

PORTSMOUTH CENTRAL LIBRARY  
RESERVE  
STACK

355.135 /  
was  
PAMPHLET SERIES



**REVIEW BODY  
ON  
ARMED FORCES PAY  
TWELFTH REPORT  
1983**

**Chairman:  
SIR DAVID ORR**

*Presented to Parliament by the Prime Minister  
by Command of Her Majesty  
May 1983*

**LONDON  
HER MAJESTY'S STATIONERY OFFICE  
£6.95 net**

**Cmnd. 8880**

## REVIEW BODY ON ARMED FORCES PAY

The Review Body on Armed Forces Pay was appointed in September 1971 to advise the Prime Minister on the pay and allowances of members of Naval, Military and Air Forces of the Crown and of any women's service administered by the Defence Council.

The members of the Review Body are:

Sir David Orr (*Chairman*)\*

David Hudson

Jenny Hughes

Dr Ewen M'Ewen CBE

Leif Mills

Sir John Read

J R Sargent

Air Chief Marshal Sir Ruthven Wade KCB DFC

The Secretariat is provided by the Office of Manpower Economics.

Sir Harold Atcherley retired from the Chairmanship of the Review Body in June 1982. Sir David Orr and Mrs Hughes were appointed to the Review Body by the Prime Minister in July 1982, and Mr Hudson in October 1982.

---

\* Also a member of the Review Body on Top Salaries.

## CONTENTS

|  | <i>Paragraph</i> | <i>Page</i> |
|--|------------------|-------------|
| Chapter 1: <b>The background to our recommendations</b> ..   | 1                | 1           |
| Chapter 2: <b>Military salaries</b> .. .. .  | 8                | 3           |
| Chapter 3: <b>Additional pay and allowances</b> .. ..  | 46               | 14          |
| Chapter 4: <b>Charges</b> .. .. .  | 76               | 21          |
| Chapter 5: <b>Costs and conclusions</b> .. .. .  | 94               | 27          |
| <br>   |                  |             |
| Appendix 1: <b>Previous reports of the Review Body on Armed Forces Pay</b>                               |                  | 29          |
| <br>   |                  |             |
| Appendix 2: <b>Military salaries introduced with effect from 1 April 1982</b> ..                         |                  | 30          |
| <br>   |                  |             |
| Appendix 3: <b>Accommodation charges introduced with effect from 1 April 1982</b> .. .. .                |                  | 32          |
| <br>   |                  |             |
| Appendix 4: <b>1 April 1983 recommended rates of length of service increments</b> .. .. .                |                  | 33          |
| <br>   |                  |             |
| Appendix 5: <b>1 April 1983 recommended levels of military salary for certain special groups</b> .. .. . |                  | 34          |
| <br>   |                  |             |
| Supplement: <b>Detailed pay scales prepared by the Ministry of Defence</b> ..                            |                  | 37          |

### THE BACKGROUND TO OUR RECOMMENDATIONS

1. Our task in each review is to assess appropriate levels of pay for members of the armed forces. In carrying out this task, we aim to ensure that servicemen and women receive a fair reward for the jobs they do, and that the Services are able to attract and retain an adequate force of the right quality. At the same time, we have to ensure that the recommendations we make are fair to the taxpayer who foots the bill.
2. To achieve these aims, we consider it important that Services' pay is kept broadly in line with that for civilian jobs of similar size, as measured by job evaluation. The process of comparison is described in more detail in Chapter 2. It shows that for any particular size or type of job in civilian employment there is a wide range of earnings reflecting the many different factors (including economic pressures) which affect individual organisations to different degrees at different times. Consequently, it does not produce an answer which can be directly translated into a pay structure for the armed forces. It does, however, provide a solid basis for our judgment.
3. To make a proper comparison, we have to take into account a number of factors. For instance, we allow for the value of bonus payments and fringe benefits, such as company cars, in civilian employment. On the other hand, we take account of the generally better benefits provided by the (non-contributory) Services pension scheme. We also include the 'X factor' which represents in our judgment a fair reflection of the extent to which the particular advantages and disadvantages of Service life currently balance out to the detriment of the members of the armed forces.
4. We have then to reconcile the results of pay comparison with the need to produce an overall pay structure for the armed forces that is sensibly balanced and, so far as we can make it, internally consistent. Given the many ranks which have to be accommodated, it is not easy to translate the external evidence into the armed forces' pay structure in such a way as to provide adequate differentials, which both we and the Services view as an important consideration. We also have to weigh general and particular recruitment or retention problems in the Services, and consider the extent to which they are soluble through pay. Such problems may be short or long term and may be related to the general economic situation in the country as a whole.
5. 'Comparability' is not, therefore, a simple and direct process. But there is a tendency to see it as such. Our recommendations, and the changes they produce in levels of Service pay, are frequently compared with national indices of pay or earnings which are most often expressed, and quoted to us, in terms of annual percentage movements. We must emphasise that this is not the way we work. We do not simply add some calculated percentage to last year's pay structure. Rather, in effect, we start afresh each year and set

appropriate *levels* of military salary in cash terms after examining the total remuneration (earnings, benefits and pensions) which applies to jobs of similar size in civilian life. The percentage changes between one year's military salary levels and the next are a consequence of this. They cannot be compared directly with percentage movements derived from national indices which seldom, if ever, relate to total remuneration and which are also affected by all kinds of factors which may not be relevant for our purposes (such as earnings of both full-time and part-time workers, adult and juvenile pay, the effect on earnings of short-time working, back pay and loss of pay through industrial disputes). This point should not be obscured by the fact that we normally mention in our report the overall percentage change in the paybill which our recommendations will occasion, and sometimes draw attention to the range of increases resulting from them at different parts of the structure.

6. We turn now to developments since our last report. The period since April 1982 has seen a generally satisfactory manning position continuing in all three Services. In our view, this trend owes much to the maintenance of up-to-date salary levels for members of the armed forces, but it must also owe something to the general economic climate in the country. Nonetheless, we recognise both the need to safeguard longer-term trends in Services' manpower and the risk that the manning situation could deteriorate rapidly with an economic up-turn. We discuss the financial incentives to retention operating in the armed forces in Chapter 2. At this point, we simply record our belief that the long-term attraction of a career in the Services depends to an important extent on the assurances that pay levels will remain competitive with those that apply in civilian employment and that conditions of employment, including the standards of accommodation offered (on which we comment further in Chapter 4), also remain broadly comparable.

7. The Falkland Islands conflict has occurred since our last report. The armed forces carried out their task with admirable skill and courage and have earned the respect of the nation. In considering levels of pay and other matters within our remit, however, we came to the conclusion that the events in the Falklands could not have a direct and immediate implication for our task—which is to ensure a fair reward for the overall capabilities which the armed forces have to maintain continuously and sometimes have to exercise. It would be inconsistent with this view of our task to add to the military salary concept the notion of payment for specific operations. Nonetheless, operational situations may sometimes give rise to longer-term effects which it is right for us to take into account in assessing military salaries. For example, service in Northern Ireland has had a demonstrable and continuing impact on the number of hours worked by those posted to the Province, and Northern Ireland pay was introduced (and increased significantly in 1982) to provide some recognition of this. It is part of our continuing task to keep such effects under review and, where it appears appropriate, to consider whether any special adjustment of pay is warranted within the military salary concept for those serving in a particular theatre. The X factor is an important element in recognising general effects of this sort.

## CHAPTER 2

### MILITARY SALARIES

8. In Chapter 1 we have described briefly the way in which we determine appropriate levels of pay for members of the armed forces. Before indicating our recommendations for 1 April 1983, it may be useful to set out the process in more detail.

#### Earnings comparisons

9. The comparison of earnings in the Services with those in civilian employment in a way which will provide a firm basis for our judgment has three main aspects: the comparison of jobs; the collection of pay data; and checking the reliability of the information collected.

10. The first requirement is a reliable method of ensuring that we look at jobs in a way which makes sensible comparison feasible. We cannot simply use jobs that appear superficially to be the same or to have generally the same content in Service and civilian life. Often, jobs apparently covering the same functions are in fact very different in content or in levels of responsibility. Moreover, many Service jobs do not have a direct equivalent in civilian life. So we break jobs down into their essential constituent parts or 'factors', covering elements common to all jobs such as responsibility, training and experience, and management content. Jobs are given a score within a range of points for each factor and the total points scored by a particular job represents its 'size'. This is the process of job evaluation. As the factors are common to both Service and civilian jobs, fair comparisons can be made even between jobs which are dissimilar in function. To cover the jobs within such a broad spectrum of employment as is found in the armed forces, three different 'factor plans' are used in three key areas: for officers in the ranks of Captain to Colonel\*; for Warrant Officers and Senior NCOs; and for Corporals.

