money should be paid only in circumstances that are truly exceptional. However, we now intend to take a detailed look at the full range of allowances and other forms of payment that are available to members of the Royal Navy to compensate them for specific features of shipboard conditions. This will allow us to assess whether some form of general payment, possibly replacing the various payments made at present, might be more appropriate. We shall examine the issues involved in our next review. In the meantime, we recommend that the present arrangements covering hard-lying money should continue to apply.

93. As we pointed out in paragraphs 66-67, certain special arrangements govern the payment of hard-lying money in the survey fleet. We understand that

in certain survey vessels the non-surveying personnel receive hard-lying money, despite the fact that the vessels do not qualify under standard criteria. We have examined the background to these special arrangements but cannot endorse them. We recommend that the standard criteria should apply to all survey ships from the date of implementation of our recommendations: we assume that management will examine the case for some form of reserved rights in individual cases where payment is already being made to personnel on ships that do not meet the standard criteria.

Allowances

94. Members of the armed forces may receive a range of allowances in addition to pay. Nearly all are reimbursement allowances which are found in other areas of the public service. Their structure and level are matters for management. However, there are certain allowances which are in the nature of pay and on which we make recommendations. Boarding school allowances have in the past fallen within this category but we have now agreed with the Ministry of Defence that it is more appropriate for these allowances, which are fairly close in concept to a reimbursement allowance and carry implications for other parts of the public service, to be dealt with in future by management. Our responsibility for allowances is now confined to the framework for separation allowance and to annual recommendations, which we normally put forward separately as the timing does not usually permit their inclusion in our reports, on the appropriate rates of London weighting for those members of the armed forces who qualify; the detailed circumstances under which London weighting is paid remain a matter for management.

95. We examined separation allowance in some detail in 1980. Although we have reservations about certain aspects of the present approach, we think that the arrangements introduced then should be given a chance to settle down before any further changes are considered. On this basis, we recommend that the current rates of payment of separation allowance should be increased with effect from 1 April 1982 to the following levels:

Outside North West Europe (and at sea) ..	£1.70 a day
Within North West Europe	£1.30 a day

96. One issue affecting separation allowance does require comment. Under present arrangements, eligibility for payment of the allowance is determined, in part, by the distance involved in any separation. The distance qualification is currently 200 miles. As we recognised in 1980, any distance qualification is bound to create problems at the margin, and we expressed the hope that management would exercise discretion where necessary. A particular problem has again been brought to our attention during the course of visits to naval units this year. Portsmouth and Plymouth are major centres of naval activity and there is much cross-posting of individuals. However, as the distance between them is rather less than 200 miles, a strict application of the distance qualification means that many members of the Royal Navy fail to qualify for payment of separation allowance. This is a source of resentment and, although we cannot judge the merits of the case, we would hope that management could use its discretion to decide whether the degree of hardship involved might justify some exception being made to the general distance rule.

CHAPTER 4

CHARGES

97. In each review, we make recommendations on the levels of charges for food and accommodation provided by the Services.

98. The last two years have seen important changes in our method of assessment. Our aim, in line with the concept of the military salary, is to ensure that the costs borne by members of the armed forces for food and accommodation should broadly equate to those falling on people in civil life in similar circumstances, but with due account taken of significant differences between the two areas. With this in view, we introduced in 1980 an abatement into the rent element of the Service accommodation charge, which is based on local authority rent levels, to take account of differences in the security of tenure of local authority and Service tenants. Last year, we changed the basis of assessing the Service food charge, relating it directly to the costs borne by civilians as indicated by the Department of Employment's annual Family Expenditure Survey (FES). This year we have given further consideration to other aspects of both charges but the basic framework remains unchanged. Consequently, our recommendations this year involve significant increases reflecting increases in costs borne by the population at large. So long as military salary levels remain up to date, it would not be right to shield members of the armed forces from such increases in the cost of living. Because the appropriate charges are deducted from a serviceman's salary at source, some individuals may have only a small overall increase in pay this year. We recognise that the effect is particularly pointed when increases in charges are applied at one time and coincidentally with changes in pay itself, but this is no more than a reflection of general trends which we cannot disregard.

