



Armed Forces'
Pay Review Body

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FIFTY-THIRD REPORT 2024

Chair: Julian Miller CB

CP 1116



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**Presented to Parliament by the Prime Minister and the
Secretary of State for Defence by Command of His Majesty**

July 2024



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Armed Forces' Pay Review Body

Terms of Reference

The Armed Forces' Pay Review Body provides independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration and charges for members of the Naval, Military and Air Forces of the Crown.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people taking account of the particular circumstances of Service life;*
- government policies for improving public services, including the requirement on the Ministry of Defence to meet the output targets for the delivery of departmental services;*
- the funds available to the Ministry of Defence as set out in the government's departmental expenditure limits; and,*
- the government's inflation target.*

The Review Body shall have regard for the need for the pay of the armed forces to be broadly comparable with pay levels in civilian life.

The Review Body shall, in reaching its recommendations, take account of the evidence submitted to it by the government and others. The Review Body may also consider other specific issues as the occasion arises.

Reports and recommendations should be submitted jointly to the Secretary of State for Defence and the Prime Minister.

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¹ Emma Boggis was appointed by the Minister for Defence People and Veterans as a member of the AFPRB from June 2023.

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ARMED FORCES' PAY REVIEW BODY 2024 REPORT – SUMMARY

Background

This pay review has been conducted against the backdrop of increasing international tension and an uncertain economic situation.

We know that the armed forces face an acute problem in recruiting and retaining sufficient, trained and motivated personnel. Voluntary Outflow is high and during the course of the round reached a level last seen in the 1990s, while recruitment has fallen well short of intake targets. The size of the armed forces reduced by over 7,000 personnel in calendar year 2023.

Main pay recommendation

Our main pay recommendation is for an **increase of 6%**, broadly in line with the upper quartile of awards elsewhere.

The factors driving this recommendation are:

- the historically high level of Voluntary Outflow from the armed forces and continuing shortfalls in recruitment;
- the importance of people to Defence, as the foundation on which strategic advantage is built;
- evidence that the morale of the armed forces remains fragile, with many personnel feeling that their contribution is taken for granted;
- growing concerns about the impact of Service life on the families of armed forces personnel;
- the continued economic uncertainty following a large drop in living standards during 2023 and the challenging public finance situation; and
- our assessment that a pay award for the armed forces at this level will have minimal impact on inflation.

We have already endorsed the Ministry of Defence's (MOD) decision to **increase the first point on the main pay scale by some 7.25%**, in line with the increase in the National Living Wage. We do not propose any further change to this first pay point. MOD also announced small increases to the next two pay points. Instead, we propose that they increase by 6% above the 2023-24 level, in line with our main recommendation.

New entrants

New entrants to the armed forces are currently paid at a reduced rate for the six months or so they spend in initial training. We have been concerned for some time that this is an obstacle to recruitment, particularly for those with pre-existing financial commitments and broader experience. We now recommend that all new entrants should be paid at the first point of the main pay scale. This means that the **initial offer to recruits would increase from £18,687 to £25,200**.

More detail on our pay recommendations is set out in Chapter 3, specifically paragraphs 3.28 to 3.36.

Recommendations for specific groups

In Chapter 4, we discuss our reviews of pay arrangements for specific groups.

We endorse some modest structural changes relating to the pay of Medical and Dental Officers (MODOs) but had expected to see some broader proposals, building on previous pay comparability work. Given the developments in pay for the National Health Service (NHS) comparator group over the past year, we invite MOD to provide an update for next year's pay round to enable us to make a recommendation on a sustainable approach to pay for MODOs. This year, however, we recommend that MODOs should be treated on the same basis as our wider remit group and recommend a pay increase of 6%. We also agree that Defence Clinical Impact Awards and Trainer Pay should increase by 6%.

We endorse revised pay arrangements for United Kingdom (UK) Special Forces, submariners, aircrew and those transitioning to Unified Career Management (UCM) structures for the delivery of Special Intelligence. In each case these arrangements supersede the current pay arrangements which are based around Recruitment and Retention Payments (RRPs). We note that these changes reflect principles set out in the Haythornthwaite Review of Armed Forces' Incentivisation² and that MOD appears to be moving towards a more differentiated approach to pay. We will watch developments in this area with interest.

We have undertaken routine reviews of RRP (Diving) and RRP (Explosive Ordnance Disposal). Where we have been invited to apply an uplift in line with our main pay award, including to most RRP, the Volunteer Reserves Training Bounty and compensatory allowances, we recommend that that these should increase by 6%, in line with our main pay award recommendation.

Accommodation and food

We believe that the provision of good quality accommodation is an important element of the overall offer to Service personnel. We note that the overall picture regarding maintenance standards has improved since last year. However, the state of both Service Family Accommodation (SFA) and Single Living Accommodation (SLA) remains unacceptable for some personnel, and there is a need for significant investment to bring it up to standard.

In setting accommodation charges, we traditionally use the annual November Consumer Prices Index (CPI) actual rents for housing component which was 6.4%. We recognise that this reflects the reality of price changes in the civilian sector. However, following a period when charges were suppressed in response to substandard maintenance issues, exceptionally, this year we are recommending that the increase in accommodation charges is modified to align with our recommended percentage increase in pay. Therefore, we recommend that accommodation and related charges increase by 6% with, as usual, reduced increases for lower standard accommodation as explained in Chapter 5.

² MOD (2023) *Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation* (online) Available at: <https://www.gov.uk/government/publications/agency-and-agility-incentivising-people-in-a-new-era-a-review-of-uk-armed-forces-incentivisation> [Accessed 22 May 2024].

On food, we have not been asked to comment on an increase in the Daily Food Charge. We welcome the introduction of the Defence Catering Strategy and, in light of this, invite MOD to keep us informed of developments in this area and whether there will be a future role for us in reviewing food charges.

Conclusion

Taken together, our remit letter and Terms of Reference set out the framework for our review. As ever, our task in developing recommendations has been to assess a range of competing pressures and we judge that our recommendations strike the right balance between these, taking into account the gravity of the international scene, the importance of Service personnel to Defence, current economic circumstances, the fiscal situation and wider pay settlements. Critically, noting the acute workforce situation, we assess that our recommendations will ensure that pay continues to be attractive both to recruit and retain the calibre of personnel needed to maintain the nation's armed forces.

A full list of our recommendations is on pages 4 to 6.

Summary of Recommendations

Main pay award

Recommendation 1: We recommend that rates of base pay increase by 6% for members of our remit group at pay point OR2-04 and above from 1 April 2024.

Recommendation 2: We recommend that rates of base pay for members of our remit group at pay point OR2-01 remain at £25,200 as already implemented from 1 April 2024, a 7.25% increase on the 1 April 2023 rates.

Recommendation 3: We recommend that rates of base pay for members of our remit group at pay points OR2-02 and OR2-03 increase to £25,864 from 1 April 2024. This equates to a 6% uplift on the 1 April 2023 rates.

Recommendation 4: We recommend that the rate of Initial Pay increases to £25,200 from 1 April 2024.

Medical Officers and Dental Officers

Recommendation 5: We recommend that the accredited MODO pay scales are increased by an additional three levels, up to increment level 35.

Recommendation 6: We recommend the removal of the policy bar to incremental progression at level 10 on the non-accredited pay scale for OF3 MODOs.

Recommendation 7: We recommend that rates of base pay should increase by 6% for all ranks within the MODO cadre from 1 April 2024.

Recommendation 8: We recommend that the value of Defence Clinical Impact Awards should increase by 6% from 1 April 2024.

Recommendation 9: We recommend that rates of Trainer Pay should increase by 6% from 1 April 2024.

UK Special Forces Remuneration Review

Recommendation 10: We agree in principle to the replacement of specified Special Forces' RRP's with Special Forces Supplement Pay effective from 1 April 2026.

Submarine Remuneration Review

Recommendation 11: We agree that 'Submarine Pay' should replace RRP (Submarine) and the Submarine Golden Hello with transition commencing from 1 April 2026.

Recommendation 12: We agree that 'Nuclear Skills Pay' should replace RRP (Nuclear Propulsion), RRP (Weapon Engineer Submarine) and RRP (Engineer Officers' Supplement) with transition commencing from 1 April 2025.

Recommendation 13: We agree that a Submarine Environmental Allowance should replace RRP (Submarine Supplement) with transition commencing 1 July 2024.

Recommendation 14: We agree that a Retention Payment of £25,000 should be payable between eight and twelve years qualification as a submariner with effect from 1 April 2025.

Defence Aircrew Remuneration Review

Recommendation 15: We agree to the implementation of MOD's pay proposals for aircrew with effect from 1 April 2025. These proposals comprise:

- **three Aircrew Professional Pay Spines;**
- **Aircrew Supplements;**
- **Specialist Skill Recognition; and**
- **the 'Box Option'.**

Unified Career Management Special Intelligence

Recommendation 16: We recommend the introduction of a new Special Intelligence skills-based payment for UCM Special Intelligence cadre personnel.

Recruitment and Retention Payments

Recommendation 17: We recommend that all rates of RRPs, except RRP (Special Intelligence), should increase by 6% from 1 April 2024. The rates of RRP (Special Intelligence) remain unchanged.

Volunteer Reserves Training Bounty

Recommendation 18: We recommend that rates of the Volunteer Reserves Training Bounty should increase by 6% from 1 April 2024.

Compensatory allowances

Recommendation 19: We recommend that all rates of compensatory allowances should increase by 6% from 1 April 2024.

Accommodation charges

Recommendation 20: We recommend that SFA CAAS Band A charges should increase by 6% from 1 April 2024. This recommendation will affect the rents of lower bands differently, as they are set in descending increments of 10% of the Band A rate.

Recommendation 21: We recommend that furniture charges (for all SFA types) should increase by 2.4% (in line with the CPI furniture and furnishing element as at November 2023) from 1 April 2024.

Recommendation 22: We recommend that SLA rental charges for Grade 1 should increase by 6% from 1 April 2024, and increases of 4% to Grade 2, 2% to Grade 3 and no increase to Grade 4 accommodation.

Recommendation 23: We recommend that, from 1 April 2024, charges for standard garages and carports should increase by 6%, with no increase for substandard garages and substandard carports.

Chapter 1

INTRODUCTION

Introduction

- 1.1 This Report sets out our recommendations on military pay and charges for 2024-25. Our recommended rates are set out in Appendix 1 (Salaries) and Appendix 2 (Recruitment and Retention Payments (RRPs) and Compensatory Allowances).
- 1.2 The current round has been conducted against the backdrop of a difficult and evolving geo-strategic environment and an uncertain economic situation. In addition, we have seen that the armed forces face an acute problem in recruiting and retaining sufficient, trained and motivated personnel.
- 1.3 We are once again disappointed that we have not been able to make recommendations that can be considered for implementation on 1 April. Throughout the round we have emphasised the need for evidence to be submitted to us on time. During our visits we continued to hear from Service personnel how late receipt of the pay award caused considerable frustration. In a period following high inflation and with continuing economic uncertainties, any delay to the implementation of the pay award, despite backdating, has an adverse impact on morale and can cause real cost of living challenges for personnel.

2023 recommendations

- 1.4 In our 2023 Report, our central pay recommendation was for an uplift which delivered increases ranging from 9.7% for the most junior personnel to 5.8% for the most senior personnel on our remit group's main pay scales. This recommendation had two elements: a consolidated pay uplift of 5% for all Service personnel and a further consolidated increase of £1,000 for all full-time United Kingdom (UK) Regular personnel with a pro-rata increase for other cohorts in our remit group. We made it clear that these two elements should be considered as a single recommendation.
- 1.5 With the exception of our recommendation for an uplift to charges for Service Family Accommodation³, on 13 July 2023 the government accepted our recommendations and backdated implementation to 1 April 2023. The Ministry of Defence (MOD) told us that our recommendations equated to an overall increase of around 7.5% to their pay bill. We note that while our central pay recommendation was historically high in nominal terms, this recommendation was made against a backdrop of annual Consumer Prices Index inflation running at 10.1%. For our remit group, the pay award was still below the rate of inflation at that time.
- 1.6 We were very disappointed that initial media reporting around the acceptance of our pay recommendation focused only on the 5% pay increase. This was particularly frustrating and led to widespread misunderstanding of the value of the award. Many Service personnel were left with the view that their pay uplift did not compare favourably with many other public service awards. While we acknowledge the

³ This is explained in Chapter 5.

subsequent work undertaken to try to correct this, it meant that an opportunity to send a positive message to our remit group had been missed.

Our Terms of Reference and remit letter

- 1.7 Our Terms of Reference require us to have regard to the need for Defence to be able to recruit, retain, and motivate suitably able and qualified personnel; the need for pay in the armed forces to be broadly comparable with pay levels in civilian life; the requirement for MOD to deliver its outputs within the funds allocated by government; and the government's inflation target.
- 1.8 In his remit letter to us this year, dated 20 December 2023 (Appendix 4), the Secretary of State for Defence told us that the government's acceptance of the 'historically high' pay awards made by Pay Review Bodies last year required tough decisions. For this year's round, we were told that we should consider the historic nature of the 2023-24 awards and the government's affordability position. Our remit letter also addressed the strategic defence context for the round and said that the *Defence Command Paper Refresh* (DCPR23)⁴ set out a new and clear purpose for Defence, its mission being: to protect the nation and help it prosper. The Secretary of State also told us that DCPR23 placed people first, recognising that they are inescapably the foundation on which the nation's strategic advantage is built.

Agency and Agility: Incentivising people in a new era

- 1.9 The remit letter also highlighted that in June 2023 MOD published *Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation*⁵. We have discussed this in our previous reports as the Haythornthwaite Review of Armed Forces' Incentivisation (HRAFI) and will use HRAFI as shorthand for this review. The Secretary of State told us that the report provided a compelling vision for improving the proposition to those who elect to serve. We are grateful for the Secretary of State's confirmation that MOD will engage with us as work to implement the report progresses.
- 1.10 In summarising the HRAFI outcome, MOD indicated that it would establish a holistic reward and incentivisation strategy to attract and retain skills, maximise operational effectiveness and provide a modern, flexible and people-centric system fit for the future, shaped around emerging generations' needs. During the course of our review this year we have been mindful of these HRAFI principles and have been interested to see how MOD has reflected these in the proposals presented to us.
- 1.11 MOD told us that it had commenced work on a 'first release' of initiatives and proposals aligned to HRAFI. MOD aimed to deliver the first steps towards a Total Reward Approach which included a skills-based remuneration framework focused on Royal Navy General Service Engineers and Aircraft Engineers from all three Services.

⁴ MOD (2023) *Defence Command Paper 2023: Defence's response to a more contested and volatile world* (online) Available at: <https://www.gov.uk/government/publications/defence-command-paper-2023-defences-response-to-a-more-contested-and-volatile-world> [Accessed 22 May 2024].

⁵ MOD (2023) *Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation* (online) Available at: <https://www.gov.uk/government/publications/agency-and-agility-incentivising-people-in-a-new-era-a-review-of-uk-armed-forces-incentivisation> [Accessed 22 May 2024].

1.12 We look forward to receiving feedback from MOD on the progress and results of the HRAFI 'first release' and the implications for future reward.

Our evidence base

1.13 We received written evidence from MOD, His Majesty's Treasury (HMT), the British Medical Association (BMA) and the British Dental Association (BDA). We also reviewed the latest available evidence and data on the UK economy and labour market and undertook our own research to understand the broad comparability of Service pay with civilian pay levels.

1.14 This evidence was supplemented by oral evidence from the Minister for Defence People and Families, the Chief of Defence Staff, the Chief of Defence People, the MOD's Director of Strategic Finance and Investment Approvals and other MOD officials, the single Service Principal Personnel Officers (or their representatives) and other Service personnel, Defence Medical Services, the Defence Infrastructure Organisation, the Service Families' Federations (SFF), the BMA, the BDA and HMT officials.

Our visit programme

1.15 We undertook visits to a range of Service establishments, as discussed further in Chapter 2 and listed at Appendix 5. We met over 1,360 Service personnel from all ranks, across all three Services. We were able to see Service accommodation and sample the food provided in messes and other Service facilities. The visit programme provided a vital opportunity for us to gather evidence for the round by hearing first-hand from Service personnel and their families about Service life and the concerns and pressures related to it.

The National Living Wage

1.16 Whilst the armed forces are exempt from minimum wage legislation, including the National Living Wage (NLW), we are supportive of MOD's aims to abide by the spirit of the legislation.

1.17 In last year's pay round we addressed the 1 April 2023 increase in the NLW within our main pay recommendation. This year MOD advised us that it wanted to be able to respond to the increase in the NLW to £11.44 an hour as it came into effect on 1 April 2024. MOD told us that it wanted to do this to ensure that the lowest paid members of the armed forces were treated fairly. Therefore, MOD proposed to us that from 1 April 2024:

- the OR2-01 rate of pay increase to £25,200; and
- the OR2-02 and OR2-03 rate of pay increase to £25,300.

1.18 We told MOD that we supported the intent to increase these rates. However, as discussed further in Chapter 6, we said that we did not want to set a precedent on making decisions out of cycle.

1.19 We discuss in Chapter 3 how these changes informed our deliberations on our pay award recommendations.

Our 2024 Report

- 1.20 This Report summarises the evidence which informed and underpinned our recommendations on the overall pay award; our periodic reviews of specific aspects of the remuneration package and other targeted measures; and the charges that are within our remit.
- 1.21 Chapter 2 considers evidence on the strategic context for the round, as well as specific evidence on the economy and pay comparability. It covers workforce issues including the shape and size of the remit group, recruitment and retention, diversity and inclusion, and morale and motivation. We also discuss the evidence we gathered from our visits, SFF representatives and virtual focus groups with Service personnel.
- 1.22 In Chapter 3 we review the evidence and make recommendations on the overall pay award.
- 1.23 Chapter 4 contains our consideration for remuneration of specific groups and includes our recommendations on pay for Medical and Dental Officers. We reviewed pay arrangements for UK Special Forces, submariners, aircrew and those transitioning to Unified Career Management structures for the delivery of Special Intelligence. We also discuss Recruitment and Retention Payments, Volunteer Reserves Training Bounty and compensatory allowances.
- 1.24 In Chapter 5 we review the evidence and set out our recommendations on accommodation charges and discuss issues relevant to the condition of Service accommodation and accommodation policies. We also discuss the provision of food for our remit group.
- 1.25 Finally, in Chapter 6 we look ahead to the issues which are likely to influence our next round.

Chapter 2

CONTEXT AND EVIDENCE

Introduction

- 2.1 In this chapter, we present a summary of the evidence used to inform our recommendations. This includes evidence relating to the economic context, fiscal position, pay comparability, workforce strengths, recruitment and retention, diversity and inclusion, and motivation and morale. It includes evidence gathered from visits, Service Families' Federation (SFF) representatives and focus group discussions.
- 2.2 We recognise that the after-effects of the global pandemic may still be having an impact on some of the evidence we have received. Whilst we comment on the most recent data, we have therefore interpreted any changes with caution, placing them in the context of longer-term trends.

Operational context

- 2.3 The Ministry of Defence (MOD) informed us that in 2023 the armed forces delivered military operational commitments across the world, in demanding circumstances, whilst maintaining defence of the United Kingdom (UK) and Sovereign Territories. The single Services and UK Strategic Command provided us with their operational context for this pay round.
- 2.4 The Royal Navy (RN) told us that it had continued to deliver core tasks spread across the world. Support and reassurance to North Atlantic Treaty Organisation (NATO) and Joint Expeditionary Force partners was at the forefront of planning, with operations in the North Atlantic and High North contributing to deterring Russia. UK interests continued to be served globally in the South Atlantic, Caribbean, Africa, Middle East and the Indo-Asia Pacific. On average during 2022-23, approximately 22% of the total RN workforce and 73% of the Royal Marine (RM) workforce were on, or about to commence, operations at sea or deployed overseas.
- 2.5 The Army explained that its operational context had been driven by the need to both reassure Allies and deter adversaries. This necessitated a high-tempo, campaigning approach, complemented by the drive to maximise productivity. Proportional to the decreasing size of the Army, more personnel were expected to have been deployed overseas in 2023-24 than the average during previous decades of campaigning. An increase in operational tasks had seen a corresponding increase in time spent training and preparing for operations with the effect that soldiers were spending more time away from home on average than previous years. Whilst the Army focused on Europe in 2023, it also continued a high tempo of global commitments. Between April and September 2023, the Army deployed personnel to 43 countries outside Europe, whilst 9,000 personnel were also deployed across Europe.
- 2.6 The Royal Air Force (RAF) advised us that in 2023 operations remained significant with the primary focus on Ukraine, including training and re-supply. Aligned to this, there was a permanent seam of deterrence and reassurance activity across the Euro-Atlantic region through to the Mediterranean and Middle East. Whether it be the evacuation of civilians from Sudan, medical assistance in Turkey or the execution of precision airstrikes, the RAF said that its operational contribution was highly valued by NATO, coalition partners and other Commands. At the time of giving evidence, the RAF told us that, since 1 November 2022, over 9,050 people

had been deployed on operations and large-scale exercises, and many more on smaller exercises and training deployments with people, platforms and equipment committed on 18 operations in 27 countries across five continents.

2.7 UK Strategic Command told us that in an increasingly volatile, complex and uncertain world, it continued to respond to threats by supporting campaigning, driving integration and leading in the cyber and electromagnetic domain. At the time of presenting evidence to us, the Permanent Joint Headquarters Group, the sole joint headquarters for command of UK overseas operations, commanded and controlled some 5,600 soldiers, sailors and aviators deployed around the world on 26 operations. In addition to cyber, UK Strategic Command reminded us of its responsibilities for delivery of Defence Intelligence and Defence Medical Services and its role to drive integration across Defence. We were told that it continued to enable the Joint Force to operate, integrate, innovate, develop, and adapt in response to the changing character of conflict.

MOD evidence on strategic management

2.8 In its strategic management evidence, MOD outlined how the *Integrated Review Refresh*⁶ updated the UK's Defence priorities and core tasks to reflect changes in the global context; these necessary changes were translated into Defence direction in the form of the *Defence Command Paper Refresh (DCPR23)*⁷. The DCPR23 placed emphasis on specific workforce matters to support Defence's ability to respond to changes in the global context, as well as to the workforce crisis and the challenges these will present over the coming years if not addressed as a priority.

2.9 As part of the Defence People Strategy MOD explained that it was taking forward the recommendations of the Haythornthwaite Review of Armed Forces' Incentivisation (HRAFI)⁸. MOD explained that with HRAFI principles at the fore, seven priority activities had been identified as the critical path to attend to the workforce crisis and future challenges:

- Strategic Workforce Planning;
- Whole Force Recruitment Reform;
- Pan-Defence Skills Framework;
- Spectrum of Service;
- Total Reward Approach (Whole Force);
- Policy and Process Simplification; and
- Digital Transformation (Digital, Data, Military Human Resources (HR) System and MyHR Optimisation).

⁶ Cabinet Office (2023) *Integrated Review Refresh 2023: Responding to a more contested and volatile world* (online) Available at: <https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world> [Accessed 22 May 2024].

⁷ See footnote 4, Chapter 1.

⁸ See footnote 5, Chapter 1.

2.10 The single Services also provided us with briefings about their strategic priorities.

Economic context

2.11 We considered economic evidence from a range of sources throughout the pay round. We discuss below the evidence available to us at the time we prepared our report in April 2024.

2.12 From April 2023 the economy remained weak and continued to see high inflation, although this started to decline in 2024. Job vacancies had fallen from near record levels but remained high, unemployment was expected to increase slightly in 2024 and living standards (as measured by Real Household Disposable Income (RHDI)) had experienced the highest year-on-year drop on record. We recognise that the economic outlook remains uncertain, with geopolitical factors such as the Russian invasion of Ukraine and conflict in the Middle East posing a risk to the global goods and energy markets.

2.13 The Office for National Statistics (ONS) described the Gross Domestic Product (GDP) growth of 0.1% in 2023 as the weakest annual change in real GDP since the financial crisis in 2009 (excluding 2020 which was affected by the pandemic)⁹. The Office for Budget Responsibility (OBR) forecast in its *Economic and Fiscal Outlook* that GDP would grow 0.8% in 2024 and 1.9% in 2025¹⁰. In February, the Bank of England (BoE) forecast in its *Monetary Policy Report* for GDP to increase 0.25% in 2024 and 0.75% in 2025¹¹.

2.14 Government net debt levels (excluding public sector banks) was 98.3% of GDP in March 2024, 2.6 percentage points higher than in March 2023 and at levels last seen in the 1960s¹². In 2022-23, the government raised £926 billion from taxes and social contributions, which was equivalent to 36.3% of GDP. This was the highest equivalent to GDP since the 1940s.

2.15 Inflation as measured by the Consumer Prices Index (CPI) fell from a 40-year high of 11.1% in October 2022 to 8.7% in April 2023 and to 3.2% in March 2024, the lowest annual rate of CPI since September 2021. The fall in the inflation rate largely reflected lower petrol, gas and electricity prices. However, we note that the falling inflation rate meant that prices were still rising from an elevated level, but more slowly than before.

2.16 The BoE forecast CPI inflation to fall temporarily to the 2% target in the second quarter of 2024, before increasing in the third and fourth quarters to represent a forecast of 2.75% in 2024, before falling to 2.5% in 2025 and 2% in 2026. The OBR forecast CPI to fall to an average of 2.2% in 2024 and 1.5% in 2025 before returning

⁹ ONS (2024) *GDP first quarterly estimate, UK: October to December 2023* (online) Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/octobertodecember2023> [Accessed 22 May 2024].

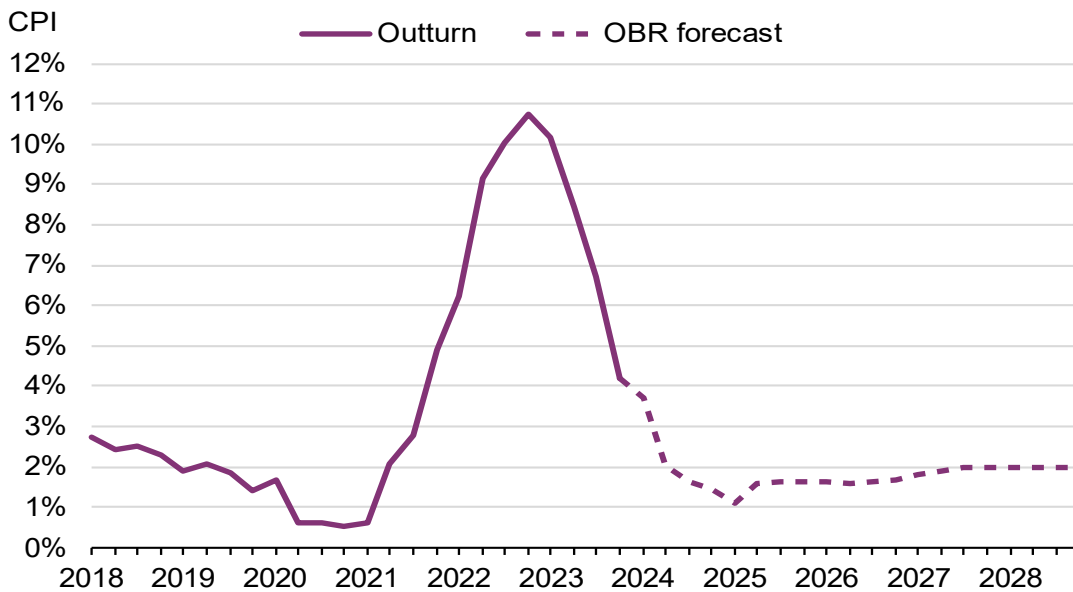
¹⁰ OBR (2024) *Economic and fiscal outlook - March 2024* (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2024/> [Accessed 22 May 2024].

¹¹ Bank of England (2024) *Monetary Policy Report: February 2024* (online) Available at: <https://www.bankofengland.co.uk/monetary-policy-report/2024/february-2024> [Accessed 22 May 2024].

¹² ONS (2024) *Public sector finances, UK: March 2024* (online) Available at: <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/march2024> [Accessed 22 May 2024].

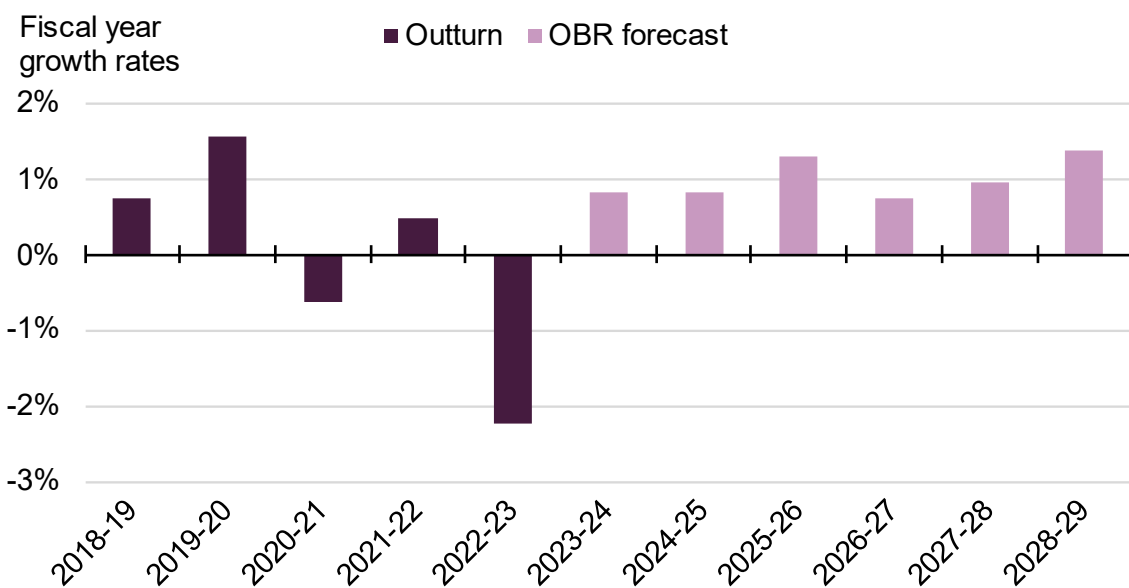
to the government's 2% target in the medium term (see Figure 2.1). The BoE said it could not rule out another global shock that would keep inflation high.

Figure 2.1: CPI inflation rate and OBR CPI inflation rate forecast, first quarter 2018 – fourth quarter 2028¹³.



2.17 RHDl per person fell by 2.2% in 2022-23. Despite this fall being lower than forecast by the OBR in March 2023 (3.7%), it still represented the largest year-on-year drop in living standards since records began in the 1950s. The OBR estimated RHDl per person to have grown by 0.8% in the 2023-24 fiscal year. The OBR forecast RHDl per person to regain its pre-pandemic peak in 2025-26.

Figure 2.2: Real Household Disposable Income per person outturn and OBR forecast, 2018-19 to 2028-29¹⁴.

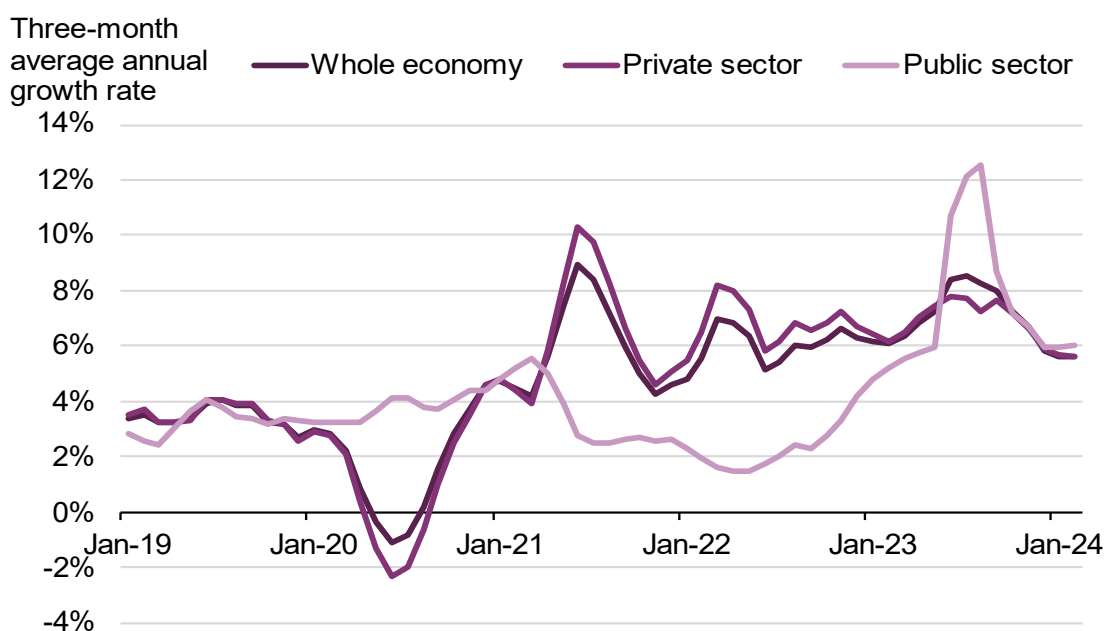


¹³ See footnote 10.

¹⁴ See footnote 10.

- 2.18 The labour market loosened in 2023, evidenced by a decline in job vacancies from the record levels recorded in 2022. There were 916,000 job vacancies in the UK during the three months to March 2024, which was the 21st consecutive fall in vacancy numbers, down 204,000 vacancies on a year prior, but still 120,000 above pre-pandemic levels¹⁵. The unemployment rate was 4.2% in the three months to February 2024, a 0.3 percentage point increase from the same period one year ago¹⁶. The OBR forecast a moderate rise in the unemployment rate to 4.5% in the last quarter of 2024 before declining to its estimated structural level of 4.1% by 2028.
- 2.19 Whole economy Total Pay growth was 5.6% from December 2023 to February 2024¹⁷. Total Pay growth in the private sector was 5.6% compared with 6% in the public sector. The increase in public sector Total Pay growth in mid-2023 reflected the National Health Service (NHS) and Civil Service non-consolidated payments made in June to August 2023. In addition to basic pay, this data includes allowances and bonuses and reflects the composition of, and hours worked by, the workforce and indicates upward wage pressure across the economy overall.

Figure 2.3: Average Weekly Earnings growth in the private sector, public sector, and whole economy: Total Pay, three-month average annual change, January 2019 to February 2024¹⁸.



¹⁵ ONS (2024) *Vacancies and jobs in the UK: April 2024* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/april2024> [Accessed 22 May 2024].

¹⁶ ONS (2024) *Labour market overview, UK: April 2024* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2024> [Accessed 22 May 2024].