11. The task of analysing and scoring Service jobs under these systems is carried out by specially trained personnel drawn from all three Services. They also analyse and score civilian jobs in the many organisations which co-operate with us in these exercises and allow direct access to their own workforces. The work of this inter-Service team is monitored by management consultants employed on our behalf who ensure that the process is carried out objectively and to a consistent and satisfactory standard. On the basis of the results, jobs at Corporal, SNCO and WO levels are placed in pay bands which encompass a range of jobs of broadly similar 'size'. For officers, there are no such bands and each rank covers jobs of varying size though within a limited range. The earnings of civilians in jobs whose scores fall into corresponding ranges can then be used for pay comparison purposes.

12. The process of collecting pay data follows. Each year we collect information about total earnings (including overtime) and non-pay benefits for

---

\* Throughout this report references are normally to Army ranks but relate also to equivalent ranks in the other Services where the context allows.

the large number of civilian jobs which are analysed under the job evaluation procedure we have outlined. This involves jobs in a wide selection of both large and small organisations throughout the country and across all areas of employment. We are satisfied that by these means we obtain a fair picture of the range of earnings in civilian life at the appropriate levels. This year, at Corporal level the sample covered some 640 jobs in almost 200 organisations; at Warrant Officer level almost 400 jobs in some 130 organisations; and at officer level, where the system of job evaluation we have adopted is also used extensively throughout industry and commerce, evidence was available from a sample of over 400 organisations.

13. We have referred to our use of management consultants to check the reliability of the evidence provided by the system described above. Currently, we also subject it to a separate test known as the 'Service benchmark' approach, which is completely independent of the main job evaluation process. Full details of a range of Service jobs are given to a number of civilian organisations not involved in any of the other comparison exercises. Each organisation evaluates the Service jobs in terms of whatever system it uses for its own purposes and then indicates what rates of pay it would attach to those jobs. This can be compared with the information obtained through our other approaches. This year, this method has provided some 480 further indicators of pay levels.

14. We are most grateful to all the organisations which assist us by providing the information we need.

15. Of necessity, all this data on remuneration levels in civilian life relates to a point some time before we put forward our recommendations. We therefore update it to 1 April (the effective date for our recommendations) on the basis of our own judgment of the likely effect of pay movements in the intervening period.

16. Although national earnings statistics have only a limited use for our particular purposes, they—together with other sources of information—are of value in certain areas, particularly at junior levels in the armed forces structure where job evaluation is not directly applied. For officer recruits at Second Lieutenant level we examine evidence on the starting salaries of graduates in other areas of employment; and for servicemen at Private level we have regard to the earnings levels indicated by the New Earnings Survey for male manual workers of a similar age.

17. The pay information we collect invariably shows a very wide range of earnings for jobs of a given size. In considering its implications for military salary levels we generally focus our attention around the median of the range. Nonetheless, the very width of the range has to be a factor in our thinking. Moreover, the 'outside' pay information is concentrated on key rank and band levels. We have to use our judgment in setting levels of military salary (including the X factor) across the whole structure of jobs in the armed forces.

This is not straightforward: there are many, sometimes conflicting, requirements to be taken into account. We aim to ensure adequate differentials between ranks and between bands, but the rank and band structure in the armed forces is complex and the individual's progression through it, below officer level, can vary quite widely. At certain points in the structure it is vital to ensure that differentials are sufficient both to encourage and reward promotion; frequently the complexity of the structure militates against this. We also have to bear in mind the link between the top of the WO/SNCO structure and the officers' structure; and the relationships with the pay of those officers (above the rank of Brigadier) who fall within the ambit of the Review Body on Top Salaries. Finally, we have to keep an eye on general and particular recruitment or retention needs in the Services and consider the extent to which they can be met within the military salary structure.

### **Pensions and fringe benefits**

18. It is important to ensure that the total remuneration packages received by servicemen and civilians are taken into account in reaching our conclusions. We therefore examine the benefits which accrue from pension schemes and from any fringe benefits received by servicemen and their civilian comparators.

19. Our approach to fringe benefits remains the same this year as last. With the exception of the benefit provided by the private use of a company car we have concluded that, on the whole, non-pay benefits available to members of the armed forces roughly balance those available to their civilian comparators. The only adjustment we have made to comparator pay in respect of fringe benefits has, therefore, been to reflect our assessment of the value of private use of a company car at various remuneration levels. In doing so, we have, as for our last two reports, assessed the private motoring costs saved by having a company car. On this occasion, we have had the advantage of a further year's information on private motoring expenditure from the Family Expenditure Survey and have also taken into account the effect of recent taxation changes.

20. The approach we adopt to valuing the armed forces pension scheme has been explained in some detail in our last two reports, and particularly in our Tenth Report.\* For the last two years we have deducted 11 per cent from comparator earnings at both serviceman and officer levels before using them to assess appropriate levels of pay for the armed forces. This represents our judgment of the additional benefit, in excess of that provided by the comparator schemes, received by members of the armed forces from their non-contributory pension scheme. It is based on a full comparative evaluation of the armed forces and comparator schemes carried out in 1981 on our behalf by the Government Actuary. In due course, we shall commission a further comparative study to determine whether our conclusions, and the adjustment factors we use, continue to be valid.

### **Incentives to retention**

21. We have this year continued our examination of the elements in Service remuneration designed to encourage servicemen to remain in the armed

---

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



forces. We had hoped to complete this last year, especially as the Royal Navy wished to introduce a new approach, but could not do so because neither the Army nor the RAF had been able to complete their studies. The Ministry of Defence have now submitted evidence covering the position of all three Services and we are able to make recommendations.

22. Prior to September 1982, financial incentives to retention were provided throughout the armed forces in two forms: a daily rate of committal pay, which was generally dependent on the degree of forward commitment at the outset of, or early in, a Service career; and length of service increment which came into payment after 9 years' service. We have always recognised the value of the latter, which are paid in recognition of service completed, and our recommendations provide (Appendix 4) for their value to be kept up to date broadly in line with movements in the military salary. But we have continued to have considerable doubts about committal pay, which represents payment for service promised rather than completed. We are not entirely convinced that committal pay provides the best means of encouraging retention. Moreover, it complicates an already complex pay structure and has the effect that servicemen with the same lengths of service can be paid differing rates for doing the same job.

23. Two years ago the Royal Navy asked us to endorse proposals for a new 'open engagement' structure below officer level. These provided for a notional 22-year engagement but with a minimum service requirement of four years from age 18 with the option of giving 18 months' notice to leave at any time after the first 2½ years. This apart, there was to be no forward commitment by the individual and it was proposed that associated pay changes would provide for all to enter on a single pay scale, without committal pay which would be replaced by lump sum bonuses after specific periods of service. We were not able to reach any conclusions on these proposals in 1981, although we were greatly attracted to the principle of payment for service rendered. Last year the Royal Navy informed us of their intention to introduce the 'open engagement' arrangement with effect from September 1982. We felt unable to agree however, to the introduction of the associated bonus scheme while the Army and the RAF were still considering their position. We recommended that Scale A rates of pay (paid in the other Services for the minimum commitment) should be paid to any ratings entering under the new open engagement scheme. The Royal Navy has now introduced the scheme, on Scale A rates of pay, and we have again been asked to consider the proposals for the payment of bonuses after appropriate periods of service.

24. Both the Army and the RAF have now told us that they wish to keep the existing committal pay arrangements. They argue that their particular manning requirements, different in each case, are better met by committal pay than by a bonus scheme on the lines proposed by the Royal Navy or by some other type of payment for service rendered. We have considered their arguments in some detail and, whilst retaining the reservations we have already expressed, we are prepared to accept their view of what must, in the last resort, be essentially a management matter.

25. The Army and the RAF have also suggested to us that the rates of committal pay should be increased this year. We have considered this but, in the light of the current recruitment and retention situation, can see little justification for any increase at present. However, retention rates are liable to be affected by changes in economic circumstances or in manning requirements and we shall keep the matter under review.

26. Now that we have accepted the other two Services' view of their requirements, we see no justification for further withholding our approval of a bonus scheme along the lines proposed by the Royal Navy. The Navy has proposed that these bonuses should be paid at the 4½ year and 7½ year service points, provided that the rating has not at that stage given notice of an intention to leave and is thus committed to serve for 6 or 9 years respectively. This is based on the Navy's assessment of the crucial outflow points, and we accept the proposed timing of the bonuses. In considering the appropriate levels of payment we have examined the potential earnings from committal pay over the same periods available to servicemen in the Army and the RAF. We have been guided by the intention that the different methods of payment should produce broadly the same level of reward, and have made due allowance for the differences in committal pay earnings between those who give forward commitment from entry and those who 'drift' into equivalent service. We conclude that a total bonus payment of £2,000 is warranted and that it should be paid in two equal instalments. We therefore recommend the introduction of the bonus system with lump sum payments of £1,000 at the 4½ and 7½ year service points, provided the individual has not given notice to leave. Effectively, this recommendation is backdated (where appropriate in individual cases) to the date of introduction of the open engagement structure, although the first bonuses will not become payable until March 1987.