Food Charge

99. Basing the food charge on FES data allows direct comparisons to be made with those who most closely correspond to the single serviceman. The charge includes an element to cover the cost of preparing meals which is related to the fuel costs that civilians bear; and is abated by 10 per cent to take account of average weekend absences by members of the armed forces. On this basis, and after updating in the light of the latest available information, a food charge of £13.23 a week is appropriate from 1 April 1982, and we recommend its implementation. This represents an increase of 13.2 per cent over the current charge of £11.69 a week.

100. In our last report, we indicated our intention to examine further certain proposals that had been put to us about the free food concession at present enjoyed by married men who are not compelled to live on an unaccompanied basis in Service accommodation. We explained that the Ministry of Defence took the view that the concession should be phased out once measures to assist house owners to move more easily with their families had been introduced as part of the planned assisted house purchase and mobility arrangements (paragraph 8). It has also been put to us by servicemen that the resulting difference in treatment between married and single men was inequitable.

101. We were concerned to examine the full range of differences in conditions of service between married and single personnel before making a final judgment on this aspect of food charges. We also had reservations as to whether it would be reasonable, if the concession were ended, to apply the food charge in full to those who were voluntarily unaccompanied. We pointed out last year that the charge is based on the expenditure of those in the FES who correspond to a single serviceman and that a modified assessment, taking account of the savings made on family food costs, might provide a more equitable basis for any charges levied when a married man opts for unaccompanied service.

102. We have now received further evidence from the Ministry of Defence. They have examined ways in which a food charge for married unaccompanied men might be determined. These include an assessment of the likely savings in household food expenditure, based on differences in overall expenditure between two adult and one adult households as shown by the FES. This approach is seen by management as preferable to the application of the full food charge, as was proposed last year, because it recognises the different circumstances of married and single personnel. Against this, it would be a more complex arrangement which would still involve some difference in treatment of single and married unaccompanied personnel.

103. The Ministry of Defence still take the view that a food charge for the voluntarily unaccompanied married man should not be introduced before implementation of the proposals to assist house owners in the armed forces to move with their families. The difficulties facing a married man who owns his own house in deciding whether to uproot his wife and family when posted to a new location may be considerable, and we can well understand why some opt for married unaccompanied terms of service. We have made clear (paragraph 8) our views on the need for early introduction of measures to ease these problems, but they continue to be delayed because of financial restrictions. Nonetheless, we do not consider that the introduction of a food charge for the married unaccompanied man can be deferred indefinitely. The fact that such individuals receive free food does give them some financial benefit by way of home savings, which seems to us inequitable at a time when other members of the armed forces are facing significant increases in their charges. At this stage, however, we do not consider it appropriate to levy the standard food charge. As an interim measure, we recommend that from 1 October 1982 a charge of £5 a week would be appropriate: this is based in part on our assessment of the likely average savings on family food expenditure. We have recommended a delayed implementation date to give some notice to the individuals affected by the change in arrangements; and to give Services management time to consider whether there should be exceptions in certain circumstances, although we consider that these should be kept to a minimum.

Accommodation charges

104. In order to keep Service accommodation charges broadly in line with the amounts paid by civilians in similar circumstances, we relate the charges for married quarters to a combination of the average rent charged by local authorities for houses of similar size; the average rates payable for each type of quarter;

and a charge for the cost of maintenance and decoration that exceeds local authority practice. There is also a hire charge for furniture and household equipment provided by the Services.

105. Relating the rent element to local authority rent levels provides a ready basis of comparison, but does involve an assumption that the conditions of tenancy and general standards of accommodation are broadly comparable in both areas. In recent years, the degree of long term security of tenure enjoyed by local authority tenants has increased. This cannot be matched in Service tenancies, which are of a more temporary nature. To reflect this we decided in 1980 that, although there were difficulties in placing a value on security of tenure, it would be reasonable to abate the rent element of the charge so that it reflected only that part of local authority rents which could be regarded as relating to the direct costs of occupancy. We based this approach on an analysis of local authority rental income and housing expenditure which indicated that long term security of tenure is reflected in local authority rents as a contribution to capital costs. We assess the level of the abatement on the basis of statistics published annually by the Chartered Institute of Public Finance and Accountancy, from which the proportion of local authority gross rental income attributable to expenditure on maintenance, management and supervision can be assessed.

