



Ministry
of Defence

SECRETARY OF STATE
MINISTRY OF DEFENCE
FLOOR 5, ZONE D, MAIN BUILDING
WHITEHALL LONDON SW1A 2HB

Telephone 020 7218 82111/2/3
Fax: 020 721 87140
E-mail: defencesecretary-group@mod.gov.uk

4.4.2.1

25 November 2018

Firstly, I would like to express my thanks for the hard work that the Armed Forces' Pay Review Body (AFPRB) undertook for the 2018/19 pay round. On this, my thanks go to John Steele for all his contributions as the previous chair of the AFPRB, and I would like to wish you all the best as you take on this important position. I would also like to take this opportunity to reinforce my support for the valuable role and independent expert advice that the AFPRB provides on behalf of our Service personnel.

You will be aware that the final pay award settlement the Government agreed on, whilst not exactly what the AFPRB recommended, was within the spirit of the recommendations. This was a difficult decision, but one which enabled the Government to balance the importance of recognising the value and dedication of our Service personnel, whilst ensuring that the Armed Forces remain affordable in the long term.

Secondly, I am writing to ask that you formally commence the 2019/20 pay round. In the 2019/20 pay round the Government is seeking to continue the approach adopted in the 2018/19 pay round, and is taking a more flexible approach to public sector pay awards. In particular, the use of pay to target areas of skills shortages and ensuring that the award continues to support wider recruitment and retention within the Armed Forces. As such, my evidence submission will include a detailed account of recruitment and retention pressures in the Armed Forces and I ask that you outline what consideration you have given to targeting in your report.

Of course, the pay award needs to be balanced against the continuing challenge of ensuring that our personnel remain affordable, and indeed affordability will remain a major consideration for the MOD, as for all Government Departments, in

Peter Maddison QPM
Chair of AFPRB
c/o Office of Manpower Economics
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8 JX

the 2019/20 pay round; this will be laid out within MOD's formal evidence to you. This year, I request that you describe in your final report what steps you have taken to ensure affordability has been given due consideration when reaching your recommendations.

Finally, I was pleased that your recent report recognised the significant workforce reform activity that has been underway in Defence. We continue to progress this ambitious reform programme which includes the Armed Forces People Programme, Pay 16 Evolve (the upcoming major five year review of the Pay 16 pay model) and the wider Modernising Defence Programme, for which Defence People is a major workstrand.

I would be grateful if you could submit your report for the 2019/20 pay round in the week commencing 6 May 2019. This is the date that all Pay Review Bodies will be asked to submit their evidence by, in a new approach to the pay round process this year by Government. I recognise that this is not ideal and will result in another delay to the announcement of Armed Forces pay which we will again backdate.

I very much look forward to seeing you again in the New Year and discussing our strategies and approaches in detail at the oral evidence session. But in the meantime MOD staff will continue to work closely with the Office of Manpower Economics to provide papers of evidence in the coming months. This evidence will lay out in much more detail our proposals including the affordability position for Armed Forces pay. We would be grateful for the AFPRB to continue to consider these when making their recommendations.

I am copying this letter to the Chancellor of the Exchequer, Chief Secretary to the Treasury and Cabinet Secretary.

A handwritten signature in black ink, appearing to read 'Gavin Williamson', written over a large circular stamp or watermark.

THE RT HON GAVIN WILLIAMSON CBE MP