#### **Alternative banding system ('all of one company')**

27. In our last two reports we have expressed reservations about what is known as the 'all of one company' principle, which applies in the Royal Navy and Royal Marines. Under this principle, naval ratings and their equivalents in the Royal Marines are not allocated to pay bands on the basis of job evaluation, as they are in the Army and RAF. At the levels equivalent to Corporal and below they are placed in Band 2; above this level only three of the available four bands are used and allocation is by rank, trade and specialisation rather than by strict job evaluation. The Royal Navy has argued that this 'alternative banding system' is necessary because of the special conditions which apply on board ship, where efficient running requires a greater degree of interchangeability. We have expressed doubts about this argument and have feared that the system might give rise to manning difficulties in a number of areas where application of full job evaluation could result in higher rates of pay.

28. The Ministry of Defence have now conducted a study into the possible effects of full job evaluation in the RN and RM. Although some of the information they have presented is open to question on technical grounds, they have argued that it is sufficient to show that there would be little change

if full evaluation were to be adopted. Management have also told us that there is no great pressure for the abandonment of the system from ratings or marines. They also consider there is little evidence to support the view that manning difficulties arise as a direct result of the alternative banding system.

29. It still seems to us that, in some areas, forms of additional pay which at present have to be given might not be necessary if full pay banding were in operation. However, we acknowledge the importance of management's view on this subject and would not wish to press for change contrary to their assessment.

### **Hours of work**

30. In our Eleventh Report (paragraph 43), we indicated our intention to examine further the degree to which members of the Services work longer hours than their civilian comparators. Civilian overtime earnings are, of course, built into the pay comparisons we make and, therefore, our concern is with average total hours on both sides of the comparison. The information we have had, from a survey carried out by the Ministry of Defence, indicates that most servicemen do not work longer hours than civilians. However, there are two exceptions to this general picture: on average, slightly longer hours appear to be worked in the Army; and a small proportion of servicemen in all three Services seem to work excessive hours by any definition. We have pursued both of these points with the Ministry of Defence.

31. In examining further the matter of average hours in the Army, it has become apparent that some of the differences suggested by the survey could well be due to the way respondents interpreted the questions. However, it has been pointed out to us that Army hours are likely to increase as numbers reduce but commitments remain the same or become greater. This is an argument which is also relevant to the other Services and is an aspect of Service life that we shall need to keep under review. It has also been put to us that reductions in civilian support staff mean that servicemen are increasingly having to take on additional tasks.

32. Our major concern is whether some servicemen might be working exceptionally long hours on a continuous basis. A careful analysis of the survey results by the Ministry of Defence suggests that there is no such consistent pattern. Most of the relatively few cases of exceptionally long hours thrown up by the survey seem to have been due to circumstances that were peculiar to the period covered by the survey or that involved personnel in 'one-off' events. This is an inevitable concomitant of Service life. To an extent the X factor recognises this sort of liability and we conclude, on the available evidence, that it would be inappropriate to make any adjustments to pay on this account.

33. During recent visits to Service units, our attention has again been drawn to the fact that a significant proportion of servicemen work shifts. Many of them are in trades where shift work is a fact of life and can be the pattern of working experienced for the whole of their Service career. In

civilian life, shift work is normally rewarded by the payment of a premium in recognition of the unsocial hours element implicit in such work. Payments of this sort are not included in our comparison of earnings, because our judgment of the X factor recognises the degree to which unsocial hours are worked on average in the Services (and it was partly for this reason it was increased in 1974). However, the X factor cannot recognise situations where such hours are worked on a continuous basis. We have discussed this with Services' management who point out that, in some respects, the shift worker has an advantage in knowing exactly when he will be working, whereas his colleagues sometimes have to work unpredictable as well as unsocial hours. It is argued that, in this sense, the shiftworker has a less turbulent life than many of his colleagues and that this needs to be set against the greater number of unsocial hours he might have to work. We see some force in this argument. The X factor is intended to balance out a variety of elements, unsocial hours being only one, experienced to different degrees across the Services.

34. While we take the view that for the present no adjustments to armed forces pay are needed to take account of hours worked, we intend to keep this matter under constant review. We have agreed with the Ministry of Defence that they will collect information on hours of work on a regular basis. The surveys they carry out will be timed to give a broader picture and designed to highlight any potential areas of difficulty. With this additional information we hope to be able to resolve any uncertainties left by the evidence which has been presented to us so far.

### **The X factor**

35. The X factor is designed to recognise, as a matter of judgment, the largely unquantifiable factors that have to be taken into account in a comparison of the advantages and disadvantages of Service and civilian life. For men, the X factor has remained at 10 per cent of military salary since 1974, when it was also set at 5 per cent for women. Last year we considered in detail the position of servicewomen and concluded, on the basis of changes which had occurred in their conditions of service, that the X factor for them should be increased to 7½ per cent (Eleventh Report, paragraph 31).

36. We have re-examined the levels of X factor this year. Senior management in the armed forces suggested to us that the balance of advantage and disadvantage in military life had moved somewhat against the serviceman since the current levels of X factor were set. They argued that servicemen were having to work longer hours in general, that their leave entitlements were less advantageous—compared with those in civilian life—than they had been, and that the degree of turbulence—particularly the incidence of unaccompanied tours of duty—was increasing. They recognised that this trend was not even across the Services as a whole and considered that it had affected servicemen more than servicewomen. It was also put to us that it is becoming more difficult for servicemen's wives to find employment.

37. We have examined carefully such evidence as is available on these various elements within the X factor. The Falklands conflict imposed a

great short-term strain but its long-term effects have yet to become clear. As we have already pointed out, we are concerned primarily with longer-term trends in Service life. This approach is particularly relevant to the X factor, which already represents a substantial element in the earnings of members of the armed forces: it would not be appropriate to adjust it simply to reflect short-term variations in particular conditions of service. We must also be satisfied, in examining a case for increasing the level of X factor, that the changes in question have had a significant and broadly equal impact across the Services as a whole, and that they represent a worsening of Service conditions relative to those in civilian life, which are also subject to change.

38. It is possible that some signs which have appeared of an increase in the turbulence of Service life may become more manifest over the next year, and there are of course other elements in the X factor to be considered. We shall keep the matter under review. For the present, we have concluded on the evidence provided to us that a general increase in the current levels of X factor would not be justified. Of course, this does not mean that its value will not increase: as the X factor has always been expressed as a percentage of 'basic' military salary, its cash value increases in proportion to our general recommendations on pay.

39. There is, however, one case where we recommend an increase in the X factor. This relates to women in the reserve forces. In our Eleventh Report (paragraphs 31 and 53) we recommended an increase in the level of X factor for regular servicewomen but indicated that we would consider the position of reservists in this review. The Ministry of Defence have pointed out to us that women reservists have been left with a relatively lower level of X factor (1 per cent against 5 per cent for men) than their equivalents in the regular forces (who receive a  $7\frac{1}{2}$  per cent X factor against the 10 per cent for men). We have been told by the Ministry of Defence that the relationship between the conditions of service of men and women in the reserve forces is more or less the same as in the regular forces. We accept this and consider that the X factor for women reservists should be set in broadly the same relationship to that for women in the regular forces as is the X factor of men reservists to that of their regular colleagues. We recommend that the level of X factor for women reservists should be increased to  $3\frac{1}{2}$  per cent with effect from 1 April 1983.

### **Military salaries**

40. We have indicated in some detail the process on which we base our judgment of appropriate levels of military salary. Taking account of all the considerations we have mentioned, we consider that the levels of military salary we recommend in Tables 1-3 are appropriate for implementation from 1 April 1983. They produce annual military salaries for officers that are higher than the current rates (Appendix 2) by between 3.9 per cent and 9.9 per cent; for Warrant Officers and senior non-commissioned officers by between 6.7 per cent and 9.2 per cent, and for Corporals and below by between 6.1 and 8.3 per cent.

