



Armed Forces'  
Pay Review Body

# Armed Forces' Pay Review Body

FIFTY-FIFTH REPORT 2026

*Chair:* Julian Miller CB

CP 1567



Armed Forces' Pay Review Body

# Fifty-Fifth Report 2026

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

June 2026



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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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# ARMED FORCES' PAY REVIEW BODY 2026 - REPORT SUMMARY

## *Background*

This pay round has been conducted against the backdrop of an exceptionally challenging geopolitical landscape. Economic uncertainty has remained heightened. While there have been modest improvements in the recruitment and retention of Armed Forces' personnel, the trained strengths of all three Services are critically short of requirement and remain fragile.

In developing our recommendations, we have assessed and balanced the factors in our Terms of Reference and remit letter, alongside the written and oral evidence presented to us, and the insights gained through our visits and engagement with stakeholders. This year, our remit has been extended to include the most senior Officers. Chapter 5 sets out our approach to this group.

## *Main pay recommendation*

Our main pay recommendation is an increase of 3.6% for everyone in our remit group. The factors driving this recommendation are:

- the dangerous and volatile security environment, with the threat and risk facing the nation at levels not seen in at least a generation;
- the importance of supporting the Armed Forces' ability to recruit and retain the quantity and quality of personnel required for the defence of the nation in the face of a continuing workforce crisis;
- the requirement to ensure that the pay of the Armed Forces remains broadly comparable with pay levels in civilian life and is seen to be fair;
- our assessment that a pay award in line with the median level of awards in the wider economy (3.2%) would risk undermining the fragile recovery in recruitment and retention;
- the rate of inflation, with the Consumer Prices Index (CPI) at 3.0% and CPI including owner occupiers' housing costs (CPIH) at 3.2%, as we conclude this Report;
- the funds available to Defence, government statements on affordability and our assessment that a pay award at the level we recommend will have a minimal impact on achievement of the government's 2% inflation target;
- the impact of Service life on personnel and their families, satisfaction with the wider offer, and the need to guard against further erosion in morale; and
- the importance of pay as a demonstration of reward and value.

More detail on our main pay recommendation is set out in Chapter 6.

## *Recommendations for specific groups*

In Chapter 7, we discuss our reviews of pay arrangements for specific groups.

We have reviewed pay arrangements for nurses and United Kingdom Special Forces. In both instances we were invited to consider new pay structures which would support recruitment and retention and reward skills. In line with these aims we support the introduction of a new Nursing Professional Pay Spine, an increase to the nurses' Golden Hello and a new remuneration model for Special Forces.

We received updates from MOD on the Royal Marines' Remuneration Review and the Submarine Remuneration Review. We support the introduction of a second retention payment for submariners. We look forward to receiving detailed proposals for the Royal Marines in next year's pay round.

MOD made proposals relating to the Volunteer Reserves' Training Bounty which aim to provide greater agility to incentivise Reserves to meet the required training and readiness standards. We support the proposals. However, we are concerned about the tension between a starting point of cost-neutrality and MOD ambitions to grow the Reserves. In the meantime, we recommend an increase to rates of the Bounty in line with our main pay award.

We have undertaken routine reviews of a number of skills-based payments and compensatory allowances, including Longer Separation Allowance. We have also been asked to recommend an increase to Recruitment and Retention Payments and other specialist payments. Where we have been invited to propose an uplift, we recommend that rates should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.

### *Accommodation and Food*

This year we have seen some positive developments in respect of Service Family Accommodation (SFA) and, as we finalise this Report, we welcome the launch of an independent review into Single Living Accommodation (SLA) provision. But we have seen significant variation in standards in both SFA and SLA. Too much accommodation remains disgracefully poor.

We will watch progress and outcomes of work to improve Service accommodation with interest and hope to be able to report positive developments next year. However, we note that much remains to be done before improvements are widely felt.

In setting accommodation charges, we use the annual November CPI actual rents for housing component which was 3.8%. Where accommodation is of a good standard, Service personnel should not be immune from changes affecting the wider population. Therefore, consistent with our approach last year, we recommend that SFA rental charges for Bands A-F and SLA charges for Grade 1 accommodation should increase by 3.8% with no increase for the lowest banded SFA and SLA. Our recommended methodology for the application of the increases is explained in Chapter 8.

We welcome updates on the Defence Catering Strategy and invite MOD to keep us informed of its plans for the future of the Daily Food Charge.

### *Conclusion*

Our recommendations reflect a balanced assessment of the need to support recruitment and retention, while recognising the constraints of the current fiscal environment and the evolving geopolitical context, exemplified by events in Eastern Europe and the Middle East. They place particular weight on the importance of supporting Armed Forces' personnel, whose commitment, professionalism and morale are central to Defence capability. A full list of our recommendations is on pages 3 to 5.

