



Ministry
of Defence

Ministry of Defence
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Ref: XXXXXXXXXX

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XXXXXXXXXX

Email: XXXXXXXXXXXXXXXXXXXX

05 February 2016

Dear XXXXXXXXXXXXXXX

Thank you for your email of 07 January 2016 requesting the following information:

“Could you please provide an estimation in real terms of the expected difference in total defence personnel pay expenditure per annum between the Pay 2000 and the NEM.”

This has been considered as a request for information in accordance with the Freedom of Information Act 2000 (FOI Act) and I can confirm that the MOD does hold information within scope of your request.

It may be useful if I provide some background to the announcement of Armed Forces Pay Reform on 7 January 2016. The Pay Reform is a rebalancing of current pay resources to provide a simpler and more efficient core pay model which provides greater differentiation for Other Ranks (ORs). The Pay Reform is not a cost savings exercise and it has been developed with the Services and has been advocated by the Service Chiefs. The new pay model will apply to all ranks (Regular and Reserve) up to and including 1 star, except those Service personnel on bespoke pay spines. No one will take a pay cut on the introduction of the new pay model and pay protection will be in place for at least three years, with a review after the first year to consider whether it should be extended.

Over the 5 year period from go-live on 1 April 2016 through to 1 April 2021, it has been assessed that under New Employment Model there will be an additional £127.1M of net investment in the pay bill in real terms above that of Pay 2000.

Given the complexity of the pay bill, the profile of this difference changes over time, however, it is expected that the difference in real terms, in year 1 (April 2016 – March 2017), will be in the order of £80M.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal

review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

Yours sincerely,

Defence People Secretariat