Table 1

Recommended annual\* scales of military salary inclusive of the X factor for male officers up to Brigadier

| Rank               |        |    |     |    |    |    |               |    |       | Military salary |        |
|--------------------|--------|----|-----|----|----|----|---------------|----|-------|-----------------|--------|
|                    |        |    |     |    |    |    |               |    |       | £               |        |
| Brigadier          | ..     | .. | ..  | .. | .. | .. | ..            | .. | ..    | 25,001          |        |
| Colonel            | ..     | .. | ..  | .. | .. | .. | after 8 years |    |       | 22,970          |        |
|                    |        |    |     |    |    |    |               |    |       | 6               | 22,425 |
|                    |        |    |     |    |    |    |               |    |       | 4               | 21,879 |
|                    |        |    |     |    |    |    |               |    |       | 2               | 21,334 |
|                    |        |    |     |    |    |    |               |    |       | on appointment  | 20,789 |
| Lieutenant Colonel | ...    | .. | ..  | .. | .. | .. | after 8 years |    |       | 19,738          |        |
|                    |        |    |     |    |    |    |               |    |       | 6               | 19,270 |
|                    |        |    |     |    |    |    |               |    |       | 4               | 18,801 |
|                    |        |    |     |    |    |    |               |    |       | 2               | 18,333 |
|                    |        |    |     |    |    |    |               |    |       | on appointment  | 17,864 |
| Major              | ..     | .. | ..  | .. | .. | .. | after 8 years |    |       | 15,830          |        |
|                    |        |    |     |    |    |    |               |    |       | 7               | 15,504 |
|                    |        |    |     |    |    |    |               |    |       | 6               | 15,178 |
|                    |        |    |     |    |    |    |               |    |       | 5               | 14,852 |
|                    |        |    |     |    |    |    |               |    |       | 4               | 14,527 |
|                    |        |    |     |    |    |    |               |    |       | 3               | 14,201 |
|                    |        |    |     |    |    |    |               |    |       | 2               | 13,875 |
|                    |        |    |     |    |    |    |               |    |       | 1               | 13,549 |
|                    |        |    |     |    |    |    |               |    |       | on appointment  | 13,224 |
| Captain            | ..     | .. | ... | .. | .. | .. | after 6 years |    |       | 12,144          |        |
|                    |        |    |     |    |    |    |               |    |       | 5               | 11,862 |
|                    |        |    |     |    |    |    |               |    |       | 4               | 11,580 |
|                    |        |    |     |    |    |    |               |    |       | 3               | 11,298 |
|                    |        |    |     |    |    |    |               |    |       | 2               | 11,017 |
|                    |        |    |     |    |    |    |               |    |       | 1               | 10,735 |
| on appointment     | 10,453 |    |     |    |    |    |               |    |       |                 |        |
| Lieutenant         | ..     | .. | ..  | .. | .. | .. | after 4 years |    |       | 9,216           |        |
|                    |        |    |     |    |    |    |               |    |       | 3               | 8,996  |
|                    |        |    |     |    |    |    |               |    |       | 2               | 8,777  |
|                    |        |    |     |    |    |    |               |    |       | 1               | 8,557  |
|                    |        |    |     |    |    |    |               |    |       | on appointment  | 8,337  |
| Second Lieutenant  | ..     | .. | ..  | .. | .. | .. | ..            | .. | 6,500 |                 |        |
| Officer Cadet      | ..     | .. | ..  | .. | .. | .. | ..            | .. | 4,564 |                 |        |

\* Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

Table 2

Recommended annual\* 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)† | Band  |        |        |        |
|--|-------|--------|--------|--------|
|  | 4     | 5      | 6      | 7      |
|  | £     | £      | £      | £      |
| Warrant Officer 1 .. .. .  | 9,582 | 10,303 | 11,126 | 12,093 |
| Warrant Officer 2 .. .. .  | 8,956 | 9,677  | 10,501 | 11,467 |
| Staff Sergeant .. .. .   | 8,385 | 9,106  | 9,930  | 10,896 |
| Sergeant .. .. .   | 7,895 | 8,616  | 9,439  | —      |

Table 3

Recommended annual\* 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)† | Band  |       |       |
|--|-------|-------|-------|
|  | 1     | 2     | 3     |
|  | £     | £     | £     |
| Corporal I .. .. .   | 7,210 | 7,873 | 8,634 |
| Corporal II .. .. .  | 6,753 | 7,415 | —     |
| Lance Corporal I .. .. .   | 6,328 | 6,991 | 7,752 |
| Lance Corporal II .. .. .  | 5,926 | 6,588 | —     |
| Lance Corporal III .. .. .   | 5,552 | 6,215 | —     |
| Private I .. .. .  | 5,552 | 6,215 | 6,976 |
| Private II .. .. .   | 5,201 | 5,863 | —     |
| Private III .. .. .  | 4,850 | 5,512 | —     |
| Private IV .. .. .   | 4,513 | —     | —     |

\* Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

† Scale A (men committed to less than 6 years' service)—deduct £0·30 a day from the above rates.

Scale C (men committed to, or who have completed, more than 9 years' service)—add £0·45 a day to the above rates.

## **Special scales and rates of pay**

41. Special scales of pay apply to certain groups of officers and servicemen. These include medical and dental officers (and medical and dental cadets) for whom, as is normal, we will make separate recommendations in a supplement to this report when the 1 April 1983 salary levels for doctors and dentists in the National Health Service (which provide the basis for comparison in this case) are known.

42. Our 1 April 1983 recommendations for veterinary officers in the Royal Army Veterinary Corps, for university cadets and for naval apprentices and medical technicians are in Appendix 5. In the case of naval apprentices and medical technicians, we have this year accepted proposals from the Ministry of Defence for a new pay structure, which replaces pay related to age within each year of training by rates of pay related to training and experience alone. We welcome this simplification of the pay structure. Its implementation will require transitional arrangements for those on the existing structure. Given that the new rates would entail considerable differences from existing levels of pay for some individuals, it is perhaps open to question whether the normal 'mark time' arrangements will be adequate: this is a matter for the Ministry of Defence to agree with the Treasury, but we urge that it should be given careful and sensitive consideration.

43. For other groups in this category, we recommend that existing relationships with the main military salary structure (Tables 1-3) should be maintained.

## **Reserve forces**

44. In our Eleventh Report (paragraph 53) we indicated our intention to carry out a detailed review this year of the general pay arrangements for members of the reserve forces. The Ministry of Defence, however, have not been able to complete their own review of all the aspects of reserve pay that we wanted to consider. We are anxious to tackle these matters together and we have accordingly agreed to defer consideration of reserve forces pay until next year.

45. We have, however, dealt with two matters affecting reserve forces remuneration. We have already mentioned (paragraph 39) the level of X factor for women reservists. The second point concerns members of the Royal Naval Reserve and the Royal Marine Reserve, most of whom have hitherto received Scale B rates of pay. To keep them in line with the levels of pay for regular ratings under the Royal Navy's open engagement structure (paragraphs 21-26), the Ministry of Defence have proposed that they should henceforth receive Scale A rates. This seems reasonable to us, and would also bring the RNR and RMR into line with other reserve forces. We recommend accordingly. Transitional arrangements will be necessary for those already serving and, where appropriate, ex-regulars who join these reserve forces will be eligible for Scale B or Scale C rates as in the other reserve forces. We also recommend that, again in common with the other reserve forces, members of the RNR and RMR should be eligible for the existing length of service increment for the reserve forces.



## CHAPTER 3

### ADDITIONAL PAY AND ALLOWANCES

46. In addition to the military salary, certain members of the armed forces are entitled to supplementary payments which are classed together under the heading 'additional pay'. They fall into two categories. 'Major' forms of additional pay (such as flying pay, submarine pay and parachute pay) remain in payment all the time an individual serves, or remains liable to serve, in the particular role that attracts the additional pay. They can constitute a significant proportion of total income and are designed to provide an incentive to recruitment and retention in certain areas of employment in the armed forces where the military salary alone does not provide sufficient inducement. 'Minor' forms of additional pay are of lesser value and importance, are not paid on the same continuous basis and are awarded in circumstances where demands placed from time to time on the individual serviceman or woman are greater than would normally be expected.

#### **Major forms of additional pay**

47. Given the role of the 'major' forms of additional pay in helping to ensure adequate manning levels, we consider it important that they should maintain their value in relation to the military salary between fundamental reviews. In addition to the specific recommendations in the following paragraphs, therefore, we recommend that the 'major' forms of additional pay should be increased with effect from 1 April 1983 broadly to maintain their value with reference to the overall movement in military salaries from that date.

48. In our Eleventh Report (paragraphs 59-60) we indicated our intention to consider during this review a number of issues which arise from the fact that payment of the 'major' forms of additional pay can continue while an individual is away from the duties which attract the payment. We intended also to consider the rules governing withdrawal of additional pay and the circumstances in which an individual receives more than one 'major' form of additional pay at the same time. The Ministry of Defence have informed us, however, that their examination of these matters will not be completed until early in our next review. We have therefore delayed our consideration until then.

#### ***Submarine escape tank training pay***

49. In our Eleventh Report (paragraphs 74-78) we considered a new approach proposed by the Ministry of Defence for the payment of instructors employed in the Submarine Escape Tank Training unit (SETT). This involved introducing a new form of additional pay to be paid both on a continuous basis and in addition to diving pay and, in some cases, to a lower rate of parachute pay. We recommended that SETT pay should be introduced from 1 April 1982 at £3.75 a day, payable on a continuous basis but subsuming any Group 1 diving pay and parachute pay for which an individual might qualify. We made this recommendation as an interim arrangement pending completion of our review of the circumstances in which an individual may

receive continuous payment of more than one major form of additional pay at the same time. As we have not been able to conclude this review, we recommend that the interim arrangements should stand for a further year but that the rate of SETT pay should be increased from 1 April 1983 broadly to maintain its value with reference to the overall increase in military salaries at that date.

### *Flying pay*

50. We have this year looked at two specific aspects of flying pay. At Ministry of Defence request, we have considered again the arguments for awarding the same rate of flying pay to officer and NCO pilots in the Army Air Corps (AAC). We have also re-considered the complex arrangements governing rates of flying pay for NCOs in the RN and RM.