## RECOMMENDATIONS

### Main pay award

**Recommendation 1: We recommend that rates of base pay increase by 3.6% for all members of our remit group from 1 April 2026.**

### Nurses

**Recommendation 2: We agree to the introduction of the Nursing Professional Pay Spine from 1 October 2026 for all nursing ranks up to and including OF3 alongside a Senior Nursing Officer Pay Spine for OF4 to OF6 nurses.**

**Recommendation 3: We agree that the value of the nurses' Golden Hello should increase to £50,000 from 1 April 2026.**

**Recommendation 4: We agree that RRP (Nursing) should be removed 12 months after the introduction of the new nursing pay spines.**

**Recommendation 5: We agree to move to a three-year cycle of reviews of nursing pay with the next review in Pay Round 2029.**

### United Kingdom Special Forces

**Recommendation 6: We agree in principle to the introduction of the Special Forces' Remuneration Model, with 20 levels and to include cohorts that have a recognised United Kingdom Special Forces' selection pathway, for delivery by no later than April 2028.**

**Recommendation 7: We agree that amendments to the model involving moves of up to two levels and the creation of new levels can be managed and approved by the Ministry of Defence Armed Forces' Pay Steering Group.**

### Submarine Remuneration Review

**Recommendation 8: We agree to the introduction of a second retention payment from 1 April 2026 for OR7 submariners with between 14 and 16 years' service and OF3 submariners (Warfare and Engineer Officers) with 12 years' service.**

### **Volunteer Reserves' Training Bounty**

**Recommendation 9: We recommend that rates of the Volunteer Reserves' Training Bounty should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

### **Medical Officers and Dental Officers**

**Recommendation 10: We recommend that the value of Defence Clinical Impact Awards and rates of Trainer Pay and Associate Trainer Pay should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

### **Recruitment and Retention Payments**

**Recommendation 11: We recommend that all rates of RRP (including RRP (Nursing)) should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

### **Skills payments**

**Recommendation 12: We recommend that the following skills payments should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation:**

- **Cyber Skills Payments;**
- **Engineering Supplement Payment;**
- **Defence Human Intelligence Skills Payment;**
- **the trialled payments at level 4 to level 6 of Skills Based Supplement; and**
- **Professional Supplement (Aircrew).**

### **Compensatory allowances**

**Recommendation 13: We recommend that all rates of compensatory allowances should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

### **Accommodation and related charges**

**Recommendation 14: We recommend that SFA rental charges for CAAS Bands A-F should increase by 3.8%. These increases are not to be subject to any backdating. We recommend no increase in the rates of charges for CAAS Bands G and below.**

**Recommendation 15: We recommend no increase in the rates of furniture charges.**

**Recommendation 16: We recommend that SLA rental charges for Grade 1 should increase by 3.8%, with increases of 2.5% for Grade 2, 1.3% for Grade 3 and no increase for Grade 4 accommodation. These increases are not to be subject to any backdating.**

# Chapter 1 - INTRODUCTION AND CONTEXT

## *Introduction*

- 1.1 This Report sets out our recommendations on military pay and charges for all members of the Armed Forces for 2026-27. Our recommended rates are set out in Appendix 1 (Salaries), Appendix 2 (Targeted payments and pay supplements) and Appendix 3 (Recruitment and Retention Payments (RRPs) and compensatory allowances).
- 1.2 This pay round has been conducted against the backdrop of a dangerous and volatile international security environment. We were told that the threats and risks facing the nation are at levels not seen in a generation. Economic uncertainty has been amplified by the international situation. The trained strengths of all three Services are critically short of requirement and remain fragile. The Armed Forces are, therefore, focused on the significant challenge of returning to their target trained strength. According to the Armed Forces Continuous Attitude Survey, satisfaction with pay slightly improved in 2025, but remained well below peak satisfaction recorded in 2010.

## **Senior Officers**

- 1.3 Since its creation in 1971, the Review Body on Senior Salaries (SSRB) has made recommendations on the pay of Senior Officers (OF7 and above)<sup>1</sup>. In July 2025 our remit letter formally moved consideration of the pay of Senior Officers to the Armed Forces' Pay Review Body (AFPRB). All Service personnel are now covered by a single Review Body, improving the consistency and efficiency of decision making. We welcome this.

## **2025 recommendations**

- 1.4 Last year, our central pay recommendation was for an above inflation increase of 4.5% for all members of our remit group from 1 April 2025. The SSRB recommended that all members of the senior military should receive an increase of 3.75% from 1 April 2025. On 22 May 2025 the government accepted both recommendations in full.