¹⁷ Average Weekly Earnings (AWE) series is the ratio of estimated Total Pay (basic pay, allowances, etc.) for the whole economy, divided by the total number of employees for any given month. The AWE series is typically used as a barometer of the general wage impulses within the whole economy. The AFPRB consistently uses the Total Pay series. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/methodologies/averageweeklyearningsqmi> [Accessed 22 May 2024].

¹⁸ ONS (2024) *Average weekly earnings in Great Britain: April 2024* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/april2024> [Accessed 22 May 2024].

2.20 Throughout the pay round, we have observed the ongoing pay disputes in the wider economy and analysed data on pay settlements implemented across the public and private sectors. According to Brightmine (formerly XpertHR), the median pay settlement¹⁹ was 4.8% in the three months ending March 2024. The lower quartile pay settlement was 4% whilst the upper quartile pay settlement was 6%²⁰. Median pay settlements for the start of 2024 have fallen from 6% last year.

Pay comparability

2.21 Our Terms of Reference require us to have regard for the need for the pay of the armed forces to be broadly comparable with pay levels in civilian life. While it is difficult to find direct civilian equivalents for a number of military roles, we see pay relativities as important in ensuring that armed forces' pay is sufficient to recruit, retain and motivate the quality and quantity of personnel required. It is therefore a key component of the overall evidence base we use to inform our recommendations.

2.22 In addition to monitoring broad comparators such as the AWE index and pay settlements cited above, we have undertaken our own analysis of the relative position of armed forces' pay using data from the ONS' Annual Survey of Hours and Earnings (ASHE).

Comparisons with data from ASHE^{21,22}

2.23 As in previous years, we have analysed the position of each pay scale in the distribution of earnings of those in full-time employment across the wider economy. The latest ASHE data available at the time of reporting covered the financial year 2022-23. Therefore, the analysis relates to the 2022-23 pay scales for the armed forces. A historical view of pay comparability is at Appendix 6.

2.24 The analysis does not compare wider earnings to the most recent armed forces pay award of between 5.8% and 9.7% for those on the main pay scales. This is due to the release timing of ONS' ASHE findings.

2.25 The relative position of pay for Other Ranks slightly weakened in 2022-23 and has fallen more sharply over the last decade in comparison to wider earnings (see Appendix 6).

2.26 The relative position of pay for the most junior Other Ranks in our remit group (OR2) is contained in Figure 2.4. Of the Other Ranks, this cohort has experienced some of the worst weakening in its position relative to the wider earnings distribution. Pay for this cohort has not kept pace with increases in the full-time earnings of the wider

¹⁹ Pay settlement information draws upon the headline uplift to the pay structure of an organisation and does not include progression, or allowances. It is not an immediately comparable dataset to AWE.

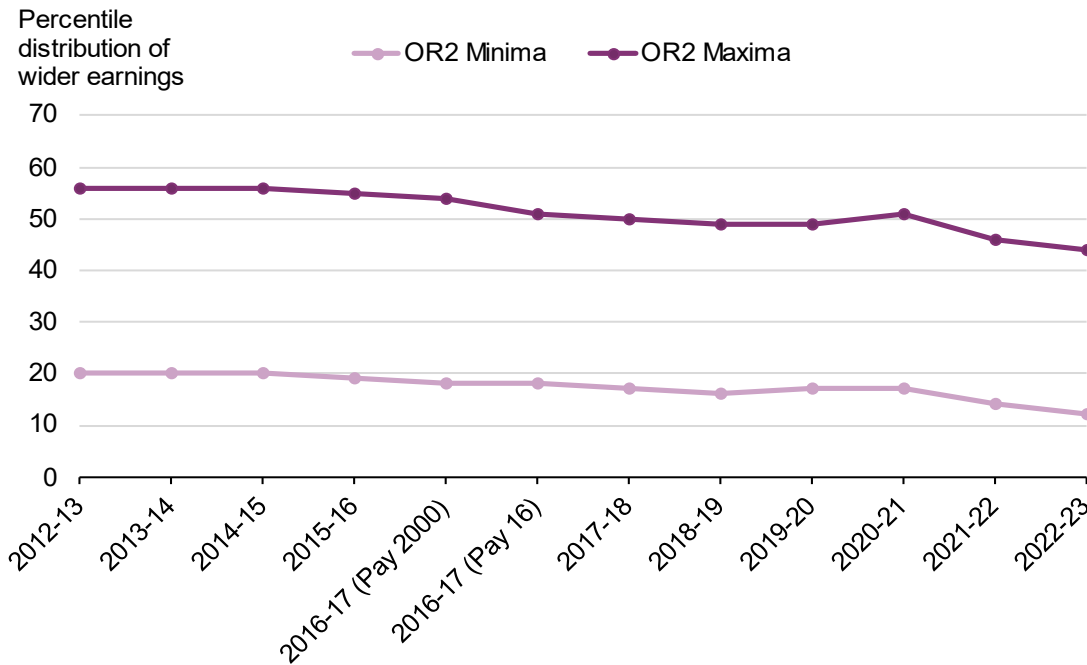
²⁰ OME analysis of Brightmine data.

²¹ From 2021, the ONS moved their occupation coding to Standard Occupation Classification 2020 (SOC 2020) from 2010 (SOC 2010). This means estimates for earnings from April 2021 on a SOC 2020 basis represent a break in the ASHE time series. Earnings estimates produced on a SOC 2020 basis show minimal differences to those produced on a SOC 2010 basis.

²² The 2021 and 2022 ASHE data were affected by employees who were furloughed under the Coronavirus Job Retention Scheme which ended in September 2021 and were therefore subject to more uncertainty than usual.

economy over time, particularly where the lowest percentiles of earnings in the wider economy would have been subject to National Minimum Wage legislation changes.

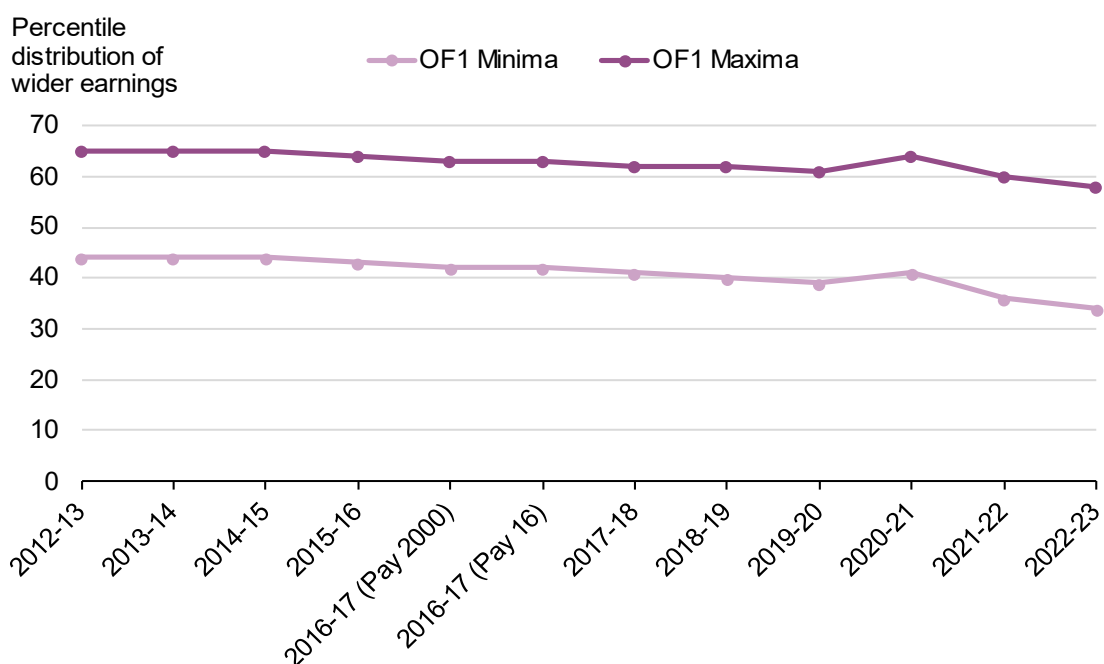
Figure 2.4: Position of the OR2 pay framework including X-Factor in the distribution of earnings across the UK economy for 2012-13 to 2022-23.



2.27 Changes in the relative position of Officers' pay was more varied. The position of junior Officers' (OF1 to OF3) pay deteriorated in 2022-23 compared to 2021-22, and had largely deteriorated over the last decade in comparison to wider earnings. However, the relative position of senior Officers' (OF4 to OF6) pay remained unchanged in 2022-23 compared to 2021-22 and was largely unchanged over the last decade.

2.28 The relative position of pay for the most junior Officers in our remit group (OF1) is presented in Figure 2.5. Of the Officers in our remit group, the OF1s experienced the worst weakening in their position compared to wider earnings.

Figure 2.5: Position of the OF1 pay framework including X-Factor in the distribution of earnings across the UK economy for 2012-13 to 2022-23.



Starting pay in selected occupations

2.29 Looking specifically at the starting pay for new graduate and non-graduate entrants to the armed forces, our analysis draws on two broad sources of data:

- studies of graduate starting pay by graduate recruitment/specialist organisations; and
- comparisons of armed forces' starting salaries for the first year of employment with salaries in other public sector occupations which may or may not require a university degree.

2.30 The Institute of Student Employers (ISE)²³ and High Fliers²⁴ annual surveys have continued to report median graduate starting salaries higher than those in the armed forces.

2.31 The ISE reported a median graduate starting salary of £32,000 in 2023, an increase of 3% from 2022. The ISE reported a median school and college leavers starting salary of £22,000 in 2023, an increase of 5% from 2022.

2.32 High Fliers reported a median graduate starting salary of £34,000 in 2024, an increase of 1.5% on the £33,500 median salary reported in 2023.

2.33 The ISE and High Fliers data were weighted towards large graduate scheme recruiters, which tend to recruit significant numbers in London and the South East.

²³ Institute of Student Employers (2023) *Student recruitment survey 2023* (online) Available to ISE members: <https://ise.org.uk/page/ISEPublications> [Accessed 22 May 2024].

²⁴ High Fliers (2024) *The Graduate Market in 2024* (online) Available at: <https://www.highfliers.co.uk/> [Accessed 22 May 2024].

We note that both surveys pick up graduates going into ‘traditional’ graduate jobs and left out a significant proportion who might go into lower paid roles.

Table 2.1: Starting pay in selected public sector occupations and graduate recruitment surveys, 2023.

	Starting pay
Doctor ²⁵	£32,398
ISE Graduates Median ²⁶	£32,000
Armed Forces’ Officer ²⁷	£31,305
Fast Stream Civil Servant ²⁸	£31,186
Teacher ²⁹	£30,000
Police Officer ³⁰	£28,551
NHS Nurse ³¹	£28,407
Armed Forces’ Other Rank ³²	£23,496
ISE School and College Leavers Median ³³	£22,000

2.34 Table 2.1 presents the starting salaries for Service personnel (OF1 Officer/OR2 Other Ranks) in 2023 alongside a range other public sector occupations. The ISE median salaries have also been included for reference. We note that the selected occupations have large differences in the amount of pre-training required, wider benefits and pay progression.

2.35 OR2 starting pay is lower than the starting salaries of the comparator occupations, while OF1 starting pay is the second best starting pay behind junior doctors. The position of armed forces’ starting pay remained unchanged on the previous year.

Our comments

2.36 We assess that the main theme to emerge this year is that the economy remains weak and, despite the inflation rate decreasing from the exceptional levels witnessed last year, cost of living pressures remain that will have an impact on our entire remit group. Economic uncertainty persists, particularly given the state of geopolitical tensions in 2024 which have significant potential to influence the economic forecast trajectory.

²⁵ Hospital doctors in England on Foundation Year 1 (Basic pay) as at 1 April 2023.

²⁶ See footnote 23.

²⁷ Assumes starting at OF1-01 and therefore completed initial Officer training as an Officer Cadet.

²⁸ Fast Stream Civil Servants pay starts at £31,186 and then differentiates by profession.

²⁹ Applies to teachers in England, but outside London. Recent pay reforms give schools flexibility to offer starting salaries above the minimum quoted and to progress teachers differentially based on performance. Figures provided are indicative. Rates as at 1 September 2023.

³⁰ Note that there is currently no specific graduate entry scheme to the police service. The pay figures are new entry, pay point 1 for constables, England and Wales. Rates as at 1 September 2023.

³¹ Agenda for Change England rates assuming starting point Band 5 entry step point as at 1 April 2023.

³² Assumes starting at OR2-01 and therefore completed initial phase 1 training.

³³ See footnote 23.

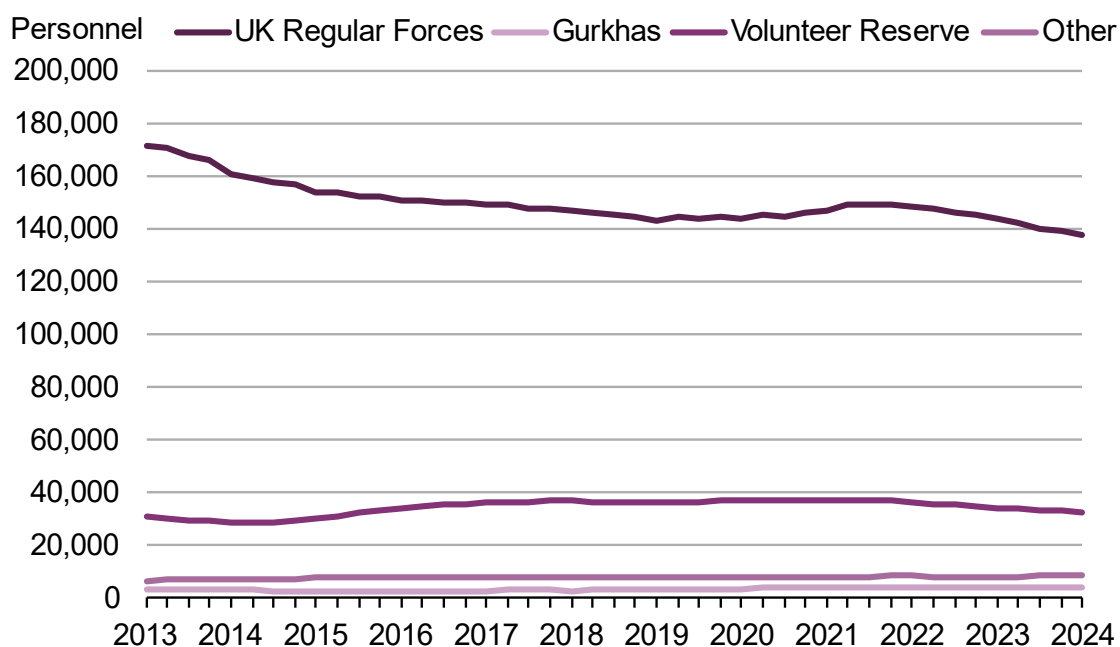
Workforce

2.37 Our Terms of Reference require us to consider the need for the armed forces to recruit, retain and motivate suitably able and qualified people. We therefore consider a range of workforce data throughout the pay round on the strength of the armed forces as well as its intake and outflow.

2.38 This section presents the most recent statistics available at the time of writing on the overall size of the armed forces³⁴. MOD does not publish all of its statistical releases with the same situation date, which may lead to some variation in time periods covered within this section.

2.39 At 1 January 2024, there were 183,132 UK Forces personnel. This comprised 138,097 Regulars, 4,062 Gurkhas, 32,581 Volunteer Reserves, and 8,392 Other personnel³⁵. Between January 2023 and January 2024, the overall strength of the UK Forces decreased by 3.7% (7,035 personnel). This was driven by a 3.8% fall in the number of Regulars and a 5% fall in the number of Volunteer Reserves.

Figure 2.6: Strength of UK Forces, Tri-Service, 1 January 2013 to 1 January 2024.



2.40 At 1 January 2024, the overall Full-Time Trained (RN/RM and RAF) and Trade Trained (Army) strength was 130,658 personnel, a 2.9% decrease on the previous year. The trained strength of each of the single Services decreased on the previous year, RN/RM by 1.7%, Army by 3.3% and RAF by 2.9%.

2.41 At 1 January 2024, the Full-Time Trained (RN/RM and RAF) and Trade Trained

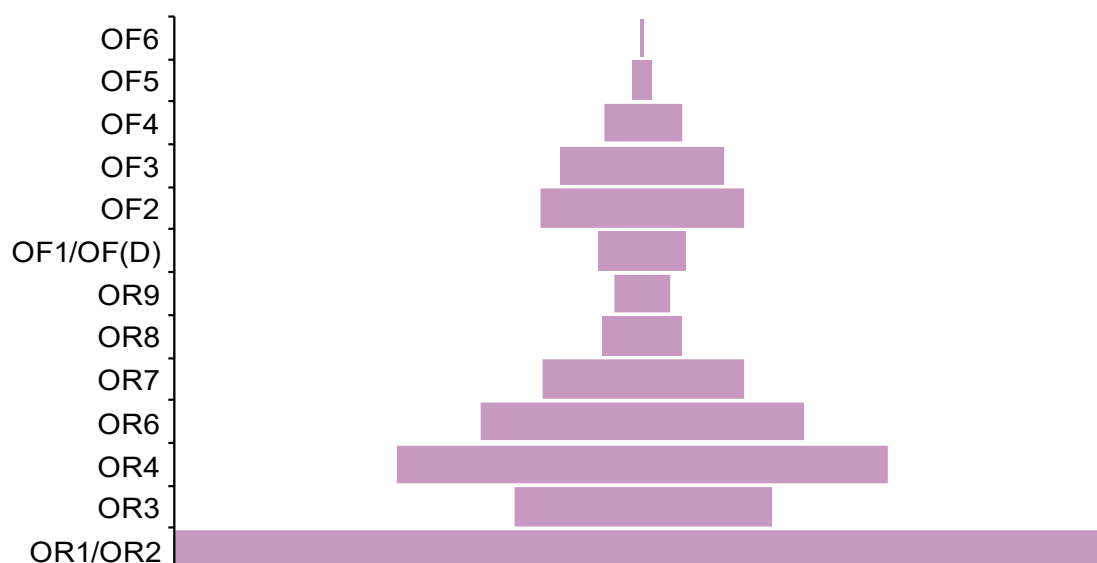
³⁴ MOD publishes statistics on armed forces' strength, intake and outflow on an unrounded basis. MOD (2024) *Quarterly Service Personnel Statistics: January 2024* (online) Available at: <https://www.gov.uk/government/statistics/quarterly-service-personnel-statistics-2024> [Accessed 22 May 2024].

³⁵ 'Other' includes Serving Regular Reserve, Sponsored Reserve, Military Provost Guard Service and Locally Engaged Personnel.

(Army) strength for the Future Reserves 2020³⁶ (FR20) Forces was 29,626 personnel, a decrease of 942 or 3.1% of personnel since 1 January 2023.

2.42 Figure 2.7 presents the NATO rank distribution of the Regulars component of our remit group at the latest available data point (1 April 2023)³⁷. The population is heavily weighted towards junior Other Ranks, with 57.6% of the Regulars in our remit group at rank OR4 or below.

Figure 2.7: Strength of UK Regular Forces, AFPRB remit group rank distribution, Tri-Service, 1 April 2023.



	NATO Rank	Regular personnel	% Representation
Officers	OF6	326	0.2%
	OF5	1,109	0.8%
	OF4	3,870	2.7%
	OF3	8,019	5.6%
	OF2	10,052	7.1%
	OF1/OF(D)	4,438	3.1%
Other Ranks	OR9	2,766	1.9%
	OR8	4,045	2.8%
	OR7	9,887	6.9%
	OR6	15,824	11.1%
	OR4	24,037	16.9%
	OR3	12,619	8.9%
	OR1/OR2	45,430	31.9%
	Total	142,422	100%

³⁶ FR20 includes Volunteer Reserves who are mobilised, High Readiness Reserves and Volunteer Reserves serving on Full Time Reserve Service and Additional Duties Commitments. Sponsored Reserves who provide a more cost-effective solution than Volunteer Reserves are also included in the Army Reserve FR20. Non-Regular Permanent Staff, Expeditionary Forces Institute and University Officer Cadets and Regular Reserves are excluded.

³⁷ The rank breakdown of the Regulars is published annually by MOD.

MOD evidence on the workforce

2.43 In its evidence, MOD updated us on its Whole Force assessment of pinch points. The pinch points fall into two categories:

- **Delivery Pinch Points (DPP).** DPPs are declared when current people issues have an impact on the delivery of a Defence output; and
- **Sustainability Pinch Points (SPP).** SPPs are declared when people shortfalls present a risk to the delivery of a Defence output in the future.

2.44 On 30 September 2023 there were 183 Pinch Points at different levels of criticality:

- there were 73 DPPs: the Royal Navy had 26 DPPs, the Army had 25 DPPs, the RAF had 15 DPPs. UK Strat Comm had 7 DPPs; and
- there were 110 SPPs: Army had 47 SPPs, Royal Navy had 35 SPPs, RAF had 25 SPPs and UK Strat Comm had 3 SPPs.

2.45 MOD explained that the pinch points reported in evidence were not directly comparable with those reported last year. This was because Defence had increased the specificity of reporting pinch points in some areas. However, MOD said that pinch points also reflected shortfalls in recruitment more generally, difficulties attracting the key skills required by the armed forces and higher than expected outflow.

Recruitment and retention

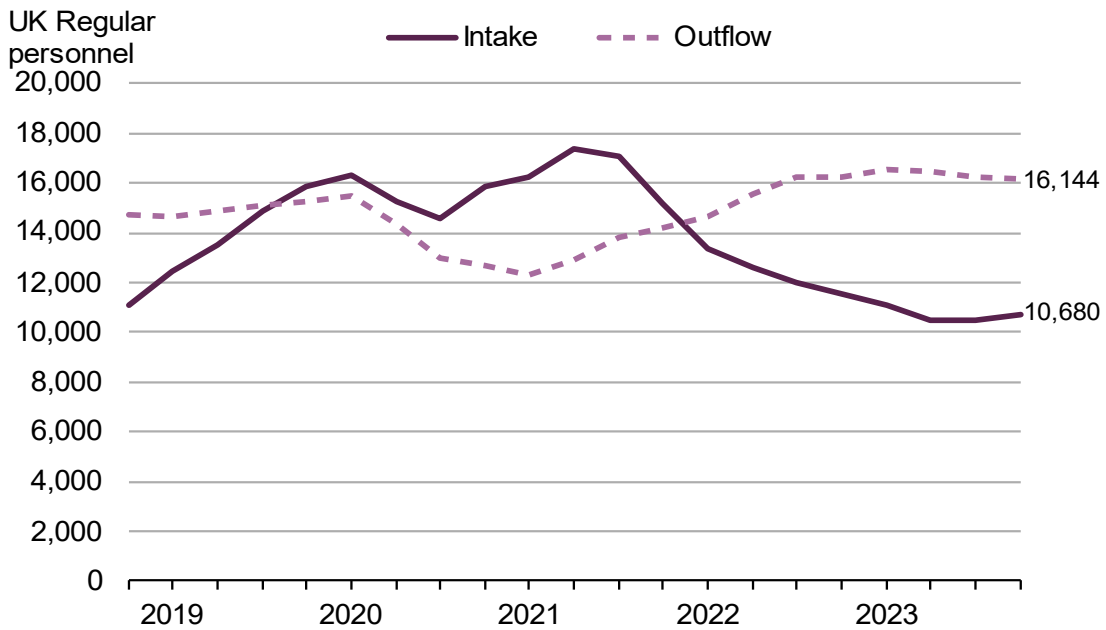
2.46 Total outflow from the Regulars exceeded total intake across the three Services for the last two calendar years³⁸. The UK Regular Forces saw a net reduction of 5,464 personnel in 2023.

2.47 Total intake into the Regulars was 10,680 in 2023, a 7.7% decrease on the previous year. Total intake varied considerably across the Services as RN/RM intake decreased 22.6% and RAF intake decreased 19%, but Army intake increased 2.8% compared to the previous year.

2.48 Total outflow from the Regulars was 16,144 in 2023, a 0.5% decrease on the previous year. RN/RM outflow decreased by 12%, whereas Army outflow and RAF outflow increased by 1.6% and 8.2% respectively compared to the previous year.

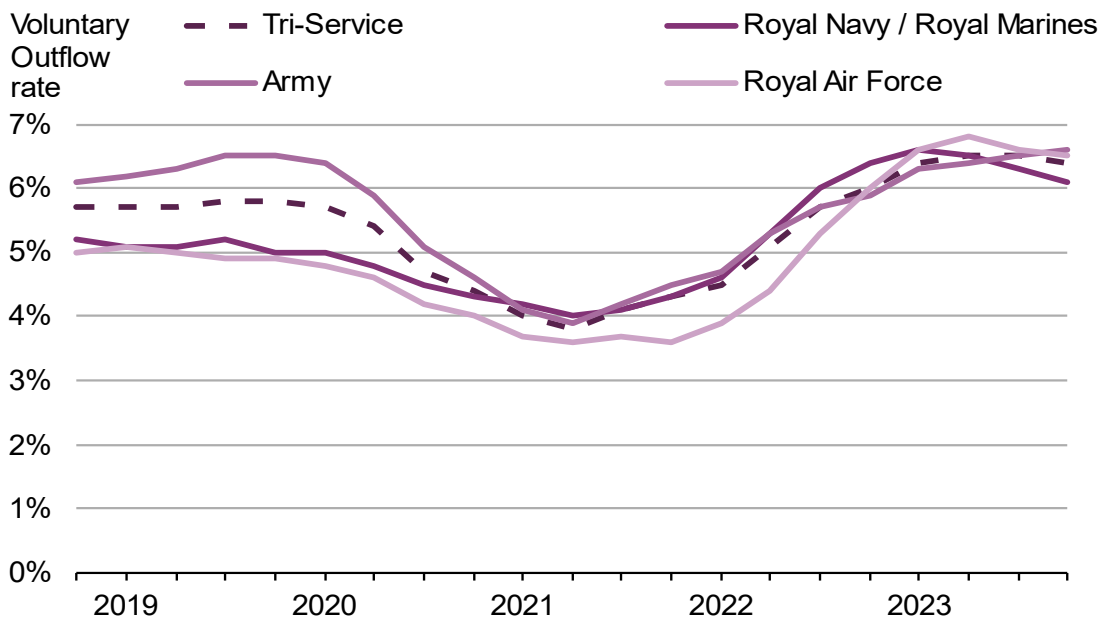
³⁸ Total intake refers to the untrained and direct trained/trade trained intake into the Services. Total outflow refers those who have left the trained and untrained strength of the Services.

Figure 2.8: UK Regular Forces total intake and total outflow, Tri-Service, 12 months ending 31 December 2018 to 12 months ending 31 December 2023.



2.49 The Tri-Service Voluntary Outflow (VO) rate in 2023 was 6.4%, an increase of 0.4 percentage points on 2022³⁹. VO remained the most common exit reason for Full-Time Trained and Trade Trained Regulars, accounting for 61% of total outflow.

Figure 2.9: Voluntary Outflow rate, Tri-Service and single Service, 12 months ending 31 December 2018 to 12 months ending 31 December 2023.



³⁹ Voluntary Outflow (VO) encompasses all personnel who voluntarily exit before the end of their agreed engagement or contracted period (Time Expiry). It can therefore be used as a measure of the armed forces' ability to retain personnel. VO is calculated against the Trained (RN/RM and RAF) and Trade Trained (Army) figures.

2.50 The Tri-Service VO rate for Officers was 5.4% in 2023, an increase of 0.7 percentage points on 2022 and the VO rate for Other Ranks was 6.7%, an increase of 0.4 percentage points.

2.51 The VO rate for RN/RM was 6.1%, Army was 6.6% and RAF was 6.5%. The RN/RM VO rate decreased 0.3 percentage points, Army VO rate increased 0.7 percentage points and RAF VO rate increased 0.5 percentage points on 2022.

MOD evidence on recruitment and retention

2.52 In evidence, MOD informed us that inflow had fallen, and outflow had risen resulting in what was described to us as an 'acute' workforce crisis. MOD attributed this to a range of factors including a post-pandemic correction, a particularly tight labour market, changes in societal attitudes and workforce behaviours. MOD recognised it had not adjusted its workforce model at the necessary pace to match these changes. MOD said that by prioritising the HRAFI recommendations and initiatives developed through the DCPR23, it had developed a reform plan going beyond remuneration to set the conditions for improvement.

2.53 MOD said that UK Regulars intake for 2022-23 was lower than target with shortfalls against requirement for each of the Services. Although Officer intake held up well there were significant shortfalls in Other Ranks' recruitment and for key trades where national shortages for skills were a factor. MOD explained that to support recruitment, in a challenging and competitive marketplace, it was making improvements to recruitment processes. The Armed Forces Recruiting Programme was designed to combine future recruitment for the three Services under a single contract. MOD explained that the future solution would include a new single digital platform for recruitment across all three Services, removing duplication of effort and enabling enhanced functionality.

2.54 MOD told us that in the 12 months to 30 September 2023 the VO rate was 6.5% and this was the highest since the 1990s. In written evidence, MOD explained that the labour market had begun to loosen, but remained tight by historical standards, which might contribute to recruitment and retention issues in the near term. MOD further explained that in the medium term, workforce issues might be alleviated through the labour market loosening further, unemployment increasing and vacancies falling.

Diversity in the armed forces

2.55 MOD provided evidence to us on gender, ethnicity and nationality. The following statistics on the diversity of the armed forces are the most recent data available at the time of writing and we have included data on age, gender, ethnicity and nationality⁴⁰.

⁴⁰ MOD publishes statistics on the strength, intake and outflow of armed forces' female personnel, Ethnic Minority (excluding white minorities) personnel, personnel by nationality and age on a rounded basis.

Figure 2.10: UK Regular Forces strength by age group, Tri-Service, 1 October 2023.

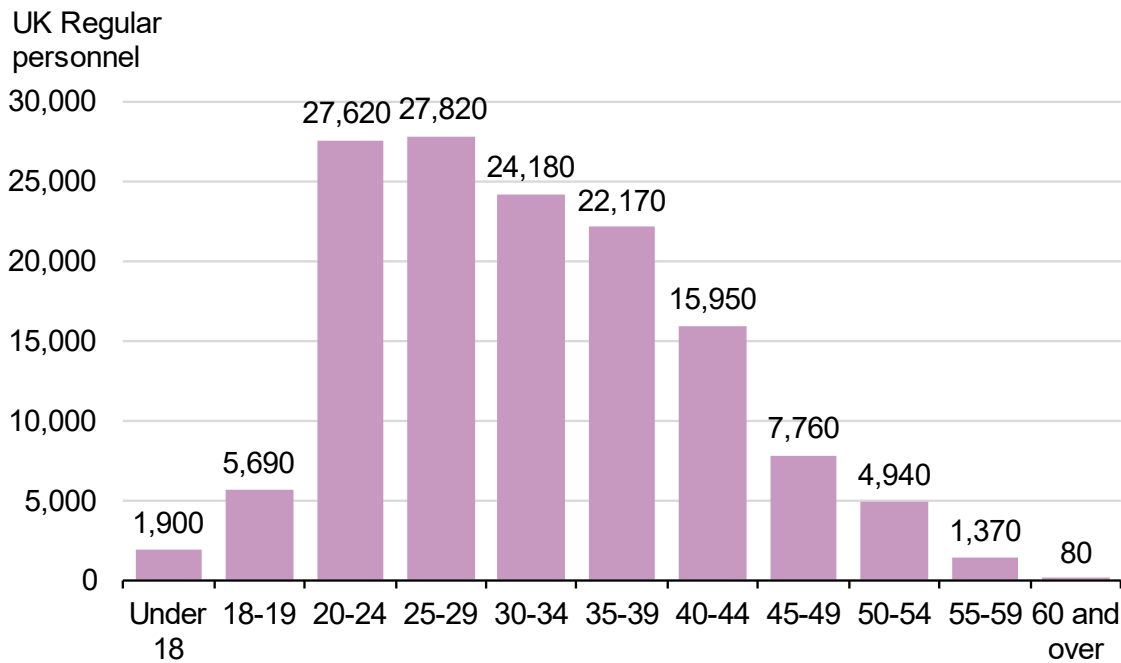
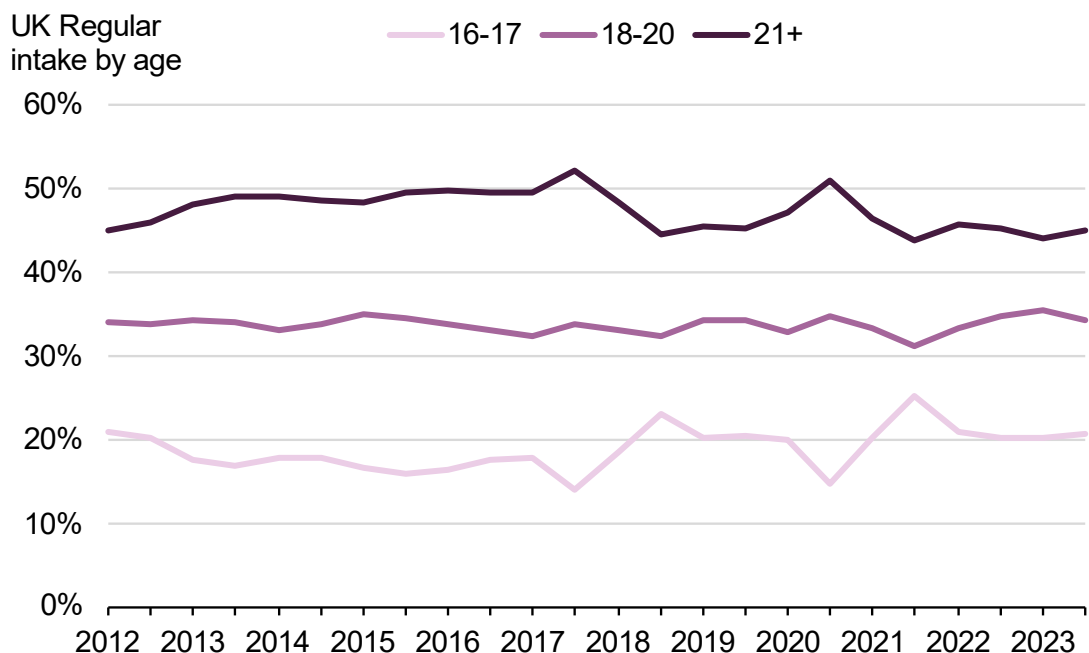


Figure 2.11: Age group (National Minimum Wage and National Living Wage groups) representation of intake into the UK Regular Forces, Tri-Service, 12 months ending 31 March 2012 to 12 months ending 30 September 2023^{41,42}.



⁴¹ OME analysis of MOD (2024) *UK Armed Forces' Biannual Diversity Statistics: 1 October 2023* (online) Available at: <https://www.gov.uk/government/statistics/uk-armed-forces-biannual-diversity-statistics-october-2023> [Accessed 22 May 2024].