51. We examined the case of NCO pilots in the AAC in our Tenth Report (paragraphs 74-77). Both then and on this occasion, the Ministry of Defence have suggested to us that such pilots should be paid the same rate of flying pay as officers. They have argued the case on grounds of equity, maintaining that the skills and responsibilities exercised are identical whether the pilot is an officer or an NCO. We believe that these arguments involve a misconception of the use of additional pay. As we have explained, additional pay exists to provide an extra incentive to recruitment or retention in areas where it can be demonstrated that the military salary alone is insufficient. We have again examined the AAC situation to see whether a case could be made for NCO pilots on these grounds. We are satisfied that it cannot. We are consequently unable to agree to the Ministry of Defence request and we do not recommend any change in the existing arrangements.

52. We have also examined previously the flying pay for NCOs in the Royal Navy and the Royal Marines. This matter is linked to the concept of limited pay banding (the 'all of one company' principle) in those Services, to which we have already referred (paragraphs 27-29). We have recognised management's strongly expressed desire to retain this concept and have decided not to press for further re-consideration. However, as we indicated in our Ninth Report (paragraph 61) and our Tenth Report (paragraph 78), one effect of this approach has been to create a complex structure of flying pay for NCOs in the Royal Navy and Royal Marines, designed to provide parity of overall earnings with the equivalent NCOs in the other Services. We have been concerned that this amounted to using flying pay simply as a means of overcoming some difficulties resulting from an arrangement which management saw as being valid for more general reasons. It can be argued that the advantages and disadvantages of the limited pay banding approach must be accepted equally. However, although we are opposed in principle to complication of the pay structure, we recognise that flying pay as generally employed in the Services is necessary to bring overall earnings up to a level that is sufficient to ensure adequate recruitment and retention. The RN and RM arrangements seek primarily to equate total earnings with those of NCO pilots and aircrew in the Services generally. We recognise that they have the same need as the other Services to offer competitive levels of total earnings for aircrew and we accept that the existing structure of payment should continue for the present.

### *Gurkha service pay*

53. In our Ninth Report (paragraphs 68-70) we examined the payment of Gurkha service pay and Gurkha language pay. We recommended that Gurkha service pay should be awarded only to members of the permanent cadre of the Brigade of Gurkhas (when it should subsume Gurkha language pay); and that officers and servicemen seconded to the Brigade should receive only Gurkha language pay.

54. This year, we have re-examined Gurkha language pay (paragraph 68), as part of our periodic review of the minor items of additional pay. But it was also brought to our attention that Gurkha service pay has continued to be paid to officers (but not servicemen) who were seconded to the Brigade for second and subsequent tours.

55. Career disadvantage (rather than specific manning difficulties) was the basis on which we recommended the continuation of Gurkha service pay for members of the permanent cadre, but we considered that the same justification did not apply to seconded or other short service officers. We have examined further evidence on the manning requirement for seconded officers in the Brigade of Gurkhas. This shows that there are some posts which can be filled only by officers on second or subsequent secondment. But it also shows that all seconded officers with the Brigade are volunteers and that there are generally more volunteers than vacancies. The Ministry of Defence have suggested that there are fewer volunteers for second or subsequent tours than for initial secondment but have not indicated any difficulty in filling those posts which are open only to seconded officers who have previously served with the Brigade. The evidence does not seem to us to indicate any clearly perceived career disadvantage associated with second or subsequent secondment. We therefore re-affirm our earlier conclusion and recommend that Gurkha service pay be discontinued except for officers in the permanent cadre. In the circumstances, we also recommend that those seconded officers still receiving Gurkha service pay should continue to receive it for their present tour but not for any subsequent tour.

### *Seagoing allowance*

56. In our Eleventh Report (paragraph 92) we indicated that we would consider during this review the full range of allowances and other forms of payment available in the Royal Navy to compensate for specific features of shipboard conditions. We wished to assess whether some form of general payment to replace these individual allowances might be more appropriate.

57. There are, essentially, four allowances or other forms of payment associated with seagoing: hard-lying money; free food; free accommodation; and the higher rate of separation allowance. These do not affect all sea-goers equally: for example, the free food is of more direct benefit to the single man who would otherwise pay the food charge, while separation allowance is payable only to the married man. Consequently, the existing arrangements do not lend themselves readily to assimilation into a single rate of payment that would be fair to all those at sea. Moreover, in the light of defence reviews

and revised commitments, the future pattern of seagoing—with all this implies for the time spent at sea by individuals—is not yet clear. In these circumstances, the Ministry of Defence have suggested to us that it is too early to form a judgment on the case for an all-embracing allowance. We accept this and will await further proposals. Consequently, we have considered further (paragraphs 61–64) the proposals made in 1982 on new rules for hard-lying money.

### **Northern Ireland pay**

58. Taking account of such factors as the exceptionally long hours worked by members of the armed forces in the Province, we recommended a significant increase, to £2·00 a day, in the level of Northern Ireland pay in our Eleventh Report (paragraph 61). We have considered the matter again this year and have concluded that it is appropriate to update the existing level broadly in line with our recommendations for military salaries. We therefore recommend that Northern Ireland pay be increased to £2·15 a day from 1 April 1983.

### **Minor forms of additional pay**

59. This year we have concentrated our examination of additional pay on the ‘minor’ forms and have carried out the first of our triennial reviews of these items. We list our conclusions in the following paragraphs.

#### ***Sea command money***

60. Sea command money is paid to certain officers in the Royal Navy in recognition of the additional responsibilities of a seagoing command. The current rate is £1·00 a day. As was the case when we last reviewed this payment in 1980, we accept the justification for it more because of the demonstrable extra responsibility borne by junior officers in such posts, rather than any generally unique level of responsibility in sea commands overall. On the basis of the evidence available to us, we see no need to recommend any increase in the current rate this year.

#### ***Hard-lying money***

61. Hard-lying money is currently paid to naval officers and ratings in those ships where living conditions (measured by points scored for ‘adverse’ factors) fall well below a defined standard of sea-going accommodation. At present, the standard is defined by reference to accommodation on a Leander Class frigate. The Ministry of Defence have suggested that this standard, set in 1962, is now out of date and that the current standards for ship construction—the ‘Board 1970’ standard—should provide a new baseline.

62. We have considered the Ministry of Defence proposals and agree that it is time to change the basic standard. We also accept that the ‘Board 1970’ standard should be used. However, the Ministry of Defence have suggested that virtually all vessels which fall below this standard should qualify for hard-lying money. On this basis, only the Invincible Class cruisers meet the standard and the Type 22 frigates—which the Ministry of Defence do not

suggest should qualify—score just below it. All other vessels, some 97 per cent of the Fleet, would qualify under the new proposals.

63. We recognised in our Eleventh Report (paragraph 92) 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 exceptional circumstances. We cannot, therefore, agree with the proposals as they stand. Instead, we consider that the current rule, whereby qualification is limited to ships which fall well below the accepted standard, should stand and we recommend that the dividing line should be drawn at a score of more than 30 adverse points when measured against the 'Board 1970' standard. This is, in fact, a logical extension of the present criterion as the dividing line we recommend is equal to 25 adverse points (the present requirement) below the 5 adverse points scored by the Type 22 frigate which, as we have noted, the Ministry of Defence do not suggest should qualify for hard-lying money. Under the new arrangements, about 10 additional ships will attract payment.

64. The Ministry of Defence have also proposed that there should be two rates of hard-lying money: one for those vessels which currently qualify and a lower rate for the vessels which will be added under the new rules. We see this as an unnecessary complication of the payment, especially in view of the effect of our recommendation on the qualifying criterion. We have reviewed the level of payment and recommend that, with effect from 1 April 1983, hard-lying money should be paid at a flat rate of 60p a day in respect of all vessels which qualify under the new rules.

***Payment for work of an objectionable nature (PWON); and payment for work in unpleasant conditions (PWUC)***

65. Both these payments relate to work in unusual circumstances but PWUC, which applies only to naval ratings and marines, recognises particularly arduous work which is essentially part of normal duties, whereas PWON recognises tasks which servicemen are sometimes required to carry out but which are quite outside normal military duties. One point has emerged from our examination of these payments this year: we understand that regulations do not provide for naval personnel or marines to receive PWON when carrying out work which, in the other Services, would attract such payment. Instead, they receive PWUC which is a lesser amount. This seems to us anomalous and we suggest that the Ministry of Defence should examine the case for making PWON available in the Royal Navy and the Royal Marines. The Ministry of Defence have suggested to us that PWUC should be extended to officers. We recognise that PWON is payable equally to officers and servicemen in the other two Services but we see a difference between the two payments in this respect. We take the view that the circumstances in which PWON is payable bear equally on all ranks; but do not accept that the same applies to the circumstances in which PWUC is payable. We recommend that, from 1 April 1983, the rate of payment for work of an objectionable nature should be increased to 65p a day and the rate of payment for work in unpleasant conditions should be increased to 30p a day.