## **Our Terms of Reference and remit letter**

- 1.5 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 the Ministry of Defence (MOD) to deliver its outputs within the funds allocated by government; and the government's inflation target<sup>2</sup>.
- 1.6 In his remit letter to us this year, dated 22 July 2025 (Appendix 5), the Secretary of State for Defence told us that last year's pay award recognised the extraordinary professionalism of the Armed Forces and their work to keep Britain secure at home and strong abroad. The letter also noted that in the past year the Prime Minister had announced increases in defence and security spending, underlining the government's commitment to national security and that the Strategic Defence

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<sup>1</sup> The Review Body on Senior Salaries was named The Review Body on Top Salaries until 1993.

<sup>2</sup> Our Terms of Reference do not specify the ranks of personnel in the AFPRB remit group and, therefore, do not require amendment to cover the inclusion of Senior Officers.

Review (SDR) had set out a path to transform Defence in the next decade and beyond<sup>3</sup>.

- 1.7 The remit letter stated that pay, along with a comprehensive benefits package, played a key role in recognising the contribution of personnel and in attracting and retaining the people needed to keep the country safe. The letter confirmed that we should make recommendations covering all members of the Armed Forces.
- 1.8 We were told that evidence would be provided to us on recruitment and retention, the Armed Forces' workforce strategy, and set out the funds available to Defence and affordability. All pay would have to be funded from departmental budgets with no additional funding for pay settlements. We are pleased that the remit letter also confirmed the government's ambition to bring forward the evidence process to facilitate delivery of a timely pay award.

### **Our evidence base**

- 1.9 We received most of our written evidence from MOD. A submission was also made by His Majesty's Treasury (HMT). We reviewed the latest available evidence and data on the United Kingdom (UK) economy and labour market and undertook our own research to understand the broad comparability of Service pay with civilian pay levels. We also received evidence from the British Medical Association and the British Dental Association, although we are not making a separate recommendation on the pay of Armed Forces' Medical and Dental Officers this year.
- 1.10 This evidence was supplemented by oral evidence from the Minister for Veterans and People, the Chief of Defence Staff, the MOD Director General People, the Chief of Defence People, the MOD Director General Finance and other MOD officials, the single Service Principal Personnel Officers and other Service personnel, the Defence Infrastructure Organisation and the Service Families' Federations (SFF)<sup>4</sup>.

### *Our visit programme*

- 1.11 We undertook in-person visits to a range of Service establishments. These enabled us to gather evidence for the round by hearing first-hand from Service personnel and their spouses and partners about Service life and the concerns and pressures associated with their commitment to the United Kingdom's Armed Forces. These visits were supplemented by online discussion group sessions.

### **Our 2026 Report**

- 1.12 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.

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<sup>3</sup> MOD (2025) *Strategic Defence Review 2025 – Making Britain Safer: secure at home, strong abroad* (online) Available at: <https://www.gov.uk/government/publications/the-strategic-defence-review-2025-making-britain-safer-secure-at-home-strong-abroad> [Accessed 18 February 2026].

<sup>4</sup> In addition, the AFPRB Chair and economist member received oral evidence from HMT as part of a session arranged for all pay review bodies.

1.13 Given the inclusion of Senior Officers in our remit, we have taken the opportunity to revise the format of our Report.

- Chapter 2 considers evidence on the economic context for the round along with our analysis of earnings data and pay comparability.
- Chapter 3 discusses workforce data and MOD evidence relating to the whole remit group, including the strength of the Armed Forces, recruitment, retention and diversity.
- Chapter 4 covers data relating to morale and motivation and the evidence we gathered from our visits, online discussion groups and discussions with representatives from the SFFs.
- Chapter 5 considers the specific evidence received in respect of Senior Officers.
- Chapter 6 sets out our review of the evidence and our recommendations on the main pay award.
- Chapter 7 contains our consideration of remuneration for specific groups, RRP, targeted payments and pay supplements, and compensatory allowances.
- Chapter 8 focuses on Service accommodation, food provision and discusses our recommendations in relation to accommodation charges.
- Finally, in Chapter 9 we look ahead to the issues which are likely to influence our next round.

### **Operational context**

1.14 MOD informed us that the Armed Forces continued to deliver operational commitments across the world, whilst maintaining defence of the UK and Sovereign Territories. The single Services and UK Strategic Command (UKSC) provided us with an operational overview and context for our pay round<sup>5</sup>. The recurring themes identified across the single Service summaries were the high operational tempo, a focus on support to North Atlantic Treaty Organisation's (NATO) 'reassurance and deterrence campaign' in response to Russian activities and the challenge of delivery against increased demands and resource constraints.