⁴² The age groups are based on the April 2024 categories entitled to the NMW and NLW. Age groups have been formulated by combining MOD published statistics on intake into the UK Regulars by age. The '21+' group is comprised of personnel in groups aged 21, 22, 23, 24 and '25 and over'.

Figure 2.12: Representation of female personnel in the UK Regular Forces, Tri-Service and single Service, 1 April 2012 to 1 October 2023.

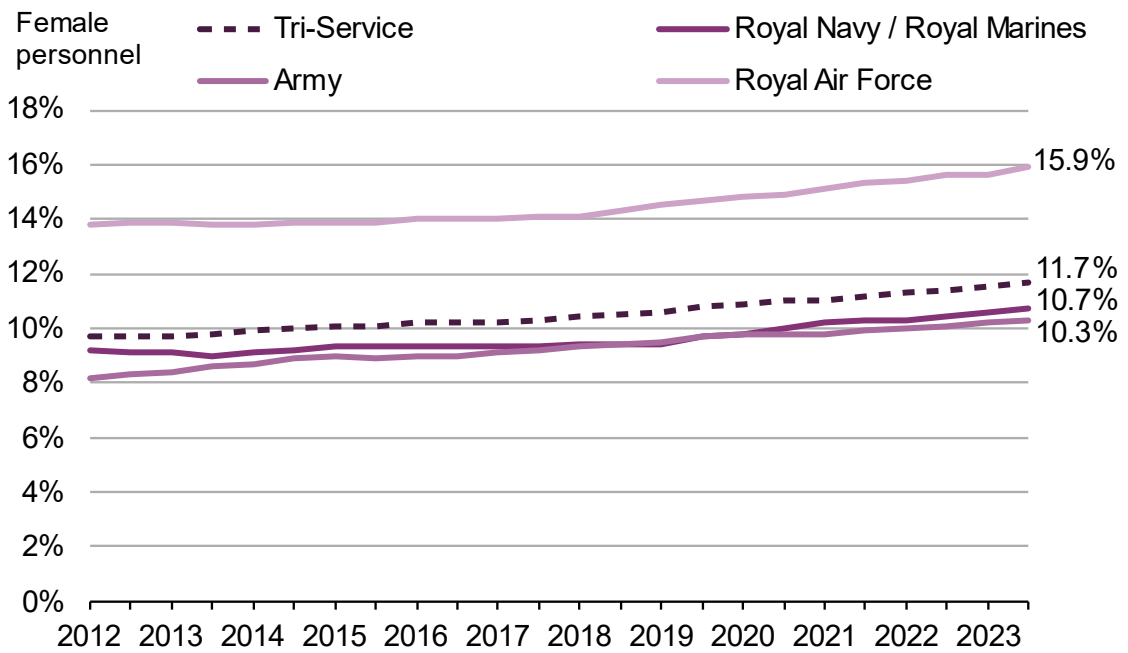
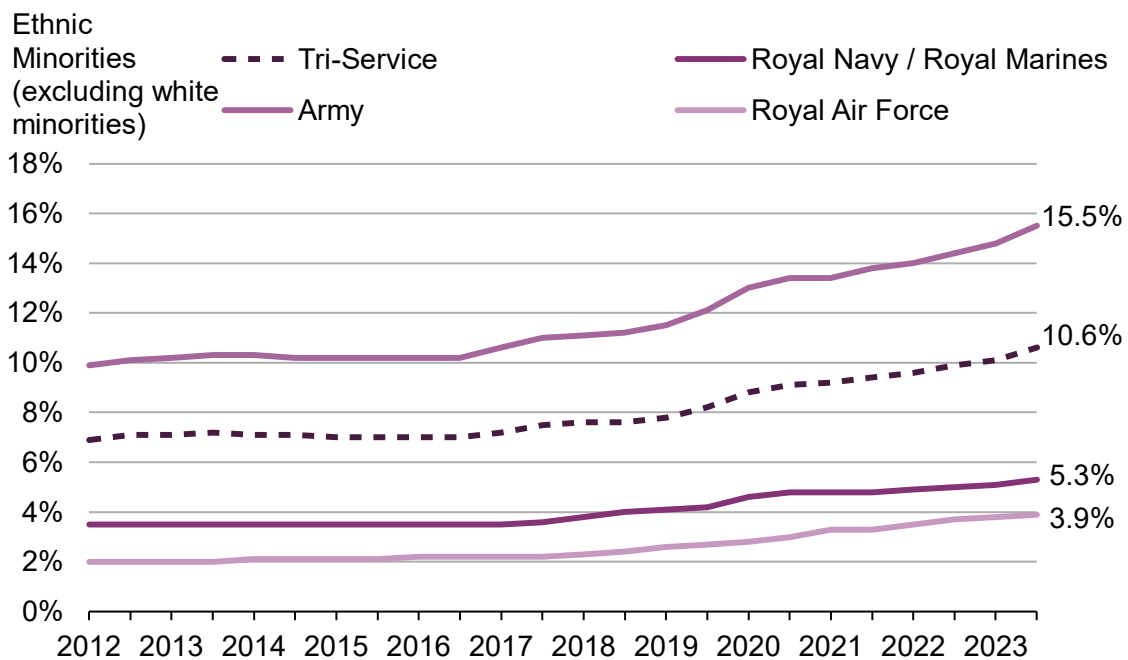


Figure 2.13: Representation of Ethnic Minorities (excluding white minorities) personnel in the UK Regular Forces, Tri-Service and single Service, 1 April 2012 to 1 October 2023.



2.56 Of the 14,690 Ethnic Minority (excluding white minorities) Regular personnel at 1 October 2023, 5,750 (39.1%) were of non-UK nationality. This was an increase of 0.8 percentage points, or 300 personnel, on a year prior.

Figure 2.14: Representation of female personnel and Ethnic Minorities (excluding white minorities) personnel intake into the UK Regular Forces, Tri-Service, 12 months ending 31 March 2012 to 12 months ending 30 September 2023.



2.57 Of the 1,380 Ethnic Minority (excluding white minorities) Regular personnel intake in the 12 months ending 30 September 2023, 730 (53.9%) were of non-UK nationality. The non-UK nationality component of Ethnic Minority (excluding white minorities) intake increased by 22.5 percentage points, or 390 personnel on a year prior.

Armed Forces Gender Pay Gap⁴³

2.58 The Gender Pay Gap presents the difference in the average pay between all men and women in a workforce, regardless of any differences in the work they do. As such it does not take into account broader equal pay considerations and can be influenced by, for example, the composition of the workforce. The UK national median gender pay gap in 2023 was 14.3%⁴⁴.

2.59 For the armed forces, the median gender pay gap was 1.4% (in favour of men) in 2023, a decrease of 0.2 percentage points on 2022. The mean pay gap was 1.1%, down 0.9 percentage points on 2022. MOD explained that junior Other Ranks represented the lowest paid Service personnel and that this was due to the base-fed nature of the armed forces. MOD stated that any increases in female representation would predominantly impact the Other Ranks, in turn, driving up the gender pay gap.

2.60 For the armed forces, the median bonus gap was 0% in 2023⁴⁵. The mean bonus gap was 17.7% (in favour of men), an increase of 1.9 percentage points on 2022. MOD explained that the mean bonus gap reflected how higher bonus payments

⁴³ MOD (2024) *MOD gender pay gap reports 2023* (online) Available at: <https://www.gov.uk/government/publications/mod-gender-pay-gap-reports-2023> [Accessed 22 May 2024].

⁴⁴ ONS (2023) *Gender pay gap in the UK: 2023* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2023> [Accessed 22 May 2024].

⁴⁵ The UK armed forces do not receive any performance related bonuses. However, there are payments which fall within the definition of a bonus in the 2017 Gender Pay Gap Regulations.

were made to professions where women were heavily under-represented, for example medical officers, pilots, engineers and submariners.

MOD evidence on diversity and inclusion

- 2.61 In written evidence, MOD said it valued diversity of talent, experience, personal characteristics, perspectives, and background, which is not only morally right, but fundamental to the operational effectiveness of Defence. MOD said that it strived to be an employer of choice, through recognition, encouragement, and celebrating diversity; an organisation that not only encouraged everyone to be themselves but made a clear link between embracing individual diversity and the successful delivery of Defence outputs.
- 2.62 MOD declared that it remained dedicated to achieving a more diverse workforce to promote a diverse and inclusive culture, allowing everyone to reach their potential, and ensuring the armed forces better reflected the society they served. MOD said that it was undertaking a wide range of activities to increase the number of Ethnic Minorities (and all other ethnic groups) and female recruits into the armed forces.
- 2.63 MOD confirmed that it does not have any publicly declared armed forces recruitment targets for women, Ethnic Minorities and all other ethnic groups combined, after the April 2020⁴⁶ targets came to completion.
- 2.64 MOD provided evidence from the 2023 Armed Forces Continuous Attitude Survey (AFCAS) showing that 63% of personnel believed their Service leaders were committed to creating a diverse and inclusive workplace, (a 3 percentage point decline on the results from 2022). Officers were more likely to agree (73%) than Other Ranks (61%). MOD explained that the overall fall was driven by RAF personnel.
- 2.65 MOD also provided evidence from Service personnel who had given notice to VO about their individual reasons for leaving. This highlighted some differences between female and male personnel, as shown below:
- females were more likely to select 'live in own home/settle and live in one area' as a reason for leaving – 17.2% higher than their male counterparts;
 - females were more likely to select 'spouse's/partner's job' as a reason for leaving – 6.7% higher than their male counterparts; and
 - females were more likely to select 'children's education' as a reason for leaving – 6.8% higher than their male counterparts.

Motivation and morale

- 2.66 Consistent with previous years, we were presented with evidence concerning the attitudes of Service personnel by our secretariat from sources such as the AFCAS, Continuous Working Patterns (CWP) Survey and Reserve Forces Continuous Attitude Survey (ResCAS).

⁴⁶ The armed forces' 2020 target for Ethnic Minorities (excluding white minorities) recruits of 10% was met (11.7%). The armed forces' 2020 target for female recruits of 15% was not met (12.6%).

2.67 We also received a range of evidence from MOD and heard the views of Service personnel first-hand on our visits and in discussion group sessions held in January 2024.

Armed Forces Continuous Attitude Survey

2.68 This section presents select results from AFCAS 2023⁴⁷ which gave us an indication of Service personnel's feelings on a range of issues. AFCAS is an Accredited Official Statistics publication⁴⁸ produced by MOD and is the largest regular survey of the armed forces.

2.69 AFCAS 2023 data collection was between September 2022 and February 2023 and the results represent attitudes captured at that time. Due to the timing of the AFCAS survey cycle, the results of AFCAS 2023 did not reflect the attitudes of personnel on the 2023-24 pay award.

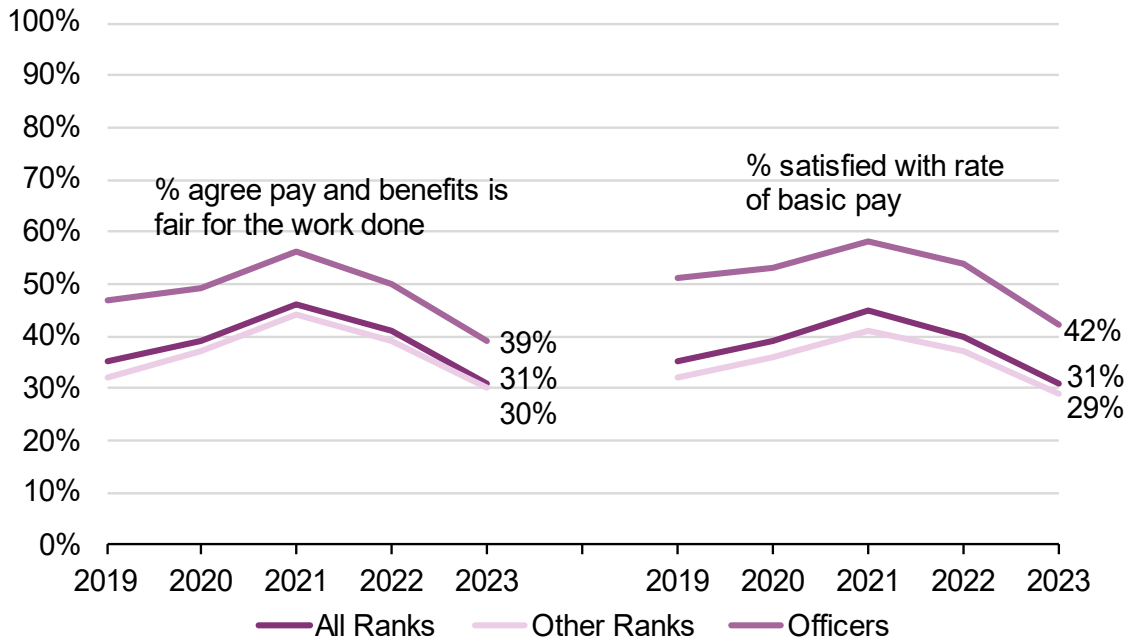
2.70 AFCAS questionnaires were distributed to a representative sample of 29,968 personnel, of which 9,176 responses were received. The response rate was 31%, a decrease on the 33% response rate of AFCAS 2022.

2.71 In this section we present results of the last five iterations of AFCAS. Our commentary refers to any statistically significant change from the previous year. However, we have analysed results over a longer period of time to inform our decision making.

⁴⁷ MOD (2023) *Armed Forces Continuous Attitude Survey: 2023* (online) Available at: <https://www.gov.uk/government/statistics/armed-forces-continuous-attitude-survey-2023> [Accessed 22 May 2024].

⁴⁸ Accredited Official Statistics (formerly known as National Statistics) are official statistics that have been independently reviewed by the Office for Statistics Regulation and confirmed to comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics. Office for Statistics Regulation (2024) *Accredited Official Statistics* (online) Available at: <https://osr.statisticsauthority.gov.uk/accredited-official-statistics/> [Accessed 22 May 2024].

Figure 2.15: AFCAS – Attitudes towards pay, Tri-Service, 2019 to 2023.



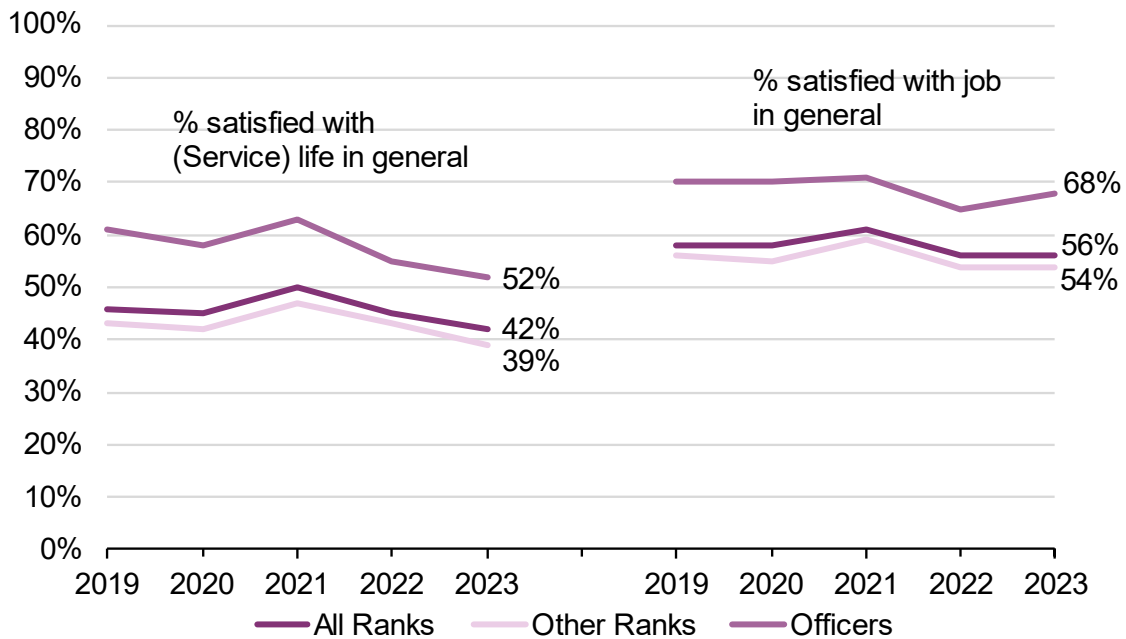
Notes:

How strongly do you agree or disagree with the following? The pay and benefits I receive are fair for the work I do.
 31% of personnel agreed, a 10 percentage points decrease on 2022.

How satisfied are you with the following? My rate of basic pay (basic pay includes X-Factor, but excludes Recruitment and Retention Pay (RRP) and any allowances).
 31% of personnel reported they were satisfied, a 9 percentage points decrease on 2022.

Morale

Figure 2.16: AFCAS – Attitudes towards Service life and job in general, Tri-Service, 2019 to 2023.



Notes:

How satisfied are you with [Service] life in general?

42% of personnel reported they were satisfied with Service life in general, a 3 percentage points decrease on 2022.

How satisfied are you with the following aspects of your current job? My job in general.

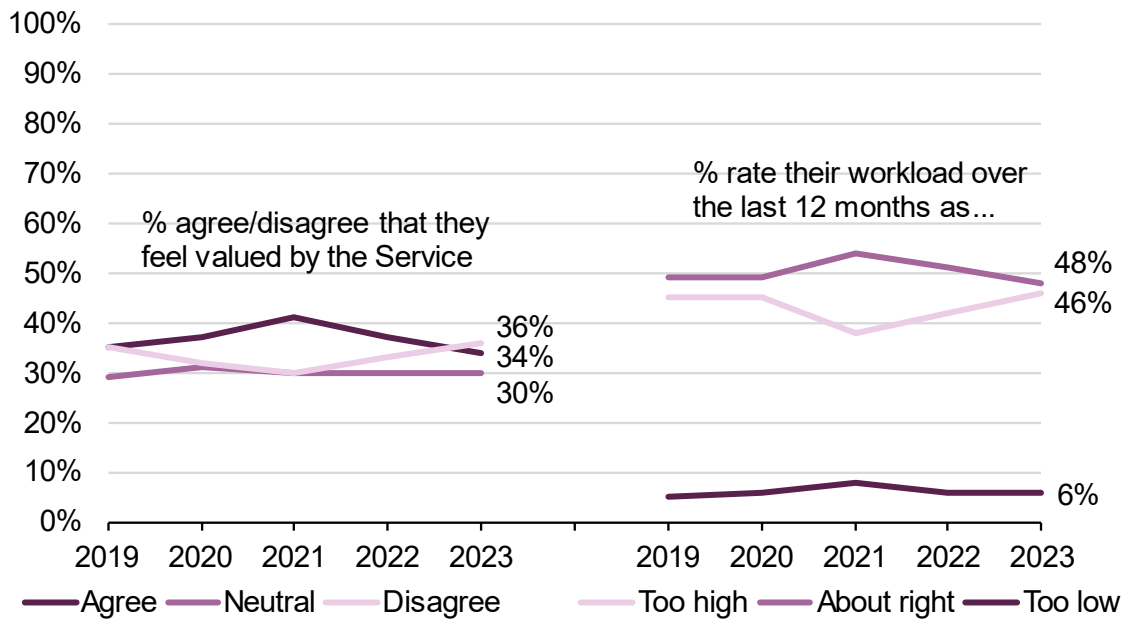
56% of personnel reported they were satisfied with their job in general, comparable to the 2022 result.

Table 2.2: AFCAS – Top factors influencing Service personnel’s intentions to stay or leave the Service⁴⁹.

	Factors influencing intentions to leave	Factors influencing intentions to stay
1	Impact of Service life on family/personal life	Job security
2	Opportunities outside the Service	Dental provision
3	Spouse/partners career	Healthcare provision
4	Amount of pay	Pension
5	Childcare	Financial incentives available to me / Opportunities for Adventurous Training

⁴⁹ This table has been informed by the AFCAS questions on ‘How do the following factors impact on your intention to stay or leave the [Service]?’ where respondents could choose one of the following responses to each of the 28 factors: Increases my intentions to stay, Has no effect on my intentions to stay or leave, Increases my intentions to leave.

Figure 2.17: AFCAS – Attitudes towards feeling valued and workload, Tri-Service, All Ranks, 2019 to 2023.



Notes:

How strongly do you agree or disagree with the following? I am valued by the [Service]
 34% of personnel agreed they feel valued by the Service, a 3 percentage points decrease on 2022.

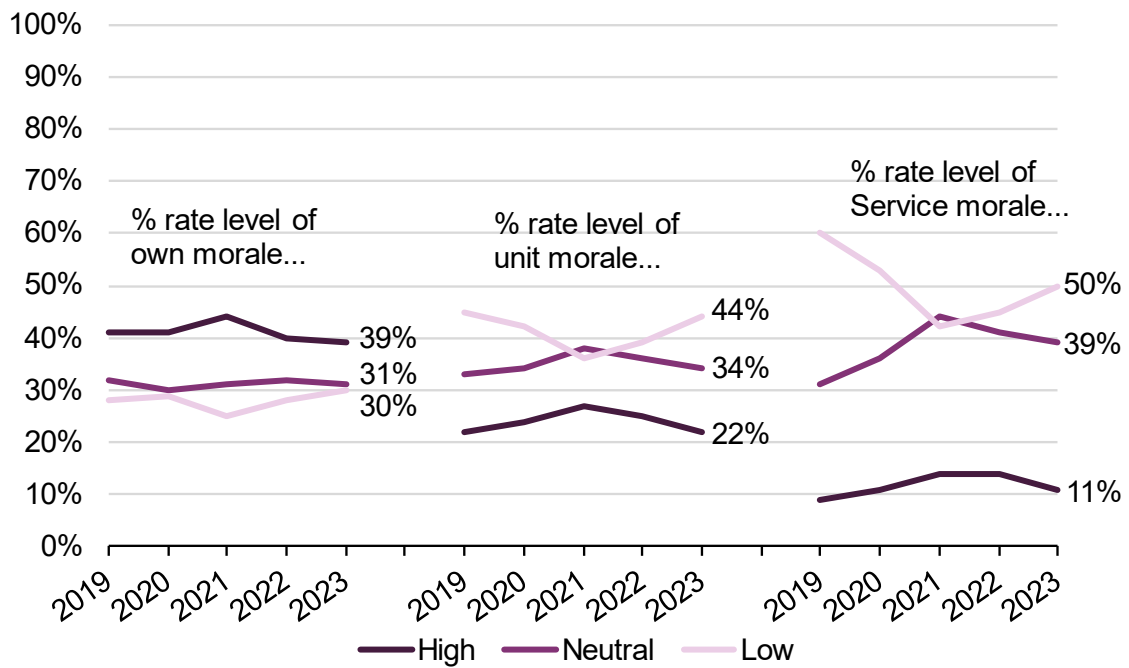
36% of personnel disagreed they feel valued by the Service, a 3 percentage points increase on 2022.

How would you rate your workload over the last 12 months?

46% of personnel rated their workload as 'too high' over the last 12 months, a 4 percentage points increase on 2022.

48% of personnel rated their workload as 'about right' over the last 12 months, a 3 percentage points decrease on 2022.

Figure 2.18: AFCAS – Attitudes concerning morale, Tri-Service, All Ranks, 2019 to 2023.



Notes:

How would you rate the level of morale of...Myself?

39% of personnel rated their own morale as high, comparable to the 2022 result.
 30% of personnel rated their own morale as low, comparable to the 2022 result.

How would you rate the level of morale of...My Unit?

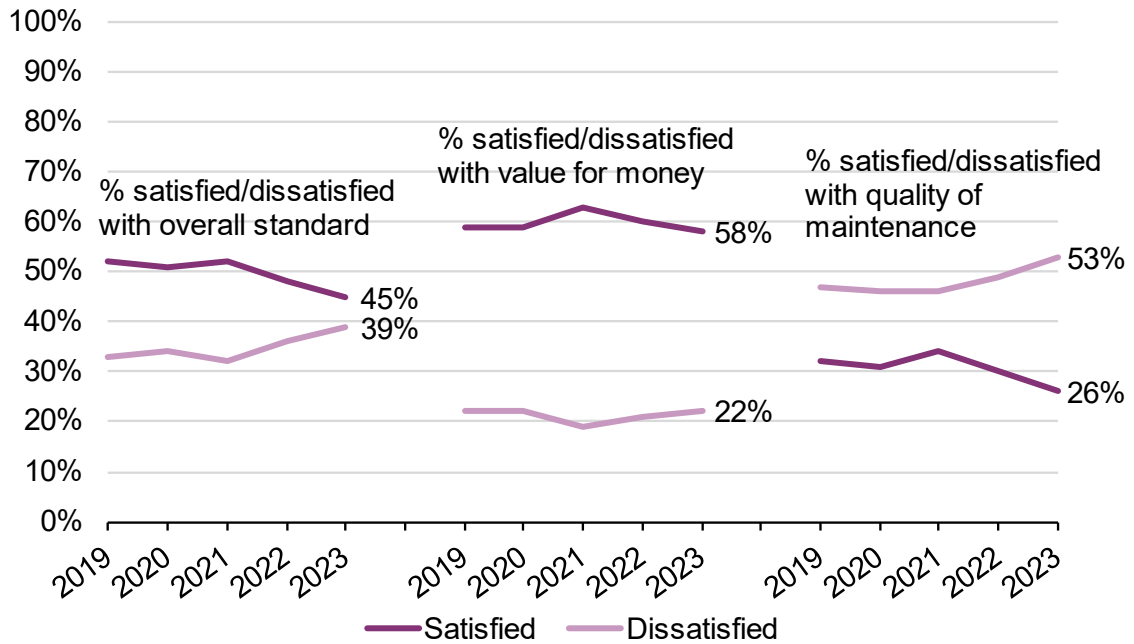
22% of personnel rated unit morale as high, a 3 percentage points decrease on 2022.
 44% of personnel rated unit morale as low, a 5 percentage points increase on 2022.

How would you rate the level of morale of... My Service?

11% of personnel rated the morale of the Service as a whole as high, a 3 percentage points decrease on 2022.
 50% of personnel rated the morale of the Service as a whole as low, a 5 percentage points increase on 2022.

Accommodation

Figure 2.19: AFCAS – Attitudes towards Service Accommodation, Tri-Service, All Ranks, 2019 to 2023.



Notes:

With regard to your current Service Accommodation, how satisfied are you with the following? The overall standard.

45% of personnel reported they were satisfied with the overall standard of their current Service Accommodation, comparable to the 2022 result, but a decrease on years prior.

39% of personnel reported they were dissatisfied with the overall standard of their current Service Accommodation, comparable to the 2022 result, but an increase on years prior.

With regard to your current Service Accommodation, how satisfied are you with the following? The value for money.

58% of personnel reported they were satisfied with the value for money of Service Accommodation, comparable to the 2022 result.

22% of personnel reported they were dissatisfied with the value of money of Service Accommodation, comparable to the 2022 result.

With regard to your current Service Accommodation, how satisfied are you with the following? The quality of maintenance/repair work to my current accommodation.

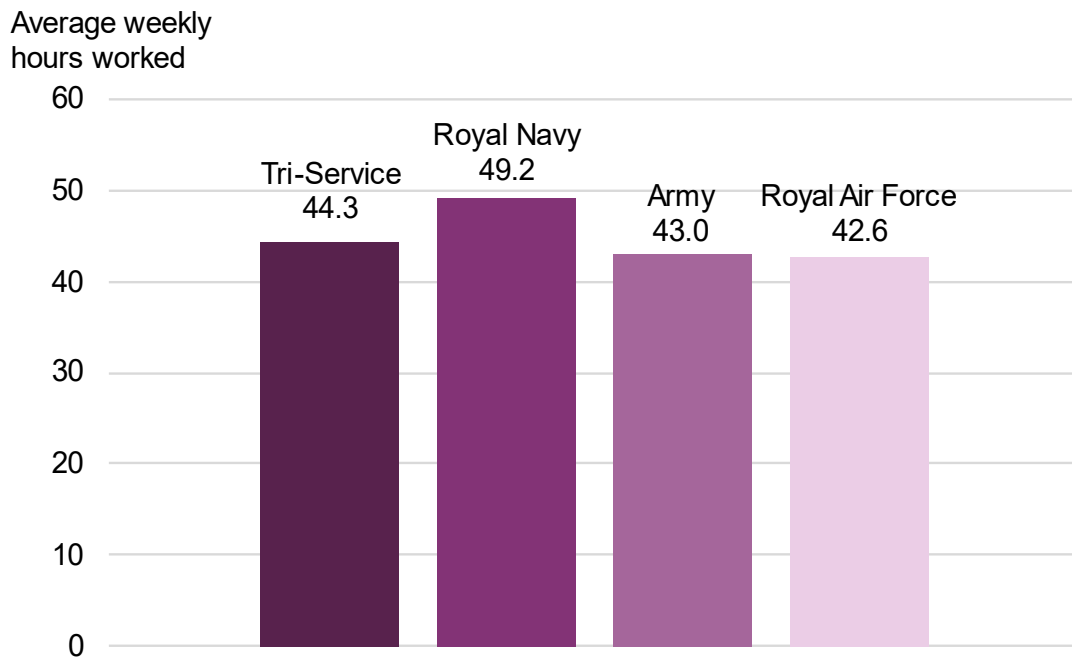
26% of personnel reported they were satisfied with the quality of maintenance/repair work carried out on Service Accommodation, a 4 percentage points decrease on 2022.

53% of personnel reported they were dissatisfied with the quality of maintenance/repair work carried out on Service Accommodation, a 4 percentage points increase on 2022.

Continuous Working Patterns Survey⁵⁰

- 2.72 The CWP survey is a seven-day diary completed by trained UK Regulars to record the numbers of hours spent at work, on call, on breaks and off duty. The CWP survey was in the field between October 2022 and May 2023 and distributed to 23,296 trained UK Regulars, attracting a response rate of 14% (3,314 personnel), a decrease on the 2021-22 survey which was 17%. In this section of the report we provide a broad view of working hours only⁵¹.
- 2.73 Service personnel recorded average weekly working hours of 44.3 hours in 2022-23. Over the last ten years, the lowest average working hours reported was 41.7 hours in 2020-21 and the highest average working hours reported was 45.2 hours in 2013-14.
- 2.74 The RN recorded the highest average weekly working hours of 49.2 hours, Army recorded 43.0 average weekly working hours and RAF recorded 42.6 average weekly working hours. These results are similar to those from 2021-22.

Figure 2.20: CWP – Working patterns of Service personnel, Tri-Service and single Service, 2022-23.



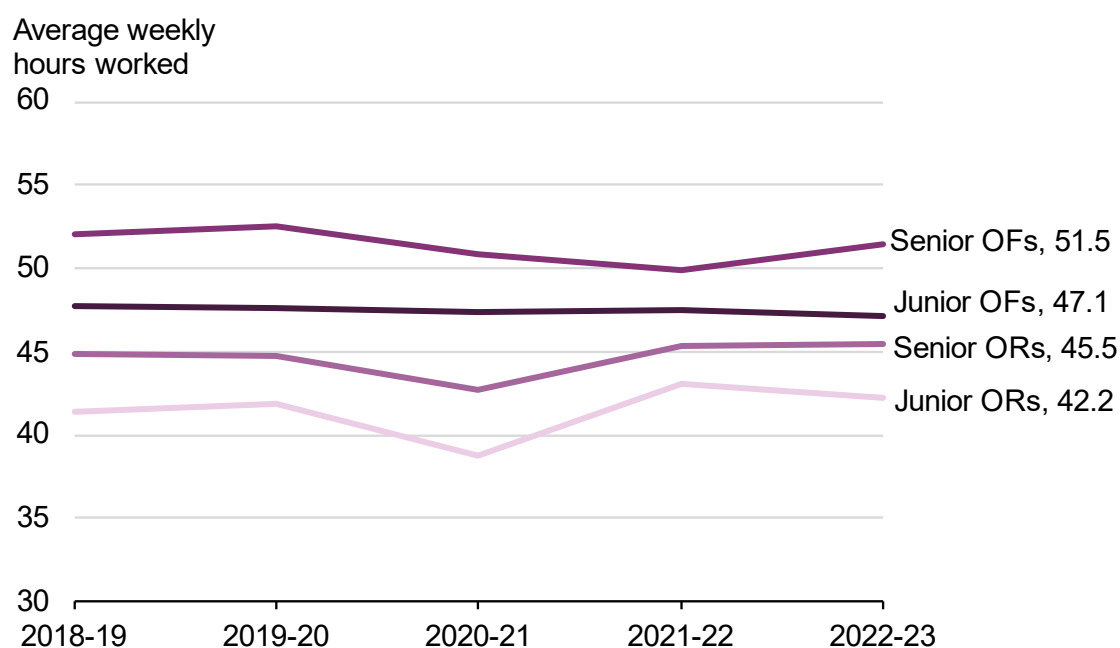
- 2.75 At a Tri-Service level, on average, senior Officers spent 51.5 hours per week at work, junior Officers spent 47.1 hours a week at work, senior Other Ranks spent 45.5 hours a week at work and junior Other Ranks spent around 42.2 hours a week

⁵⁰ MOD (2023) *Armed forces continuous working patterns survey 2022/23* (online) Available at: <https://www.gov.uk/government/statistics/armed-forces-continuous-working-patterns-survey-202223> [Accessed 22 May 2024].

⁵¹ Working hours include: normal work, working from home, duty personnel (when working), exercise/operations working time, compulsory fitness training, instruction/training course, duty travel, ceremonial/hosting duties, Service representation duties and secondary duties.

at work⁵². Of these groups, only the senior Officers average weekly working hours increased on the position from 2021-22, where they reported 49.9 hours⁵³.

Figure 2.21: CWP – Working patterns of Service personnel by rank group, Tri-Service, 2018-19 to 2022-23.



Reserve Forces Continuous Attitude Survey⁵⁴

- 2.76 ResCAS is an Official Statistics⁵⁵ publication produced by MOD which aims to assess and monitor the attitudes of Reserve Forces personnel across the Royal Navy Reserve (RNR), Royal Marines Reserve, Army Reserve and Reserve Air Force.
- 2.77 ResCAS 2023 had a response rate of 19%, down 14 percentage points on 2020. The fieldwork was conducted between January 2023 and March 2023 for the Maritime, Army and RAF Reserves. Therefore, all attitudes captured reflect these dates.