### ***Payment for graves registration work***

66. Towards the end of last year, the Ministry of Defence asked us to consider reintroducing a separate daily payment for graves registration work. This stemmed from particular requirements arising out of the Falklands conflict. We were requested to consider the matter in advance of our normal review timetable so that any resulting payment could be put into effect at an early date, the work having been completed.

67. We had no doubt that an additional payment was justified. The task, carried out by volunteers, was exceptionally harrowing and involved work far beyond normal military duties. Given that the task had been completed and had been carried out by a small team of 12 men who, whatever their rank, had been involved equally in the work, we considered a single lump sum payment to be a more appropriate recognition of the particular circumstances than a daily rate of payment. We recommended that a sum of £100 should be paid to each member of the team. This was accepted by the Government and implemented.

### ***Gurkha language pay***

68. Gurkha language pay is paid to seconded (or other short service) officers and servicemen in appointments with the Brigade of Gurkhas which require the use of Gurkhali. Two rates are paid: one for oral proficiency only and a higher rate for both oral and written proficiency. We recommend that the rates of Gurkha language pay should be increased, from 1 April 1983, to 25p a day (oral proficiency only) and 40p a day (oral and written proficiency).

### ***Education officer assistant's pay***

69. We recommend that there should be no change in the current rate of 50p a day.

### ***Payment for acting as a court shorthand writer***

70. We recommend that this payment should be increased to 25p a folio with effect from 1 April 1983.

### ***Experimental pay***

71. Experimental pay is paid to those who volunteer to take part in experiments or trials that involve discomfort, inconvenience, hazard or extreme physical exertion. We have again considered carefully the part that remuneration should pay as an inducement to volunteer for work of this nature. We have concluded that the payment should be retained and recommend that it should be increased to 85p a test with effect from 1 April 1983.

### ***Pay of the Academy Sergeant Major at Sandhurst***

72. This post attracts additional pay to recognise the special circumstances of the appointment, including the fact that the holder has to forgo a quarter-master commission in order to serve for the required 10 years at Sandhurst. The current rate is equal to the differential between Bands 6 and 7 at the rank

of Warrant Officer 1. We continue to regard this as an appropriate measure and consider that the rate should be changed in line with our 1 April 1983 recommendations at those levels. We therefore recommend that the payment should be increased to £966 a year from 1 April 1983. We also recommend that the pay of Warrant Officers 1 in the Special Air Services Regiment should continue to be linked to the pay of the Academy Sergeant Major.

## **Allowances**

73. Most of the allowances for which members of the armed forces are eligible constitute reimbursement of necessary expenditure. The only one which falls within our jurisdiction is separation allowance, paid to married servicemen and women when serving away from home. Although related to the additional costs arising from separation (which are difficult to quantify with precision), it is paid as part of pay and we recommend the framework and rates of payment, but not the detailed regulations, for the allowance.

74. We have expressed our concern in earlier reports over some aspects of the application of separation allowance. It has seemed to us that the use of distance as one criterion (currently, the distance qualification is 200 miles) is not entirely satisfactory. Certainly, it presents problems at the margin which are regularly brought to our attention on our visits to Service units. We have urged Services' management to provide a degree of flexibility in applying the regulations so as to ease the most troublesome anomalies. We have been told that the Ministry of Defence are now re-examining the rules for separation allowance (along with those governing certain other 'problem' allowances). We welcome this and would like to be kept in touch with developments.

75. For the present, we recommend that the rates of payment of separation allowance should be increased, with effect from 1 April 1983, to the following levels:

|  |             |
|--|-------------|
| Outside North West Europe (and at sea) ... | £1·80 a day |
| Within North West Europe ... ..            | £1·40 a day |

## CHAPTER 4

### CHARGES

76. We have explained how we use comparisons with earnings levels in civilian employment in judging the levels of pay appropriate for members of the armed forces. Equally, we aim to set appropriate charges for food and accommodation provided by the Services in the light of relevant costs incurred by people in civilian life, again allowing for any significant differences between the two areas.

#### **Accommodation charges**

77. Service accommodation charges are assessed separately for single and married quarters. Within each of these broad categories, the charges vary primarily according to the size and general amenities of the accommodation. For single members of the armed forces the charge varies by rank and for married members by the size of house, with four levels for servicemen and five for officers. Over and above this variation in the charges for 'standard' quarters, lower ('sub-standard') charges can be made for each type of quarter where the overall quality and state of repair is not satisfactory.\* In setting accommodation charges, we relate the rental element in the standard charges for married quarters to the average rent charged by local authorities for houses of a similar size (and in similar areas). In addition, the average rates payable for each type of quarter, charges for the cost of maintenance and decoration (insofar as their provision for members of the armed forces exceeds normal local authority practice) and charges for furniture and household equipment provided by the Services are assessed and built into the accommodation charge.

78. This approach rests on the assumption that both the quality of Service housing in general, and the basic standards of maintenance, broadly equate to what is provided by local authorities. This varies, of course, across the country and, naturally, there are also variations in the standards of Service housing. We would like to emphasise our belief that Service tenants should be provided with accommodation that is well up to good public sector housing standards. Our own observations, from the visits we undertake regularly to units throughout the Services, indicate that this ideal is far from universally attained. Standards of accommodation are bound to have a crucial bearing on the Services' continuing ability to recruit the young people of today and retain them. We appreciate that there are constraints on finance, but we urge that the improvement of accommodation where needed should be given as much financial and management priority as practicable.

79. It was concern with accommodation standards that led us to urge in our Ninth Report (paragraph 98) that there should be a review of the criteria for classifying Service accommodation. We considered that the existing framework lacked flexibility, particularly in the extent to which environmental and

---

\* The Army also have a third category, 'below standard' which attracts even lower levels of charge.



amenity considerations could be taken into account. The Ministry of Defence have now suggested a revised system of classification to which we have been asked to attach appropriate levels of charge. Briefly, this involves a four-tier grading system for both married and single quarters. Accommodation would be assigned to a particular grade according to the number of points scored for adverse features—such as less than ‘standard’ space ; inadequate washing or WC facilities ; poor structural condition or decoration ; inadequate or inefficient heating or insulation ; and inadequate provision of communal areas. The scoring systems proposed are different for single and married accommodation but the principle is the same : the higher the points score the lower the standard and the lower the charge. It is envisaged that grading will be carried out by Services’ management, in consultation with the Property Services Agency.

80. The classification of quarters is basically a matter for the Ministry of Defence. Our concern is to set appropriate levels of charge for the different standards. But we need to be satisfied that any revised system provides an adequate basis for setting fair charges. The proposed new system goes some way towards the more flexible arrangements we feel are needed, but we do not consider it to be developed sufficiently for us to use it as a basis for applying accommodation charges from 1 April 1983. There are several features which require further examination. For example, as the proposals stand it appears that adverse points could be scored in relation to circumstances which might constitute no more than a temporary loss of, or reduction in, facilities. We doubt whether such circumstances should be reflected in the basic assessment. This could result in fluctuating charges in particular cases, which would be administratively complex and unsatisfactory for the tenant. It would seem preferable to deal with such temporary variations more simply, perhaps by enabling refunds to be claimed. More importantly, the system has not yet been tested on any substantial scale and it is not clear how it would work out in practice. In recognition of this, the Ministry of Defence have proposed that the scheme should be put into effect for the period April 1983 to April 1984 on a trial basis, with an assumed assimilation from the existing system to the new, in advance of detailed application of the grading standards. We do not consider that this would be satisfactory. We would prefer the Services to give further, urgent, consideration to the details of the scheme (for example, the factors to be used and the allocation of points) and to test it extensively before we give further consideration to its adoption for setting accommodation charges. We hope that the Ministry of Defence will be able to complete this work and report to us at an early stage of the next review so that a tried and tested new scheme can come fully into operation from 1 April 1984.

81. We should also like to see further consideration given to the general standard that should be aimed at in providing Service accommodation. We have already indicated, in very broad terms, our view of the requirement. We understand that the Ministry of Defence are now planning to examine how the current ‘standard’ for Service married quarters compares with equivalent civilian accommodation. This could have a bearing both on our assess-

ment of the standard accommodation charge and, conceivably, on the proposed grading system itself. We see it as important not to pre-judge the outcome of this examination.

82. Our recommendations for this year are, therefore, based on the existing classification system. Among the elements that go to make up the standard married quarter charge, those for rates and rent together constitute much the most significant part of the total charge. Although the rental element is related to local authority rents for similarly sized accommodation, we have abated it since 1980 so that it reflects only that part of local authority rent which could be regarded as related to the direct costs of occupancy. This seemed to us a reasonable way of reflecting the fact that the local authority tenant has a long-term security of tenure which is not enjoyed by the Service tenant. Our assessment of the abatement is based on annual statistics from the Chartered Institute of Public Finance and Accountancy. We have reviewed the level of abatement this year and consider that a small increase in the abatement is justified by the available evidence.