106. Our approach rests, therefore, on the assumption that the basic standards of management and maintenance of Service accommodation remain broadly comparable to those applying in local authorities. We indicated last year that we intended to re-examine this underlying assumption because there was some evidence from our visits to Service units to suggest a decline in maintenance standards as a result of financial constraints imposed on the Property Services Agency (PSA), who are responsible for the maintenance of all Service accommodation. The Ministry of Defence had themselves expressed concern on this point.

107. The key issue is whether the position in Service accommodation has declined relative to that applying in local authorities. We had no information last year to enable a judgment to be made, but we have now been able to consider the point in more detail by examining trends in local authority and Service maintenance expenditure and through discussion with Services' management and with representatives of the PSA and the Department of the Environment (DoE).

108. We have concluded that there is no firm evidence of a relative decline in the maintenance standards in Service accommodation which would warrant a further abatement in the rent element of the charge. Although PSA expenditure levels have fallen in real terms in recent years (paragraph 10), we understand that the position is now beginning to improve. Also, comparisons of overall trends in local authority and PSA expenditure are of limited value because of wide variations in the pattern and level of expenditure. Although there is some evidence to suggest a relative deterioration of the Services' position in expenditure terms, we have been advised that there is no automatic or demonstrable link between this and the standards of maintenance involved. Moreover, although the DoE have pointed to an increased emphasis by local authorities on

improving and maintaining the existing housing stock, this has occurred against the background of a general decline in overall expenditure levels which makes it difficult to assess the relative position. In short, there is no firm basis for a further relative reduction in Service accommodation charges at a time when housing costs generally are rising sharply. Our recommendations therefore incorporate the existing level of abatement. We shall keep the position under review.

109. We see a need for some exception to be made for certain married quarters that fall below the general standard. Under present arrangements there is some flexibility for classifying married quarters as sub-standard, primarily when they fall below a prescribed minimum size. The Army also identifies a still lower standard of married quarters and classifies them as 'below standard.' All these quarters attract a reduction in the standard charge. In the light of comments made in our Ninth Report (paragraph 98), the Ministry of Defence is currently considering the scope for reclassifying married quarters to bring their designation onto a consistent basis and to allow environment and amenity considerations to be taken into account to a greater extent, and with more flexibility, than at present. We understand that firm proposals to this end will be put to us next year. Pending this, and because the accommodation involved is of a very low standard, we consider that charges for sub-standard (and 'below standard') accommodation should be held at present levels. We recommend accordingly.

110. We have examined the other elements that make up Service accommodation charges in some detail in the last two reviews and find no need to change our existing approach on this occasion. We have been assured by management that, despite the cutbacks in expenditure, the PSA has continued to maintain a range of items that are not normally covered by local authority practice, and that the attribution of costs that we confirmed last year—about 14 per cent of total maintenance costs incurred by PSA on the various types of quarter—remains an appropriate measure for the additional maintenance involved. However, one change is necessary. In the past, this part of the total charge has included a small element to cover 'departmental expenses'. These are a standard feature of transactions when one Government department acts as an agent for another (they are designed to cover, *inter alia*, the administrative costs involved), but we agree with the management view that they are inappropriate in this context. We have disregarded them in our recommendations this year, though the change has had only a marginal effect on the level of the charges recommended. Also, in considering the hire charge element for furniture and certain other fittings provided by the Services we have taken account of a reduced level of provision which will take effect from 1 September 1982. Again, this has had only a marginal effect.

Single accommodation

111. So far, we have discussed issues that affect the level of charges for Service married quarters. Under the established approach, the charges for single accommodation bear a fixed relationship to married quarter charges. When the concept of the military salary was introduced, this approach was seen as the most appropriate in the absence of any general basis of comparison with civilians in

similar circumstances and we have retained it. In the course of our visits this year, single servicemen have frequently argued that the single quarter charge does not represent 'value for money'. We have found that some—but by no means all—single servicemen are living in cramped and poor quality conditions. This raises general management issues that are beyond our remit. For our part, we consider that it is time to undertake a thorough examination of the method of assessing single accommodation charges and we have asked the Ministry of Defence to submit evidence on this issue for the next review. For the time being, we have retained the existing approach in forming our recommendations but we recommend that the charges for sub-standard (and 'below standard') single accommodation should be held at their present levels as in the case of charges for married quarters (paragraph 109).

