

UPDATE ON AAC RRP(F) ISSUE AS AT 7 JUN 13

Current situation

- I promised you an update on the RRP(F) issue in early Jun fol an in-depth meeting held at Army HQ this week involving all stakeholders across Defence. This note is it. Furthermore I have been made aware anecdotally that there is a perception in some quarters of the Corps that there has been a lull in progress on the 100% RRP(F) audit. This is far from reality and my aim here is to bring you to a collective level of understanding as to exactly where we are at with this divisive issue.
- Cohort 1 – no change. Cohort 2 - as directed in Feb 13 individual dates for P2 and P1 were collected by the CoC, collated by HQ AAC in Mar 13, and then audited by DPers Admin in Apr 13. Approximately 40% of the individual cases scrutinised by HQ AAC and DPers Admin have been found to be anomalous, with data being passed to SPVA in May 13. Initial feedback indicates that 75% of these anomalies are overpayments with a small number showing as underpayments. The complete SPVA audit will not conclude until 21 Jun 13 with findings tagged as indicative until such time as these can be confirmed authoritatively through input to JPA.
- The underpinning rationale for this process taking as long as it is is the requirement to drive out a total solution that will resolve the issue once and for all, and in which aircrew can have confidence in, and due to a number of complicating factors that add staff friction which include:
 - Multiple locations and operations in which the Corps operates and resides.
 - Staffing across multiple MOD-level and tri-Service agencies.
 - The volume of individual cases. This 100% audit comprises 605 serving aircrew rank ranged from Maj Gen to the newest ab-initio pilot graduating from the latest CTT, as well as including AAC aircrew who have transferred to the RN and RAF.
 - SPVA capacity – something hampered by the Cypriot bank crisis, T3 redundancy and routine case work. The AAC is not SPVA's sole customer.
 - The timing of a JPA Tech 'refresh' that is forecast to take JPA offline for the month of Aug 13.
 - The requirement to combine debts identified in Nov 12 to a final total (including all retired aircrew) IOT give Ministers a total bounded net sum to consider for write off.
- You should be aware of the staffing procedure for the Case for Write Off. HQ AAC is not operating in a vacuum in its preparation of this document. Legal, procedural, operational and policy advice has been sought from all appropriate agencies including: ALS, PS10(A), Army HQ, LF Sec and DG Pers.

The legal case

- The stark fact is that the Corps, AGC agents and pay authorities within the MoD (SPVA,JPAC,DPers Admin) misinterpreted regulations for a protracted period and that the pay regulatory system that should have audited this and prevented it did not.
- Many of you with suspended debts have provided Pers Branch with estoppel¹ evidence in the form of letters from HQ DAAvn and iSupport correspondence to the JPAC. These have provided multiple instances of aircrew requesting confirmation of being correctly paid in 'good faith', or the JPAC agreeing to data presented and then correcting RRP(F) levels. The apparently authoritative agreed position in both cases is now the subject of the potential recovery action.
- 7AAC is to be singled out for its proactive work in their comprehensive collation of evidence thus far. I must urge anyone with further evidence of systemic policy, or regulatory failings that resulted in pay corrections to send copies to [REDACTED] Pers, [REDACTED] I am advised that this

¹ The principle which precludes a person from asserting something contrary to what is implied by a previous action or statement of that person or by a previous pertinent judicial determination.

underpins the estoppel argument against recovery. The perception amongst some that providing this evidence somehow incriminates individuals is incorrect.