83. The levels of 'sub-standard' charges also need to be assessed. As we considered that accommodation classified as sub-standard (and 'below standard') needed particularly close examination, we recommended last year that the existing levels of charge for these categories (effective from 1 April 1981) should be left unchanged, pending the anticipated completion of the classification review. For the reasons we have indicated, the new classification scheme proposed by the Ministry of Defence is not ready to come into operation this year, and it remains to be seen how sub-standard accommodation in the Services as a whole would fare under such a system. However, we do not believe it would be right to 'freeze' the charges for such accommodation for another year. Nonetheless, we do not consider that they should revert to their previous relationship to the standard charge, but rather that they should be increased so as to maintain approximately the relationship established by our decision last year. Our recommendations provide for this.

84. The charges for single accommodation bear a fixed relationship to married quarter charges. We reported last year the view often expressed to us by members of the armed forces that many single quarters were not felt to be 'value for money'. We asked the Ministry of Defence to undertake a thorough review of the method of assessing single accommodation charges. They have been unable to complete the study in time for this review but have indicated their intention to submit detailed evidence to us at an early stage of our 1983-84 review.

85. For the present, we have retained the existing approach. As in the case of married accommodation, we consider that the charges for sub-standard single quarters should not be 'frozen' for another year but should be increased so as to maintain approximately the relationship with standard charges set by our recommendations last year.

86. We recommend that the charges in Tables 4 and 5, for married and single accommodation respectively, should be introduced from 1 April 1983. Table 6 provides a breakdown of the total recommended charge for standard married quarters into its constituent elements.

Table 4

## Married quarters

| Type of quarter    |    |    |    |    |    | Annual charge*    |                       |
|--------------------|----|----|----|----|----|-------------------|-----------------------|
|                    |    |    |    |    |    | Standard quarters | Sub-standard quarters |
|                    |    |    |    |    |    | £                 | £                     |
| <b>Officers</b>    |    |    |    |    |    |                   |                       |
| I                  | .. | .. | .. | .. | .. | 2,083             | —                     |
| II                 | .. | .. | .. | .. | .. | 1,867             | —                     |
| III                | .. | .. | .. | .. | .. | 1,632             | 875                   |
| IV                 | .. | .. | .. | .. | .. | 1,442             | 769                   |
| V                  | .. | .. | .. | .. | .. | 1,263             | 681                   |
| <b>Other ranks</b> |    |    |    |    |    |                   |                       |
| D/WO               | .. | .. | .. | .. | .. | 1,017             | 549                   |
| C..                | .. | .. | .. | .. | .. | 889               | 472                   |
| B..                | .. | .. | .. | .. | .. | 787               | 421                   |
| A..                | .. | .. | .. | .. | .. | 549               | 315                   |

Table 5

## Single quarters

| Rank  |    |    |    |    |    | Annual charge*    |                       |
|---|----|----|----|----|----|-------------------|-----------------------|
|   |    |    |    |    |    | Standard quarters | Sub-standard quarters |
|   |    |    |    |    |    | £                 | £                     |
| Major and above   | .. | .. | .. | .. | .. | 845               | 458                   |
| Captain and below   | .. | .. | .. | .. | .. | 710               | 388                   |
| Warrant Officer and Senior NCO  | .. | .. | .. | .. | .. | 505               | 271                   |
| Corporal and below  | .. | .. | .. | .. | .. | 267               | 143                   |
| Young serviceman receiving less than the minimum adult (i.e. Private IV) rate | .. | .. | .. | .. | .. | 198               | 106                   |

\* Annual charges are derived from daily rates in whole pence and rounded to the nearest £.

Table 6

## Married quarters

## Breakdown of total annual charge (standard quarters)

| Type of quarter    | Basic (un-furnished) rent | Rates | Furniture hire | Additional maintenance | Recommended charge* |
|--------------------|---------------------------|-------|----------------|------------------------|---------------------|
|                    | £                         | £     | £              | £                      | £                   |
| <b>Officers</b>    |                           |       |                |                        |                     |
| III .. ..          | 722                       | 635   | 152            | 124                    | 1,632               |
| IV .. ..           | 636                       | 550   | 140            | 115                    | 1,442               |
| V .. ..            | 535                       | 499   | 124            | 106                    | 1,263               |
| <b>Other ranks</b> |                           |       |                |                        |                     |
| D/WO ..            | 489                       | 380   | 87             | 62                     | 1,017               |
| C .. ..            | 429                       | 327   | 74             | 59                     | 889                 |
| B .. ..            | 388                       | 279   | 63             | 56                     | 787                 |
| A .. ..            | 280                       | 164   | 51             | 53                     | 549                 |

\* The recommended charge is not the exact sum of the elements both because it has been adjusted to provide a daily rate in whole pence and because all elements have been rounded to the nearest £.

87. We further recommend that the separate charge for a garage should be increased to £128.10 a year from 1 April 1983.

### Assisted house purchase

88. We have on several occasions made clear our support for the idea of providing financial assistance to help members of the armed forces to obtain a foothold in the property market and, perhaps more importantly, to help home-owners in the Services in moving when the demands of the job require it. Although we recognise that Service requirements do not always coincide with the interests of the owner-occupier, we believe that increasing home ownership is an inevitable development for those in the Services. It reflects a wider social pattern from which the Services cannot afford to isolate themselves.

89. Plans for such assistance have existed in outline form for some time. An assisted house purchase scheme and an associated 'mobility package' have been given approval in principle. A lack of money to implement the proposals has been the stumbling block. We understand the financial constraints. Whilst this is not a matter on which it falls to us to make recommendations we wish to record again our concern to see this facility brought into effect at the earliest opportunity.

### Food charges

90. Since 1981, we have assessed the food charge for single members of the armed forces on the basis of food costs borne in civilian life, as indicated by the Department of Employment's Family Expenditure Survey. This enables comparisons to be drawn with the expenditure of those who most closely correspond to the single serviceman or woman. The charge includes an element to recognise the cost of preparing meals, which is related to

the fuel costs that civilians bear. Although charged over a 7-day week, the level of the charge is abated to take account of the average weekend absences of members of the armed forces.

91. We have not changed the established approach for this review. After updating in the light of the latest available information, a food charge of £13.86 a week is appropriate from 1 April 1983 and we recommend its implementation.

92. One other aspect of food charges has to be considered. Last year, we recommended the introduction of a charge for the voluntarily unaccompanied married man. We had previously been reluctant to impose such a charge in advance of implementation of the proposals designed to assist house owners in the armed forces to move with their families. In our last review, however, we considered that we would not be justified in postponing further the introduction of such a charge although we saw something significantly less than the full charge to be warranted as an interim arrangement. Our recommendation was for a charge of £5 a week, based in part on our assessment of likely average savings in such circumstances on family food expenditure, but with implementation deferred until 1 October 1982 in order to give some notice to the individuals affected and to allow some time for management to consider whether exceptions should be allowed in certain circumstances. Because of the general difficulties subsequently imposed on the armed forces as a result of the Falklands conflict, we agreed later that introduction of the charge should be deferred further to 1 January 1983.

93. Circumstances have changed little since our decision last year. It is still not clear when the assisted house purchase scheme and the associated mobility package are likely to be introduced. Consequently, we see no reason to go further than to retain and adjust the interim arrangement now in force. On this basis, we consider that the married unaccompanied food charge should be increased to £5.50 a week with effect from 1 April 1983, and recommend accordingly.

## CHAPTER 5

### COSTS AND CONCLUSIONS

94. We estimate that the costs\* of our recommendations in the year beginning 1 April 1983 are as follows:

| <i>Military salary (all Services)</i>  | <i>£ million</i> |
|--|------------------|
| Officers   | 36.4             |
| Officers promoted from the ranks   | 5.2              |
| Servicemen and servicewomen  | 128.1            |
| Young entrants and apprentices   | 2.9              |
| Reserve forces   | 5.2              |
|  | <hr/>            |
|  | 177.8            |
| <br><i>Additional pay and allowances<br/>in the nature of pay (all<br/>Services)</i> | <br>4.6          |
|  | <hr/>            |
| Total cost of increases in pay   | 182.5            |

| <i>Charges (all Services)</i>      | <i>£ million</i> |       |
|------------------------------------|------------------|-------|
| Increased yields:                  |                  |       |
| food                               | 3.4              |       |
| accommodation                      | 14.3             | 17.7  |
|                                    | <hr/>            | <hr/> |
| <i>Net cost of recommendations</i> |                  | 164.8 |

95. Implementation of our recommendations on pay will add 7.2 per cent to the estimated pay bill for 1983-84 at current rates. These calculations are based on the manpower strengths of the armed forces in 1983-84 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. The estimated paybill for 1983-84 includes the £3.8m cost of the recommendations in our Eleventh Report (paragraph 54 and Appendix 5) for increased levels of training bounty for the reserve forces, which will come into payment during this year.