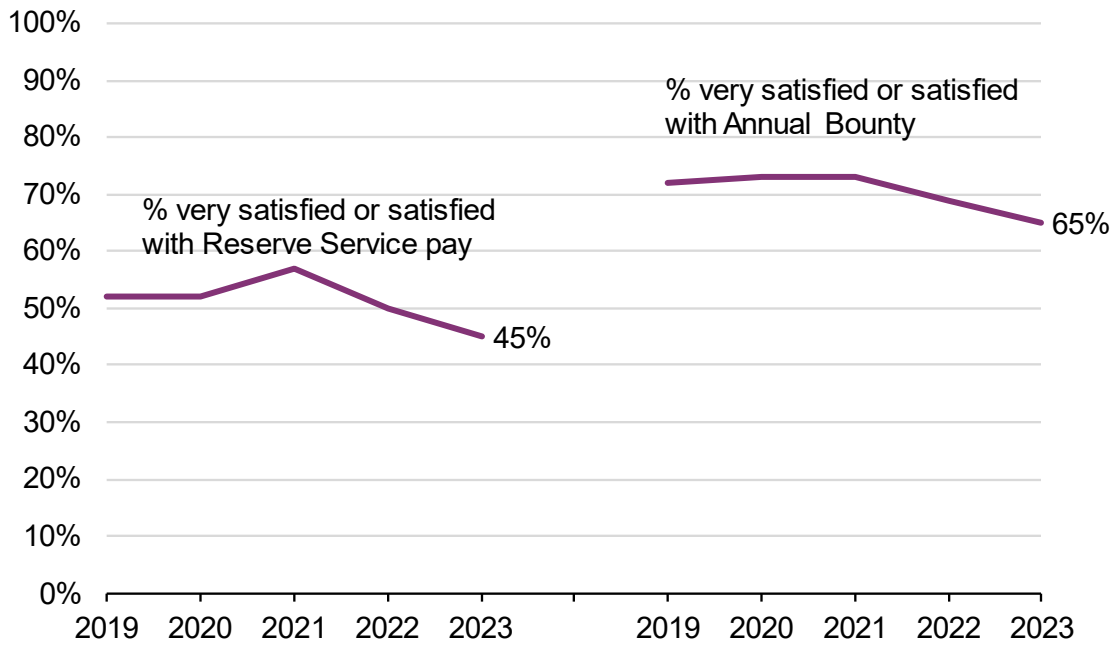
⁵² MOD identifies senior Officers as OF3 to OF6, junior Officers as OF1 to OF2, senior ORs as OR6 to OR9 and junior ORs as OR1 to OR4.

⁵³ MOD's statistical testing determined that there was evidence of a difference in average weekly hours spent at work for this group.

⁵⁴ MOD (2023) *Tri-Service reserves continuous attitude survey: 2023* (online) Available at: <https://www.gov.uk/government/statistics/tri-service-reserves-continuous-attitude-survey-2023> [Accessed 22 May 2024].

⁵⁵ Official statistics are statistics that are produced by crown bodies, those acting on behalf of crown bodies, or those specified in statutory orders, as defined in the Statistics and Registration Service Act 2007. See footnote 48.

Figure 2.22: ResCAS – Attitudes towards pay, Tri-Service, All Ranks, 2019 to 2023.



Notes:

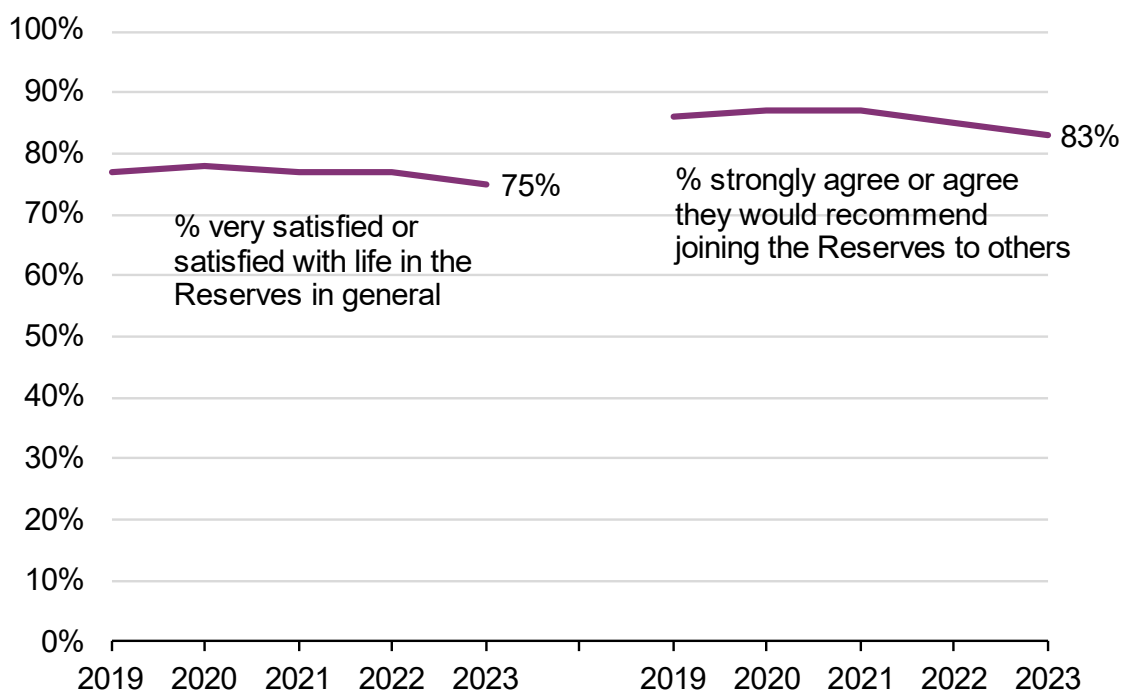
How satisfied are you with: Your Reserve service pay?

45% of Reserve personnel reported they were very satisfied or satisfied with their Reserves Pay, a decrease of 5 percentage points on 2022.

How satisfied are you with: Your Annual Bounty?

65% of Reserve personnel reported they were very satisfied or satisfied with their Bounty Payment, comparable to the 2022 result.

Figure 2.23: ResCAS – Attitudes towards Service life, Tri-Service, All Ranks, 2019 to 2023.



Notes:

How satisfied are you with life in the [Service] Reserve in general?

75% of Reserve personnel reported they were very satisfied or satisfied with Service life in general, comparable with previous years.

How strongly do you agree or disagree with the following? I would recommend joining the [Service] Reserve to others.

83% of Reserve personnel reported they would strongly agree or agree to recommend joining the Reserves to others, comparable to the 2022 result.

Service Families' Federations

2.78 We were pleased to meet with representatives from the SFFs and to hear their perspectives on issues relevant to our Terms of Reference insofar as they relate to Service families.

2.79 The SFFs reported general positive feedback on our 2023 pay award although commented that the communication of this could have been clearer. Indeed, the SFFs raised the need for better communication across a number of policy areas.

2.80 More generally, on the cost of living, the SFFs told us that they had been proactive in helping families access support whether through benefits or through charitable grants. There was also evidence that personnel were looking to take on second jobs to help cover increased costs.

2.81 The SFFs had heard that people were reluctant to take up an overseas posting if this meant that their spouse was having to give up their job. And more generally, not just in relation to postings overseas, the SFFs told us that for junior Other Ranks' families, the ability to access a second salary was vital. The SFFs said that there

were cultural issues with the way that families were perceived, for example the burden of childcare falling onto the non-Service member of the family, with a need for MOD to show more understanding of modern family dynamics.

- 2.82 The SFFs reinforced comments heard elsewhere about the decline in the overall offer including the degradation in a range of basic services that Service personnel, and sometimes their families, relied on. The SFFs also raised concerns about the ability of Defence to deliver on Wrap Around Childcare which risked diluting the level of promise made in this regard⁵⁶.
- 2.83 The SFFs agreed that workload and long hours were key issues for many Service personnel, especially where people were covering gapped posts. For some, the long hours prevented them getting a second job. More importantly, people wanted family time and could see no end to being stretched. This was seen as a key factor for retention.
- 2.84 The SFFs commented that provision of good accommodation was key to people feeling valued. The SFFs said that there had been significant improvement in the Future Defence Infrastructure Service (FDIS) contracts but that the trust in the arrangements from families had not yet been regained and many felt they did not receive the level of service they expected. The SFFs also raised the accommodation complaints process and said that the complexity of the process, and the time taken to handle complaints, were a source of frustration for families. Of particular concern, was the time taken to clear the backlog of complaints.
- 2.85 The government's decision to freeze accommodation charges for Service Family Accommodation (SFA) was welcomed. However, the SFFs told us that increases in fuel costs were causing issues and that this was exacerbated if personnel were living in poorly insulated accommodation.
- 2.86 At the time that we took evidence (November 2023) there was the expectation that the New Accommodation Offer would be introduced in March 2024. The SFFs shared with us the concerns of the higher-rank cohorts about the extent to which the needs-based allocation of accommodation would represent a degradation of the offer and that they felt that they were not being valued for their rank. However, the SFFs said that the planned extension of entitlement to SFA would be welcomed, especially by those in long-term relationships. The SFFs shared with us concerns about the way that SFA would be allocated, noting that there was not the accommodation available to support the anticipated extensions of entitlement and concern that the system would take away the sense of choice from personnel.
- 2.87 We observed that the SFF evidence to us highlighted some important issues which had not featured prominently in previous discussions:
- the importance of spousal employment;
 - the extent to which two salaries are vital to fund a family;

⁵⁶ MOD (2018) *Childcare for service children* (online) Available at: <https://www.gov.uk/guidance/childcare-for-service-children> [Accessed 22 May 2024].

- the concern that some personnel have taken on, or sought permission to take on, an extra job to supplement their salaries;
- the comment that some Service families were reliant on charitable grants; and
- issues with the accommodation complaints system.

Visits

- 2.88 Visits are a vital aspect of our pay round and evidence gathering. They enable us to meet with members of our remit group to hear directly about issues in relation to our Terms of Reference. Through visits we can understand better the Service environment, what personnel do and the circumstances in which they operate, hear about some of the challenges that personnel face and see some of the advantages of Service life. It is important for us to have this direct link with Service personnel. We also met with Service families and heard from them about their experiences, including issues around Service accommodation and, where relevant, about Service life overseas.
- 2.89 During June, July and September 2023 we undertook 13 visits, each of which varied in duration from half a day to a week. During the course of these we met some 1,360 Service personnel of all ranks and across all Services in various locations in the UK and around the world.
- 2.90 To supplement our visit programme, for this round we held virtual discussion group sessions in January 2024. While the summer visits had provided valuable context for the round, we were particularly keen to engage with personnel closer to the point at which we would be making our recommendations. We met 148 Officers and Warrant Officers from all three Services and drawn from locations across the UK. As with the main visit programme we discussed issues related to our Terms of Reference and the response to last year's pay award. We found these sessions very informative and beneficial and have asked MOD to arrange similar sessions for the coming pay round.
- 2.91 We would like to thank all of those who took part in all the visits and discussion groups, as well as MOD, the single Services and UK Strategic Command for organising and facilitating these sessions. A list of the locations in the 2023 visit programme is at Appendix 5.
- 2.92 We discuss some of the feedback received from these visits and discussion group sessions at various points in this Report, but the main themes that emerged are recorded below. The government published our 2023 Report on 13 July 2023. Therefore, personnel that we met ahead of this were not aware of our recommendations and we were unfortunately unable to comment on the 2023 pay award.

Pay

- 2.93 In advance of the 2023 pay award announcement, we heard that Service personnel were concerned about what level of pay award they would receive and how this would relate to the rate of inflation and pay awards in other sectors. Service personnel told us that they compared the value of their salary with the private sector and their percentage pay award with others in the public sector. Pay was a key

issue, made more so because of the delay in the announcement and the uncertainty about the award.

- 2.94 Once the pay award was announced and understood, we heard broadly positive feedback with many appreciative of what they had received. We also heard general praise for the differentiated approach that gave the highest percentage pay uplift to those at the bottom of the pay scales. We were seriously concerned that some early media reports on the day of the announcement were incorrect and led to longer term misunderstanding as to the value of the award. During our later visits, and also in discussions with the recruiting community, we were frustrated that some remained confused about the level of award they had received. This had a cumulative negative impact given the emphasis that many placed on understanding their pay award in relation to others in the public sector.
- 2.95 During the discussion group sessions held in January 2024, many reflected that although they had been pleased with the 2023 pay award, there was concern that it was below inflation and what they understood were the levels of awards in the private sector. We were struck by the extent to which inflation was used as the key reference point for the level of the award.
- 2.96 We also noted that many personnel, particularly those in specialist groups, were very aware of packages available to individuals with similar skills to them outside Defence. Some observed to us that if Defence could not compete on pay it was important that the offer was competitive in other ways to offset the shortfall, with accommodation given as an example. In our separate discussions with the cyber and diving cadres we heard a lot about the higher levels of pay that could be accessed in the private sector, sometimes overseas.
- 2.97 We heard from members of the armed forces who were working alongside civilian contractors who they understood had better pay and more favourable terms and conditions of employment. We also heard about personnel being poached by contractors across a range of areas with offers of higher salaries and other benefits, for example gym and health schemes. We were told that these offers were attractive as in many instances personnel could continue working in the same location but without the added demands of Service life. Personnel queried how Defence could justify apparently paying more for contractors in preference to paying Service personnel.
- 2.98 Many commented on the requirement for the armed forces to provide cover while others were taking industrial action, with the expectation that they would undertake this without additional reward or any other form of recognition. Some others commented that they thought that they should receive additional pay when asked to cover for civil emergencies.

Workforce issues

- 2.99 Many made the point that addressing workforce shortages should be a priority for the armed forces. We heard that for some the issues of work life balance were exacerbated by the requirement to cover for gapped posts and the feeling that Service personnel were continually requested and tasked to fill priority posts at short notice. Some personnel that we met in Germany told us that they had never been busier than they were at that time and that this was due to the number of gapped posts. On other visits we felt that there was the risk of a vicious circle developing as

personnel leaving the armed forces caused gapped posts, putting pressure on those that remained, which in turn caused personnel to think about leaving. We also heard that while personnel understood that taskings could change at short notice, the way that the changes were communicated and handled were a source of frustration. More generally we observed that there were many instances where the same individuals were called upon to undertake back-to-back tours or to be held at high levels of readiness for long periods which, for these groups, proved particularly wearing.

- 2.100 On several visits we heard that decisions to contractorise and civilianise Service posts were having an impact on specific cohorts of personnel. Savings measures implemented across Defence were resulting in an inability to recruit into these posts, thereby adding to pressures on Service personnel who were required to cover for the gapped posts.
- 2.101 We heard many comments about the perceived value of the discontinued commitment bonus and how many thought that the introduction of something similar would be a key retention tool.
- 2.102 Some groups also commented to us about the lack of promotion opportunities and how there could be variations between different trades in the same Service. The point was made that slow promotion and reduced earnings can be retention negative given the longer-term effect on pension.

Morale and motivation

- 2.103 Across a number of visits personnel told us that they did not feel valued for what they were doing. We heard that there were often several factors that contributed to this including what were seen as an erosion of terms and conditions. We were left with a clear sense that Service personnel felt that the wider offer was becoming less attractive. Examples quoted to us included a deterioration in the standard of food and accommodation, poorer work-life balance, the overall pressure of work and an inability to take leave.
- 2.104 We heard a lot on visits about allowances, particularly travel and subsistence and complaints that the rates of allowances had not been increased or, if they had, were not realistic given the changes to travel costs. Although these allowances are not in our remit, we comment here because of the extent of feeling and potential impact on morale. More generally, we were aware of a range of perceptions about entitlements and non-entitlements. Some travel allowances are determined by personal status and home ownership and we heard that some personnel felt they were benefitting less than others from certain allowances.
- 2.105 We also heard the complexity of claiming for allowances. Some serving overseas told us about the time spent doing personal administration and what was seen as a frustrating level of bureaucracy and lack of support to help with this. Some groups also raised with us their frustration that the rules for the payment of Longer Separation Allowance meant that those regularly away for short periods of time felt that they were not being suitably recompensed.
- 2.106 We heard on one of our RN visits that the quality of the lived experience was a determining factor for a happy ship and the importance of being able to deliver runs ashore and leave in support of this.

2.107 The cyber cadre told us that camaraderie within the Services was a positive element of their work and that they understood the importance to the nation of what they were doing. Many personnel serving on the Falkland Islands said that they felt that their contribution was valued. Personnel working at NATO Headquarters also told us that despite frustrations, they enjoyed their work.

Accommodation and food

2.108 As in previous years we received significant feedback about poor standards of accommodation and the timeliness and quality of maintenance, and this is discussed further in Chapter 5.

Issues relevant to specific groups or locations

2.109 In addition to the general points raised above, we noted some points specific to certain groups of personnel or locations:

- Our visit to meet with Veterinary Officers impressed on us the complex scope of their role covering several skill areas. Although they were Professionally Qualified Officers (PQOs), we were told that they were different from other PQO cadres in that they were combatant and had a high workload covering troop command, combat, management and clinical professional skills.
- During our visit to meet Explosive Ordnance Disposal (EOD) personnel we were told that EOD operators were eligible for receipt of RRP (EOD) whereas those classed as searchers were not, even though they had the dangerous role of finding explosive devices.
- We met with some groups of Full-Time Reserve Service (FTRS) personnel. For many personnel the transfer to FTRS had been a positive career choice. Some FTRS commented on what were seen as unfair differences in terms of service (including access to Defence medical care and some allowances) when compared to Regular personnel.
- Military Provost Guard Service (MPGS) personnel told us how the role of the MPGS had evolved since it was created in 1997 and their sense that some of their terms and conditions of service had not kept pace with this. MPGS personnel also shared their frustration at their inability to access some of the benefits available to other Regular personnel (including Forces Help to Buy) noting that for many the key attraction of the MPGS was stability.
- On our overseas visits we were told of issues specific to being away from the UK. In Belgium and Germany we learnt of the difficulties faced by spouses in finding employment following the UK's exit from the European Union (EU). An inability to work resulted in household income being lowered and left some spouses feeling isolated. Many Service personnel indicated that such difficulties were influencing their decision as to whether to serve overseas, or if they did, whether to do so unaccompanied. More generally in discussions with personnel in other locations, the point was made to us that dual-income families were now the social norm and Service personnel felt that their spouses were required to give up meaningful careers to 'follow them around' and that this put pressure on relationships.

- In Germany we also saw that the facilities at Sennelager had been wound down in anticipation that the base would close by 2020. That decision was reversed in 2018 but, at the time of our visit, provision for family welfare and support, particularly facilities for children, had not been adequately reinstated which was a source of significant concern and frustration for many that we met.

Our comments on workforce data

Workforce

2.110 MOD's evidence to us on the size and shape of the armed forces has sharpened our concerns on the workforce position compared to last year.

2.111 At the time of writing, we recognise that the only public workforce target for the armed forces is defined in the *Future Soldier: Transforming the British Army* policy paper⁵⁷ for the Trade Trained strength of the Army to be reduced to 73,000 personnel by 2025. The most recent data available to us confirms that the Trade Trained strength of the Army was 73,190 Service personnel, a decrease of 3.3 percentage points from 1 January 2023. We note the risk that the trained strength of the Army could reduce below the target during 2024 given the difference between the higher levels of outflow and lower levels of intake in the last two years. We have not seen clearly defined strength requirements for the other Services but note that they too have experienced intake and outflow problems.

2.112 Alongside the reduction in trained strength, MOD's evidence confirmed that the armed forces were facing skills and capability shortages in critical areas with the number of sustainability and delivery pinch points having increased since last year.

2.113 We encourage MOD to provide us with evidence on the use of Reserves, how it plans to harness the civilian skills and capabilities that the Reserve Forces uniquely contribute to the armed forces and how the Reserve Forces 2030 recommendations will be implemented⁵⁸.

Recruitment and retention

2.114 We continue to monitor closely the recruitment and retention of Service personnel and acknowledge that total intake into the Regulars has decreased whilst outflow remained high. This has resulted in a greater net decrease of personnel in 2023 compared to 2022. We are concerned at the difference between intake and outflow and will continue to seek updates from MOD on its recruitment strategy, including progress on the Armed Forces Recruitment Programme. We encourage MOD to focus not only on the delivery of the programme over the next few years, but to improve on recruitment at pace.

2.115 Given the highly competitive job market and MOD's ambition to address skill shortfalls we are concerned that VO has increased since 2022 and has remained at a historically high level throughout 2023. We encourage MOD to provide more

⁵⁷ MOD (2021) *Future Soldier: Transforming the British Army* MOD (online) Available at: <https://www.gov.uk/government/publications/future-soldier-transforming-the-british-army> [Accessed 22 May 2024].

⁵⁸ MOD (2021) *Reserves Forces Review 2030* (online) Available at: <https://www.gov.uk/government/publications/reserve-forces-review-2030> [Accessed 22 May 2024].

evidence to us on VO rates at different ranks so that we can better understand the particular areas of concern and identify the reasons for VO more clearly.

Diversity and inclusion

2.116 We remain supportive of MOD's ambition to encourage diversity, which it believes to be fundamental to the operational effectiveness of Defence. We are interested in how MOD aims to achieve this.

2.117 We recognise that there has been an increase in the representation of Ethnic minorities (excluding white minorities) intake into the regulars in the most recent data. However, we note that this increase is driven by the recruitment of non-UK Ethnic Minority (excluding white minorities) personnel. We encourage MOD to continue to recruit and retain personnel from diverse backgrounds and, in doing so, also increase the number of Ethnic Minority (excluding white minorities) personnel of a UK nationality to ensure that the armed forces reflect the society they serve.

2.118 We welcome the annual reporting from MOD regarding the Gender Pay Gap and note the encouraging findings. We will continue to monitor the results and ask MOD to provide evidence on any action taken to address the Gender Pay Gap.

Motivation and morale

2.119 We are concerned that some personnel in our remit group are looking to take on a second job to enable them to maintain their standard of living. We understand the level of commitment of our remit group and the work/life balance pressures they face as a result of the demands of being a Service person. We determine that full-time members of the armed forces should not be in a position where they need to take on further employment to make ends meet.

2.120 The traditional nature of the armed forces model of employment where Service personnel's lives are affected by turbulence makes it difficult for spouses to maintain a career. We assess that this is becoming increasingly challenging for families. We recognise the societal shift to dual-earning households and we determine that MOD should do more to support spouses of Service personnel whose employment status and opportunities are affected by the nature of service in the armed forces.

Pensions

2.121 As in previous years, MOD told us that the Armed Forces' Pension Scheme (AFPS) remained a retention tool and was one of the best pension schemes available in the public sector. Last year we noted that MOD had launched a suite of videos via YouTube to highlight the comparative benefits of the AFPS. This year, MOD said that it had undertaken workshops to assess the effectiveness of the communications around pensions. Themes raised during these workshops included the need for better training around pensions and an improved digital service so that personnel could access pension information in a flexible manner.

2.122 MOD provided us with an update on the McCloud Remedy and said that from 1 October 2023, personnel with pensionable service in the remediable period (2015-2022) would, when benefits are payable (for example at Normal Pension Age), be offered a choice of legacy or AFPS 2015 scheme benefits for their remediable service.

- 2.123 MOD also noted that the Budget Statement in March 2023 announced changes to Pension Tax Annual Allowance (AA) limits and removal of the Lifetime Allowance (LTA) charge from 6 April 2023 although the pension lump sum remained limited to the maximum of 25% of the current LTA. The standard AA limit remained at £40,000 for tax year 2022-23 but increased to £60,000 for tax year 2023-24.
- 2.124 While pensions are not within our remit, a broad range of issues around pensions are raised on nearly all of our visits, not just in relation to pension tax. We have noted varied levels of understanding of pension arrangements generally and specifically on the implications of pension taxation and the McCloud Remedy. We welcome the measures taken by MOD to address communications. We will be interested to see the extent to which there has been a change in the number of Service personnel affected by the changes in pension tax arrangements and invite MOD to provide data on this for next year's round.
- 2.125 We note that the armed forces pension is non-contributory, which means that Service personnel are not required to pay into their pension, unlike all other public sector pension schemes. We therefore recognise that the AFPS is one of the most generous pension schemes around.

Chapter 3

MAIN PAY RECOMMENDATIONS

Introduction

3.1 This chapter sets out our recommendations on the overall pay award for the armed forces. It includes commentary on the key evidence set out in Chapter 2 and information that we used to inform our conclusions. We provide separate recommendations on Initial Pay and consider the recent changes to the Other Rank (OR) pay scales made in response to the increase in the National Living Wage.

Terms of Reference

3.2 Our Terms of Reference require us to have regard to the need for Defence to be able to recruit, retain and motivate suitably able and qualified personnel; the need for the pay of the armed forces to be broadly comparable with pay levels in civilian life; the requirement for the Ministry of Defence (MOD) to deliver its outputs within the funds allocated by government; and the government's inflation target.

Our remit letter

3.3 In his remit letter dated 20 December 2023 (Appendix 4), the Secretary of State for Defence told us that our 2024 recommendations will be equally important to those we made last year to help ensure that Defence can continue to recruit and retain the highly skilled and motivated Service personnel that are needed to deliver Defence outputs.

3.4 The Secretary of State invited us to consider focussing our recommendations on the need for Defence to meet its future vision with the *Defence Command Paper Refresh* (DCPR23) setting out a new and clear purpose for Defence.

3.5 The Secretary of State said that for 2023-24, the Pay Review Bodies had recommended 'historically high pay awards' for their respective workforces in the light of the extraordinary macroeconomic context. We were told that we should consider the historic nature of the 2023-24 awards and the government's affordability position, as set out in evidence to us.

Our approach

Reflection on our 2023 pay recommendation

3.6 Our headline pay award recommendation of a consolidated uplift of 5% with a consolidated increase of £1,000 for all full-time UK Regular personnel resulted in increases ranging from 9.7% to 5.8% for those on our remit group's main pay scales. This uplift was broadly in line with the level of awards implemented in the wider economy. However, taking account of the exceptionally high rate of inflation during the last pay round, the pay award still resulted in many Service personnel above the most junior Other Ranks experiencing a reduction in the real value of their pay.

This year's recommendations

3.7 Our review this year has been conducted in a period of continuing economic uncertainty, a deteriorating geopolitical context and high operational demand placed on smaller armed forces. Our remit group told us that gapping had become worse,

and evidence provided to us by MOD indicated that the number of pinch points had increased since the last round.

- 3.8 As with the previous round, during our visits Service personnel told us that they had been required to provide cover for strikes, contributing further to workforce pressures. We heard that this was against a backdrop of Service personnel themselves not being able to take industrial action, and sometimes covering the roles of better paid personnel. Over the last decade we have also seen a long-term trend of armed forces' pay weakening in comparison to earnings across the economy, with the relative pay of the most junior ranks falling the furthest.
- 3.9 We note that the Public Sector Equality Duty (PSED) requires the government to assess policies against nine protected characteristics. We welcome the fact that MOD has provided equality impact assessments within its evidence and demonstrated that review against the PSED had taken place against the proposals presented to us.

The National Living Wage

- 3.10 MOD told us last year that the relationship between Early Years' pay and the NLW was a key consideration in ensuring that the armed forces' pay offer remained attractive and competitive. MOD also told us that while it was legally exempt from minimum wage legislation, it intended to abide by the spirit of the legislation to ensure that the offer enabled the most junior personnel to earn enough to fulfil a normal standard of living. We also noted that MOD was concerned that increases to the lowest levels of the OR pay spines would compress pay at the higher levels.
- 3.11 In April 2024, the NLW increased by 9.8% from £10.42 an hour to £11.44 an hour, achieving the target first set by the government in 2019 for the NLW to reach two-thirds of median hourly pay for those aged 21 and over.
- 3.12 In response, in March 2024 MOD told us of its intent to increase the level of pay for OR2-01 from £23,496 to £25,200 and to increase the levels of pay for OR2-02/03 from £24,400 to £25,300 in April 2024. We endorsed this approach and told MOD that we would take these rates into account in our wider deliberations on the pay award for the whole remit group. We also stated that in future we would like all Service personnel to receive their pay awards on time in April.
- 3.13 While we fully support and recommend further action to address pay for those at the beginning of their armed forces' careers, we also note the challenges experienced by Service personnel at all ranks and the importance of maintaining suitable and competitive rates of pay for everyone in our remit group.

Discussion

- 3.14 We have carefully considered all the relevant factors set out in our Terms of Reference and remit letter. We discuss each of them below.

The need to recruit, retain and motivate

- 3.15 We note that written evidence from MOD indicated that there was a workforce 'crisis', a position supported by the latest data. This was further reinforced in both our oral evidence sessions and on our visits where we heard about the 'acute' challenges being faced. In addition, the evidence indicated that the number of pinch points had increased, thereby increasing the risk to the delivery of operational

capability, and that there was extensive gapping in certain areas. We note that between January 2023 and January 2024, the overall strength of the armed forces decreased by over 7,000 personnel.

- 3.16 We understand that recruitment continues to be challenging and is consistently below MOD's targets. Whilst we were encouraged to hear from MOD about improvements being made to the recruitment system, this is clearly still an issue of concern. We note comments made by the Secretary of State for Defence in March 2024, indicating that applications to join the Army were up at the beginning of the year and his assessment that the pay rise last year was part of the reason for this⁵⁹. However, the evidence we have seen does not indicate that recruitment into the armed forces is improving at a sufficient rate to reverse the downward trend in overall numbers.
- 3.17 His Majesty's Treasury (HMT) stated in its evidence to Pay Review Bodies that there had been notable improvements in the recruitment and retention status of key public workforces and, whilst pinch points remained, they were generally limited to specific areas as opposed to being broad-based. We assess that the retention position of the armed forces is significantly different to HMT's general assessment of the key public workforces. The Voluntary Outflow (VO) rate at the Tri-Service level was 6.4% for calendar year 2023 and we believe this level to be unsustainable. We are also aware that Service personnel have cited 'amount of pay' as among the highest reasons influencing their intention to leave the armed forces.
- 3.18 A general theme that emerged from our visits this year was that Service personnel did not feel valued for their work and their commitment. We heard that this feeling was exacerbated because Service personnel were required to cover for gapped posts (both civilian and military). This meant that more pressure was being put on these individuals, aggravating work-life balance issues and influencing Service personnel's motivation to leave the armed forces. We note that once Service personnel understood the 2023 pay award, their feedback was broadly positive. The pay award was seen as a step in the right direction, but broader issues relating to Service life and the wider offer remained.

Government policies for improving public services and the funds available to MOD

- 3.19 In our remit letter the Secretary of State for Defence set out how Defence intends to modernise the offer for the armed forces. MOD informed us that in response to the National Audit Office investigation into *The Equipment Plan 2023 to 2033*⁶⁰, it was reviewing its costed programme to prioritise spend, identify efficiencies and other savings measures. We note that in April 2024 the government announced its decision to increase Defence spending to 2.5% of Gross Domestic Product (GDP) by 2030.
- 3.20 MOD told us that every percentage point pay increase would cost around £120m in-year. As such, MOD told us that funding of the pay award might require

⁵⁹ UK Parliament (2024) *One-off session with the Secretary of State for Defence - Oral evidence, 26 March 2024* (online) Available at: <https://committees.parliament.uk/event/20926/formal-meeting-oral-evidence-session/> [Accessed 22 May 2024].

⁶⁰ National Audit Office (2023) *The Equipment Plan 2023 to 2033* (online) Available at: <https://www.nao.org.uk/reports/equipment-plan-2023-to-2033/> [Accessed 22 May 2024].

compensating reductions elsewhere and that these might have an impact on the wider offer to our remit group and could negatively affect recruitment and retention.

- 3.21 In oral evidence we were told that the Spending Review had made provision for a 2% pay award in each year of the spending review settlement, including financial year 2024-25⁶¹. Given that earlier awards were over 2%, MOD had made some difficult reprioritisation decisions to fund the difference. The cumulative impact of funding the earlier pay awards also meant that this year would be the tightest of the spending review period. Further reprioritisation of resources would be required to fund a higher award. MOD emphasised the importance of the wider offer including non-pay related benefits such as the non-contributory pension, subsidised accommodation, and food.
- 3.22 We consider, however, that any pay award recommendation that was pitched too low would also come with significant additional challenges, such as the further loss of experienced personnel who would be costly to replace in both time and resources. This would be alongside wider consequences for recruitment, retention and morale. In making our main pay award recommendation we have sought to find a balance between a range of competing factors and have taken a more holistic view on affordability.

The need for pay to be broadly comparable with pay levels in civilian life

- 3.23 In common with many other workforces across the economy, the real value of Service pay has declined markedly since the 2008 financial crisis. We have closely monitored the broader economic situation, including how the private and public sectors reacted to historically high levels of inflation and the tight labour market.
- 3.24 Figures provided by Brightmine (formerly known as XpertHR) show that the median pay settlement between January 2024 and March 2024 was 4.8%, with the upper quartile pay settlement at 6%⁶². The Total Pay growth in the whole economy was 5.6% in March 2024 and the Total Pay for the private sector was the same at 5.6%. We are aware that the NLW increased by 9.8% in April 2024 and have already noted the MOD response to this change.
- 3.25 Our pay comparability evidence presents the pay position of the armed forces in relation to wider earnings up to 2022-23. This analysis does not reflect the 2023-24 pay award that ranged from 5.8% to 9.7% for Service personnel on the main pay scales. While findings based on recent Annual Survey of Hours and Earnings (ASHE) data should be treated with caution, our analysis shows a continued deterioration in the relative position of the ORs and junior Officers, maintaining the trend seen over the last decade. Furthermore, given that the 2023-24 pay award was broadly in line with awards across the wider economy, we infer that pay rates will have broadly maintained their position last year, and not reversed the longer-term deterioration.
- 3.26 We assess that non-pay related benefits are part of the overall offer for Service personnel and in large part recognise the particular circumstances of Service life.

⁶¹ The spending review period covered financial years 2022-23, 2023-24 and 2024-25.

⁶² We also considered the findings of other surveys, the estimates of which provided median pay settlement figures for the first quarter of 2024 of around 5%-5.3%.

Therefore, we maintain that these are not to be traded off against the annual pay settlement and we do not take them into account in our comparability analysis.

3.27 We have assessed these factors in the context of inflation falling from 8.7% in April 2023 to 3.2% in March 2024. We have further noted that inflation is forecast to continue to fall towards the government's 2% target into 2025, although the cost of living will remain elevated.

Main pay recommendation

3.28 We recognise that there is a tension between the factors we are asked to consider in reaching our recommendation. In summary, having regard to our remit and the evidence presented to us, the feedback we heard on visits and in our engagement with other relevant stakeholders, the key factors that have influenced our pay recommendation this year are listed below.