Wider issues

- Unsolicited correspondence from various sources has revealed a lack of understanding of the mechanics of this audit. You are to ensure the following is communicated to all those already affected and anyone identified with a pay anomaly in due course:
 - **Gross Public Debt (GPD) / Net Public Debt (NPD).** Overpayments are suspended on pay statements as a GPD. Routine end of FY processes reduce all GPD by an amount commensurate with paid income tax at the appropriate rate. This is automatic and takes into consideration individual circumstances. This reduced figure is referred to as a NPD. Individuals with debts suspended in Nov 12 will have seen their GPD reduce in this way. CE SPVA/Ministers will consider the write off of an aggregated² NPD.
 - **Effects on monthly pay.** Overpayments accrued in the last 6 years will result in a suspended GPD on pay statements. A RRP(F) level correction³ may apply in some cases. Underpayments will be reimbursed automatically.
 - **Retired aircrew.** Many of you have understandably asked whether retired aircrew will be audited. The answer is they are. As is the case for serving aircrew only debts accrued in the last 6 years will be considered by CE SPVA⁴, therefore only those retiring after 2007 are subject to audit.
 - **Aircrew qualified since 1 Apr 08.** A small number of aircrew that qualified on the new harmonised RRP(F) system have been found to have been paid incorrectly. As briefed at the ACG on 20 May 13, these are relatively minor administrative errors that will be corrected outside the scope of this audit. Any pay anomalies attributable to these errors will be resolved by Unit HR depts. A simplified process to comply with extant policy⁵ will mean all future ab-initio aircrew will qualify for RRP(F) from the last day of their respective CTT module as promulgated by the TRA, HQ AACen.

The next phase

- The output of SPVA's findings and subsequent planned actions are as follows:

Date	Action	Remarks
21 Jun 13	SPVA provide initial findings to HQ AAC.	Effectively this is Cohort 2.
28 Jun 13	HQ AAC to agree logic and initial findings of SPVA work.	
w/c 1 Jul 13	Affected individuals advised of pay anomalies via CoC.	Note: amounts will be indicative at this point. JPA is the authority for pay and exact amounts will not be confirmed until the provision of Jul 13 pay statements.
Jul 13	JPA pay run to reflect SPVA findings.	Individuals will see effects of SPVA's calculations on monthly pay – if change to pay band reqd + accrued individual frozen debt as GPD.
Aug 13	JPA Technical Refresh. Retired aircrew case work.	Software upgrade requiring SPVA staff effort.

² Nov 12 debts aggregated with the planned Jul 13 findings.

³ For example from Top down to Mid level of RRP(F).

⁴ HM Treasury's Statute of Limitations.

⁵ [JSP 754](#) Edn 18, Ch 6, Sect 17, para 06.1703. A suitably worded insert for Flying Log Books will be provided idc.

NB Sep 13	HQ AAC presents the Case for Write Off of accrued debts to CE SPVA.	It is predicted that CE SPVA will pass this to Ministers for a decision on recovery/write off which should be anticipated in the late Autumn of this year.
-----------	---	---

Summary

- I do not underestimate the uncertainty and potential impact that this issue is having on you and your families, especially against a plethora of other unwelcome Defence wide TACOS, and in a period of extended deployments and resultant separation. Your continued patience is appreciated and I reiterate once again that the RRP(F) will be resolved one way or another on my watch. That said I can not pre-judge the final outcome or how CE SPVA and ministers will ultimately rule on the overpayments. My responsibility with the staff here at HQ AAC is to present the most compelling case for write-off underpinned by hard fact. Rest assured that all the arguments are being considered and tested by Legal as the work matures. Your role is to provide as much documentary evidence from individuals demonstrating 'good faith' to help underpin the case – as such critical activity and very much in the collective interest. I ask you in the CoC to drive this hard – even in deriving evidence from those who are subsequently found to have been paid correctly.
- As I stated in Feb 13 this audit will enable the Corps to state, with confidence, that all aircrew are now being paid the correct rate of RRP(F), arguably for the first time since the inception of SP(F). I acknowledge this was a 'sore that needed lancing', but make no apologies for this much needed and necessary work. The number of pay anomalies vindicates the decision to order a 100% audit. This note will not fill in all the blanks, but I hope it reassures you that we are on track for a comprehensive resolution to this long standing knotty conundrum – something also long overdue.

(signed electronically)