1.15 We received an update on the operational situation in oral evidence. We were told that the strategic context and importance of operational commitments had meant that, while personnel might now spend less time away than in the era of conflict in Afghanistan and Iraq, there was a greater premium on niche military skills and readiness. This had changed the demands on personnel, reflecting the specialist and unpredictable nature of current activity.

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<sup>5</sup> From 1 September 2025 UKSC became the Cyber and Specialist Operations Command (CSOC) however, the evidence was provided to us before this date.

## Strategic context

1.16 MOD provided us with a range of contextual information for the round.

- MOD confirmed the government's commitment to increase NATO qualifying defence spending to 2.6% of Gross Domestic Product (GDP) from April 2027 with the ambition to reach 3% of GDP in the next Parliament, subject to economic and fiscal conditions. We were told that the increase in the MOD budget was predominantly in capital rather than resource expenditure<sup>6</sup>.
- We were told that a Defence Investment Plan would explain how the SDR would be delivered and cover all aspects of Defence capability, including people, infrastructure and equipment. At the time of preparing this Report, this Plan had not been published. MOD also provided us with an update on Defence Reform, which it said would produce stronger leadership, clearer accountability, faster delivery, less waste and better value for money.
- MOD indicated that there had been progress on some of the Haythornthwaite Review's (HRAFI) key proposals and that these would facilitate delivery of a modernised people system, supporting a motivated, skilled and agile workforce able to meet future demands<sup>7</sup>. MOD said that it had implemented a range of interventions on recruitment and retention and that the creation of an agile workforce would result in a reduced gapping of posts. In addition, we were told that work was underway to simplify the terms and conditions of service for Reserve personnel and that a trial was underway to encourage lateral entry into key trades.
- We noted that the quinquennial review of Pay 16 was underway, addressing the Armed Forces' pay structure. MOD informed us that the review would look at the way that Other Ranks' trades are allocated to one of four trade supplement ranges for pay purposes<sup>8</sup>. We were told that the review would ensure that reward initiatives remained affordable and that, following a full job evaluation process, personnel were recognised for their skills.

### *Our comments*

1.17 We note the pace at which the geopolitical landscape is changing and that the operational context has become more challenging, reflecting the increased level of threat to the nation. We judge that this adds urgency to restoring Service numbers to achieve the desired levels of capability.

1.18 We look forward to publication of the Defence Investment Plan and an explanation of the position on funding for people. We note from the evidence provided that the additional investment in Defence will be focused on capital expenditure with little flexibility in the resource budget from which Service pay, training and accommodation are funded. While we recognise that the acquisition of weapons and platforms is essential, we are concerned that this will not deliver the required

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<sup>6</sup> Capital spend is money that is spent on investment and things that will create growth in the future, for example, single use military equipment investment or infrastructure investment, whereas resource spending is money spent on day-to-day resources and administration costs.

<sup>7</sup> MOD (2023) *Agency and agility: Incentivising people in a new era* (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 18 February 2026].

<sup>8</sup> The trade supplement mechanism applies to all Other Ranks except for those on a bespoke pay spine.

capabilities if there are not enough skilled and motivated personnel to operate and maintain them. We emphasise the importance of ensuring adequate funding for personnel so that the increased investment in capital can then deliver capability. The workforce situation cannot be viewed in isolation from the strategic context and the balance of investment needs to reflect this. Giving the Armed Forces confidence that they belong to a winning team demands investment in both the equipment and the people that are key to the delivery of fighting power.

- 1.19 One of the themes of HRAFI was a drive to greater simplicity. We have seen limited evidence of this in relation to pay in this round. Incremental complexity continues to be built into the pay structure with the creation of new bespoke pay spines and introduction of pay supplements. While these changes may reduce the number of RRP's, it is unclear to us how they will achieve the ambition set out in the HRAFI report. We recognise that this might be 'work in progress' towards a more sustainable pay model with fewer add-ons. We assess that there would be benefit in overall pay rationalisation and remain concerned at slow progress in achieving this. We will be interested to see how this is reflected in the 'Pay 16 Evolve' work. Given the strategic context, it is important that the Armed Forces are supported by an effective remuneration structure.

### **Our remit group**

- 1.20 As we conclude our work in this round, we reflect on the many interactions we have had with our remit group. Our judgements are informed by the wide range of impressive people we have met and the units we have visited. We take this opportunity to acknowledge the vital role of all those supporting the nation by serving in our Armed Forces, particularly while the geopolitical context is so challenging. We also acknowledge the invaluable support provided by the spouses, partners and families of serving personnel.

## Chapter 2 - ECONOMIC CONTEXT

### Introduction

- 2.1 In this chapter, we present a summary of the economic context and evidence on economic indicators used to inform our pay recommendations.
- 2.2 When making our recommendations we considered economic evidence from a range of sources. Consistent with previous years, we have monitored economic outturn data and we have considered a number of independent economic forecasts to understand best the situation in the United Kingdom (UK) and the medium-term outlook.