112. On a related point, the Ministry of Defence have examined at our request the arrangements for assessing the level of the accommodation charges for certain single officers who are occupying accommodation which, under existing criteria, is inappropriate to their rank. Under the criteria, Captains and below are entitled to a single room, and Majors and above to a bedroom and sitting room. At present, Majors and above allocated a single room pay a small daily supplement over and above the standard charge paid by Captains and below for the same accommodation. The reasons for this approach are obscure and the Ministry of Defence have proposed that the supplementary payment should now be abolished. We agree and recommend accordingly. We also recommend that single officers who, by virtue of their appointment, are required to occupy a married quarter should pay only the single accommodation charge appropriate to their rank.

113. Also, the Ministry of Defence have questioned whether the practice of applying different rates of single quarter charges for Majors and above is appropriate. The standard of accommodation for Majors is the same as for Lieutenant Colonels and above but the latter pay a higher charge (about £73 a year more at current rates). It has been put to us that, on the basis of the approach adopted for married quarters and in assessing single accommodation charges for senior NCOs, the single accommodation charges for Majors and for Lieutenant Colonels and above should be related to the standard of accommodation provided, rather than to rank. We agree with this view, and recommend accordingly.

114. We recommend that the charges in Tables 4 and 5 should be introduced for married and single accommodation, respectively, from 1 April 1982. We also provide in Table 6 a breakdown of the total annual charges for standard married quarters into their four constituent elements.

Table 4
Married Quarters

Type of quarter	Annual charge			
	Standard quarters		Sub-standard quarters	
	Existing	Recommended	Existing	Recommended
	£	£	£	£
Other ranks				
A	386·90	448·95	259·15	259·15
B	554·80	693·50	368·65	368·65
C	642·40	803·00	427·05	427·05
D/WO	740·95	916·15	492·75	492·75
Officers				
V	897·90	1,113·25	598·60	598·60
IV	1,029·30	1,284·80	686·20	686·20
III	1,171·65	1,460·00	781·10	781·10
II	1,332·25	1,657·10	—	—
I	1,485·55	1,850·55	—	—

Table 5
Single Quarters

Rank	Annual charge			
	Standard quarters		Sub-standard quarters	
	Existing	Recommended	Existing	Recommended
	£	£	£	£
Young serviceman receiving less than the minimum adult (ie Private IV) rate	146·00	182·50	98·55	98·55
Corporal and below	193·45	240·90	127·75	127·75
Warrant Officer and Senior NCO	365·00	456·25	244·55	244·55
Captain and below	518·30	635·10	343·10	343·10
Major	616·85	762·85	412·45	412·45
Lieutenant Colonel and above	689·85	762·85	459·90	412·45

Table 6
Married Quarters
Breakdown of total annual charge (standard quarters)

Type of quarter	Basic (unfurnished) rent	Rates	Furniture hire	Additional maintenance	Recommended charge ^(a)
	£	£	£	£	£
Other ranks					
A	230.91	123.08	54.45	40.53	448.95
B	365.36	214.08	71.48	42.58	693.50
C	410.38	265.08	82.37	44.76	803.00
D/WO	467.67	309.08	92.97	46.95	916.15
Officers					
V	511.86	395.08	129.39	76.98	1,113.25
IV	608.81	442.08	150.30	83.65	1,284.80
III	692.69	515.08	161.97	90.32	1,460.00

^(a)The recommended charge is not the exact sum of the elements because it has been adjusted in order to provide a daily rate in whole pence.