- The criticality of addressing the acute workforce situation to enable the armed forces to recruit and retain the quantity and quality of personnel required to deliver Defence outputs and, with regard to retention, to support the priority given within Defence to reverse the high rates of VO among skilled and experienced personnel.
- The importance of people to Defence, being the foundation on which strategic advantage is built and the need for people to be valued and feel valued.
- The need to maintain the effectiveness of the armed forces as a highly skilled, modern, warfighting force in the context of the *Defence Command Paper Refresh*, in a period of global instability and the changes in the nature of warfare as evidenced by the conflict in Ukraine.
- The workload and pressures that many Service personnel face in delivering and maintaining operational outputs and the need to maintain morale and motivation.
- The growing concerns expressed to us about the impact of Service life on the families of armed forces personnel.
- The continued economic uncertainty following a large drop in living standards during 2023.
- The challenging public finance situation.
- The requirement to ensure that pay remains broadly comparable with the private sector and to be broadly consistent with offers made to other public sector workforces, especially given the inability of the armed forces to participate in collective bargaining or industrial action.
- Our assessment that a pay award for the armed forces at the level we recommend will have minimal impact on inflation and achievement of the government's inflation target.
- The need to respond to the changes made by government in respect of statutory minimum wage levels.

- The attraction of an award that would be easy to understand and communicate.

3.29 Historically, we make a single percentage pay recommendation applicable across all cohorts in our remit group. However, last year, in recognition of the greater impact that food and energy price inflation had on the lower paid and to track changes in the NLW, we recommended a differentiated approach comprising a standard percentage and consolidated lump sum increase across all ranks.

3.30 We considered whether to adopt a similar approach this year, noting that certain factors relevant in last year's deliberations still applied. However, we determined that for this year we should revert to our usual practice of making a flat rate recommendation because:

- MOD has already increased the lowest point on the main pay scale by some 7.25%, reflecting the increase in NLW. This had the secondary consequence of compressing the differential with the next higher pay point;
- the approach used last year would further compress the pay scales;
- of the importance of rewarding all personnel by equal measure in recognition of points made to us about workload and pressure across all ranks;
- the value of an award for skilled and experienced personnel across a range of trades (both ORs and Officers) noting the particular challenges over retention; and
- our preference for an award that would be easy to explain, communicate and ultimately be understood.

3.31 Having taken full account of all the evidence, we therefore recommend an increase of 6% in base pay, from the 2023-24 rates, for all personnel at OR2-04 and above, noting that our approaches to pay for those at OR2-01 and OR2-02/03, and to those in receipt of Initial Pay are discussed further below.

Recommendation 1: We recommend that rates of base pay increase by 6% for members of our remit group at pay point OR2-04 and above from 1 April 2024.

Early Years' Pay (OR2-01 and OR2-02/03)

3.32 We consider that the 7.25% uplift to pay at OR2-01, which has already been implemented from 1 April 2024, addresses the challenges of the NLW and fits within the overall intent of our main pay recommendation⁶³. Therefore, we do not propose a further change to this rate this year.

Recommendation 2: We recommend that rates of base pay for members of our remit group at pay point OR2-01 remain at £25,200 as already implemented from 1 April 2024, a 7.25% increase on the 1 April 2023 rates.

⁶³ We note that MOD has applied similar changes for those not on the main OR pay scales.

3.33 We note that the pay for personnel at OR2-02/03 has already increased by 3.7% on the 1 April 2023 rates and this was implemented from 1 April 2024. We recommend a further 2.3% increase above the 1 April 2023 pay rates to deliver an overall 6% pay increase in line with our main pay recommendation⁶⁴.

Recommendation 3: We recommend that rates of base pay for members of our remit group at pay points OR2-02 and OR2-03 increase to £25,864 from 1 April 2024. This equates to a 6% uplift on the 1 April 2023 rates.

Initial Pay

3.34 While MOD has taken action to address OR rates of pay in response to the changes in the NLW, we were asked to consider what changes, if any, should be made to the rate of Initial Pay. Initial Pay remunerates OR personnel on joining their Service and entering Phase 1 training. Service personnel will be paid this rate of pay for 26 weeks' service or until completion of basic trade training (Phase 2), whichever comes earlier.

3.35 As noted above, a pay award which supports recruitment (as well as retention) is a key consideration for us in this round. We have regularly heard that the current rate of new entrant pay is an obstacle to recruitment. MOD told us that it wants pay to be attractive to a wide range of potential recruits, including those with pre-existing financial commitments and broader experience. We also note the change in the demographics of the new cohorts joining the armed forces.

3.36 Therefore, having considered a number of ways of addressing Initial Pay we concluded that the rate of pay should be made equal to the rate of pay at OR2-01, that is £25,200.

Recommendation 4: We recommend that the rate of Initial Pay increases to £25,200 from 1 April 2024.

Table 3.1: Summary of 2024-25 recommended pay rates for Initial Pay and OR2-01/02/03.

Pay points	2023-24 pay rates	2024-25 recommended pay rates
OR2-02/03	£24,400	£25,864
OR2-01	£23,496	£25,200
Initial Pay	£18,687	£25,200

3.37 Our recommended salaries are set out in Appendix 1.

3.38 The cost of our pay recommendations is set out in Appendix 3.

⁶⁴ Service personnel on pay increment OR2-02/03 were paid £24,400 from April 2023. A pay increase to £25,300 was implemented in April 2024 by MOD. We recommend a further increase to OR2-02/03 pay to £25,864 from April 2024, an increase of 6% on the April 2023 pay.

Chapter 4

RECOMMENDATIONS FOR SPECIFIC GROUPS AND COMPENSATORY ALLOWANCES

Introduction

- 4.1 This chapter sets out our recommendations on measures which are separate to our main pay award. It covers recommendations on our reviews of existing pay arrangements for specific groups, including Medical and Dental Officers (MODOs); some proposed new pay measures; Recruitment and Retention Payments (RRPs) and compensatory allowances. This chapter also includes commentary on some of the other pay-related evidence and information provided to us as part of the round.
- 4.2 We note more generally that, as it takes forward the recommendations of the Haythornthwaite Review of Armed Forces' Incentivisation (HRAFI), the Ministry of Defence (MOD) appears to be moving towards a more differentiated approach to pay with the introduction of additional specialist pay spines. Indeed, as part of this round we are asked to agree new arrangements for submariners and aviators which, we have been assured by MOD, are consistent with HRAFI principles. Therefore, looking to future rounds, we will need to agree arrangements with MOD for the review of these new pay structures. We assess that they should be formally examined on a regular basis to ensure that they remain current. However, in intervening years, unless advised otherwise, we would expect the rates of pay to be uplifted in line with our main pay recommendation.

Defence Medical Services

- 4.3 In recent years we have covered our review of pay for those in the Defence Medical Services (DMS) in a separate chapter. As noted above, MODOs are not the only group with a bespoke pay structure and we consider it right to group all of our considerations of such arrangements into one chapter.

DMS context and our visit to DMS

- 4.4 In its written evidence to us, MOD set out some of the key challenges facing healthcare nationally and internationally. MOD told us that despite the formal declaration of the end of the COVID pandemic it continued to have an impact, with the National Health Service (NHS) reporting a significant increase in the proportion of staff leaving their clinical roles whether retiring or leaving to practice abroad. MOD indicated that the staffing shortages in the NHS added to the challenges for DMS in healthcare recruitment. MOD also stated that some private sector healthcare providers offered highly attractive remuneration and employment packages, and actively sought to employ ex-Service personnel. MOD told us that the high level of remuneration, better work/life balance, alongside interesting and unusual assignments, were attractive to some highly experienced personnel.
- 4.5 MOD advised that clinical workforce levels were fragile across DMS with pinch points across consultant cadres, nursing specialities and allied health professionals. These workforce shortages were compounded by increasing demand for medical capability to support Defence commitments with upturns in demand across a number of areas. We were told that these issues were exacerbated in smaller cadres.

4.6 MOD told us that there were a number of non-financial measures in place to support the DMS workforce.

- A People Plan which put the development, success, and wellbeing of people at the forefront of strategic delivery. The plan underpinned DMS transformation to deliver improved patient outcomes; increased deployability; improved experience for DMS people; and better value for money.
- Opportunities for career progression and development which were considered a key element to retaining personnel. The Pan-Defence Skills Framework is a Whole Force approach to identifying, defining, and managing the skills of people in Defence and their associated roles (military and civilian). We were told that this would support the desire for agile, life-long learning and empowered careers.
- Progress had been made with the introduction of Unified Career Management (UCM) Medical (Med) which was taking a Tri-Service approach to management of the medical workforce. We were told that the MODO cohort in scope for UCM Med moved over to the new arrangements by July 2023 and that key aspects of the revised terms and conditions of service (TACOS) would come into effect in January 2024. MOD said that the changes amounted to 'levelling up' and had been well communicated with the benefits being broadly understood. MOD shared some results from the DMS Targeted Attitude Survey 2023 which showed an increase in the number of positive responses to the question 'I understand the benefits of UCM Med for me as an individual' with a reduction in the number of those who strongly disagreed compared to the previous year. However, a large cohort remained undecided on the benefits of UCM Med.

4.7 We visited the Royal Centre for Defence Medicine in Birmingham and the DMS headquarters in Lichfield. The main points which were raised during our visits were⁶⁵:

- gapping in DMS and the NHS had an impact on workload and working hours and many were struggling to take their annual leave;
- there were high rates of deployments, especially for dentists;
- many personnel made comparisons with the NHS, feeling that DMS personnel carried more risk and worked longer hours and enjoyed less flexibility than their NHS colleagues; and
- a number of dentists said that they had returned to DMS because of the quality of care they could give, compared with the NHS and the private sector.

Medical Officers and Dental Officers

4.8 Specialist pay spines have been in place for Defence MODOs for many years. This has reflected their close engagement with the NHS and the pay of doctors and

⁶⁵ Other points, relevant across the whole remit group, on matters such as accommodation are discussed in Chapter 2.

dentists outside Defence. As has previously been the case, we have considered evidence from a range of sources including:

- the government's response to the recommendations of the Review Body on Doctors' and Dentists' Remuneration (DDRB) on pay for personnel in the NHS⁶⁶;
- MOD's written evidence on the pay of MODOs;
- written evidence from the British Medical Association (BMA) and British Dental Association (BDA); and
- oral evidence from DMS, the BMA and BDA Armed Forces' Committees.

4.9 In discussion of the MODO workforce, MOD noted that action to resolve shortages took time and had a high cost to Defence in terms of salary and training. MOD indicated the recruitment of MODOs is handled by the single Services and that each offered bursary schemes. MOD informed us that the overall Medical Officer (MO) outflow rate was 5.1% in 2022-23 and the Voluntary Outflow (VO) rate was at a three year low of 2.5%. The Dental Officer (DO) outflow rate was 4.3% in 2022-23 and the VO rate was not reported because the number of personnel who had left was below the threshold for reporting (five personnel or fewer). MOD cautioned that even though the rates were low, this disguised specific issues in certain cadres. MOD also highlighted the extent to which morale was affected by workforce shortages and assignments that had an impact on work/life balance. We were also told that pressures on the Service workforce were exacerbated by gaps in the civilian workforce within DMS which meant that Service personnel were often required to work longer, or at alternative locations, to meet patient needs and to deliver the required clinical outputs.

Evidence from the British Medical Association and British Dental Association

4.10 The BMA highlighted three key points in its evidence to us:

- that MODOs make significant contributions to the armed forces and their wider community, despite being a relatively small cohort faced with chronic workforce shortages and increased workload;
- that pay erosion for Service doctors stood at the 'unacceptable level' of 32.8% of the Retail Price Index (RPI)⁶⁷ since 2008-09, and that another 'unsatisfactory pay award' would have a significant impact on the morale and retention of MODOs who were unable to take industrial action like their NHS colleagues, yet had instead provided cover during periods of industrial action; and

⁶⁶ *Review Body on Doctors' and Dentists' Remuneration 51st Report: 2023* (online) Available at: <https://www.gov.uk/government/publications/review-body-on-doctors-and-dentists-remuneration-51st-report-2023> [Accessed 22 May 2024].

⁶⁷ RPI is no longer classified as a National Statistic and the Office for National Statistics states that it is not a good measure of inflation and discourages its use. In oral evidence we questioned the BMA as to why they referenced RPI and were told that this was because they thought that RPI better reflected the cost of living changes experienced by their members.

- in the context of the cost of living crisis and uncontrolled inflation, pay did not go far enough, with many feeling overworked and undervalued, particularly when the pay awards for both consultants and junior doctors in the armed forces were lower than the awards for their NHS counterparts.

4.11 The BDA highlighted similar issues to the BMA but emphasised the challenges across dentistry nationally with a progressive transition of practices from the NHS to the private sector. The BDA also focussed on workforce issues noting the need for Defence to be able to attract dental graduates. The BDA stated that it was only the inclusion of X-Factor in salaries that made the reward package competitive to serving and prospective Dental Officers. The BDA also commented that a fall in the number of Service dentists had negatively affected job satisfaction and morale with many disillusioned, frustrated, demoralised and fatigued.

4.12 We note that both the BMA and BDA challenged the extent to which we are independent from government. In oral evidence we took the opportunity to emphasise that we reach wholly independent judgements on the matters within our Terms of Reference. We noted that this was evidenced in our pay recommendation last year which was significantly higher than the level proposed to us by government.

Pay comparability

4.13 In our last report we commented on the pay comparability research that had been commissioned on our behalf and published in October 2022⁶⁸. In discussion, we noted that this research would provide the foundation for further work and that MOD had told us that it was reviewing the MODO pay spines. We said that we were looking forward to receiving evidence for the current round informed by this work.

4.14 In evidence this year, MOD told us that its analysis of the MODO pay spines had concluded that the rationale for them remained valid and that the structure was largely fit for purpose. Based on this review, MOD presented to us, and asked us to agree, some modest proposals for MODO pay reform as set out below.

- MOD indicated that changes were needed to reflect MODO TACOS and the extent to which training pathways and commission lengths had been extended to enable service until age 60. MOD explained that personnel on the Accredited MODO pay spines were reaching increment point 32 at a key career point for retention⁶⁹. MOD proposed extending the pay spines to 35 increments as an attractive 'spend to save' measure to retain senior MODOs. We are content to endorse this change.
- MOD explained that there was a bar to incremental progression at level 10 on the non-accredited pay spine for OF3 MODOs which could only be crossed on promotion to OF4. MOD said that this bar was outdated given changes to training pathways for consultants and that time spent as an unaccredited OF3 was longer than it had been previously. MOD also told us that personnel in the NHS continued to progress financially during training and that this gap between NHS and DMS remuneration was highlighted in the pay comparability work.

⁶⁸ See AFPRB 52nd Report 2023 paragraphs 5.30-5.39.

⁶⁹ The Accredited MODO pay spines can be found in Appendix 1 Table 1.16 and Table 1.17.

Therefore, we were asked to agree to the removal of this bar to incremental progression. We are content to endorse this change.

- MOD told us that many MODOs were selected to undertake appointments in a leadership or advisory capacity which were secondary to their primary clinical role. MOD indicated that the current pay arrangements did not recognise this and reminded us that last year it had suggested the possibility of a 'Responsibility Allowance'⁷⁰. MOD invited us to note that work would be taken forward to consider an incentive payment for senior MODOs assigned into specific roles. We look forward to receiving an update on this work for next year's pay round.

Recommendation 5: We recommend that the accredited MODO pay scales are increased by an additional three levels, up to increment level 35.

Recommendation 6: We recommend the removal of the policy bar to incremental progression at level 10 on the non-accredited pay scale for OF3 MODOs.

4.15 We had understood that the pay comparability research would underpin a major review of MODO pay scales for the current pay round. MOD indicated that there were 'differences or discrepancies' in the research and we are aware that the BMA and BDA had previously challenged some of the findings. Nevertheless, we were disappointed to see that there were no wide-ranging proposals on the pay of MODOs in this year's evidence from MOD. The BMA and BDA also expressed to us their frustration that they had not been engaged by MOD in taking forward pay comparability work.

4.16 We recognise that this round has progressed during a time of uncertainty over the outcomes of pay for doctors in the NHS. At the time of finalising this Report junior doctors remained in dispute over their 2023-24 pay award and the evidence presented to us earlier in the round did not reflect the outcome of the subsequently agreed pay deal for NHS consultants in England. We also recognise that MODOs, along with other DMS personnel, are unusual compared to many others in our remit group in that they – particularly those in secondary care – are working alongside NHS personnel in NHS establishments and contributing towards the delivery of NHS outcomes. This underlines the importance of paying particular attention to pay comparability for MODOs. Therefore, we invite MOD to review MODO pay in light of the final pay outcomes for equivalent NHS personnel.

This year's pay award

4.17 In its evidence to us on the pay of MODOs, MOD indicated that pay settlements for MODOs had been lower in comparison to NHS doctors and dentists over the past four years, at a time when DMS personnel had been providing essential support to the NHS while also delivering their deployed military role. MOD highlighted findings from the 2023 DMS Targeted Attitude Survey which showed that 38% of MOs and 49% of DOs said that their pay was reasonable in comparison to the NHS. MOD also said that it was concerned that further differentiation between NHS and MODO pay

⁷⁰ See AFPRB 52nd Report 2023 paragraph 5.37.

awards would increase the attractiveness of an NHS career over that of Defence. MOD, nevertheless, concluded its evidence on pay for MODOs by saying that the annual pay award for MODOs should be aligned to the award across the armed forces. However, MOD was clear that Defence needed to be able to attract and retain highly valuable clinical staff and that pay had a part in this.

- 4.18 In its discussions on pay, the BMA asked us to recommend an above inflation award as measured by RPI. The BMA also asked us to recommend a range of additional retrospective percentage supplements (representing an uplift to 2023-24 pay) for different groups of MOs: 4.5% for DMS consultants, 7% for DMS General Practitioners and 7.4% for DMS junior doctors.
- 4.19 In their overall recommendation, the BDA called for a pay award of no less than 12% for all DOs, in line with their recommendation to the DDRB.
- 4.20 In terms of this year's pay uplift for MODOs, we have carefully considered all the evidence. We have decided on balance to treat MODOs on the same basis as our wider remit group.

Recommendation 7: We recommend that rates of base pay should increase by 6% for all ranks within the MODO cadre from 1 April 2024.

Our comment on expectations for next year's pay round

- 4.21 We are disappointed that the pay comparability work referenced in this Chapter was disputed, although recognise that there have since been a number of other developments. We assess that the difference between the pay of doctors and dentists in the NHS and MODOs in DMS is diverging, and that some of the change is attributable to amendments to NHS pay structures and the way that pay reflects career progression. This is happening at a time when DMS MODOs' work is interwoven with the NHS. Given that our Terms of Reference require us to have regard for the pay of the armed forces to be broadly comparable with pay levels in civilian life, we stress the need for an urgent and thorough review that allows us to make a clear recommendation next year on a long-term way ahead on pay for MODOs which reflects the recent changes agreed in the NHS. In the absence of such proposals, we will reassess the case for maintaining an 'all of one company' approach for this cadre in next year's round.

Additional financial measures

- 4.22 MOD told us that the Golden Hello offered a financial incentive of £50,000 (gross, single payment) to direct entrant trainee MODOs and qualified consultants into specified shortage specialisations with a five-year return of service. MOD said that the Golden Hellos have had limited success with none issued to direct entrants in 2022-23. It was explained to us that the qualifying specialisms were reviewed regularly in line with pinch points. MOD advised us that the Golden Hello was having no significant impact on the overall DMS strength but invited us both to agree that it should remain in place and to support a DMS-led review which would include work to understand the effectiveness of, and perception around, the Golden Hello. We note the Golden Hello was not used in a whole year and question whether the level is set correctly. We are content to support the MOD review and invite MOD to keep us informed of progress.

- 4.23 MOD explained that Defence Clinical Impact Awards (DCIA) had replaced the previous Clinical Excellence Award scheme and that these mirrored changes made in the NHS with the creation of National Clinical Impact Awards. MOD told us that the NHS scheme saw applications for awards judged on merit rather than hierarchy and that the DMS scheme had followed this change to enable rewards to be made to a broader range of consultants. MOD asked us to agree, to what it said would be a retention positive measure, to increase the level of the DCIA awards up to the level of main pay recommendation. We support this proposal.
- 4.24 MOD provided us with an update on Trainer Pay which is paid to practitioners who support the educational and clinical development of doctors and dentists in training. MOD told us that the number of military trainers (a total of 75 at May 2023) was expected to increase to ensure that training could continue, and that suitable remuneration for this group should be maintained. Therefore, we were invited to recommend that Trainer Pay should increase up to the level of the main pay award. We are content to support this approach.

Recommendation 8: We recommend that the value of Defence Clinical Impact Awards should increase by 6% from 1 April 2024.

Recommendation 9: We recommend that rates of Trainer Pay should increase by 6% from 1 April 2024.

Other issues raised in evidence

- 4.25 In last year's Report we commented that MODOs are unable to reclaim the cost of their professional subscriptions⁷¹. MOD explained to us that reimbursement of professional body fees was not permitted because the fees were a consideration in the bespoke pay spines for these groups. MOD, however, stated that it recognised that reimbursement of fees would be seen as retention positive and that it was undertaking a review relating to professional body fees across the whole of DMS. We welcome this move and look forward to receiving an update on the outcome.
- 4.26 In last year's Report we discussed the point raised to us in evidence by the BMA about whether the X-Factor taper remained relevant in the light of the removal of timed promotion⁷². This year the BMA emphasised the extent to which MOs at OF5 continued to experience the full exigencies of service⁷³. We note that the MODO pay scales are not rank-specific and assess that when the scales were developed assumptions were made about the point at which the taper should be applied so that, based on rank, there was consistency between MODOs and the broader Officer population⁷⁴. MOD acknowledged that timed promotion had been abolished and that most Officers retired at OF4. MOD said that in order to mitigate the fact that senior DMS clinicians were deployed as much as their more junior colleagues, the

⁷¹ See AFPRB 52nd Report 2023 paragraph 5.50.

⁷² See AFPRB 52nd Report 2023 paragraph 5.51.

⁷³ Service personnel receive X-Factor, a pensionable addition to pay to reflect the exigencies of Service life (as opposed to normal civilian employment).

⁷⁴ For Service personnel on the main pay scales a taper to X-Factor is applied so that the full rate of X-Factor (currently 14.5% for full-time UK Regular personnel) is paid to all OF4s, with 75% of the cash value at the top of the OF4 scale paid to OF5s and 50% of that same cash value at OF6.

reduction in X-Factor was offset by a higher-than-average incremental pay rise at Increment Level 23. MOD, therefore, told us that the X-Factor taper remained suitable and should remain in place.

4.27 We currently review MODO pay on an annual basis. MOD presented practical issues around managing this rate of review, including that it restricted its ability to evaluate the success of recommendations implemented in the previous year. MOD invited us to support a move to a two-year cycle for reviewing MODO pay; alternating each year between an information note and full paper of evidence. As explained above, we want to see pay proposals from MOD for next year's round which respond to the current year's pay outcomes for the NHS. Indeed, in oral evidence DMS acknowledged that next year would not be the right time to move to a less frequent review of MODO pay. Therefore, we do not currently support the proposal to move to a biennial cycle but are content to consider this again next year. MOD should also consider what frequency of review would be correct given that our reviews of pay for other groups (whether a pay spine or RRP) tend to follow a quinquennial cycle.

Nurses

4.28 MOD provided us with an update on Service nurses. MOD indicated that the ability of Defence to recruit sufficient numbers of eligible nurses into the armed forces remained challenging given competition with other employers. MOD told us that an attractive and rewarding career, with an appropriate and comparable remuneration strategy, would enable the armed forces to compete for limited nursing resources with an offer that was enticing enough to increase recruitment and improve retention. MOD, therefore, outlined to us its vision and strategy for the Defence nursing profession which it said would comprise:

- a profession map for nursing in Defence;
- re-definition of the operational core nursing requirement;
- a review of post-graduate professional education; and
- development of advanced clinical practice.

4.29 We look forward to receiving an update on this work in due course.

Veterinary Officers

4.30 MOD also provided us with an information note on Veterinary Officers, which was supported by a visit to the 1st Military Working Dog Regiment, Royal Army Veterinary Corps. The MOD paper set out some of the key issues to be included in next year's review of the pay spine for this cadre. MOD told us that the pay spine needed to support the recruitment and retention of qualified veterinarians who were employed primarily for their clinical skill. It should also encourage the retention of experienced Officers particularly to OF4 where their command and staff experience provided value to the organisation, in addition to their clinical expertise. MOD noted that vets were in a skilled worker shortage category with evidence that salaries in industry were increasingly competitive. We look forward to receiving the paper of evidence for next year's pay round.

Remuneration reviews

UK Special Forces Remuneration Review

- 4.31 MOD told us that UK Special Forces (UKSF) operations are conducted across a range of areas of conflict with very high levels of personal responsibility and danger. Previous reviews of UKSF pay have focused on specific cohorts within the cadre. This has led to the introduction and subsequent quinquennial reviews of the Special Forces Bespoke Pay Spine and the following RRP: Special Forces (SF), Special Reconnaissance (SR), Special Forces Swimmer Delivery Vehicle (SF-SDV), and Special Forces Communicator (SFC). MOD explained that, to date, no review had incorporated these elements together with the additional supporting and enabling members of UKSF who, in some cases, are required to undertake a selection of enhanced training to support UKSF operations and tasking.
- 4.32 In its evidence to us this year, MOD assessed that the current remuneration package for the supporting elements of UKSF was not sufficient to attract personnel to join and remain in the group. However, MOD said that the current remuneration package for qualified Special Air Service (SAS), Special Boat Service (SBS) and Special Reconnaissance Regiment (SRR) personnel contributed positively to attracting individuals to apply for selection courses and, if successful, to remain in these specialisations. Furthermore, it added that individual RRP policies did not fit the needs of an organisation where the ability to utilise niche skills to respond to a rapidly changing operational environment was key.
- 4.33 MOD asked us to agree in principle to replace RRP (SF), RRP (SR), RRP (SFC) and RRP (SF-SDV) with the introduction of a Special Forces Supplement Pay (SFSP), a multi-level skills-based framework whereby personnel would receive an additional supplement to their core pay in accordance with their specialism, qualifications, and experience within UKSF effective from 1 April 2026.
- 4.34 We are content with the approach proposed by MOD. However, we are concerned that the new measures for such a critical group in Defence are not being delivered more quickly. We look forward to receiving a supplementary paper as part of next year's round setting out how the SFSP policy will be applied, along with a full implementation plan.

Recommendation 10: We agree in principle to the replacement of specified Special Forces' RRPs with Special Forces Supplement Pay effective from 1 April 2026.

Submarine Remuneration Review

- 4.35 The Submarine Remuneration Review was instigated to investigate better ways to remunerate submariners. As part of this year's written evidence, MOD provided us with a paper presenting a series of recommendations. The evidence this year built on the updates provided to us in previous information notes, most recently last year.
- 4.36 This year's paper reinforced MOD's intention to develop a remuneration package that could respond to changes in the submarine workforce and their requirements. MOD explained a desire to move away from a transactional relationship to one of valuing the Service individual for their knowledge, skills and experience. MOD also

told us that it wanted the reward package to provide incentives for people to join the submarine service, gain qualifications and progress, thereby improving both recruitment and retention.

4.37 Referencing HRAFI, MOD proposed that:

- 'Submarine Pay' replaces RRP (Submarine) and the Submarine Golden Hello with transition commencing from 1 April 2026;
- 'Nuclear Skills Pay' replaces RRP (Nuclear Propulsion), RRP (Weapon Engineer Submarine) and RRP (Engineer Officers' Supplement) with transition commencing from 1 April 2025;
- Submarine Environmental Allowance replaces RRP (Submarine Supplement) with transition commencing 1 July 2024; and
- a Retention Payment of £25,000 between eight and twelve years qualification as a submariner with effect from 1 April 2025.

4.38 We considered the MOD evidence and took into account what we learnt from our discussions with submariners during our visit to Faslane in the summer of 2022 and to Plymouth in the summer of 2023, in particular about the challenging working conditions faced by this cadre. Overall, we concluded that MOD's proposals were well-developed and appeared to deliver improvement in the overall reward structure. We noted, however, that the measures were designed to be broadly cost neutral and so could only be a redistribution of existing resource. We were concerned that there was no additional money being allocated to what was a critical capability area. Nonetheless, we endorse the MOD proposals but expect to be consulted again if there are concerns over the recruitment and retention of submariners.

Recommendation 11: We agree that 'Submarine Pay' should replace RRP (Submarine) and the Submarine Golden Hello with transition commencing from 1 April 2026.

Recommendation 12: We agree that 'Nuclear Skills Pay' should replace RRP (Nuclear Propulsion), RRP (Weapon Engineer Submarine) and RRP (Engineer Officers' Supplement) with transition commencing from 1 April 2025.

Recommendation 13: We agree that a Submarine Environmental Allowance should replace RRP (Submarine Supplement) with transition commencing 1 July 2024.

Recommendation 14: We agree that a Retention Payment of £25,000 should be payable between eight and twelve years qualification as a submariner with effect from 1 April 2025.

Defence Aircrew Remuneration Review

4.39 In 2022 we were invited to consider an initial set of proposals for the Defence Aircrew Remuneration Review (DARR). In our last Report, we reported that MOD had identified some practical issues around the implementation of the proposed new

pay spine. We commented that we looked forward to receiving the detailed proposals in this year's round.

- 4.40 Building on previous evidence, MOD provided us with an update on the measures that had been presented to us. MOD said that the changes it proposed would improve the model and offer better value for money, whilst retaining the simplicity of the original plan. MOD told us that under the new DARR proposals, eligible personnel would:
- move to one of three new pensionable Aircrew Professional Pay Spines (APPS);
 - receive an additional non-pensionable supplementary payment (with options for payment at OF5/OF6);
 - potentially become eligible for additional payments to recognise acquisition of new skills; and
 - potentially become eligible for specific retention payments.
- 4.41 MOD explained that the three APPS would be created for all ranks, up to and including OF3 and that each spine would be largely rank agnostic with progress up the pay spine principally based on Length of Service, but with pay bars to incentivise and recognise promotion and skills⁷⁵. The three spines are:
- APPS 1 - Army Air Corps (AAC) Rearcrew;
 - APPS 2 - The Royal Navy's (RN) Fleet Air Arm (FAA) Aircrewmen and Royal Air Force (RAF) non-commissioned Aircrew; and
 - APPS 3 - Officer Aircrew from all three Services and AAC Soldier Pilots.
- 4.42 MOD confirmed that the Aircrew Supplements would be non-pensionable and paid in addition to the APPS and, for those above OF3, main pay. MOD was clear that these payments were not a replacement for RRP (Flying) and were designed to recognise the skill and experience of the individual. Payment would be related to the individual, not the post. In terms of the rate of the Supplement, MOD said a 'normal' rate would be the default and higher rates only payable for two years (with a third year by exception). MOD also told us that the levels would be set by the single Services to enable them to respond to their own issues at each rank. We look forward to receiving further information about the arrangements for payment of these supplements for next year's round.

⁷⁵ Aircrew on an APPS will not receive RRP (Flying) as all pay will be delivered within the new pay spine with the addition of an Aircrew Supplement.

- 4.43 In addition, MOD explained that it wanted to incentivise extra skills to help to prevent pinch points from developing. The qualifying skills for the awards would have Tri-Service recognition and accreditation. MOD said that there would be two payment types:
- Aircrew Specialist Skill Payment (ASSP) - this would enable an individual receiving a one-off payment on completion of an approved course.
 - Additional increments - the top two to five levels of APPS 2 and APPS 3 would be reserved for those with a particular skillset/qualification and MOD explained that this measure was designed to support retention.
- 4.44 Furthermore, MOD told us that a 'Box Option' had been included to allow some single Service variance and flexibility with the payment of Aircrew Supplement at OF5/6.
- 4.45 MOD advised that as the new spines had a lower pensionable pay ceiling than higher levels of the current Professional Aviator Pay Spine (PAS), some personnel may wish to remain on PAS. Therefore, MOD explained that the PAS would need to endure until the last of those personnel left their Service.
- 4.46 MOD added that the proposed pay model was broadly in line with the findings of HRAFI and asked us to agree the proposed pay model for both Regular and Reserve Aircrew, the 'Box Option', and that the scheme should be implemented from 1 April 2025.
- 4.47 Having considered the evidence, we endorse the MOD's proposals. We look forward to receiving an update on implementation.

Recommendation 15: We agree to the implementation of MOD's pay proposals for aircrew with effect from 1 April 2025. These proposals comprise:

- **three Aircrew Professional Pay Spines;**
- **Aircrew Supplements;**
- **Specialist Skill Recognition; and**
- **the 'Box Option'.**

Defence Engineering Remuneration Review

- 4.48 We received an update on the Defence Engineering Remuneration Review (DERR). MOD told us that the DERR Working Group continued to monitor the routine application of the existing incentivisation measures we reported on in previous rounds⁷⁶. MOD explained that the proposals that had been introduced to address the enduring engineering skills shortage had achieved some success, but that growing dissatisfaction with pay and reward remained within the profession. MOD indicated

⁷⁶ See: AFPRB 51st Report (2022) paragraphs 3.45-3.49, AFPRB 48th Report (2019) paragraphs 3.37-3.48, AFPRB 47th Report (2018) paragraphs 3.27-3.39 and AFPRB 46th Report (2017) paragraphs 3.22-3.27.

that there needed to be a significant shift in the engineering remuneration package into and beyond 2030 to address workforce issues.

4.49 MOD told us that HRAFI, as well as other ongoing reviews, had recognised that the skills shortage of engineers at the national level meant that there was a need to reconsider the 'one size fits all' approach and to establish a skills-based Total Reward Approach (TRA) decoupled from rate or rank. Under the auspices of HRAFI, two engineering cohorts had been identified for inclusion in a pilot to understand the challenges and limitations of the TRA approach:

- Royal Naval Engineering General Service (limited to Marine General Service); and
- Tri-Service aircraft engineers.

4.50 We are mindful of the acute pressures on engineering recruitment and retention and hope that this work can progress at pace. We look forward to receiving an update from MOD on this work for next year's pay round.

Special Intelligence

4.51 In our last Report we set out MOD's position on RRP (Special Intelligence) (RRP (SI)), which was introduced in 2013 to address staffing issues in Defence Intelligence⁷⁷. In evidence this year, MOD explained that the position of Special Intelligence had changed since last year, with several transformation projects currently underway to review training and career management, which included the transition to a UCM model.

4.52 MOD told us that it proposed the following remunerative measures for the Special Intelligence UCM cadre:

- skills-based pay between £14,500 and £20,500 linked to six skills levels within the Special Intelligence UCM cadre;
- the continuation of RRP (SI) with two levels to address workforce issues within the cadre and provide appropriate remunerative measures for non-cadre Special Intelligence; and
- MOD also advised that it was not seeking an increase in the current rates of RRP (SI).