### Economic indicators

- 2.3 Gross Domestic Product (GDP) was estimated to have grown 1.3% in 2025<sup>9</sup>. This reflects growth in quarter 1 2025 of 0.7%, which then fell to 0.2% in quarter 2 2025, 0.1% in quarter 3 2025 and 0.1% in quarter 4 2025. Both the Bank of England (BoE) and the Office for Budget Responsibility (OBR) note that GDP growth has remained weak over the past year, characterising economic activity as subdued whilst economic momentum was softer than anticipated. The BoE forecast GDP growth to reach 1.4% for 2025 before slowing down to 0.9% in 2026 and then increasing to 1.5% in 2027<sup>10</sup>. The OBR forecast steady real GDP growth of 1.5% in 2025, 1.4% in 2026 and 1.5% in 2027<sup>11</sup>.
- 2.4 Government net debt levels (excluding public sector banks) were provisionally estimated at 92.9% of GDP at the end of January 2026 and remain at levels last seen in the early 1960s<sup>12</sup>.
- 2.5 In 2024-25, the government raised around £1,013bn from taxes and social contributions, which was equivalent to 34.6% of GDP<sup>13</sup>. The OBR forecast that taxes and social contributions will increase to 36.3% of GDP in 2025-26 and continue increasing to the end of the decade to a level in excess of the highest on record during the late 1940s.
- 2.6 In November 2025, the OBR revised down its underlying medium-term assumption of productivity growth to 1% for 2030. This is significantly lower than the pre-financial crisis decade (1998-2007) average of 2.1% but higher than the post-financial crisis decade (2010-2019) average of 0.6%.

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<sup>9</sup> ONS (2026) *GDP quarterly national accounts, UK: October to December 2025* (online) Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/octobertodecember2025> [Accessed 4 February 2026].

<sup>10</sup> BoE (2026) *Monetary Policy Report: February 2026* (online) Available at: <https://www.bankofengland.co.uk/monetary-policy-report/2026/february-2026> [Accessed 5 February 2026].

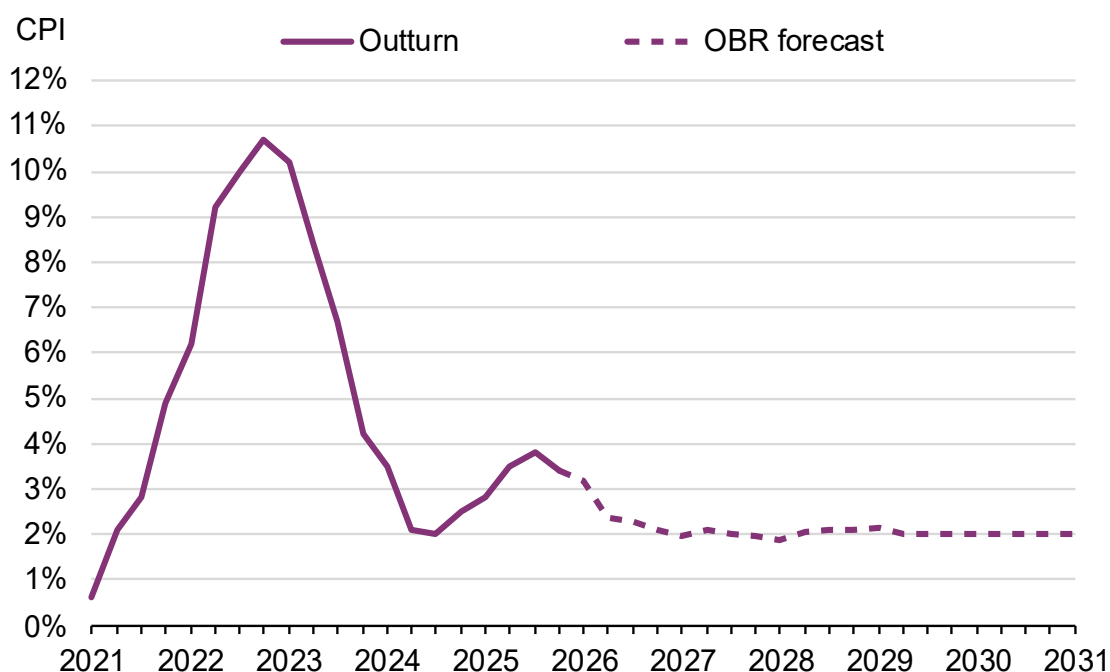
<sup>11</sup> OBR (2025) *Economic and fiscal outlook – November 2025* (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-november-2025/> [Accessed 4 February 2026].