115. We further recommend that the garage charge should be increased to £109.50 a year from 1 April 1982.

CHAPTER 5

COSTS AND CONCLUSIONS

116. We estimate that the costs¹ of our recommendations in the year beginning 1 April 1982 are as follows:

<i>Military salary (all Services)</i>		<i>£ million</i>
Officers		29.0
Officers promoted from the ranks		3.9
Servicemen and servicewomen		100.4
Young entrants and apprentices		1.5
Reserve forces		3.5
		—
		138.4
 <i>Additional pay and allowances in the nature of pay (all Services)</i>		
		6.6
		—
Total cost of increases in pay		144.9
 <i>Charges (all Services)</i>	<i>£ million</i>	
Increased yields: food	9.1	
accommodation	23.5	32.5
	—	—
 <i>Net cost of recommendations</i>		 112.4 —

117. The total cost of the increases in pay arising from our recommendations represents an increase of 6.1 per cent over the estimated pay bill for 1982-83 at current rates. These estimates of costs are based on the manpower strengths of the armed forces in 1982-83 as forecast by the Ministry of Defence for budgetary purposes. To the extent that strengths differ in practice, the costs of implementing the recommendations will also differ.

118. The levels of military salary and of charges that we have recommended in this Report are, in our judgment, appropriate for implementation now. They

¹Totals may not equal the sum of components as figures have been rounded.

represent our assessment of what is required to maintain adequate recruitment to and, especially, retention in the armed forces; and to ensure equitable treatment of those in the Services, taking account both of the direct evidence on remuneration at comparable levels in other walks of life and the effects of the general economic background on earnings and security of employment across the economy as a whole.

HAROLD ATCHERLEY (*Chairman*)

M G HERON

EWEN M'EWEN

LEIF MILLS

JOHN READ

J R SARGENT

RUTHVEN WADE

OFFICE OF MANPOWER ECONOMICS

8 April 1982

APPENDIX 1

PREVIOUS REPORTS OF THE REVIEW BODY ON ARMED FORCES PAY

First Report:	Cmnd. 4954, April 1972
Second Report:	Cmnd. 5336, June 1973
Supplement to Second Report: ..	Cmnd. 5450, October 1973
Third Report:	Cmnd. 5631, May 1974
Supplement to Third Report:	Cmnd. 5729, September 1974
Second Supplement to Third Report:	Cmnd. 5853, January 1975
Fourth Report:	Cmnd. 6063, May 1975
Supplement to Fourth Report: ..	Cmnd. 6146, July 1975
Second Supplement to Fourth Report:	Cmnd. 6420, March 1976
Fifth Report:	Cmnd. 6470, May 1976
Supplement to Fifth Report:	Cmnd. 6515, July 1976
Sixth Report:	Cmnd. 6801, April 1977
Seventh Report:	Cmnd. 7177, April 1978
Supplement to Seventh Report: ..	Cmnd. 7288, December 1978
Eighth Report, 1979	
Supplement to Eighth Report: ..	Cmnd. 7603, June 1979
Second Supplement to Eighth Report:	Cmnd. 7770, November 1979
Ninth Report:	Cmnd. 7899, May 1980
Supplement to Ninth Report: ..	Cmnd. 7956, July 1980
Tenth Report:	Cmnd. 8241, May 1981
Supplement to Tenth Report: ..	Cmnd. 8322, July 1981

APPENDIX 2

MILITARY SALARIES INTRODUCED WITH EFFECT FROM 1 APRIL 1981

Table 2.1
Officers: annual rates^(a)

Rank	Military salary
	£
Brigadier	20,900
Colonel after 8 years	19,319
6	18,860
4	18,400
2	17,940
on appointment	17,480
Lieutenant Colonel after 8 years	16,589
6	16,195
4	15,801
2	15,407
on appointment	15,012
Major after 8 years	13,494
7	13,220
6	12,947
5	12,673
4	12,399
3	12,125
2	11,852
1	11,578
on appointment	11,304
Captain after 6 years	10,424
5	10,184
4	9,943
3	9,702
2	9,461
1	9,220
on appointment	8,979
Lieutenant after 4 years	7,979
3	7,789
2	7,599
1	7,410
on appointment	7,220
Second Lieutenant	5,950
Officer Cadet	4,201

^(a)Rounded to the nearest £.

Table 2.2

Warrant Officers and senior NCOs: annual ^(a) rates

Scale B (men committed to 6 years or more but less than 9 years' service) ^(b)	Band			
	4	5	6	7
	£	£	£	£
Warrant Officer 1	8,380	8,946	9,600	10,348
Warrant Officer 2	7,888	8,453	9,107	9,855
Staff Sergeant	7,424	7,990	8,643	9,391
Sergeant	6,986	7,552	8,205	—

^(a)Rounded to the nearest £.