4.53 We note that MOD's proposals suggest a further move towards a more differentiated approach to pay. Noting the importance of this group, and the fact that only the highest quality individuals from across Defence meet the required selection and training standards to qualify for the cadre, we are content to agree to the MOD's proposals. We also agree that the rate of RRP (SI) should not increase and cover this in our later overarching recommendation on RRP.

⁷⁷ AFPRB 52nd Report 2023 Appendix 6 paragraphs 14-15.

Recommendation 16: We recommend the introduction of a new Special Intelligence skills-based payment for UCM Special Intelligence cadre personnel.

Military Provost Guard Service

- 4.54 MOD provided us with an information note on the Military Provost Guard Service (MPGS), outlining the scope of the remuneration review for this cadre to be included in next year's pay round.
- 4.55 We spoke to members of the MPGS during a visit to the Army Headquarters, where we learnt that the opportunity for stability was a key reason why people were attracted to the MPGS. We also heard how personnel assessed that the role of the MPGS had evolved since its creation in 1997 and their concern that some of the terms and conditions had not kept pace with these developments.
- 4.56 MOD told us that there had been no significant changes to MPGS capability since the last quinquennial review in 2019. However, the expectations of personnel and the economic market had changed enough to suggest there were areas which may need addressing to ensure that personnel felt valued and were retained for the future.
- 4.57 MOD indicated that next year's review would include not just the MPGS Bespoke Pay Spine but also examine how MPGS personnel are incentivised both remuneratively and non-remuneratively including through career progression. Furthermore, specialisms such as the patrol dog handlers would be included to ensure that qualifications were recognised and extra responsibility rewarded sufficiently. We look forward to MOD's submission on this as part of our next pay round.

Recruitment and Retention Payments

- 4.58 RRP are paid at MOD's discretion, subject to our endorsement, to address specific recruitment or retention requirements, where individuals meet the qualifying criteria. RRP are paid in addition to the annual salary on either a Continuous Career Basis (CCB), Non-Continuous Basis (NCB) or Completion of Task Basis (CTB)⁷⁸.
- 4.59 MOD told us that in 2022-23, there were 18 categories of RRP, which cost around £129m.
- 4.60 MOD provided us with comprehensive papers of evidence to enable us to review RRP (Diving) and RRP (Explosive Ordnance Disposal) (EOD), which we examine later in this Chapter. We also discuss RRP (SI) in our review of pay arrangements

⁷⁸ An individual's entitlement to receive RRP varies according to the basis upon which it is being paid: Continuous Career Basis (CCB) - paid where the specialism is fundamental to the core role of the individual and will remain so for the duration of their career providing, they remain qualified for the relevant RRP. Non-Continuous Basis (NCB) - paid where the specialism is a secondary skill for the individual but there is a core task within the unit in which the qualifying post has been established. Individuals will move in and out of the unit/post in question and, if qualified, will receive the RRP. Completion of Task Basis (CTB) - paid where the specialism is a secondary skill for the individual, and is an occasional task undertaken in support of the unit within whose role the use of the specialism is required.

for Special Intelligence personnel. Consistent with the approach taken in previous rounds, MOD submitted evidence to enable us to undertake a light touch annual review of all other forms of RRP. It explained that RRPs remained a useful tool for specific groups that required additional remuneration for their skills and were highly valued by those in receipt of them. It added that HRAFI had recommended alternative methods of achieving the required 'behavioural changes' and therefore, in some cases, but not all, MOD would be moving away from RRPs and look to reward Service personnel for their skills and their value to Defence.

- 4.61 As part of our light touch review, MOD invited us to agree that all RRPs should be increased up to the level of the pay award except for RRP (Hydrographic). MOD proposed that the rates of RRP (Hydrographic) should be maintained at their current levels on the basis that this cadre did not face serious recruitment and retention issues to justify an increase.

Recruitment and Retention Payment (Diving) and the Clearance Divers Pay Spine

- 4.62 MOD presented us with evidence on RRP Diving and the Clearance Divers Pay Spine which were last reviewed as part of our 2019 Report. In setting out its recommendations, MOD invited us to note the extra challenging environmental conditions in which Defence Divers were required to operate. MOD also asked us to note that RN and Army divers had fundamentally different roles and that the eligibility for RRP (Diving) reflected this.
- 4.63 For RN Divers, MOD explained that there had been a significant increase in operational tempo in recent years, with enduring requirements to support Special Forces' operations in the UK along with extended overseas commitments. MOD also explained that the package for RN divers comprised the Clearance Diving Pay Spine, a consolidated pay spine available for OR6-OR9 personnel. MOD told us that this pay spine was introduced to provide additional reward to deter people from leaving the diving cadre to join the oil and gas industries. However, MOD said that entry to the spine was only offered if the VO rate for eligible personnel increased above 5%. We have been asked to agree that this spine should be retained. Given its specific use as a retention tool, we are content to support this.
- 4.64 In our 2021 Report we agreed to the MOD proposal that for Army Divers RRP (Diving) change from being paid on a CCB to being paid on an NCB⁷⁹. MOD had told us that diving in the Army was considered an additional duty over and above core trade and role, with divers drawn from the Royal Engineers or Royal Logistic Corps. It was noted at the time that there were indicators that a move to payment on an NCB would result in the dive teams being at full strength and it would encourage trained divers to spend a greater proportion of their career as active members of a dive team. MOD told us that while this appeared to have been achieved, the move to payment on an NCB created unintended consequences in that some personnel out-of-role needed to maintain knowledge, skills and experience but were not incentivised to do so. To retain operational capability, the Army increased the workforce requirement eligible for RRP (Diving) to include 'Stranded Divers' which provided flexibility for the Army to manage its workforce.

⁷⁹ AFPRB 50th Report 2021 paragraphs 3.50-3.52.

- 4.65 In its evidence, MOD informed us that many of the issues and problems being experienced by both the RN and Army diving communities were non-remunerative in nature. There had been significant complications with the Phase 2 diving course over an extended period of time including factors which had resulted in reduced course sizes. Training was also suspended during the pandemic.
- 4.66 MOD concluded that the civilian diving market remained significantly more lucrative than continued employment in the armed forces. The environment and competence factors of diving demonstrated the need to provide enhanced pay increments as reward for the additional skills required, and the dangers experienced in the role.
- 4.67 We visited the Defence Diving School in September to understand better how this cadre operates. During the visit, we heard from Service personnel the extent to which pay was not competitive with the commercial diving sector and a view that the rates of RRP (Diving) were not high enough to be retention positive. Issues with slow rates of promotion for RN personnel and the effect this was having on their pension, as well as variable levels of motivation and satisfaction, were also raised. We noted the immense pride and team cohesion among divers.
- 4.68 In its evidence, MOD proposed an increase to RRP (Diving) up to the level of the annual pay award, assessing that this would continue to promote recruitment and retention. We support this proposal and this is captured in our main recommendation on RRP.

Recruitment and Retention Payment (Explosive Ordnance Disposal)

- 4.69 MOD told us that EOD operators remained in constant demand, both domestically and abroad and their role covered a range of responsibilities concerning the use of search, disposal, storage and safety techniques required to keep people safe from explosives. It also told us that EOD operators endured demands that were over and above that normally compensated for by the X-Factor or currently accounted for by placement on a higher trade supplement.
- 4.70 MOD added that EOD courses were demanding and required candidates to be highly motivated. It told us that the additional remuneration offered by RRP (EOD) was a factor that reinforced commitment to a very demanding selection and professional advancement process that was fraught with potential for failure and setback at every level, as well as the safety implications of the capability. In addition, the majority of personnel were volunteers.
- 4.71 MOD assessed that there were a range of opportunities for those with EOD skills in civilian employment. MOD also told us that there were indications that there would be a sizeable increase in the civilian EOD workforce in response to the conflict in Ukraine. It highlighted the importance of continuing the payment as this went some way towards combating the cumulative factors which steered people away from the specialisation.
- 4.72 MOD asked us to recommend that RRP (EOD) should be increased up to the level of the pay award to demonstrate its continued commitment to the EOD community and recognising their valuable service. We support this proposal and this is captured in our main recommendation on RRP.

Recommendations on Recruitment and Retention Payments

- 4.73 For those RRPs where we were invited to undertake a light touch review, we agree with MOD's recommendation to increase all RRPs to the level of the pay award. We also agree that the two RRPs we have more thoroughly reviewed this year (RRP (Diving) and RRP (EOD)) should increase in line with our main pay award recommendation. We also note that MOD invited us not to increase the rates of RRP (SI) as part of the broader review of Special Intelligence reward structures.
- 4.74 However, we do not support the MOD's proposal that RRP (Hydrographic) should be retained at its current level. We feel that, although this group is not immediately facing the same recruitment and retention issues as others, singling out this payment for a freeze without a deeper review and clearer justification could damage morale and lead to a higher rate of VO in the future. Therefore, we recommend that RRP (Hydrographic) should increase in line with the main pay award. As discussed above, we are content to endorse MOD's proposal not to recommend an increase in the rate of RRP (SI).
- 4.75 All recommended rates of RRPs are at Appendix 2.

Recommendation 17: We recommend that all rates of RRPs, except RRP (Special Intelligence), should increase by 6% from 1 April 2024. The rates of RRP (Special Intelligence) remain unchanged.

Volunteer Reserves Training Bounty

- 4.76 MOD told us that the primary purpose of the Reserve Training Bounty is to encourage Reserve personnel to complete their annual training obligation. It is paid to those reservists who have undertaken the in-year training necessary to attain their annual Certificate of Efficiency. MOD said that the Bounty was retention positive and increased in value progressively over five years. From 1 April 2023 the rate of Bounty was £526 in Year 1, rising to £1,164 in Year 2, £1,798 in Years 3 and 4, and £2,084 from Year 5 onwards. MOD asked that we increase the rates of the Bounty in line with our main pay award and we are content to support this proposal, recognising the importance of maintaining the value of these payments.

Recommendation 18: We recommend that rates of the Volunteer Reserves Training Bounty should increase by 6% from 1 April 2024.

Compensatory allowances

- 4.77 Several compensatory allowances fall within our remit. This year we were not invited to review any of these given that, following HRAFI, MOD told us that it was reviewing the future structure of allowances. However, MOD confirmed that it wanted us to make recommendations on the rates of the compensatory allowances that fall within our remit: Longer Separation Allowance; Unpleasant Work Allowance; Unpleasant Living Allowance; Northern Ireland Residents' Supplement; Recruitment and Retention Allowance (London); Experimental Test Allowance; Experimental Diving Allowance and Mine Countermeasures Environmental Allowance. For all these allowances we recommend an increase of 6% from 1 April 2024, in line with our main pay award recommendation.

4.78 All recommended rates of compensatory allowances are at Appendix 2.

Recommendation 19: We recommend that all rates of compensatory allowances should increase by 6% from 1 April 2024.

Cost of recommendations

4.79 The cost of our pay recommendations is set out in Appendix 3.

Chapter 5

ACCOMMODATION AND FOOD CHARGES

Introduction

5.1 Under our Terms of Reference, we are required to recommend charges for armed forces personnel. These include accommodation charges, garage and carport rents, furniture charges and the Daily Food Charge (DFC). Our recommendations for accommodation charges from 1 April 2024 follow a discussion of accommodation policy issues and a summary of evidence we considered this year. The chapter concludes with a discussion of food provision and the Defence Catering Strategy.

Accommodation context

5.2 The provision of subsidised accommodation remains a vital part of the overall offer to Service personnel and their families. It is important that the levels of charge are set appropriately for the different types and conditions of accommodation, and that the properties are effectively serviced and maintained. As discussed below, we are aware that in too many cases the accommodation provided is not to an acceptable standard and that significant additional investment is required to address this.

5.3 The Ministry of Defence (MOD) told us that there are three core accommodation options provided to entitled personnel and their family members: Service Family Accommodation (SFA), Single Living Accommodation (SLA) and the Forces Help to Buy (FHTB) scheme. Service provided accommodation is available to Regular and Full-Time Reserve Service (Full Commitment) personnel in recognition of their mobile careers.

Modernised Accommodation Offer

5.4 Last year we discussed the Future Accommodation Model (FAM)⁸⁰. At that time, it had been expected that the new policies would be rolled-out in October 2023. The FAM has now been subsumed into the Modernised Accommodation Offer (MAO) (having also been called the New Accommodation Offer (NAO)), the implementation of which was put back to March 2024. Ahead of this, in response to concerns about the implications of the expansion of entitlement to SFA⁸¹, MOD announced that the elements of the package relating to SFA would be paused while a review was carried out. However, the government said that it would move forward with elements of the MAO in relation to SLA including⁸²:

- improvements to the standard of SLA;

⁸⁰ AFPRB 52nd Report 2023 paragraphs 6.41-6.43.

⁸¹ A petition was launched regarding the new offer saying that aspects of it had been poorly received by a number of Service personnel and inviting the government to undertake further engagement to shape the policy before its execution.

UK Government and Parliament (2024) Review the MOD's New Accommodation Offer for armed forces personnel (online) Available at: <https://petition.parliament.uk/petitions/648516> [Accessed 22 May 2024].

⁸² MOD (2023) *Modernised Accommodation Offer (Previously New Accommodation Offer)* (online) Available at: <https://www.gov.uk/guidance/new-accommodation-offer> [Accessed 22 May 2024].

- providing further support for Service personnel becoming first time buyers by refunding up to £1,500 of their legal expenses; and
- extending waivers of accommodation charges for weekly commuters who maintain a main home away from their place of work, irrespective of age, Service or marital status.

5.5 At the time of writing, we have not received an update as to when and how the elements that had been ‘paused’ would be restarted. We note that the government has not publicly set a timeline for its review but stated that the work would be taken forward as a priority. We pressed for an update on progress in oral evidence and were told that the government remained committed to widening entitlement for SFA to those in established long-term relationships and parents with non-resident children.

5.6 In oral evidence, we were told about the important role of accommodation in supporting retention of Service personnel and that Defence wanted to expand the number of personnel able to benefit from this. We were told that the subsidy for SFA was, on average, 63% of the market rate and it was made clear to us that widening the entitlement for SFA would allow more Service personnel and their families to take advantage of this subsidy.

5.7 We support the aspiration to expand entitlement to SFA and a move to greater recognition of modern family life. We observe that while the pause in the changes to SFA entitlement appear to have been driven by concerns around retention, it is important that the accommodation offer is attractive to those whom the Services seek to recruit. However, we understand that with a limited number of readily available properties, the ability to expand provision is not straightforward. In last year’s Report we raised concerns about the potential impact that expansion of entitlement to SFA would have on certain cohorts who might lose established entitlements and we remain concerned⁸³. Bearing this in mind, we look forward to receiving an update from MOD as to how it will take forward the MAO policies relating to SFA.

Future Defence Infrastructure Services

5.8 As discussed above, Defence recognises that the provision of accommodation is a key part of the overall offer. The true value of this can only be achieved if the accommodation is of good quality and is well-maintained. In last year’s Report we discussed the performance of the Future Defence Infrastructure Services (FDIS) contracts at length⁸⁴. We note that last year the government partially accepted our recommendations on charges for accommodation. SFA Charges were fixed at the 2022 rates throughout the year from 1 April 2023 and not increased in line with the rental element of the Consumer Prices Index (CPI) as we had recommended. The government said that this decision was taken by the Defence Secretary in recognition of the significant underperformance of the FDIS accommodation delivery contract since its introduction in April 2022.

⁸³ See AFPRB 52nd Report 2023 paragraph 6.43.

⁸⁴ See AFPRB 52nd Report 2023 paragraphs 6.16-6.20.

5.9 In written evidence this year, MOD provided us with an update on FDIS, indicating that there have been measurable improvements in performance. This was reinforced in oral evidence with the Service Families' Federations (SFF), although they said that the trust of Service families had not been fully regained and many were still not receiving the service they expected. We were pleased to see that real progress had been made but assess that it will take some time for Service personnel to trust the new arrangements. This is an area that we will continue to monitor. We will be particularly interested to learn whether the improvements that have been reported to us are reflected in what we hear from our remit group and their families in forthcoming visits.

Forces Help to Buy

5.10 In last year's Report we commented that MOD had told us of its intentions to enshrine FHTB into policy and we note that this took effect from 1 January 2023. MOD told us that the scheme would continue to help Service personnel and their families realise their ambition to become homeowners by enabling them to borrow a proportion of their salary (up to a maximum limit), interest-free towards the purchase of a property.

5.11 MOD provided us with an update on the FHTB scheme. MOD quoted results from the 2023 Armed Forces Continuous Attitude Survey (AFCAS) which reported that 47% of personnel cited the FHTB scheme as a reason influencing their intention to stay in the armed forces (48% of personnel cited the FHTB scheme as having no effect on their intentions to leave or stay in the armed forces). MOD told us that since the scheme's introduction in April 2014 through to 30 June 2023, a total of 29,439 payments had been made, with an average claim of around £15,363. MOD advised that it had noticed that there had been a reduction in the number of payments being made and thought that this was likely due to challenges in the housing market and uncertainty over the long-term affordability of mortgages⁸⁵.

Overseas provision

5.12 MOD told us that it applied an additional housing subsidy to those serving overseas as part of the Overseas Incentivisation Package, but that it recognised that the methodology for setting overseas accommodation charges had limitations. MOD said that it was looking to develop an alternative approach to incorporate country-specific factors into the assessment of overseas accommodation charges.

5.13 MOD said that from 1 April 2024 charges would be introduced for personnel assigned to a 'Small Station' overseas⁸⁶. This decision had been taken in 2020 as part of the Local Overseas Allowance (LOA) review when, as part of a revised LOA methodology, the distinction between Small and Main Stations was removed so the automatic exemption from accommodation and utility charges ceased.

5.14 We were concerned that these changes might deter personnel from taking postings to such locations although we note that these are part of a wider review of overseas provision. MOD assured us that suitable communications would be delivered to

⁸⁵ MOD advised that there had been a 24% decrease in the number of payments made in quarter 1 in 2023-24 compared to quarter 1 in 2022-23.

⁸⁶ A Small Station was defined as a location with fewer than 20 Service personnel.

Service personnel to ensure they were aware of their charges, the expected geographical variances, and any further updates to the policy.

Service feedback on accommodation

- 5.15 As discussed in Chapter 2, we undertook 13 visits over the summer and autumn of 2023 in support of the current round. Where possible, at each location, we asked to see examples of the best and worst SFA and SLA. It is important for us to be able to see first-hand the conditions in which people are living. We also valued the ability to meet with Service personnel and their families to hear their views on their accommodation.
- 5.16 As in previous years we received significant feedback about the unacceptably poor standard of some accommodation and problems with the timeliness and quality of maintenance. We detected anger from some that nothing had been done to prevent accommodation falling to such a low standard. We saw some dreadful SFA, including some with black mould. At RAF Marham we saw dated quarters that contrasted starkly with the new facilities built to support the Lightning Force. We were told on one visit that personnel were questioning the way that they felt about their Service and whether they wanted to remain in it because of the conditions in which they were expected to live.
- 5.17 We also saw a range of SLA. In a number of locations we were told about problems with a lack of heating and hot water. In Germany we heard concerns about the way in which additional beds were being placed in some rooms to address increased demand. During a separate visit to the Royal Marines, we saw how communal sleeping space was separated by curtains, giving limited privacy, and the occupants told us how very unhappy they were about this. During our visit to the Defence Diving School we heard about issues with the shortage of SLA in the Portsmouth area. One person told us that they had been living in a hotel and there were reports of ships' crews being put up in hotels for weeks.
- 5.18 However, not all the feedback was poor and where personnel were in new-build accommodation, whether SFA or SLA, the feedback was generally positive.

Service Family Accommodation

Introduction

- 5.19 MOD told us that it was committed to providing all Service personnel and their families with high quality, modern and well-maintained accommodation. However, MOD recognised that there was significant variation in the quality of accommodation across the estate and that personnel and their families had very different experiences of living in Service accommodation.
- 5.20 We note that our recommendation last year to increase SFA accommodation charges was not accepted by the government. MOD told us that substandard performance in the first year of the FDIS accommodation contracts had significantly impacted families in SFA. Therefore, financial penalties imposed on the suppliers were used to offset the planned increase to accommodation charges, essentially freezing SFA charges for the year as an exceptional measure. However, MOD told us that the impact of not applying an increase to charges last year would have a compounding impact on future years' revenue (around £6.4m a year) as the baseline had been lowered.

Standards and maintenance

- 5.21 MOD told us that it assessed the condition of SFA using the government's Decent Homes Standard (DHS) and its own Decent Homes Standard Plus (DHS+), although it said that there were inadequacies with both. MOD explained that it was now working on a new enhanced standard that would set a target beyond DHS+, as well as developing a damp and mould action plan to address one of the most significant shortfalls in the DHS. MOD said that as part of this work it was looking to break the link between age and condition, to allow for an increased recognition of modernity, recognising that expectations in housing have changed and to reflect the need for increased thermal efficiency.
- 5.22 MOD also told us that over the last decade, the growth in core investment in SFA upgrades had broadly tracked the growth in SFA charges but that homes continued to age and require increasing levels of intervention. This, combined with investment below the levels required to improve homes and maintain replacement of expired assets, could see the number of homes at DHS+ beginning to plateau or decline⁸⁷.
- 5.23 In oral evidence the Defence Infrastructure Organisation (DIO) acknowledged the poor condition of the SFA estate due to the lack of investment in infrastructure over many years. We were told that an additional £220m had been allocated to DIO in 2023-24, and that the majority of this had been spent on improving health and safety issues like damp and mould and replacing old boilers. We were also told that a further £180m had been allocated for 2024-25. DIO impressed on us that further improvements could only be made with proper funding. We heard that around £6 billion would be needed to bring the SFA estate up to standard although it was likely that only a third of this would be allocated to DIO in the next 10 years (£2 billion), somewhat short of the total amount needed. MOD said that while its aspiration was to bring all accommodation up to the same high standard, the levels of investment required meant that it could not tackle all of the stock simultaneously.
- 5.24 At the time that evidence was presented to us, MOD reported that damp and mould affected around 20% of SFA and recognised that the issue was worse on the MOD estate than across the wider housing sector because of the quality of the buildings and the lack of investment for modernisation. We were told that to address this DIO had established a dedicated damp and mould taskforce to establish the scale and nature of the issue and to identify and address the most serious causes. DIO told us that in the year to January 2024, 1,673 cases of damp and mould had been reported and that it had established an emergency response process and a dedicated 'damp and mould hotline'. Where possible, families had been relocated and DIO said that it was developing a programme of straightforward, structural interventions to address many of the common problems of damp and mould, as well as plans for homes that would require more substantial work. In oral evidence DIO was able to give us an update on progress and said that maintenance issues relating to health and safety were being addressed as a priority.
- 5.25 In evidence to us, the SFF representatives highlighted the complexity and timeliness of the accommodation complaints process, in particular the backlog in resolving longstanding complaints. In written evidence, MOD provided us with an update on the volume of complaints and indicated that Stage 1 complaints relating to repairs

⁸⁷ At the time that evidence was presented to us, 88.4% of the SFA stock met the DHS+ standard.

and maintenance peaked at 4,190 in November 2022 as a result of the significant issues with FDIS delivery. However, within a year, the number of complaints had reduced to 1,019, with the majority relating to the timelines for responding to repairs and maintenance tasks (46%), damp and mould issues (18%), and communication (13%). In oral evidence we challenged DIO on the actual process and were somewhat alarmed to be told that a review had generated 51 recommendations for areas of improvement, including timescales and management of the system. During the course of next year we hope to hear that improvements have been implemented and that these are delivering a better service to Service personnel and their families.

Our comment on Service Family Accommodation

- 5.26 We observe that there have been improvements in accommodation since last year, including with regard to FDIS. However, we note that the situation with the overall standard of accommodation is less clear. This reflects the recognition that the problem is fundamentally about the underlying condition of the SFA estate and the need for substantial investment to bring it up to standard, against the backdrop of years of underinvestment. We are aware that the situation is more complex because MOD does not own the majority the SFA estate⁸⁸. We were encouraged to learn about the measures being taken to address damp and mould, particularly given the state of some of the accommodation we had seen on our visits. Nevertheless, we are concerned that a 'hotline' may not be as effective or satisfactory to Service personnel as the ability to engage directly and in-person with a representative on-site with knowledge of local issues and conditions.
- 5.27 We encourage MOD to prioritise investment in SFA to enable it to bring all properties up to an acceptable standard at pace. The provision of SFA is not just a significant component of the overall offer for Service personnel, but has a direct impact on their families too. If the accommodation provided is not satisfactory then it fundamentally dilutes the value of the overall offer. Throughout our next round we will continue to monitor the standard of accommodation and the progress of FDIS, conscious in doing so of the importance of the provision of a good standard of accommodation for the motivation and morale of our remit group.

Service Family Accommodation rental charges

- 5.28 Since April 2016 SFA has been graded by the Combined Accommodation Assessment System (CAAS). Charges are based on assessment of three factors: condition, scale and location. MOD told us that 'A' was the highest standard of SFA and that this would meet the DHS+ standard. MOD told us that the CAAS Band A charges were comparable with the costs faced in the civilian rental market, less a discount (subsidy) which reflected the disadvantages of living in Service accommodation.

⁸⁸ The situation with regard to SFA ownership is explained at:
UK Parliament (2023) *Armed forces family housing and Annington Homes* (online) Available at:
<https://commonslibrary.parliament.uk/research-briefings/cbp-9441/> [Accessed 22 May 2024].

- 5.29 MOD told us that it supported the approach of subsidising the cost of accommodation in recognition of Service disadvantage measured against the following factors:
- lack of accommodation choice;
 - lack of a right to buy;
 - decoration; and
 - lack of security of tenure.
- 5.30 MOD provided us data showing that the level of subsidy for its SFA at CAAS Band A varied from 59% to 71% of market rate, depending on the type of accommodation. We believe that Service accommodation charges should recognise the disadvantages faced by Service personnel compared with their civilian equivalents including, for example, that Service personnel can be required to move regularly and, at times, at short notice with little choice. We support the continuation of a significant subsidy for Service accommodation.
- 5.31 To inform our recommendations we have traditionally used the annual November CPI actual rents for housing component and this was 6.4%. MOD invited us to use this methodology for the current pay round, noting that there had been a reduction in the baseline for SFA charges given that charges were capped at 1% for 2022 and frozen in the previous year because of substandard performance in the first year of the FDIS contact.
- 5.32 We have carefully considered the evidence presented to us. We recognise that the CPI actual rents for housing component reflects the reality of price changes in the civilian sector, and that armed forces' personnel should not be immune from price changes affecting the wider population. However, following a period when many have benefited from charges being suppressed in response to substandard maintenance issues, exceptionally, this year we are recommending that the increase in accommodation charges is modified to align with our recommended percentage increase in pay. Therefore, we recommend that SFA rental charges are increased by 6% from 1 April 2024. We expect to return to recommending increases in line with the CPI actual rents for housing component from next year.

Recommendation 20: We recommend that SFA CAAS Band A charges should increase by 6% from 1 April 2024. This recommendation will affect the rents of lower bands differently, as they are set in descending increments of 10% of the Band A rate.

Furniture charges

- 5.33 The rental charge for furniture is separate from the accommodation charge (meaning all SFA is let as unfurnished).
- 5.34 MOD explained that it was reviewing furniture provision and the charging mechanism as part of wider work into accommodation policies. MOD also told us that the data generated by the Office for National Statistics (ONS) now included a separate

furniture and furnishing element which MOD assessed would be a better comparator for the furniture charge.

- 5.35 We have carefully considered the evidence presented to us. We note that the annual CPI figure for the furniture and furnishing element in November 2023 was 2.4%. We see no reason to object to MOD's proposal to adopt this new comparator and support the rationale that Service personnel should experience the same cost increases as those relevant in the civilian sector.

Recommendation 21: We recommend that furniture charges (for all SFA types) should increase by 2.4% (in line with the CPI furniture and furnishing element as at November 2023) from 1 April 2024.

Single Living Accommodation

Investment in Single Living Accommodation

- 5.36 In this year's written evidence MOD reminded us that the funding for SLA was held by the single Services who were also responsible for setting the priorities for expenditure. MOD provided us with an update on each of the single Service programmes for SLA.

- For the Royal Navy, the main priority was striking a balance between tackling the worst accommodation for trained strength personnel, and the need to modernise trainee accommodation.
- For the Army, the main priority was investing to improve the standard of single soldier accommodation, addressing the legacy of its remaining multi-occupancy bedspaces by replacing or refurbishing permanent accommodation in major units.
- For the Royal Air Force, the main priority was raising the standard of SLA across its estate, aiming to deliver 7,000 replacement and 6,000 refurbished bedspaces to meet its goals by 2033, and to remove all accommodation at Grades 3 and 4 for permanent staff and trainees.
- For UK Strategic Command, the main priority was delivering its SLA Upgrade Programme, targeting the worst of its estate first.

The subsidy

- 5.37 MOD told us that understanding the value of the subsidy for SLA was challenging due to the lack of direct comparators in the civilian market. Comparisons with the median rent of a room in a house of multiple occupancy showed a subsidy ranging from 47% (for senior Officers) to 82% (for junior Other Ranks). Similar ranges between 65% and 88% were seen when making comparisons with university halls.

Standard of Single Living Accommodation

- 5.38 MOD told us that the rollout of the SLA Management Information System across the UK was nearing completion, with 147 sites using the system, providing the department with up-to-date, accurate and quality assured information about the SLA estate (quality, location, condition and utilisation).

- 5.39 MOD told us that over the last six months the single Services had undertaken an assessment of all SLA bedspaces against the agreed Defence Minimum Standard (DMS). MOD told us that many of the rooms that had failed against this standard had been taken offline and that, in accordance with Public Accounts Committee recommendations, from 1 April 2024, the single Services would be expected to provide alternative accommodation to anyone occupying a room below the DMS where the failures could not be rectified within 48 hours.
- 5.40 MOD also told us that it was working to develop a better standard for SLA and set an ambitious target that, along with increased investment in the accommodation estate, would ensure that SLA was an attractive and retention positive part of the offer.

Our comment on Single Living Accommodation

- 5.41 We are very concerned about the extent to which some SLA remains at a poor standard, having directly experienced some particularly old and unsatisfactory accommodation during our visits. We note that the shortcomings in the condition of the infrastructure reflect years of underinvestment. We are pleased to see that the single Services are prioritising improvements to the SLA estate. We look forward to seeing data in next year's evidence to demonstrate progress. We also note the work to develop an improved standard for SLA and will be interested to see how this work develops.

Single Living Accommodation rental charges

- 5.42 As in previous years, MOD invited us to recommend that SLA charges should be increased in line with the annual November CPI actual rents for housing component which in November 2023 was 6.4%. As discussed above, this year we are recommending that the increase in accommodation charges is modified to align with our recommended percentage increase in pay. We therefore recommend that SLA rental charges for Grade 1 should increase by 6%, with smaller graduated increases for Grade 2 and Grade 3 SLA and no increases to the rental charge for Grade 4.

Recommendation 22: We recommend that SLA rental charges for Grade 1 should increase by 6% from 1 April 2024, and increases of 4% to Grade 2, 2% to Grade 3 and no increase to Grade 4 accommodation.

Other charges

- 5.43 We are also responsible for recommending garage rent. To maintain consistency with other accommodation charges, we recommend that, from 1 April 2024, charges for standard garages and carports should increase by 6%, with no increase for substandard garages and substandard carports.

Recommendation 23: We recommend that, from 1 April 2024, charges for standard garages and carports should increase by 6%, with no increase for substandard garages and substandard carports.

Food and catering

Defence Catering Strategy

- 5.44 As in previous years, feedback from visit discussions regarding food and catering were often negative with complaints about the quality, quantity, the scheduling of meal-times and the performance of the contractors. However, this was not the case where Service chefs were responsible for food provision in which case all aspects were viewed as good with Service chefs held in very high regard. We recognise the significant impact that the provision of food can have on morale.
- 5.45 Last year, we expressed a number of concerns about the provision of food and we asked MOD to keep us informed as to how it would be taking forward the conclusions of the Army EATS⁸⁹ trial and the broader recommendations of the Delivering Defence Dining Quality Report⁹⁰.
- 5.46 This year, MOD presented us with an update on its new Defence Catering Strategy. MOD said that the delivery of catering services was a strategic priority for Defence and that its vision was for the adoption of a new catering model to achieve effective, enduring and affordable catering for Service personnel. Building on the results of the Army EATS trial, MOD told us that its new approach would improve the quality of food, the times that food will be available, the places where food is purchased and ordered, as well as using technology to improve the dining experience.
- 5.47 MOD said that the transformation of the dining experience would be achieved through a number of rolling improvements. MOD informed us that it planned to prioritise the areas in most need of urgent change including changes to menus and food charging, opening times and infrastructure improvements. It told us that the elements relating to menus and food charging would be implemented from 1 May 2024. Under the terms of the model, MOD said that in the Pay As You Dine and Catering, Retail and Leisure⁹¹ environments, the current core meal and retail meal offers would be replaced with a new offer in which all meals served would be sold at the food cost of each menu item plus Value Added Tax (VAT). The remaining costs of the service provision (labour, management, and operational costs) would be subsidised by MOD.
- 5.48 We welcome the changes announced by MOD in respect of catering and have impressed on MOD the need for transparency so that Service personnel can be confident that they are buying food at cost price. We note that many of the issues raised by us in previous reports are being addressed, specifically around the holistic nature of food provision and that it is not just the quality, quantity and choice of food which are important but also the conditions in which people eat. We look forward to hearing how the changes being implemented this year have been received by our remit group during our visits for next year's round. We will also take the opportunity to sample the food and see the surroundings in which it is provided. We hope to be able to comment positively on the progress made in next year's Report, but we are concerned that the speed of implementation continues to lag behind Service

⁸⁹ The Army's Exploring the Appetite of Today's Soldier (EATS) study.

⁹⁰ AFPRB 52nd Report 2023 paragraphs 6.47-6.51.

⁹¹ In the UK Firm Base, Cyprus and Germany.

personnel's expectations. We will maintain pressure on MOD for rapid and significant improvement.

Daily Food Charge

- 5.49 Separately, MOD told us that in response to cost of living pressures the DFC remained frozen and that we were not being invited to note an increase^{92,93}. Given general food inflation, we were pleased to receive confirmation from MOD that, despite the freeze in the DFC, additional costs incurred by the catering contractors were being covered within Defence to maintain food standards. MOD also told us that it would continue to provide such funding after the introduction of the new dining offer on 1 May 2024. MOD also confirmed that the DFC would remain frozen at this point.
- 5.50 We are unclear on MOD's plans for the future of the DFC. We invite MOD to keep us informed of developments in this area and whether there will be a future role for us in reviewing food charges.

⁹² The setting of the DFC is delegated to MOD, based on an agreed methodology. We have previously been invited to note the rationale behind changes to the rate of the charge.