<sup>12</sup> ONS (2025) *Public sector finances, UK: January 2026* (online) Available at: <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/january2026> [Accessed 20 February 2026].

<sup>13</sup> OBR (2026) *Public finances databank 2025-26 – February 2026* (online) Available at: <https://obr.uk/public-finances-databank-2025-26/> [Accessed 25 February 2026].

- 2.7 In January 2026, the annual rate of inflation as indicated by the Consumer Prices Index (CPI) was 3.0%<sup>14</sup>. The Consumer Prices Index including owner occupiers' housing costs (CPIH) recorded an annual rate of 3.2% for the same period. Within CPIH, the owner occupiers' housing costs component experienced a 3.9% increase over the twelve months to January 2026<sup>15</sup>.
- 2.8 In February 2026, the BoE forecast that inflation would fall from 3.4% in December 2025 to 3.0% in quarter 1 of 2026. This fall was expected to be driven by energy price shifts, influenced partly by fiscal policy within Budget 2025, and further driven down by the impact of monetary policy. The BoE expected CPI inflation to return to around the government's 2% inflation target in quarter 2 of 2026 and remain around this level over the forecast period. In November 2025 the OBR forecast a similar path with CPI inflation falling to 2.5% in 2026, returning to the government's 2% inflation target in 2027.

**Figure 2.1: CPI inflation rate (first quarter 2021 to fourth quarter 2025), OBR CPI inflation rate forecast (first quarter 2026 to first quarter 2031).**

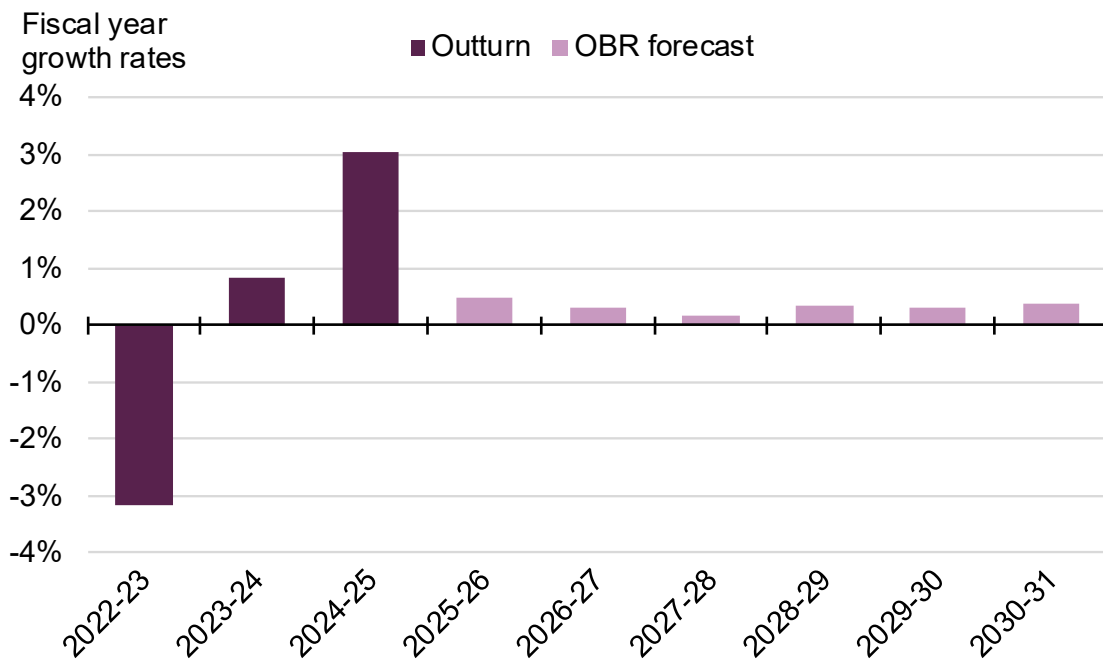


- 2.9 Real Household Disposable Income (RHDI) per person, a measure of living standards, grew by 3.0% in 2024-25. The OBR forecast RHDI growth to slow sharply to 0.5% in 2025-26, 0.3% in 2026-27 and then average around 0.3% a year for the rest of the decade, well below the last decade's average of just under 1.0% a year. This places the projected figures among the lowest, and leading to one of the longest sustained periods of weak RHDI growth, in modern UK economic history.

<sup>14</sup> ONS (2026) *Consumer price inflation, UK: January 2026* (online) Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/january2026> [Accessed 25 February 2026].

<sup>15</sup> Owner occupiers' housing costs are the costs of housing services associated with owning, maintaining and living in one's own home.