^(b)Scale A (men committed to less than 6 years' service)—deduct £109.50 a year from the above rates.

Scale C (men committed to, or who have completed, more than 9 years' service)—add £164.25 a year to the above rates.

Table 2.3

Corporals and below ^(a): annual ^(b) rates

Scale B (men committed to 6 years or more but less than 9 years' service) ^(c)	Band		
	1	2	3
	£	£	£
Corporal I	6,439	6,961	7,563
Corporal II	6,033	6,555	—
Lance Corporal I	5,650	6,172	6,774
Lance Corporal II	5,292	5,814	—
Lance Corporal III	4,960	5,482	—
Private I	4,960	5,482	6,085
Private II	4,646	5,168	—
Private III	4,351	4,873	—
Private IV	4,084	—	—

^(a)Adult servicemen.

^(b)Rounded to the nearest £.

^(c)Scale A (men committed to less than 6 years' service)—deduct £109.50 a year from the above rates.

Scale C (men committed to, or who have completed, more than 9 years' service)—add £164.25 a year to the above rates.

APPENDIX 3

RECOMMENDED RATES OF LENGTH OF SERVICE INCREMENTS

Rating/Rank	Annual rates after completing the following years' service					
	9	12	15	16	18	22
Royal Navy/Royal Marines	£	£	£	£	£	£
FCPO, Warrant Officer 1 (RM)	182-50	310-25	—	401-50	—	529-25
Warrant Officer 2 (RM) ..	182-50	310-25	—	401-50	—	511-00
Chief Petty Officer, Colour Sergeant (RM)	182-50	310-25	—	383-25	—	383-25
Petty Officer, Sergeant (RM)	164-25	219-00	—	346-75	—	346-75
Ordinary, Able, Leading, Marine 2nd Class, Marine 1st Class, Corporal (RM)	127-75	182-50	—	182-50	—	182-50
Army						
Warrant Officer 1	164-25	219-00	292-00	—	383-25	529-25
Warrant Officer 2	164-25	219-00	292-00	—	383-25	438-00
Staff Sergeant	164-25	219-00	292-00	—	383-25	383-25
Sergeant	164-25	219-00	292-00	—	346-75	346-75
Corporal	127-75	182-50	219-00	—	219-00	219-00
Private, Lance Corporal ..	127-75	182-50	182-50	—	182-50	182-50
Royal Air Force						
Warrant Officer	164-25	219-00	292-00	—	383-25	529-25
Chief Technician, Flight Sergeant	164-25	219-00	292-00	—	383-25	383-25
Sergeant	164-25	219-00	292-00	—	346-75	346-75
Corporal	127-75	182-50	219-00	—	219-00	219-00
Leading Aircraftsman, Senior Aircraftsman, Junior Technician	127-75	182-50	182-50	—	182-50	182-50

APPENDIX 4

RECOMMENDED LEVELS OF MILITARY SALARY FOR CERTAIN SPECIAL GROUPS

Table 4.1

**Recommended annual ^(a) rates of military salary for veterinary officers of the Royal Army
Veterinary Corps**

Rank/length of service	Military salary
	£
Brigadier	22,750
Colonel	20,998
	20,498
	19,998
	19,498
	18,998
	18,998
Lieutenant Colonel, Major, Captain	18,378
	17,867
	17,356
	16,845
	16,334
	15,735
	15,137
	14,538
	13,939
	13,264
	12,589
	11,914
	11,238
	10,563
	9,892

^(a)Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Table 4.2

Recommended annual rates of military salary for university cadets

on appointment	£ 4,400
after 1 year	4,925
after 2 years	5,450

APPENDIX 5

RECOMMENDED LEVELS OF TRAINING BOUNTIES FOR MEMBERS OF THE RESERVE FORCES

	Year of training		
	First	Second	Third and subsequent
	£	£	£
Territorial Army, Royal Naval Reserve, Royal Marine Reserve, Royal Air Force Reserves			
Group A—higher training liability ..	150	275	400
—lower training liability ..	120	220	320
Group B—(University Officer Training Corps and Bandsmen)	60	70	80
Part-time members of the Ulster Defence Regiment	250	375	500