⁹³ MOD told us that the following cohorts will continue to pay the DFC: Phase 1 recruits under initial training and Officer Cadets. A limited number of Phase 2 specialist technical trainees and those living in units where Catering, Retail and Leisure or Pay as You Dine are not available.

Chapter 6

EMERGING ISSUES

Introduction

- 6.1 In this chapter we identify key or emerging issues that have featured in this year's round and which we assess will form a backdrop to our future considerations.

Strategic issues

- 6.2 The operational and organisational aspects of Defence are outside our remit. However, we recognise that tensions in the geopolitical environment, not least the situation in Ukraine, have direct implications for UK Service personnel and may require changes in the way that they plan, train, are structured and operate. We will continue to monitor whether developments in the international environment have consequences for recruitment, retention, morale and motivation across our remit group.
- 6.3 Our Terms of Reference call on us to have regard to the funds available to the Ministry of Defence (MOD). Since evidence was formally submitted to us, we note that the Prime Minister announced a plan to increase Defence spending steadily to 2.5% of Gross Domestic Product (GDP) by 2030. We will watch progress towards this target with interest and invite MOD to explain the implications of this so that we can understand what this might mean for affordability, pay and the funding available to invest in Service personnel.

Agency and Agility: Incentivising people in a new era

- 6.4 At various points we reference the Haythornthwaite Review of Armed Forces Incentivisation (HRAFI)⁹⁴. The report was published by the government in June 2023. We note the aspiration to develop a modern, attractive and flexible package which aids recruitment and retention. We assess that societal expectations around careers are changing, with many now aspiring to a portfolio career with numerous roles over the duration of their working life. We note that HRAFI addresses this while aiming to maintain skills within Defence.
- 6.5 HRAFI is clearly of significant interest to us, but at the time of preparing this Report the government's formal response to the 67 recommendations had not been published. We are concerned at the lack of pace with which change is being delivered and implemented, especially given the workforce issues identified and discussed in Chapter 2.
- 6.6 In Chapter 4 we discuss the pilot scheme in place to test a skills-based Total Reward Approach for engineering personnel and understand that some 10,000 people are included in this. We have been told that the new arrangements will build on the current pay structures, but simplify and rationalise the myriad of financial incentives currently payable and make them more clearly associated with specific skills and experience. We invite MOD to keep us updated on the progress of the engineering pilot and how the lessons from this will feed into other work.

⁹⁴ See footnote 5, Chapter 1.

6.7 We will continue to question whether or not proposals presented to us are consistent with the principles outlined in HRAFI.

Management of change

6.8 With regard to the management and delivery of change, we observe that in many instances, the measures presented which propose fundamental amendments to pay structures, for example the Defence Aircrew Remuneration Review, the Submarine Remuneration Review and the proposals for Special Forces' pay are not for immediate delivery.

6.9 We recognise that implementation of new measures is not always straightforward and that there may be transitional arrangements to agree, but the reasons for delay are often not explained to us. We are concerned that change is not being delivered with the priority required to implement necessarily swift outcomes, especially where these relate to operationally critical cadres.

6.10 We were frustrated to read of the extent to which certain pay options presented to us in evidence were constrained by issues with Information Technology (IT) deliverability. For example, we were told that provisional pay spine proposals that we had considered in 2022 as part of the Defence Aircrew Remuneration Review had been amended because of implementation issues. We consider it important that MOD finds ways to ensure that the IT systems are able to deliver the outcomes required by Defence.

6.11 Furthermore, we have also been told that although people are considered a priority for Defence, significant new measures must be delivered on a cost neutral basis. The changes submitted to us for submariners are a case in point. If there is no new money, then all the changes are simply redistributing existing resource. We accept that it is right to move resource to where it will have the greatest impact but are concerned that there is no obvious overall improvement in investment in people beyond the annual pay award. We would also welcome a broader, holistic, discussion around the cost benefit of measures presented to us, noting that investment in one area of Defence can lead to savings in others.

6.12 We invite MOD to submit evidence to us on how it has evaluated the effectiveness of measures that have been agreed by us in previous rounds and the findings of these evaluations. We would also welcome a better understanding from MOD on how it will evaluate the implementation of, and outcomes from, policy proposals presented to us for future implementation.

Pay

6.13 We will continue to monitor earnings in the wider economy. This is an essential part of our evidence base given the requirement within our Terms of Reference for us to have regard for the pay of the armed forces to be broadly comparable with pay levels in civilian life.

6.14 This year MOD decided to implement a pay increase from 1 April for those at the lower ends of the Other Ranks (OR) pay scales in response to the increase in the National Living Wage (NLW). While we were content to endorse this approach, we would much prefer this to be integrated into our recommendations for our whole remit group so that all Service personnel could receive their pay award on 1 April.

- 6.15 At the time of writing, we do not know whether there will be a significant increase in the NLW in 2025. If there is, we invite MOD to identify an enduring and flexible solution to implementing any further increases.
- 6.16 We are also grateful to MOD for providing Equality Impact Assessments in support of new pay proposals. We ask that these continue to be provided as part of all evidence submissions.

Our remit group

Recruitment

- 6.17 We have been encouraged to hear how the single Services are implementing changes to the recruitment processes with a focus on reducing the time that it takes to convert a candidate into a trainee. We were told, for example, that the Services were looking at the medical process to enable a decision on fitness to serve to be made at an earlier stage. We also heard that MOD was looking at the criteria by which people were excluded from joining the armed forces, as well as changes in wider society, to ensure that advertising was hitting the right spot. We also hope that our recommended changes to Initial and Early Years' pay support the desired outcomes in recruitment. If this is not the case, we will want MOD to explain why the required levels of recruitment are not being achieved and what other factors are impacting this.

Retention

- 6.18 Throughout the year, MOD and the single Services have impressed on us the importance of improving retention, especially among skilled and experienced personnel. As discussed above, we look forward to seeing evidence as to how the pay measures we have recommended this year have supported this priority.
- 6.19 We will continue to examine data on Voluntary Outflow (VO) over the coming year. We will take an interest in the VO rate for particular cadres and ranks. We invite MOD to ensure that the quantitative data is supported by an assessment of the reasons as to why people are leaving, as well as commentary on any actions being taken to address challenges where rates are higher than desired.

Principal Personnel Officer delegations

- 6.20 We have been told that MOD is considering changing the way that it delegates responsibility to the single Service Principal Personnel Officers (PPO), providing greater flexibility by expressing the delegation as a percentage of the PPO budget. We support this move as we assess that it will increase the ability and agility of the Services to take focussed and rapid action to address workforce issues, as well as recognising the differing sizes of the individual Services.

Armed Forces Continuous Attitude Survey

- 6.21 Last year, we invited MOD to publish the outcomes of the Armed Forces Continuous Attitude Survey (AFCAS) to align more closely with our pay round process. As things stand, the release date of AFCAS means that the data we are able to review reflects the views of Service personnel captured before our previous recommendations are actioned and therefore its value is limited for us. We want to be able to view and comment on AFCAS data that relates to our remit group's thoughts on their most recent pay award and more timely data on wider motivation and morale. We invite

MOD, once again, to adjust the timing of the AFCAS release so that we can analyse more up-to-date information before making our recommendations to government.

Accommodation and food

- 6.22 We are pleased to note that there has been progress with the implementation of the Future Defence Infrastructure Services (FDIS) contracts and, more importantly in the delivery of maintenance services for armed forces' personnel. We would also like to see that investment in the accommodation estate – both Service Family Accommodation (SFA) and Single Living Accommodation (SLA) – is pursued at pace so that a higher proportion of Service personnel are living in accommodation which is of a good standard and consistent with the expectations for housing in wider society. We will continue to monitor all progress in this area, including by seeing accommodation and speaking with Service personnel and their families during our visits for the next round.
- 6.23 We are also aware that proposed changes in accommodation policy, specifically around entitlement to SFA, have been paused pending the outcome of a review. We look forward to hearing the outcome of this work and to understand how any changes will be implemented.
- 6.24 We welcome the launch of the new Defence Catering Strategy from 1 May 2024, particularly given the issues we have discussed in previous reports about the state of food and the negative effect that this can have on morale. We hope that the new catering contracts will be rolled-out quickly. During the visits for next year's round we will be keen to sample food provided under the new arrangements and to receive feedback from our remit group on the success of these. We will look for assurance that the arrangements are delivering the quality and quantity of food that Service personnel want and need, and at what they see as a fair price.

Next year's round

Our programme of work for next year's round

- 6.25 In addition to our routine papers of evidence, in next year's round we understand that MOD will invite us to review Recruitment and Retention Payment (RRP) (Parachute), the bespoke pay spines for the Military Provost Guard Service (MPGS), Veterinary Officers and Chaplains. We also expect to receive an update on the UK Special Forces Remuneration Review as well as on HRAFI Release 1 and Early Years' pay. We had hoped to see evidence on pay for Service Nurses in the next pay round but note that this has been deferred to the subsequent one.
- 6.26 As discussed in Chapter 4, we note that there have been significant developments in pay for doctors working in the National Health Service. We look forward to receiving evidence from MOD in respect of pay for Service Medical and Dental Officers (MODOs) in response to this. This evidence should include discussion of any necessary adjustments to the MODO pay spines, separate to any recommended changes in rates of pay.

The conduct of next year's round

- 6.27 This year our remit and timing of the receipt of evidence from government has meant that, yet again, we have been unable to deliver our recommendations when we wanted. We would like them to be considered, agreed and implemented in time for

personnel to receive their award on 1 April, without backdating. We hope that all relevant parties in government will endeavour to ensure that evidence is submitted to us to enable this to happen in 2025.

- 6.28 We would also prefer a timetable that avoids the need for pay recommendations to be considered piecemeal as has been the case this year with the separate measures to address the increases in the NLW.
- 6.29 We welcome the approach made by MOD to refine the content of evidence provided to us and we hope that this will also help to facilitate a more streamlined and timely pay round process.
- 6.30 We feel that the next pay round is likely to be affected by continued economic uncertainty and that while there has been a reduction in the rate of inflation, we believe that cost of living pressures will remain for many. We also assess that the evidence submitted to us for the round will be informed by ongoing geopolitical tensions and the extent to which these affect our remit group, both Regular and Reserve. We also note that between now and the submission of our next report there will have been a General Election. We are aware of plans for a departmental spending review which we assume will give further insight into the aim to increase Defence spending to 2.5% of GDP by 2030 and MOD's first delivery of policy change under the themes from HRAFI.

Conclusion

- 6.31 As ever we record our thanks to all who have facilitated this year's round including our excellent secretariat. We invite all parties to continue to work with us to deliver a successful round next year.
- 6.32 Once again, we pay tribute to the unique role that the armed forces undertake on behalf of the nation. We also recognise and commend the support provided by spouses, partners and families.

Julian Miller CB

David Billingham

Emma Boggis

Steven Dickson

William Entwisle OBE MVO

Dr Gillian Fairfield

Paul Moloney

Dougie Peedle

May 2024

Appendix 1

SALARIES (INCLUDING X-FACTOR) FOR 1 APRIL 2023 AND RECOMMENDATIONS FOR 1 APRIL 2024

All salaries are annual JPA salaries rounded to the nearest £.
Rate of X-Factor is shown in brackets in the table title.

Table 1.1: Other Ranks Trade Supplement 1⁹⁵ (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	58,559	62,073
OR9-05	57,976	61,455
OR9-04	57,340	60,780
OR9-03	56,703	60,105
OR9-02	56,383	59,766
OR9-01	56,383	59,766
OR7-12 / OR8-06	52,520	55,671
OR7-11 / OR8-05	51,656	54,756
OR7-10 / OR8-04	50,812	53,860
OR7-09 / OR8-03	49,843	52,834
OR7-08 / OR8-02	48,819	51,748
OR7-07 / OR8-01	48,819	51,748
OR7-06	47,792	50,660
OR7-05	47,068	49,892
OR7-04	46,375	49,158
OR7-03	45,658	48,398
OR7-02	44,977	47,676
OR7-01	44,977	47,676
OR6-06	44,091	46,737
OR6-05	43,060	45,644
OR6-04	42,039	44,561
OR6-03	41,031	43,493
OR6-02	40,103	42,510
OR6-01	40,103	42,510
OR4-06	38,190	40,481
OR4-05	37,668	39,928
OR4-04	37,174	39,405
OR4-03	36,646	38,845
OR4-02	35,718	37,861
OR4-01	35,718	37,861
OR2-10 / OR3-03	33,596	35,611
OR2-09 / OR3-02	32,148	34,077
OR2-08 / OR3-01	30,769	32,615
OR2-07	29,473	31,242
OR2-06	28,213	29,906
OR2-05	27,227	28,861
OR2-04	25,937	27,493
OR2-03	24,400	25,864

⁹⁵ Other Ranks are sorted into respective Trade Supplement Groupings. These Supplements differentiate pay primarily based upon Job Evaluation (JE) evidence.

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR2-02	24,400	25,864
OR2-01	23,496	25,200
Initial Pay	18,687	25,200

Table 1.2: Other Ranks Trade Supplement 2 (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	58,559	62,073
OR9-05	57,976	61,455
OR9-04	57,340	60,780
OR9-03	56,703	60,105
OR9-02	56,383	59,766
OR9-01	56,383	59,766
OR7-12 / OR8-06	54,153	57,403
OR7-11 / OR8-05	53,471	56,679
OR7-10 / OR8-04	52,767	55,933
OR7-09 / OR8-03	52,059	55,183
OR7-08 / OR8-02	51,035	54,097
OR7-07 / OR8-01	51,035	54,097
OR7-06	49,748	52,733
OR7-05	49,025	51,966
OR7-04	48,332	51,232
OR7-03	47,614	50,471
OR7-02	46,828	49,638
OR7-01	46,828	49,638
OR6-06	45,905	48,660
OR6-05	44,793	47,481
OR6-04	43,563	46,177
OR6-03	42,443	44,990
OR6-02	41,415	43,900
OR6-01	41,415	43,900
OR4-06	39,439	41,806
OR4-05	38,918	41,253
OR4-04	38,407	40,711
OR4-03	37,677	39,938
OR4-02	36,728	38,932
OR4-01	36,728	38,932
OR2-10 / OR3-03	34,497	36,566
OR2-09 / OR3-02	32,965	34,943
OR2-08 / OR3-01	31,460	33,348
OR2-07	30,039	31,841
OR2-06	28,605	30,321
OR2-05	27,245	28,880
OR2-04	26,228	27,801
OR2-03	24,400	25,864
OR2-02	24,400	25,864
OR2-01	23,496	25,200
Initial Pay	18,687	25,200

Table 1.3: Other Ranks Trade Supplement 3 (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	58,559	62,073
OR9-05	57,976	61,455
OR9-04	57,340	60,780
OR9-03	56,703	60,105
OR9-02	56,407	59,791
OR9-01	56,407	59,791
OR7-12 / OR8-06	55,296	58,613
OR7-11 / OR8-05	54,973	58,272
OR7-10 / OR8-04	54,631	57,909
OR7-09 / OR8-03	54,249	57,504
OR7-08 / OR8-02	53,498	56,708
OR7-07 / OR8-01	53,498	56,708
OR7-06	52,055	55,178
OR7-05	51,050	54,113
OR7-04	50,176	53,187
OR7-03	49,326	52,285
OR7-02	48,477	51,385
OR7-01	48,477	51,385
OR6-06	47,480	50,328
OR6-05	46,319	49,098
OR6-04	45,215	47,928
OR6-03	44,155	46,804
OR6-02	43,119	45,706
OR6-01	43,119	45,706
OR4-06	41,062	43,526
OR4-05	40,348	42,769
OR4-04	39,537	41,909
OR4-03	38,689	41,011
OR4-02	37,711	39,974
OR4-01	37,711	39,974
OR2-10 / OR3-03	35,203	37,315
OR2-09 / OR3-02	33,589	35,605
OR2-08 / OR3-01	32,055	33,978
OR2-07	30,633	32,471
OR2-06	29,095	30,841
OR2-05	27,636	29,294
OR2-04	26,530	28,122
OR2-03	24,400	25,864
OR2-02	24,400	25,864
OR2-01	23,496	25,200
Initial Pay	18,687	25,200

Table 1.4: Other Ranks Trade Supplement 4 (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	60,111	63,718
OR9-05	59,586	63,161
OR9-04	59,028	62,570
OR9-03	58,477	61,985
OR9-02	58,000	61,481
OR9-01	58,000	61,481
OR7-12 / OR8-06	56,858	60,269
OR7-11 / OR8-05	56,536	59,928
OR7-10 / OR8-04	56,193	59,564
OR7-09 / OR8-03	55,784	59,131
OR7-08 / OR8-02	55,210	58,523
OR7-07 / OR8-01	55,210	58,523
OR7-06	53,734	56,958
OR7-05	52,919	56,094
OR7-04	52,045	55,168
OR7-03	51,196	54,268
OR7-02	50,393	53,416
OR7-01	50,393	53,416
OR6-06	49,330	52,290
OR6-05	48,091	50,976
OR6-04	46,897	49,711
OR6-03	45,718	48,461
OR6-02	44,462	47,130
OR6-01	44,462	47,130
OR4-06	42,260	44,796
OR4-05	41,451	43,938
OR4-04	40,504	42,934
OR4-03	39,599	41,975
OR4-02	38,622	40,939
OR4-01	38,622	40,939
OR2-10 / OR3-03	35,870	38,023
OR2-09 / OR3-02	34,166	36,216
OR2-08 / OR3-01	32,596	34,552
OR2-07	31,012	32,872
OR2-06	29,459	31,227
OR2-05	28,000	29,680
OR2-04	26,530	28,122
OR2-03	24,400	25,864
OR2-02	24,400	25,864
OR2-01	23,496	25,200
Initial Pay	18,687	25,200

Table 1.5: Officers (14.5% X-Factor).

Rank-based increment level ⁹⁶	1 April 2023 (£)	1 April 2024 (£)
OF6-06	124,964	132,462
OF6-05	123,759	131,185
OF6-04	122,554	129,907
OF6-03	121,349	128,629
OF6-02	120,143	127,352
OF6-01	120,143	127,352
OF5-08	110,905	117,559
OF5-07	109,251	115,806
OF5-06	107,596	114,052
OF5-05	105,942	112,299
OF5-04	104,288	110,545
OF5-03	102,633	108,791
OF5-02	100,979	107,038
OF5-01	100,979	107,038
OF4-08	96,556	102,350
OF4-07	94,385	100,048
OF4-06	92,212	97,745
OF4-05	90,040	95,443
OF4-04	87,868	93,141
OF4-03	85,703	90,845
OF4-02	83,524	88,536
OF4-01	83,524	88,536
OF3-13	78,749	83,474
OF3-12	77,225	81,858
OF3-11	75,730	80,274
OF3-10	74,265	78,721
OF3-09	72,828	77,198
OF3-08	71,420	75,705
OF3-07	69,483	73,652
OF3-06	67,547	71,599
OF3-05	65,610	69,546
OF3-04	63,673	67,493
OF3-03	61,736	65,440
OF3-02	59,799	63,387
OF3-01	59,799	63,387
OF2-08	56,512	59,903
OF2-07	55,040	58,342
OF2-06	53,568	56,782
OF2-05	52,096	55,221
OF2-04	50,624	53,661
OF2-03	49,152	52,101
OF2-02	47,680	50,540
OF2-01	47,680	50,540
OF1-05	41,262	43,737
OF1-04	39,982	42,381
OF1-03	38,704	41,026

⁹⁶ OF3-09 to OF3-13 are only for RAF Engineer Officers, by selection.

Rank-based increment level ⁹⁶	1 April 2023 (£)	1 April 2024 (£)
OF1-02	37,425	39,671
OF1-01	31,305	33,183
OF0-03	23,924	25,360
OF0-02	21,778	23,084
OF0-01	18,555	19,668

Table 1.6: Other Ranks – Clearance Divers (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	78,238	82,933
OR9-05	77,526	82,177
OR9-04	76,812	81,421
OR9-03	76,100	80,666
OR9-02	75,414	79,939
OR9-01	75,414	79,939
OR7-12 / OR8-06	73,928	78,364
OR7-11 / OR8-05	73,292	77,689
OR7-10 / OR8-04	72,655	77,015
OR7-09 / OR8-03	72,019	76,340
OR7-08 / OR8-02	71,409	75,694
OR7-07 / OR8-01	71,409	75,694
OR7-06	70,002	74,202
OR7-05	69,380	73,543
OR7-04	68,756	72,882
OR7-03	68,134	72,222
OR7-02	67,511	71,562
OR7-01	67,511	71,562
OR6-06	66,144	70,112
OR6-05	64,383	68,246
OR6-04	62,623	66,381
OR6-03	60,863	64,515
OR6-02	59,103	62,650
OR6-01	59,103	62,650

Table 1.7: Military Provost Guard Service (MPGS) (5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	50,810	53,859
OR9-05	49,980	52,979
OR9-04	49,148	52,097
OR9-03	48,316	51,215
OR9-02	47,508	50,358
OR9-01	47,508	50,358
OR8-06	46,572	49,366
OR8-05	45,813	48,562
OR8-04	45,066	47,770
OR8-03	44,209	46,861
OR8-02	43,302	45,900
OR8-01	43,302	45,900
OR7-06	42,404	44,949
OR7-05	41,764	44,270
OR7-04	41,152	43,621
OR7-03	40,516	42,948
OR7-02	39,916	42,311
OR7-01	39,916	42,311
OR6-06	39,130	41,478
OR6-05	38,216	40,509
OR6-04	37,314	39,553
OR6-03	36,422	38,608
OR6-02	35,603	37,739
OR6-01	35,603	37,739
OR4-06	33,904	35,939
OR4-05	33,436	35,442
OR4-04	33,000	34,980
OR4-03	32,539	34,491
OR4-02	31,714	33,616
OR4-01	31,714	33,616
OR3-03	30,219	32,032
OR2-09 / OR3-02	28,874	30,606
OR2-08 / OR3-01	27,421	29,066
OR2-07	26,424	28,009
OR2-06	25,283	26,800
OR2-05	24,239	25,693
OR2-04	23,092	24,477
OR2-03	21,797	23,105
OR2-02	21,797	23,105
OR2-01	21,046	22,572
Initial Pay	17,241	22,572

Table 1.8: Nursing – Other Ranks (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OR9-06	60,861	64,513
OR9-05	60,231	63,844
OR9-04	59,600	63,176
OR9-03	58,969	62,507
OR9-02	58,363	61,865
OR9-01	58,363	61,865
OR7-12 / OR8-06	57,213	60,646
OR7-11 / OR8-05	56,402	59,787
OR7-10 / OR8-04	55,591	58,927
OR7-09 / OR8-03	54,780	58,067
OR7-08 / OR8-02	53,994	57,234
OR7-07 / OR8-01	53,994	57,234
OR7-06	52,931	56,106
OR7-05	52,111	55,238
OR7-04	51,293	54,370
OR7-03	50,474	53,502
OR7-02	49,655	52,634
OR7-01	49,655	52,634
OR6-06	48,654	51,573
OR6-05	47,744	50,608
OR6-04	46,834	49,644
OR6-03	45,924	48,679
OR6-02	45,025	47,727
OR6-01	45,025	47,727
OR4-06	42,877	45,450
OR4-05	41,761	44,266
OR4-04	40,644	43,082
OR4-03	39,526	41,898
OR4-02	38,409	40,714
OR4-01	38,409	40,714
OR2-10 / OR3-03	36,628	38,826
OR2-09 / OR3-02	34,851	36,943
OR2-08 / OR3-01	33,075	35,059
OR2-07	31,299	33,177
OR2-06	29,522	31,293
OR2-05	27,745	29,410
OR2-04	26,241	27,816
OR2-03	24,465	25,932
OR2-02	24,465	25,932
OR2-01	23,496	25,200
Initial Pay	18,687	25,200

Table 1.9: Nursing – Officers (14.5% X-Factor).

Rank-based increment level	1 April 2023 (£)	1 April 2024 (£)
OF5-08	113,263	120,059
OF5-07	111,561	118,254
OF5-06	109,859	116,451
OF5-05	108,157	114,646
OF5-04	106,455	112,842
OF5-03	104,753	111,038
OF5-02	103,051	109,234
OF5-01	103,051	109,234
OF4-08	99,219	105,172
OF4-07	96,983	102,802
OF4-06	94,746	100,430
OF4-05	92,509	98,059
OF4-04	90,272	95,688
OF4-03	88,042	93,324
OF4-02	85,799	90,946
OF4-01	85,799	90,946
OF3-08	75,873	80,425
OF3-07	73,658	78,077
OF3-06	71,442	75,729
OF3-05	69,228	73,381
OF3-04	67,012	71,033
OF3-03	64,797	68,685
OF3-02	62,582	66,337
OF3-01	62,582	66,337
OF2-08	59,457	63,025
OF2-07	57,721	61,184
OF2-06	55,984	59,343
OF2-05	54,248	57,503
OF2-04	52,511	55,662
OF2-03	50,775	53,821
OF2-02	49,038	51,980
OF2-01	49,038	51,980
OF1-05	42,686	45,247
OF1-04	41,363	43,845
OF1-03	40,039	42,441
OF1-02	38,715	41,037
OF1-01	32,376	34,319

Table 1.10: Special Forces – Other Ranks (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
Range 5 (OR9) Warrant Officer I	Level 6	73,098	77,484
	Level 5	72,391	76,735
	Level 4	71,684	75,985
	Level 3	70,976	75,235
	Level 2	70,269	74,485
	Level 1	69,588	73,764
Range 4 (OR7 – OR8) Warrant Officer II, Staff Sergeant	Level 12	68,217	72,310
	Level 11	67,444	71,490
	Level 10	66,671	70,671
	Level 9	65,897	69,851
	Level 8	65,124	69,031
	Level 7	64,377	68,240
	Level 6	63,108	66,895
	Level 5	62,335	66,075
	Level 4	61,562	65,256
	Level 3	60,789	64,436
	Level 2	60,015	63,616
	Level 1	59,268	62,824
Range 3 (OR6) Sergeant	Level 6	58,100	61,586
	Level 5	57,511	60,961
	Level 4	56,922	60,337
	Level 3	56,332	59,712
	Level 2	55,743	59,088
	Level 1	55,209	58,521
Range 2 (OR4) Corporal	Level 6	52,575	55,729
	Level 5	51,802	54,910
	Level 4	51,028	54,089
	Level 3	50,255	53,270
	Level 2	49,482	52,451
	Level 1	48,708	51,630
Range 1 (OR2 – OR3) Lance Corporal, Private	Level 10	47,593	50,449
	Level 9	46,897	49,711
	Level 8	46,201	48,973
	Level 7	45,505	48,235
	Level 6	44,808	47,497
	Level 5	44,112	46,759
	Level 4	43,416	46,021
	Level 3	42,720	45,283
	Level 2	42,023	44,545
Level 1	41,327	43,807	

Table 1.11: Professional Aviator – Officers and Other Ranks (14.5% X-Factor).

Level	1 April 2023 (£)	1 April 2024 (£)
Level 35	96,566	102,360
Level 34	95,256	100,971
Level 33 ⁹⁷	93,940	99,576
Level 32	92,629	98,187
Level 31	91,323	96,803
Level 30 ^{98,99}	90,003	95,403
Level 29	88,702	94,024
Level 28	87,386	92,629
Level 27 ¹⁰⁰	86,065	91,229
Level 26	84,765	89,850
Level 25	83,444	88,450
Level 24 ¹⁰¹	82,138	87,066
Level 23	80,923	85,778
Level 22 ¹⁰²	79,401	84,165
Level 21	77,943	82,620
Level 20 ¹⁰³	76,476	81,065
Level 19	75,024	79,525
Level 18	73,567	77,981
Level 17	72,110	76,437
Level 16 ¹⁰⁴	70,654	74,893
Level 15	69,197	73,348
Level 14	67,740	71,804
Level 13	66,273	70,249
Level 12 ¹⁰⁵	64,821	68,710
Level 11	63,363	67,165
Level 10	62,527	66,278
Level 9	61,569	65,263
Level 8	60,601	64,237
Level 7	59,642	63,221
Level 6	58,680	62,201
Level 5	57,712	61,174
Level 4	56,749	60,154
Level 3	55,786	59,133
Level 2	54,818	58,107
Level 1	53,850	57,081

⁹⁷ RAF OF3 Non-pilots cannot progress beyond Increment Level 33.

⁹⁸ OF2 Aircrew cannot progress beyond Increment Level 30.

⁹⁹ AAC WO1 pilots cannot progress beyond Increment Level 30.

¹⁰⁰ AAC WO2 pilots cannot progress beyond Increment Level 27.

¹⁰¹ AAC Staff Sergeant pilots cannot progress beyond Increment Level 24.

¹⁰² AAC Sergeant pilots cannot progress beyond Increment Level 22.

¹⁰³ RAF Non-Commissioned Master Aircrew cannot progress beyond Increment Level 20.

¹⁰⁴ RAF Non-Commissioned Aircrew Flight Sergeants cannot progress beyond Increment Level 16.

¹⁰⁵ RAF Non-Commissioned Aircrew Sergeants cannot progress beyond Increment Level 12.

Table 1.12: Chaplain Officers (14.5% X-Factor).

Rank/length of service	Level	1 April 2023 (£)	1 April 2024 (£)
Chaplain-General	Level 5	120,514	127,745
Chaplain of the Fleet	Level 4	119,283	126,440
Chaplain in Chief	Level 3	118,068	125,153
	Level 2	116,849	123,860
	Level 1	115,628	122,566
Deputy Chaplain-General ¹⁰⁶	Level 5	106,624	113,021
	Level 4	105,364	111,686
	Level 3	104,104	110,350
	Level 2	102,848	109,019
	Level 1	101,593	107,689
Principal Chaplain	Level 6	100,338	106,358
	Level 5	99,082	105,027
	Level 4	97,822	103,691
	Level 3	96,566	102,360
	Level 2	94,802	100,490
	Level 1	93,038	98,620
Chaplain	Level 20	86,206	91,378
	Level 19	84,563	89,637
	Level 18	82,884	87,857
	Level 17	81,200	86,072
	Level 16	79,527	84,298
	Level 15	77,848	82,518
	Level 14 ¹⁰⁷	76,174	80,744
	Level 13	74,495	78,965
	Level 12	72,821	77,190
	Level 11	71,142	75,411
	Level 10	69,468	73,637
	Level 9	67,795	71,862
	Level 8	66,111	70,078
	Level 7	64,442	68,309
	Level 6	62,764	66,529
	Level 5 ¹⁰⁸	61,090	64,755
	Level 4	59,406	62,970
	Level 3 ¹⁰⁹	57,737	61,202
	Level 2	56,048	59,411
Level 1	54,379	57,642	

¹⁰⁶ Deputy Chaplain-General is Army only.

¹⁰⁷ RAF and Army OF3 Chaplains, RN Chaplains in the Career Commission Stage and RNR Chaplains (unless selected to be SO1 Maritime Reserves by Chaplain of the Fleet) cannot progress beyond Increment Level 14.

¹⁰⁸ RN Chaplains in the Initial Commission Stage and Army OF2 Chaplains cannot progress beyond Increment Level 5.

¹⁰⁹ Army Probationary Chaplains, RAF OF2 Chaplains and RN Chaplains without Fleet Board pass cannot progress beyond Increment Level 3.

Table 1.13: Veterinary Officers (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF4	Level 5	92,226	97,760
	Level 4	90,845	96,295
	Level 3	89,468	94,836
	Level 2	88,082	93,367
	Level 1	86,711	91,913
OF2 – OF3	Level 22	84,205	89,257
	Level 21	82,486	87,435
	Level 20	80,762	85,607
	Level 19	79,042	83,784
	Level 18	77,328	81,968
	Level 17	75,604	80,140
	Level 16	73,890	78,323
	Level 15	72,161	76,491
	Level 14	70,457	74,684
	Level 13	68,964	73,102
	Level 12	67,492	71,542
	Level 11	65,839	69,789
	Level 10	64,180	68,031
	Level 9	62,527	66,278
	Level 8	60,883	64,536
	Level 7	59,229	62,783
	Level 6	57,576	61,031
	Level 5	55,927	59,283
	Level 4	54,274	57,530
	Level 3	52,625	55,782
Level 2	50,972	54,030	
Level 1	47,680	50,540	

Table 1.14: Officers Commissioned From the Ranks (14.5% X-Factor).

Rank	Previous level	1 April 2023 (£)	Level ¹¹⁰	1 April 2024 (£)
OF1 – OF2	Level 15	63,393		
	Level 14	62,985	Level 19	66,764
	Level 13	62,556	Level 18	66,310
	Level 12	61,725	Level 17	65,429
	Level 11	60,898	Level 16	64,552
	Level 10	60,061	Level 15	63,665
	Level 9	59,229	Level 14	62,783
	Level 8	58,398	Level 13	61,901
	Level 7	57,359	Level 12	60,801
	Level 6	56,719	Level 11	60,122
	Level 5	56,068	Level 10	59,432
	Level 4	54,783	Level 9	58,070
	Level 3	54,142	Level 8	57,391
	Level 2	53,487	Level 7	56,697
	Level 1	52,206	Level 6	55,339
			Level 5	53,981
		Level 4	52,623	
		Level 3	51,265	
		Level 2	49,908	
		Level 1	49,610	

¹¹⁰ From 1 April 2024, the levels of pay for Officers Commissioned From the Ranks reflect the pay arrangements that we endorsed in our 2023 Report. The rules governing access to and progression through the pay spine are set out in MOD's pay policy.

