



Ministry
of Defence

SECRETARY OF STATE
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Dear John

I am writing firstly to express my thanks for your valuable work on the 2017-18 pay round and secondly, to formally commence the 2018-19 pay round.

You will have seen the Chief Secretary to the Treasury's letter of 21 September setting out the Government's position on Public Sector Pay for 2018-19. That letter confirmed that the Government has adopted a more flexible approach to public sector pay, particularly in areas of skills shortages and including in return for improvements to public sector productivity. The last Spending Review budgeted for one per cent average basic pay awards, in addition to progression pay for specific workforces, and there will still be a need for pay discipline over the coming years to ensure the affordability of the public service and the sustainability of public sector employment; review bodies should continue to consider affordability when making their recommendations.

The Government continues to appreciate the independent expert advice and contribution that the Armed Forces' Pay Review Body makes. The MOD will provide evidence papers in the coming weeks. MOD staff will continue to work closely with the Office of Manpower Economics (OME) to seek to support the work of the AFPRB, noting the inconvenience of the changed timeline and implications for a deferred announcement of the award after 1 April. We have communicated the delay to Service Personnel, explaining that both the Review Body and the Government are seeking to keep any delays to an absolute minimum and that pay awards will be backdated to 1 April.

I very much look forward to meeting you at the oral evidence session in the New Year where we can discuss our strategies further. I am copying this letter to the Chief Secretary of the Treasury.

THE RT HON GAVIN WILLIAMSON CBE MP

John Steele
Chair of AFPRB
c/o Office of Manpower Economics