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MINISTRY OF DEFENCE
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MO 6/17/15/1S

18th October 1990

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Dear Charles

PAY AND ALLOWANCES IN THE GULF

I enclose a copy of the draft written answer which my Secretary of State intends to make today in response to a question from David Martin MP seeking a statement on the pay and allowances of Servicemen deployed to the Gulf. The content of the answer has been agreed with Treasury officials and the text is currently being cleared with them and officials of the Departments of the Environment and Social Security. The text has yet to be approved by Secretary of State.*

I am copying this letter to Tim Sutton (Lord President's office), John Neilson (Energy), Stuart Lord (Social Security), Roger Bright (Environment), Jeremy Haywood (Treasury) and Murdo McLean (Chief Whip), and to Sonia Phippard (Cabinet Office).

Yours sincerely,

Jane R Binstead

(MISS J R BINSTEAD)
Private Secretary

has now been approved.

Charles Powell Esq
No 10 Downing Street

PAY AND ALLOWANCES

DRAFT ANSWER

X The basic pay of Service personnel remains the same wherever they are stationed and includes an X-factor, currently 10.5% for men and 9.5% for women, which recognises the disadvantages of Service life, including the liability to serve in difficult and dangerous conditions. Entitlement to allowances and liability to charges varies according to individual circumstances.

2. The effect of this for those deploying to the Gulf is that the great majority of Service personnel will in fact receive more in their pay packets. However, there are some for whom the changes would result in a possible loss. I have therefore decided that there should be an abatement to part of the charges paid by married personnel from Germany and from other overseas locations while they are serving in the Gulf. This will benefit most of those otherwise adversely affected. In addition, I have instructed that arrangements be made to recompense any individual who would still otherwise experience a net reduction in pay and allowances.

3. These measures are intended to fulfil my assurance that no one would suffer financially as a result of service in the Gulf.