**Figure 2.2: Real Household Disposable Income per person outturn and OBR forecast, 2022-23 to 2030-31.**



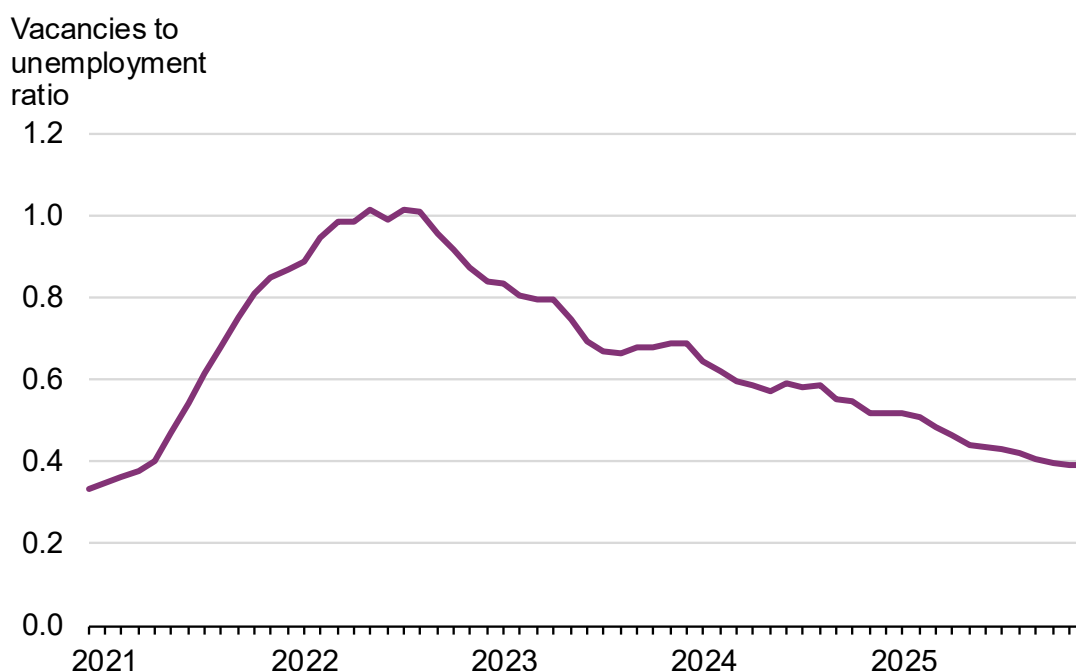
2.10 In 2025, the labour market loosened further, evidenced by the number of job vacancies having fallen by 73,000 (9.2%) over the year to the three months ending January 2026<sup>16</sup>. The Office for National Statistics (ONS) estimated that the number of vacancies for the latest quarter increased by 2,000 on the previous quarter. The number of vacancies has remained broadly stable since the middle of 2025, arresting the decline over the previous three years.

2.11 The unemployment rate was 5.2% from October 2025 to December 2025, an increase of 0.8 percentage points on a year prior and the highest rate in almost five years<sup>17</sup>. The OBR forecast that the unemployment rate would remain close to 5.0% until 2027, then it is expected to begin decreasing, reaching its equilibrium rate of 4.1% by the end of the decade. The vacancies to unemployment ratio, a measure of labour market tightness, continued to fall in 2025. The BoE forecast that the unemployment rate will rise, peaking at 5.3% in late 2026 and then slowly decline for the forecast period to 4.9% in the first quarter of 2029.

<sup>16</sup> ONS (2026) *Vacancies and jobs in the UK: February 2026* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/february2026> [Accessed 17 February 2026].

<sup>17</sup> ONS (2026) *Employment in the UK: February 2026* (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/february2026> [Accessed 17 February 2026].

**Figure 2.3: Vacancies to unemployment ratio, rolling three-month periods, three months ending December 2020 to three months ending December 2025<sup>18</sup>.**



2.12 Brightmine analysis of pay settlements to the three months ending January 2026 showed that median pay settlements were 3.2%<sup>19</sup>.

2.13 Whole economy Total Pay growth was 4.2% in the three months to December 2025. Total private sector average earnings growth was 3.5% and total public sector average earnings growth was 7.0%<sup>20,21</sup>. Average earnings growth was stronger than the OBR expected at the start of 2025, but the OBR estimate average earnings growth to fall to around 3.3% in 2026 and then to 2.3% thereafter. The forecast reflects the labour market loosening, lower inflation and a gradual slowdown in the growth of employee wages.

<sup>18</sup> Office for the Pay Review Bodies analysis of ONS data.