96. In putting forward these recommendations we have had our aim firmly in mind: to provide for the armed services levels of remuneration which are fair to servicemen and women, which take account of the Services' recruitment and retention needs and which are also fair to the taxpayer. To ensure

---

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

a broad comparability with civilian remuneration is, in our view, essential to the achievement of this aim. The process is not simple ; we have indicated some of the complexities in Chapter 2. After carefully examining all the evidence, we have concluded that the levels of military salary and of charges we recommend in this report are appropriate for implementation now.

DAVID ORR (*Chairman*)

DAVID HUDSON

JENNY HUGHES

EWEN M'EWEN

LEIF MILLS

JOHN READ

J R SARGENT

RUTHVEN WADE

OFFICE OF MANPOWER ECONOMICS

8 April 1983

## 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      |
| Eleventh Report                    | .. | .. | .. | .. | .. | Cmnd 8549, May 1982       |
| Supplement to Eleventh Report      | .. | .. | .. | .. | .. | Cmnd 8573, June 1982      |



## APPENDIX 2

### MILITARY SALARIES INTRODUCED WITH EFFECT FROM 1 APRIL 1982

**Table 2.1**  
**Officers: annual rates\***

| Rank                                     | Military salary |
|--|-----------------|
|  | £               |
| Brigadier .. .. .                        | 22,750          |
| Colonel .. .. . after 8 years            | 20,998          |
| 6  | 20,498          |
| 4  | 19,998          |
| 2  | 19,498          |
| on appointment                           | 18,998          |
| Lieutenant Colonel .. .. . after 8 years | 18,060          |
| 6  | 17,630          |
| 4  | 17,199          |
| 2  | 16,768          |
| on appointment                           | 16,337          |
| Major .. .. . after 8 years              | 14,498          |
| 7  | 14,198          |
| 6  | 13,899          |
| 5  | 13,600          |
| 4  | 13,301          |
| 3  | 13,001          |
| 2  | 12,702          |
| 1  | 12,403          |
| on appointment                           | 12,103          |
| Captain .. .. . after 6 years            | 11,129          |
| 5  | 10,870          |
| 4  | 10,611          |
| 3  | 10,351          |
| 2  | 10,092          |
| 1  | 9,833           |
| on appointment                           | 9,574           |
| Lieutenant .. .. . after 4 years         | 8,450           |
| 3  | 8,249           |
| 2  | 8,048           |
| 1  | 7,848           |
| on appointment                           | 7,647           |
| Second Lieutenant .. .. .                | 6,249           |
| Officer Cadet .. .. .                    | 4,391           |

\* Rounded to the nearest £.

Table 2.2

## Warrant Officers and Senior NCOs: annual \*rates

| Scale B (men committed to 6 years or more but less than 9 years' service)† | 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  | —      |

\*Rounded to the nearest £.

†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\*: annual† rates

| Scale B (men committed to 6 years or more but less than 9 years' service)† | 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 | —     | —     |

\* Adult servicemen.

† Rounded to the nearest £.

‡ 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

### ACCOMMODATION CHARGES INTRODUCED WITH EFFECT FROM 1 APRIL 1982

**Table 3.1**  
**Married quarters**

| Type of quarter    | Annual charge*    |                       |
|--------------------|-------------------|-----------------------|
|                    | Standard quarters | Sub-standard quarters |
|                    | £                 | £                     |
| <b>Officers</b>    |                   |                       |
| I .. .. .          | 1,851             | —                     |
| II .. .. .         | 1,657             | —                     |
| III .. .. .        | 1,460             | 781                   |
| IV .. .. .         | 1,285             | 686                   |
| V .. .. .          | 1,113             | 599                   |
| <b>Other ranks</b> |                   |                       |
| D/WO .. .. .       | 916               | 493                   |
| C.. .. .           | 803               | 427                   |
| B.. .. .           | 694               | 369                   |
| A.. .. .           | 449               | 259                   |

\* Rounded to the nearest £.

**Table 3.2**  
**Single quarters**

| Rank   | Annual charge*    |                       |
|--|-------------------|-----------------------|
|  | Standard quarters | Sub-standard quarters |
|  | £                 | £                     |
| Major and above .. .. .  | 763               | 412                   |
| Captain and below .. .. .  | 635               | 343                   |
| Warrant Officer and Senior NCO .. .. .   | 456               | 245                   |
| Corporal and below .. .. .   | 241               | 128                   |
| Young serviceman receiving less than the minimum adult (i.e. Private IV) rate .. | 182               | 99                    |

\* Rounded to the nearest £.

## APPENDIX 4

### 1 APRIL 1983 RECOMMENDED RATES OF LENGTH OF SERVICE INCREMENTS

| Rating/Rank  | Daily rates after completing the following years' service |      |      |      |      |      |
|--|---|------|------|------|------|------|
|  | 9   | 12   | 15   | 16   | 18   | 22   |
|  | £   | £    | £    | £    | £    | £    |
| <b>Royal Navy/Royal Marines</b>  |   |      |      |      |      |      |
| FCPO/Warrant Officer I (RM)  | 0.55  | 0.90 | —    | 1.20 | —    | 1.55 |
| Warrant Officer II (RM) ..   | 0.55  | 0.90 | —    | 1.20 | —    | 1.50 |
| Chief Petty Officer, Colour Sergeant (RM) ..                                     | 0.55  | 0.90 | —    | 1.10 | —    | 1.10 |
| Petty Officer, Sergeant (RM) ..  | 0.45  | 0.65 | —    | 1.00 | —    | 1.00 |
| Ordinary, Able, Leading, Marine 2nd Class, Marine 1st Class, Corporal (RM) .. .. | 0.35  | 0.55 | —    | 0.55 | —    | 0.55 |
| <b>Army</b>  |   |      |      |      |      |      |
| Warrant Officer 1 .. ..  | 0.45  | 0.65 | 0.85 | —    | 1.10 | 1.55 |
| Warrant Officer 2 .. ..  | 0.45  | 0.65 | 0.85 | —    | 1.10 | 1.30 |
| Staff Sergeant .. ..   | 0.45  | 0.65 | 0.85 | —    | 1.10 | 1.10 |
| Sergeant .. ..   | 0.45  | 0.65 | 0.85 | —    | 1.00 | 1.00 |
| Corporal .. ..   | 0.35  | 0.55 | 0.65 | —    | 0.65 | 0.65 |
| Private, Lance Corporal ..   | 0.35  | 0.55 | 0.55 | —    | 0.55 | 0.55 |
| <b>Royal Air Force</b>   |   |      |      |      |      |      |
| Warrant Officer .. ..  | 0.45  | 0.65 | 0.85 | —    | 1.10 | 1.55 |
| Chief Technician, Flight Sergeant .. ..  | 0.45  | 0.65 | 0.85 | —    | 1.10 | 1.10 |
| Sergeant .. ..   | 0.45  | 0.65 | 0.85 | —    | 1.00 | 1.00 |
| Corporal .. ..   | 0.35  | 0.55 | 0.65 | —    | 0.65 | 0.65 |
| Leading Aircraftman, Senior Aircraftman, Junior Technician .. ..                 | 0.35  | 0.55 | 0.55 | —    | 0.55 | 0.55 |

## APPENDIX 5

### 1 APRIL 1983 RECOMMENDED LEVELS OF MILITARY SALARY FOR CERTAIN SPECIAL GROUPS

Table 5.1

Recommended annual\* rates of military salary for veterinary officers of the  
Royal Army Veterinary Corps

| Rank/length of service                                    | Military salary |
|---|-----------------|
|   | £               |
| Brigadier .. .. .   | 25,001          |
| Colonel .. .. . after 8 years                             | 22,970          |
| 6   | 22,425          |
| 4   | 21,879          |
| 2   | 21,334          |
| on appointment  | 20,789          |
| Lieutenant Colonel, Major, Captain .. .. . after 27 years | 19,738          |
| 25  | 19,160          |
| 23  | 18,582          |
| 21  | 18,004          |
| 19  | 17,425          |
| 17  | 16,763          |
| 15  | 16,100          |
| 13  | 15,438          |
| 11  | 14,775          |
| 9   | 14,054          |
| 7   | 13,333          |
| 5   | 12,612          |
| 3   | 11,891          |
| 1   | 11,170          |
| on entry  | 10,453          |

\* Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

**Table 5.2****Recommended annual\* rates of military salary for university cadets**

|                |    |    |    |       |
|----------------|----|----|----|-------|
| on appointment | .. | .. |    | £     |
| after 1 year   | .. | .. | .. | 4,575 |
| after 2 years  | .. | .. | .. | 5,124 |
|                |    |    |    | 5,677 |

\* Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.

**Table 5.3****Recommended annual\* rates of military salary for  
naval apprentices and probationary medical technicians**

|             |    |    |    |    |       |
|-------------|----|----|----|----|-------|
| first year  | .. | .. | .. | .. | £     |
| second year | .. | .. | .. | .. | 3,243 |
| third year  | .. | .. | .. | .. | 4,107 |
| fourth year | .. | .. | .. | .. | 4,959 |
|             |    |    |    |    | 6,643 |

\* Annual salaries are derived from daily rates in whole pence and rounded to the nearest £.