

MANAGEMENT IN CONFIDENCE
CONFIDENTIAL

ce D/Clerks
PC



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 071-21 82111/3

MO 6/17/15/1J

Prime Minister

4 January 1991

This came in very late, a
few days ago in a brief field in
suggesting there is nothing which
you can announce in terms of
improved conditions for our
forces. You may have to take
the law into your own hands
when we get out here.

Dear Charles,

PRIME MINISTER'S VISIT TO THE GULF AND EGYPT

In your letter of 2nd January to Richard Gozney you asked for some additional briefing for the Prime Minister's visit to the Gulf and Egypt, particularly focusing on issues concerning conditions for our Servicemen. I enclose a Q and A brief covering those points which we think are most likely to be raised.

COP
5/i

You also asked whether there were any unsettled points concerning allowances, or similar, on which the Prime Minister might be able to announce a positive decision. Unfortunately, I am afraid we have been unable to come up with anything of this kind. The Joint Commander has put forward a proposal for an allowance for those Servicemen living in exceptionally arduous conditions in the desert. However, this has only just been put forward and has yet to be fully examined here. It does of course run counter to existing policy that the difficulties and service in the Gulf are adequately compensated by the X-factor and that special payments are not needed. Should the question be raised with the Prime Minister (and we think this is unlikely) I suggest that he should simply undertake to ensure that we look at the case as quickly as possible.

You have separately raised the question of a water allowance for troops in the Gulf. The background to this is that, when troops first deployed to Al Jubayl, the local supply of drinking water was uncertain in both quantity and drinking quality. A daily cash payment was therefore locally instituted to enable the troops to purchase bottled water and soft drinks. As the supply of water through official sources has become more reliable in both quantity and quality the allowance has been discontinued for some personnel. However it remains in payment to troops based at Al Jubayl (ie most of 1 Div). We understand that the Joint Force Commander is forwarding a case for continuing to make these payments, not least

Sir Charles Powell KCMG
No 10 Downing Street

MANAGEMENT IN CONFIDENCE
CONFIDENTIAL



because he is concerned at the implications for morale of withdrawal. Should the issue be raised with the Prime Minister he might explain that all our troops are provided with sufficient water and refreshments; but in some locations it has proved more convenient to provide them with money to purchase their own refreshments; and that though we keep these arrangements under review, we have no plans at present to make any further changes.

I am copying this letter to Richard Gozney (FCO).

Yours sincerely

Janet Binstead

(MISS J R BINSTEAD)
Private Secretary



Q AND A BRIEF ON CONDITIONS OF SERVICE

Q. Why do British Servicemen receive no special payments for service in the Gulf?

A. All members of the Services have a liability to serve in difficult and dangerous conditions. This is recognised in their pay, which includes a 10.5% lead (9.5% for women) over the pay of their civilian comparators to take account of the disadvantages of Service life. Service personnel receive this 'X factor' throughout their careers and it is reviewed at regular intervals (and is now being reviewed) by the Armed Forces Pay Review Body.

Q. Why special payments to other forces serving in the Gulf?

A. Their pay arrangements are different and comparisons of particular payments, taken in isolation, are misleading. The British tradition is that all Servicemen receive the 'X factor' and that there are no special payments for being in combat or in a danger zone.

Q. Why a special payment in Northern Ireland?

A. Service personnel have since 1974 received a special payment for service in Northern Ireland, currently £3.20 a day. This payment is set by the Armed Forces Pay Review Body in recognition of the very long and unsocial hours consistently worked by personnel in Northern Ireland over the years. The exceptional demands of service in Northern Ireland are widely recognised in the Services.

Q. Why was a special payment of £1 a day made to personnel at the time of the Falklands conflict?

A. That payment subsumed cost of living allowances for which personnel would otherwise have qualified. It was not a payment for serving in arduous conditions or in combat. Personnel in the Gulf remain eligible for cost of living allowances.

Q. Why do personnel posted from Germany suffer a reduction in their Local Overseas Allowance (LOA)?

A. Measures have been taken to ensure that, overall, no personnel suffer financially as a result of serving in the Gulf. German LOA is reduced to reflect the fact that, if a Serviceman is sent away from Germany, his expenditure there will reduce. But he qualifies for other allowances, including separation allowance if he is married, and in many cases he will also cease to pay for food and accommodation. These are the same rules which apply to any Service personnel moving from one overseas area to another. On balance no one will receive less in net pay and the overwhelming majority will receive more.



Q. Why are personnel serving in rear areas receiving higher allowances than those living in the desert?

A. The normal Service rules are being applied and under these entitlement to allowances depends upon an individual's circumstances. Most of those living in rear areas are having to buy at least some of their food from commercial sources and they receive an allowance to enable them to do so. Those living in the desert receive free food from Service sources. The important point is not that some personnel are receiving more than others - that is a familiar feature of Service life - but that no one is receiving less than they were before being posted to the Gulf.

Q. Why was water allowance withdrawn at some RAF units on 1 December and will it now be withdrawn from 1 Div units?

A. There was no longer any requirement to provide RAF personnel with a cash allowance to enable them to buy bottled water, because arrangements were made to purchase sufficient bottled water centrally and to distribute it to all personnel. Central purchase and distribution is more difficult in the case of widely dispersed 1 Div units and, though the situation is kept under review, there are no plans at present to change existing arrangements.

Q. What is the government doing to reduce the cost of phone calls to the UK?

A. Thanks to the co-operation of Mercury and of British Telecom personnel now have much improved access to phone links to the UK. And thanks to the generosity of the British Legion all personnel received a free phonecard for use over the Christmas period. Existing rates of charge already incorporate an element of subsidy by the companies concerned and we are considering whether there are ways in which costs might be further reduced.

Q. Will the Services 1991 pay award be staged?

A. No commitments can be made, since the report from the Armed Forces Pay Review Body has not yet been submitted. When it is, the government will have to consider its recommendations in relation to a range of factors, including the question of affordability. We recognise that staging is never going to be welcome and it has been the exception rather than the norm. The most important point is that, even when staging has taken place, this government has never failed to implement the recommendations of the AFRB in full.

Q. What arrangements will be made for Servicemen wounded in action or for their families, if they are killed in action?

A. I can promise that Service personnel and their families will be well taken care of in these circumstances. There are first class medical facilities for the care and rehabilitation of the injured. There are welfare services to provide support and practical help to the injured and to bereaved families.



Financially, all personnel, including reservists, are covered by the Armed Forces Pension Scheme and the War Pensions Scheme and there are provisions for enhanced benefits for those who are injured or killed as a result of their service.