**Table 1.15: Special Forces Officers Commissioned From the Ranks
(14.5% X-Factor).**

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF3	Level 9	83,413	88,418
	Level 8	82,587	87,542
	Level 7	81,760	86,665
	Level 6	80,938	85,794
	Level 5	80,116	84,923
	Level 4	79,516	84,287
	Level 3	78,463	83,170
	Level 2	77,640	82,299
	Level 1	76,819	81,428
OF1 – OF2	Level 15	77,586	82,241
	Level 14	77,142	81,770
	Level 13	76,703	81,306
	Level 12	75,594	80,130
	Level 11	74,480	78,949
	Level 10	73,366	77,768
	Level 9	72,262	76,597
	Level 8	71,142	75,411
	Level 7	70,028	74,230
	Level 6	69,156	73,305
	Level 5	68,324	72,423
	Level 4	67,482	71,531
	Level 3	66,636	70,634
	Level 2	65,794	69,742
	Level 1	64,952	68,849

Table 1.16: Recommended annual salaries for accredited consultants (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF3 – OF5	Level 35		173,980
	Level 34		173,321
	Level 33		172,665
	Level 32	162,275	172,011
	Level 31	161,962	171,680
	Level 30	161,654	171,354
	Level 29	161,337	171,017
	Level 28	161,029	170,690
	Level 27	160,408	170,033
	Level 26	159,788	169,375
	Level 25	159,167	168,717
	Level 24	157,661	167,121
	Level 23	156,159	165,529
	Level 22	153,061	162,245
	Level 21	151,336	160,416
	Level 20	149,617	158,594
	Level 19	147,892	156,765
	Level 18	146,178	154,948
	Level 17	144,003	152,643
	Level 16	141,839	150,349
	Level 15	139,923	148,319
	Level 14	138,004	146,284
	Level 13	136,093	144,259
	Level 12	134,178	142,229
	Level 11	129,969	137,767
	Level 10	125,768	133,314
	Level 9	121,569	128,863
	Level 8	117,839	124,909
	Level 7	114,100	120,946
	Level 6	110,356	116,977
	Level 5	106,848	113,258
	Level 4	105,484	111,813
	Level 3	104,092	110,338
	Level 2	99,480	105,449
	Level 1	94,915	100,610

Table 1.17: Recommended annual salaries for accredited GMPs and GDPs (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF3 – OF5	Level 35		162,397
	Level 34		161,782
	Level 33		161,170
	Level 32	151,472	160,560
	Level 31	151,000	160,060
	Level 30	150,640	159,678
	Level 29	150,054	159,057
	Level 28	149,583	158,558
	Level 27	149,107	158,053
	Level 26	148,741	157,666
	Level 25	148,160	157,049
	Level 24	147,679	156,540
	Level 23	147,208	156,041
	Level 22	146,727	155,531
	Level 21	146,256	155,031
	Level 20	145,776	154,522
	Level 19	143,562	152,176
	Level 18	143,007	151,587
	Level 17	142,346	150,887
	Level 16	141,657	150,157
	Level 15	140,976	149,434
	Level 14	140,288	148,705
	Level 13	139,605	147,982
	Level 12	138,997	147,336
	Level 11	135,860	144,012
	Level 10	135,256	143,371
	Level 9	134,559	142,633
	Level 8	133,868	141,900
	Level 7	133,172	141,162
	Level 6	129,938	137,734
	Level 5	128,175	135,865
	Level 4	126,402	133,986
	Level 3	124,639	132,117
	Level 2	122,866	130,238
	Level 1	119,510	126,681
OF2	Level 5	90,686	96,127
	Level 4	88,867	94,199
	Level 3	87,052	92,276
	Level 2	85,228	90,342
	Level 1	83,409	88,414

Table 1.18: Recommended annual salaries for non-accredited GMPs and GDPs (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF3 – OF5	Level 19	109,376	115,939
	Level 18	108,280	114,777
	Level 17	107,185	113,616
	Level 16	106,084	112,449
	Level 15	105,105	111,411
	Level 14	104,140	110,388
	Level 13	103,165	109,355
	Level 12	102,191	108,322
	Level 11	101,222	107,295
	Level 10	100,252	106,267
	Level 9	99,083	105,028
	Level 8	97,115	102,942
	Level 7	95,142	100,851
	Level 6	93,741	99,365
	Level 5	92,355	97,896
	Level 4	90,963	96,421
	Level 3	89,572	94,946
	Level 2	84,913	90,008
	Level 1	80,283	85,100
OF2	Level 5	74,407	78,871
	Level 4	72,531	76,883
	Level 3	70,645	74,884
	Level 2	68,774	72,900
	Level 1	66,913	70,928
OF1	Level 1	50,895	53,948

Table 1.19: Recommended annual salaries for Medical and Dental Cadets (0% X-Factor).

Length of service	1 April 2023 (£)	1 April 2024 (£)
After 2 years	24,456	25,923
After 1 year	22,191	23,523
On appointment	19,937	21,133

Table 1.20: Recommended annual salaries for Higher Medical Management (14.5% X-Factor).

Rank	Level	1 April 2023 (£)	1 April 2024 (£)
OF6	Level 7	168,238	178,332
	Level 6	166,840	176,851
	Level 5	165,448	175,375
	Level 4	164,041	173,883
	Level 3	162,638	172,397
	Level 2	161,250	170,925
	Level 1	159,843	169,434
OF5	Level 15	157,689	167,150
	Level 14	156,811	166,220
	Level 13	155,922	165,277
	Level 12	155,036	164,338
	Level 11	154,155	163,404
	Level 10	153,269	162,465
	Level 9	152,373	161,516
	Level 8	151,492	160,582
	Level 7	150,607	159,643
	Level 6	149,280	158,237
	Level 5	147,959	156,836
	Level 4	146,623	155,420
	Level 3	145,301	154,019
	Level 2	143,979	152,618
	Level 1	142,644	151,202

Table 1.21: Allowances for GMPs and GDPs.

	1 April 2024 (£)
DMS Trainer Pay	
GMP and GDP Trainer Pay	9,810
GMP Associate Trainer Pay	4,906
DMS Clinical Impact Awards	
Defence Level 1	23,312
Defence Level 2	36,675
Defence Level 3	50,638

Appendix 2

RECOMMENDED RATES OF RECRUITMENT AND RETENTION PAYMENTS AND COMPENSATORY ALLOWANCES FROM 1 APRIL 2024

RECRUITMENT AND RETENTION PAYMENTS	
	<i>Rate £ per day</i>
RRP (Flying)¹¹¹	
Officer aircrew (trained)	
Trained Army NCO Pilots and Officer Aircrew in the rank of Squadron Leader ¹¹² and below ¹¹³	
<i>Tier 1</i>	13.77
<i>Tier 2</i>	
Rate 1	45.61
Rate 2	49.06
Rate 3	56.82
Rate 4	60.26
Rate 5	61.98
Rate 6	63.67
Rate 7	66.10
Wing Commander ¹¹²	
On appointment	51.24
After 6 years	48.02
After 8 years	44.82
Group Captain ¹¹²	
On appointment	39.23
After 2 years	36.80
After 4 years	34.41
After 6 years	30.39
After 8 years	26.38
Air Commodore ¹¹²	16.01

¹¹¹ RRP (Flying) is not payable to personnel on the Professional Aviator Pay Spine.

¹¹² Including equivalent ranks in the other Services.

¹¹³ Except RAF Specialist Aircrew Flight Lieutenant and Ground Branch aircrew.

Rate
£ per day

RAF specialist aircrew

(a) *Flight Lieutenants (not Branch Officers)*

On designation as specialist aircrew	60.80
After 1 year as specialist aircrew	61.66
After 2 years as specialist aircrew	63.24
After 3 years as specialist aircrew	64.00
After 4 years as specialist aircrew	64.84
After 5 years as specialist aircrew	66.43
After 6 years as specialist aircrew	67.24
After 7 years as specialist aircrew	68.05
After 8 years as specialist aircrew	69.62
After 9 years as specialist aircrew	70.43
After 10 years as specialist aircrew	71.22
After 11 years as specialist aircrew	72.83
After 12 years as specialist aircrew	73.64
After 13 years as specialist aircrew	75.26
After 14 years as specialist aircrew	76.03
After 15 years as specialist aircrew	76.82
After 16 years as specialist aircrew	79.25

(b) *Branch Officers*

On designation as specialist aircrew	49.65
After 5 years as specialist aircrew	55.24

Ground Branch Officer aircrew (trained) and aircrew under transitional arrangements in the rank of Squadron Leader and below

RM and Army pilots qualified as aircraft commanders

Initial rate	18.38
Middle rate ¹¹⁴	31.22
Top rate ¹¹⁴	49.65
Enhanced rate ¹¹⁵	58.43
Enhanced rate ¹¹⁶	55.24

¹¹⁴ After 4 years on the preceding rate.

¹¹⁵ Payable only to pilots who have received the top rate of RRP (Flying) for 4 years.

¹¹⁶ Payable only to Weapon Systems Officers and observers in the ranks of Squadron Leader and below who have received the top rate of RRP (Flying) for 4 years.

	<i>Rate</i> <i>£ per day</i>
Non-Commissioned Aircrew (trained) RN/RM, Army and RAF Aviator	
Initial rate	9.60
Middle rate ¹¹⁷	20.03
Top rate ¹¹⁸	26.38
RRP (Diving)¹¹⁹	
2 RN: Clearance Divers (AB2) Army: AD2 – up to but not including OF4	10.43
3 RN: Clearance Divers (AB1) Army: AD1 – up to but not including OF4	14.12
3a RN: Other Ranks in Category 3 above	9.27
4 RN: Clearance Divers (LH) and above Army: ADS	24.48
4a RN: NCOs in Category 4 above	9.27
5 RN: SNCOs and MCDOs / CDOs (up to and including rank of Cdr)	
On appointment	34.90
After 3 years	37.88
After 5 years	40.09
5a RN: SNCOs and MCDOs / CDOs in Category 5 above on completion of specific courses	13.59
5b RN: SNCOs and MCDOs / CDOs in Category 5 above on completion of specific courses	6.04

¹¹⁷ After 9 years' total service, subject to a minimum of 3 years' aircrew service.

¹¹⁸ After 18 years' reckonable service, subject to a minimum of 9 years' service in receipt of RRP (Flying).

¹¹⁹ Category 1 is no longer payable.

	<i>Rate</i> <i>£ per day</i>
RRP (Submarine)	
Level 1 – payable on qualification	16.01
Level 2 – payable after 5 years on Level 1	20.80
Level 3 – payable after 5 years on Level 2	24.80
Level 4 – payable after 5 years on Level 3	28.03
Level 5 – payable to Officers on successful completion of Submarine Command Course, Engineer Officers in Operational Charge Qualified positions and Warrant Officers 1 assigned to a submarine	35.20
RRP (Submarine Supplement)	
Harbour rate	6.41
Sea rate	19.22
RRP (Submarine) Engineer Officers' Supplement	
Level 1: pre-charge assignments in submarines	12.82
Level 2: charge assignments in submarines	25.64

	<i>Rate</i> <i>£ per day</i>
RRP (Nuclear Propulsion)	
ORs Category C	3.84
ORs Category B	7.70
ORs Category B2	15.39
ORs Category A2	51.26
Category A1 Watchkeeper – MESM Officer – Pre Charge	15.23
Category A1 Watchkeeper – MESM Officer – Charge and post Charge	25.39
RRP (Hydrographic)	
Level 6 OF: H Ch and Command Qualified Two (CQ2)	17.30
Level 5 OF: On attaining Charge Qualification (H Ch)	14.60
Level 4 OF: Surveyor 1st Class (H1) (completion of HM103 course) OR: On promotion to OR7	11.69
Level 3 OR: On promotion to OR6 and completion of HM100 course	8.09
Level 2 OF: Surveyor 2nd Class (H2) (completion of HM100 course) OR: On promotion to OR4 and completion of HM202 course	7.00
Level 1 OR: On completion of Initial Hydrographic Training	4.29
RRP (Special Forces) Officers	
Level 1	50.54
Level 2	59.12
Level 3	64.55
Level 4	70.36
RRP (Special Forces) Other Ranks	
Level 1	24.90
Level 2	34.99
Level 3	40.45
Level 4	48.23
Level 5	52.89
Level 6	59.12
Level 7	64.55
Level 8	70.36
Level 9	75.28
Level 10	79.04

	<i>Rate</i> <i>£ per day</i>
RRP (Special Forces-Swimmer Delivery Vehicle)	15.23
RRP (Special Reconnaissance) Officers	
Level 1	50.54
Level 2	59.12
Level 3	64.55
Level 4	70.36
RRP (Special Reconnaissance) Other Ranks	
Level 1	24.90
Level 2	34.99
Level 3	40.45
Level 4	48.23
Level 5	52.89
Level 6	59.12
Level 7	64.55
Level 8	70.36
Level 9	75.28
Level 10	79.04
RRP (Special Forces Communications)	
Level 1	23.21
Level 2	27.22
RRP (Special Communications)	
Level 1	15.23
RRP (Special Intelligence)	
Level 1	25.68
Level 2	38.53
RRP (Mountain Leader)	
Initial	21.04
Enhanced	25.18

	<i>Rate</i> <i>£ per day</i>
RRP (Parachute Jump Instructor)	
Less than 8 years' experience	10.09
8 or more years' experience	15.70
Joint Air Delivery Test & Evaluation Unit Supplement	4.12
RRP (Parachute)	
	6.83
RRP (High Altitude Parachute)¹²⁰	
	12.87
RRP (Flying Crew)	
Lower rate	6.23
Higher rate ¹²¹	10.10
RRP (Explosive Ordnance Disposal)¹²²	
Level 2 (Defence EOD Operators)	21.63
Level 2A (Advanced EOD Operators)	28.81
Level 3 (Advanced Manual Techniques Operators)	36.80
RRP (Weapon Engineer Submarine)	
Strategic Weapon System (SWS) and Tactical Weapon System (TWS) ¹²³	
OR7 – OR9	25.13
OR6	15.08
OR4	3.76

¹²⁰ Rate applies to members of the Pathfinder Platoon.

¹²¹ After 4 years on the preceding rate.

¹²² Payable on an NCB to RLC Officer and SNCO EOD Operators filling an EOD appointment and qualified to low-threat environment level. Payable on an NCB to RLC, RE and RAF Officer and SNCO EOD Operators filling an EOD appointment and qualified to high-threat environment level. RE TA Officers and SNCOs will receive RRP for each day they are in receipt of basic pay. RAF Officers and SNCOs occupying a Secondary War Role EOD Post will be paid on a CTB. Payable on an NCB to qualified officers and SNCOs when filling an Advanced Manual Techniques annotated appointment.

¹²³ Payable on achievement of Role Performance Statement.

	<i>Rate</i> <i>£ per day</i>
RRP (Nursing)	
Specialist Nurses who acquire the specified academic qualification of specialist practice (Defence Nursing Operational Competency Framework (DNOCF) Level 3)	13.61
RRP (Naval Service Engineer)	
Level 1 (RN and RM OR4 – OR6)	3.43
Level 2 (RN and RM OR6 – OR7)	5.72
Level 3 (RN and RM OR7 – OR9)	7.43

COMPENSATORY ALLOWANCES	<i>Rate</i> £ per day
Longer Separation Allowance	
Level 1 (up to 280 days qualifying separation)	8.85
Level 2 (281-460 days qualifying separation)	13.83
Level 3 (461-640)	18.82
Level 4 (641-820)	20.66
Level 5 (821-1000)	22.23
Level 6 (1001-1180)	23.82
Level 7 (1181-1360)	25.39
Level 8 (1361-1540)	27.78
Level 9 (1541-1720)	29.38
Level 10 (1721-1900)	30.96
Level 11 (1901-2080)	32.54
Level 12 (2081-2260)	34.15
Level 13 (2261-2440)	35.71
Level 14 (2441-2800)	37.30
Level 15 (2801-3160)	38.87
Level 16 (3161+)	40.43
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Unpleasant Work Allowance	
Level 1	3.34
Level 2	8.11
Level 3	23.98
<hr/>	
Unpleasant Living Allowance	4.38
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Northern Ireland Resident's Supplement	9.62
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Recruitment and Retention Allowance (London)	5.08
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Experimental Test Allowance (per test)	3.55
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Experimental Diving Allowance	
Lump sum per dive	
Grade 5	396.34
Grade 4	198.20
Grade 3	148.67
Grade 2	99.07
Grade 1	19.80

	<i>Rate</i> <i>£ per day</i>
Additional hourly rates	
Grade 5	79.27
Grade 4	19.80
Grade 3	14.84
Grade 2	9.93
Grade 1	–
<hr/>	
Mine Countermeasures Vessels Environmental Allowance	
Level 1	4.38
Level 2	6.12
Level 3	11.21
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Appendix 3

COST OF AFPRB 2024 RECOMMENDATIONS

This appendix sets out the estimated costs of implementing our pay recommendations for our remit group¹²⁴.

The cost of recommendations includes a cost of £54m associated with MOD's decision to uplift pay for members of our remit group at ranks OR2-01/02/03 from 1 April 2024 which we supported. Our main pay recommendation builds on this pay uplift.

Cost of recommendations (including MOD uplifts)¹²⁵.

	£ million
Military salary (all Regular Services)	
Officers	99
Medical and Dental Officers	10
Other Ranks	282
Total	391
RRPs, allowances and other targeted payments (all Regular Services)	16
Total pay (all Regular Services)	406
Reserve forces (including bounties)	23
Employers' national insurance contribution – all	59
Estimated effect of SCAPE ¹²⁶	310
Total paybill cost including Reserves	798
<i>Less: total increased yield from charges</i>	<i>-11</i>
Net cost of recommendations	788

¹²⁴ Recommendations from 1 April 2024. Components may not sum to the total because of rounding.

¹²⁵ This costing has been calculated on workforce levels from 2023 when the armed forces were larger. Therefore, the corresponding net cost of recommendations is likely to be an overestimate.

¹²⁶ Superannuation Contributions Adjusted for Past Experience. From 1 April 2024, MOD's Armed Forces SCAPE employer contribution rate has risen to 73.5% of pensionable pay (71.5% of pensionable pay +2% to account for Armed Forces Compensation Scheme).

Appendix 4

TRANSCRIPT OF REMIT LETTER FROM THE SECRETARY OF STATE FOR DEFENCE TO THE CHAIR OF THE AFPRB, DATED 20 DECEMBER 2023

Dear Julian,

I would first of all like to express my thanks to the Armed Forces' Pay Review Body (AFPRB) for your 2023 report, in particular the hard work that went into devising the approach for your headline recommendation. The Government continues to value the AFPRB's independent expertise and insight, and the contribution it makes on behalf of our Service Personnel, a point reinforced by our full acceptance of the 2023 recommendations.

I am now writing formally to ask that you commence the 2024 pay round.

For the 2024 pay round the Ministry of Defence (MOD) will submit evidence to you for the Armed Forces in the usual way, including recommendations on pay, some targeted measures and allowances, and service provided accommodation charges.

The Integrated Review Refresh¹²⁷ and the Defence Command Paper Refresh (DCPR23)¹²⁸, both published this year, communicate that we were right to make the commitments we did in the 2021 Defence Command Paper. The DCPR23 recognises that whilst our efforts have been on the right track, the significant change in global context requires us to go further and faster. For this reason, the DCPR23 sets out a new and clear purpose for Defence, with clarity on our mission being: to protect the nation and help it prosper. The DCPR23 places our people first, recognising that they are inescapably the foundation on which our strategic advantage is built.

On the 19 June 2023, the MOD published *Agency and Agility: Incentivising people in a new era – a review of UK Armed Forces incentivisation*¹²⁹. This report provides a compelling vision for improving the proposition to those who elect to serve. As part of delivering the Defence People Strategy, we will take forward the report's recommendations to modernise our offer, not only to the Armed Forces, but across the Whole Force. This is important and complex work, which will significantly benefit our people; we look forward to engaging with the AFPRB as this work progresses and we trial new approaches.

Your recommendations for the 2023 pay award have played a vital role in continuing to support retention and recruitment for a smaller but increasingly highly skilled Armed Forces, and the Department has ensured this was affordable within the context of broader Defence priorities. The AFPRB's 2024 recommendations will be equally important to help

¹²⁷ Cabinet Office (2023) *Integrated Review Refresh 2023: Responding to a more contested and volatile world* (online) Available at: <https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world> [Accessed 22 May 2024].

¹²⁸ MOD (2023) *Defence Command Paper 2023: Defence's response to a more contested and volatile world* (online) Available at: <https://www.gov.uk/government/publications/defence-command-paper-2023-defences-response-to-a-more-contested-and-volatile-world> [Accessed 22 May 2024].

¹²⁹ MOD (2023) *Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation* (online) Available at: <https://www.gov.uk/government/publications/agency-and-agility-incentivising-people-in-a-new-era-a-review-of-uk-armed-forces-incentivisation> [Accessed 22 May 2024].

ensure that Defence can continue to recruit and retain the highly skilled and motivated Service Personnel we need to deliver Defence outputs as we progress along our transformation journey.

My evidence to you will provide details on our recruitment and retention pressures, and I ask that you continue to consider focussing recommendations on the need to meet Defence's future vision.

In 2023-24, the Pay Review Bodies recommended historically high pay awards for their respective workforces in light of the extraordinary macroeconomic context. Accepting these recommendations, whilst not increasing borrowing, required tough decisions. It is vital that the Pay Review Bodies consider the historic nature of the 2023-24 awards and the Government's affordability position that will be set out further in written evidence.

Over the coming months, MOD staff will continue to support your work and liaise closely with the Office of Manpower Economics to provide papers of evidence and oral evidence sessions for your consideration. I would be grateful if you could submit your report for the 2024 pay round by May 2024.

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

Yours ever,

RT HON GRANT SHAPPS MP

Appendix 5

AFPRB VISITS

Our evidence base for this Report included visits. These were undertaken to a variety of establishments and provided the opportunity to engage with frontline units of all three Services. During these visits we met with members of our remit group and, in certain locations, their families, to understand working conditions and perceptions of pay, accommodation, food and related issues. We also gathered evidence from meetings with single Service recruiters, Principal Personnel Officers and we held virtual focus groups with Service personnel.

Visit location	Service
RAF Marham, Norfolk	RAF
RAF Honington, Suffolk	RAF
Headquarters Defence Digital, Corsham, Wiltshire	UK Strategic Command
Defence Medical Services: Royal Centre for Defence Medicine at the Queen Elizabeth Hospital, Birmingham and Whittington Barracks, Staffordshire	UK Strategic Command
UK armed forces' personnel at NATO Headquarters and Supreme Headquarters Allied Powers Europe (SHAPE) in Belgium, and NATO Forward Holding Base Sennelager, Germany	Army
HMNB Devonport, Plymouth, Devon	RN
Falkland Islands	Tri-Service
UK armed forces' personnel in Bahrain and Oman	RN
Defence Diving School, Horsea Island, Hampshire	RN and Army
Military Provost Guard Service, Andover, Hampshire	Army
11 EOD & Search Regiment RLC, Didcot, Oxfordshire	Army
Stanford Training Area, Thetford, Norfolk	Army
1st Military Working Dog Regiment, North Luffenham, Rutland	Army

Appendix 6

HISTORICAL VIEW OF PAY COMPARABILITY 2012-13 TO 2022-23

This appendix contains a historical view of pay comparability. To view the results of pay comparability analysis from 2007-08 to 2011-12, please see the AFPRB 2023 Report Appendix 5.

Notes:

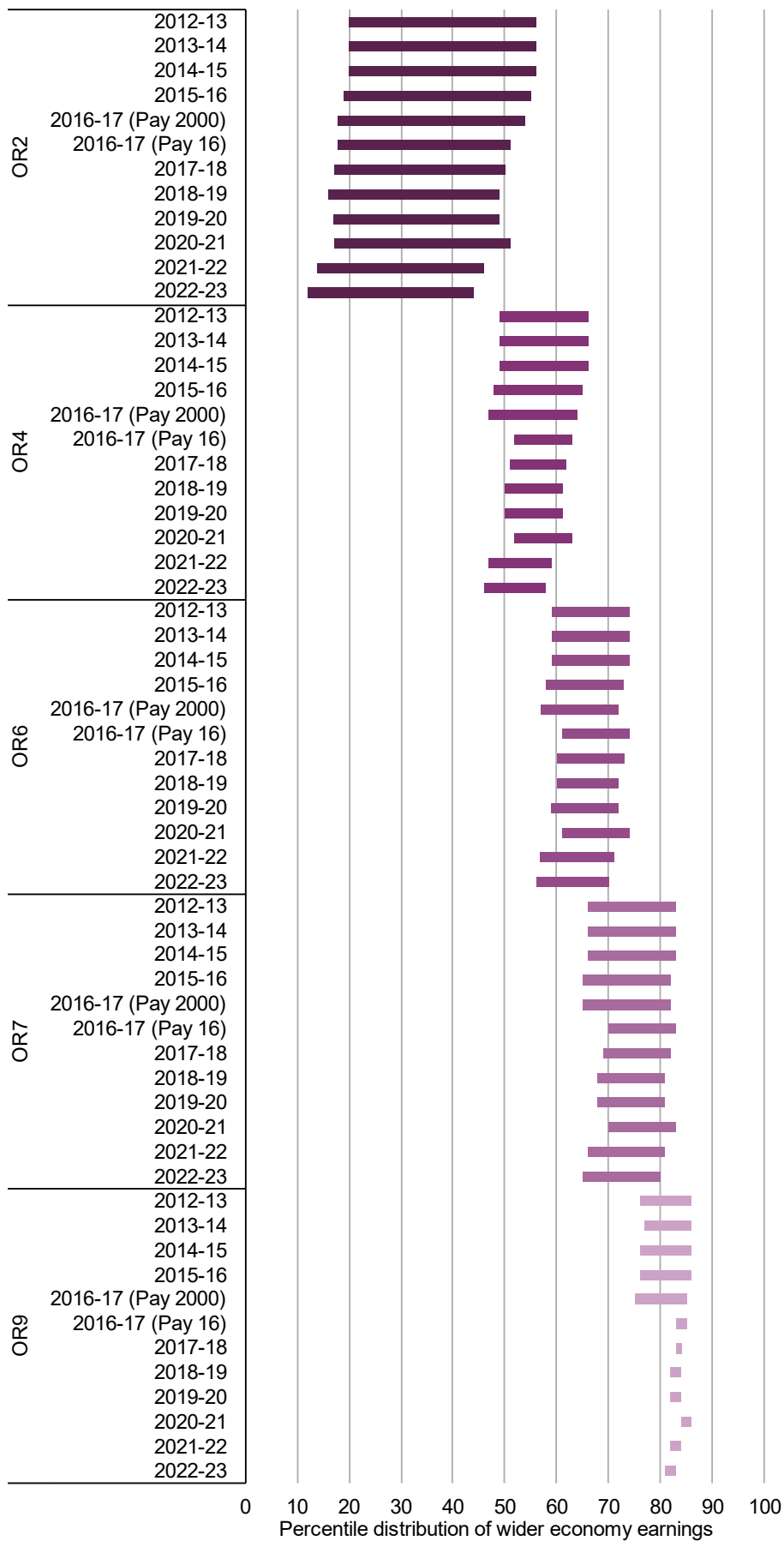
OME analysis of unpublished ONS Annual Survey of Hours and Earnings (ASHE) data. The ASHE results are survey estimates, and 2022-23 ASHE data is provisional.

From 2021, the ONS moved their occupation coding to Standard Occupation Classification 2020 (SOC 2020) from 2010 (SOC 2010). This means estimates for earnings from April 2021 on a SOC 2020 basis represent a break in the ASHE time series. Earnings estimates produced on a SOC 2020 basis show minimal differences to those produced on a SOC 2010 basis.

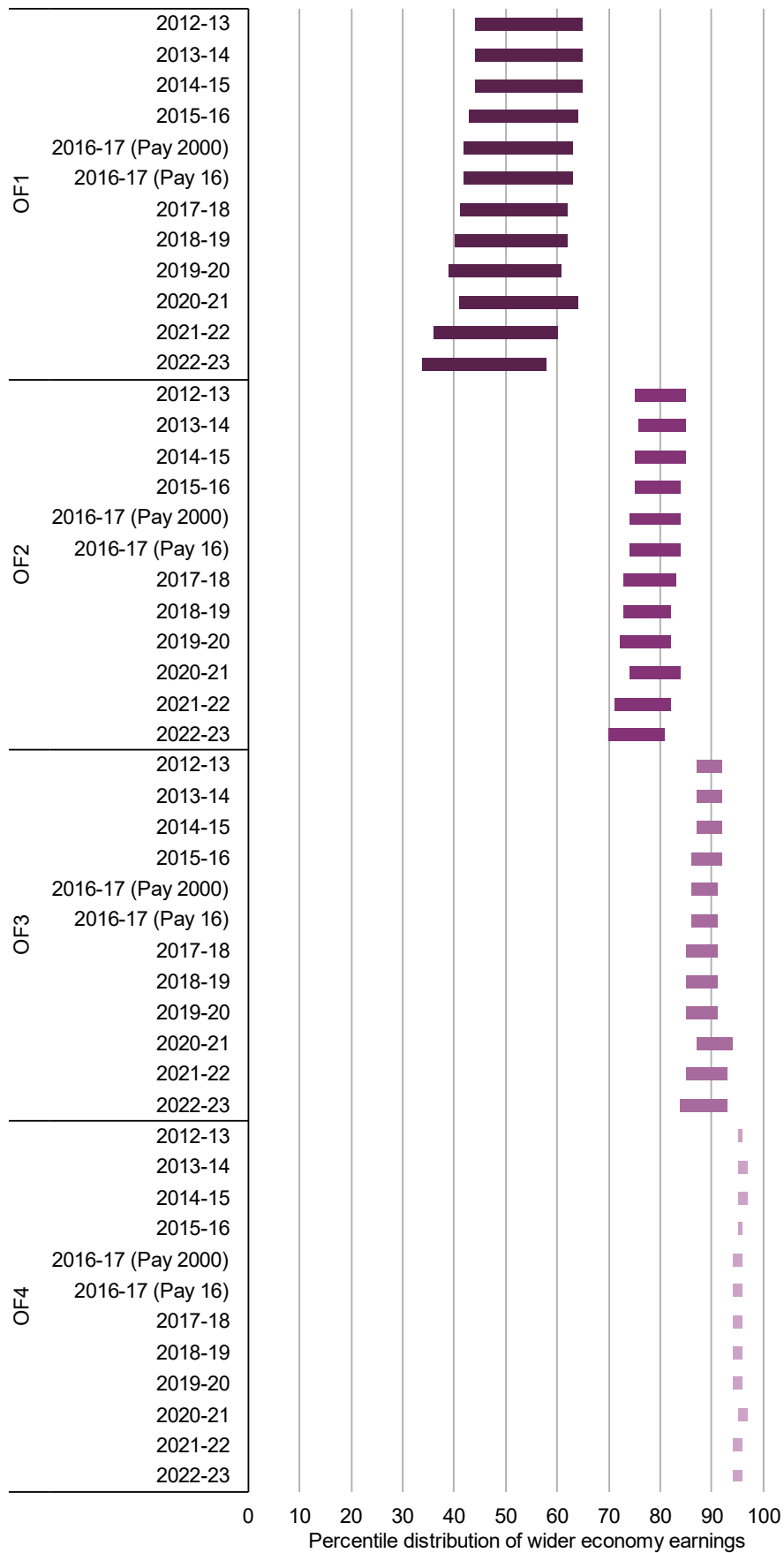
The OF3 pay range includes the increment range OF3-09 to OF3-13, introduced for RAF Engineer Officers only from 2020-21.

The position of the most senior Officers of our remit group (OF5 and OF6) are not presented as their position in the distribution of wider economy earnings was broadly unchanged over the time period.

Position of the armed forces' pay framework including X-Factor (Other Ranks) in the distribution of earnings across the UK economy from 2012-13 to 2022-23.



Position of the armed forces' pay framework including X-Factor (Officer Ranks OF1 – OF4) in the distribution of earnings across the UK economy from 2012-13 to 2022-23.



GLOSSARY OF TERMS

AA	Annual Allowance
AAC	Army Air Corps
AFCAS	Armed Forces Continuous Attitude Survey
AFPRB	Armed Forces' Pay Review Body
AFPS	Armed Forces' Pension Scheme
APPS	Aircrew Professional Pay Spine
ASHE	Annual Survey of Hours and Earnings
ASSP	Aircrew Specialist Skills Payment
AWE	Average Weekly Earnings
BDA	British Dental Association
BMA	British Medical Association
BoE	Bank of England
CAAS	Combined Accommodation Assessment System
CCB	Continuous Career Basis
CPI	Consumer Prices Index
CTB	Completion of Task Basis
CWP	Continuous Working Patterns
DARR	Defence Aircrew Remuneration Review
DCPR23	Defence Command Paper Refresh 2023
DCIA	Defence Clinical Impact Awards
DDRB	Review Body on Doctors' and Dentists' Remuneration
DERR	Defence Engineering Remuneration Review
DFC	Daily Food Charge
DHS	Decent Homes Standard
DHS+	Decent Homes Standard Plus
DIO	Defence Infrastructure Organisation
DMS	Defence Medical Services or Defence Minimum Standard
DNOCF	Defence Nursing Operational Competency Framework
DO	Dental Officer
DPP	Delivery Pinch Point
EOD	Explosive Ordnance Disposal
EU	European Union
FAA	Fleet Air Arm
FAM	Future Accommodation Model
FDIS	Future Defence Infrastructure Services
FHTB	Forces Help to Buy
FR20	Future Reserves 2020
FTRS	Full-Time Reserve Service
GDP	Gross Domestic Product or General Dental Practitioner
GMP	General Medical Practitioner
HMT	His Majesty's Treasury

HR	Human Resources
HRAFI	The Haythornthwaite Review of Armed Forces' Incentivisation
HMNB	His Majesty's Naval Base
IT	Information Technology
ISE	Institute of Student Employers
JE	Job Evaluation
JPA	Joint Personnel Administration
LOA	Local Overseas Allowance
LTA	Lifetime Allowance
MAO	Modernised Accommodation Offer
MO	Medical Officer
MOD	Ministry of Defence
MODO	Medical and Dental Officer
MPGS	Military Provost Guard Service
NAO	New Accommodation Offer
NATO	North Atlantic Treaty Organisation
NCB	Non-Continuous Basis
NCO	Non-Commissioned Officer
NHS	National Health Service
NLW	National Living Wage
NMW	National Minimum Wage
OBR	Office for Budget Responsibility
OF	Officer
ONS	Office for National Statistics
OR	Other Rank
PAS	Professional Aviator Pay Spine
PPO	Principal Personnel Officer
PQO	Professionally Qualified Officer
PSED	Public Sector Equality Duty
RAF	Royal Air Force
ResCAS	Reserve Forces Continuous Attitude Survey
RHDI	Real Household Disposable Income
RM	Royal Marines
RN	Royal Navy
RNR	Royal Navy Reserve
RPI	Retail Price Index
RRP	Recruitment and Retention Payment
SAS	Special Air Service
SBS	Special Boat Service
SCAPE	Superannuation Contributions Adjusted for Past Experience
SFA	Service Family Accommodation
SF	Special Forces
SFC	Special Forces Communicator

SFF	Service Families' Federation
SF-SDV	Special Forces Swimmer Delivery Vehicle
SFSP	Special Forces Supplement Pay
SHAPE	Supreme Headquarters Allied Powers Europe
SI	Special Intelligence
SLA	Single Living Accommodation
SNCO	Senior Non-Commissioned Officer
SOC	Standard Occupation Classification
SPP	Sustainability Pinch Point
SR	Special Reconnaissance
SRR	Special Reconnaissance Regiment
SWS	Strategic Weapon System
TACOS	Terms and Conditions of Service
TRA	Total Reward Approach
TWS	Tactical Weapon System
UCM	Unified Career Management
UCM Med	Unified Career Management Medical
UK	United Kingdom
UKSF	United Kingdom Special Forces
VAT	Value Added Tax
VO	Voluntary Outflow

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