<sup>19</sup> Brightmine (2026) Pay Awards (online) Available to Brightmine subscribers:

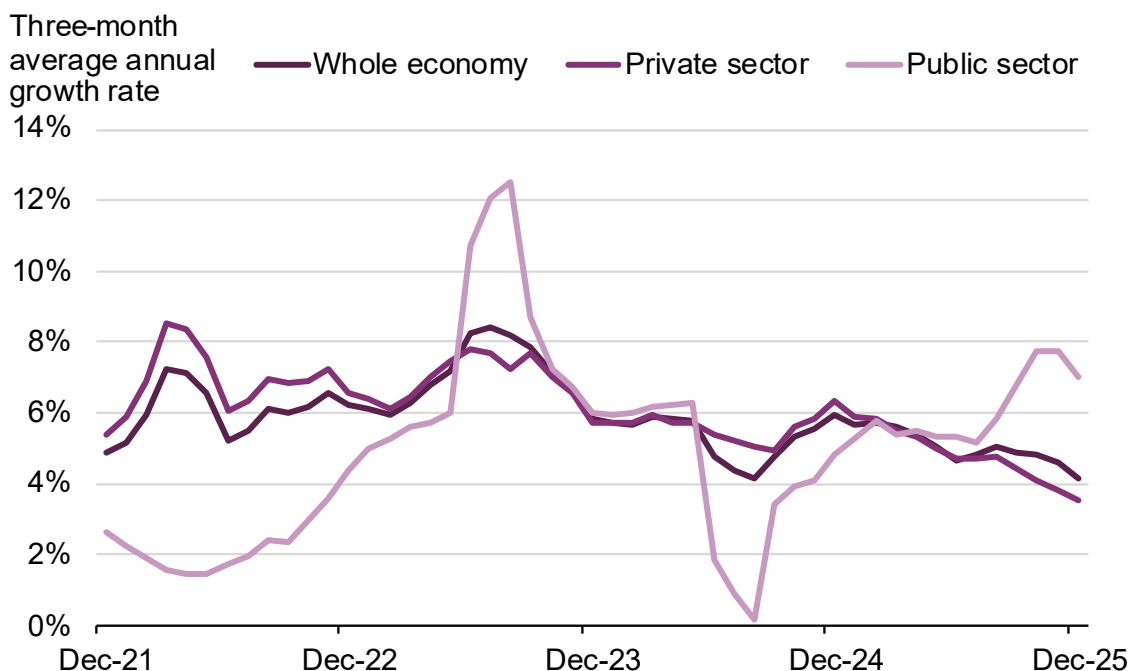
<https://hrcentre.uk.brightmine.com/economic-data/pay-awards/16100/> [Accessed 10 February 2026].

<sup>20</sup> ONS (2026) *Average weekly earnings in Great Britain: February 2026* (online) Available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/latest> [Accessed 17 February 2026].

<sup>21</sup> The ONS explained that the public sector annual growth rate was affected by some public sector pay rises being paid earlier in 2025 than in 2024. As a consequence, this figure effectively includes two years' worth of pay awards. This effect will phase out from the growth rate moving forward.

**Figure 2.4: Average Weekly Earnings growth in the private sector, public sector, and whole economy: Total Pay, three-month average annual change, December 2021 to December 2025.**



*Our comments on the economic indicators*

- 2.14 We submit our Report to government during a period of economic uncertainty and a weakened economy. The OBR has revised down its assumption for medium-term productivity growth, a key determinant of economic performance. We note that significant risks persist around the economic and inflation outlook. This includes ongoing geopolitical developments that continue to cause volatility in energy prices, whilst potential shifts in global trade policy could significantly affect import costs and may have knock on impacts on inflation.
- 2.15 We note that the OBR’s forecast of RHDl per person growth, an indicator of living standards, shows that the growth in disposable income per person is expected to slow sharply in 2025-26. This follows modest recovery in 2024-25, which comes after the largest fall in living standards since ONS records began in the 1950s, seen during 2022-23. Overall, the OBR’s forecasts suggest living standards, including for our remit group, will not improve significantly in coming years, leading to an extended period of slow growth relative to past trends.

## Pay comparability

- 2.16 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 in civilian life. 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.
- 2.17 We have analysed the relative position of our remit group's main pay scales in the distribution of earnings of those in full-time employment in the wider economy using the Armed Forces' pay scales and ONS's Annual Survey of Hours and Earnings data (ASHE)<sup>22</sup>. A historical view of pay comparability is at Appendix 7.
- 2.18 Since 2023, the ONS has made revisions and methodological changes to ASHE, following on from several years being affected by COVID-19. The ONS advised caution when comparing recent data to earlier years and noted that the latest release is provisional, which is consistent with previous years. We acknowledge the ONS's warnings about ASHE data quality and comparability, and each year, we frame our analysis carefully when making year-on-year and longer-term comparisons.

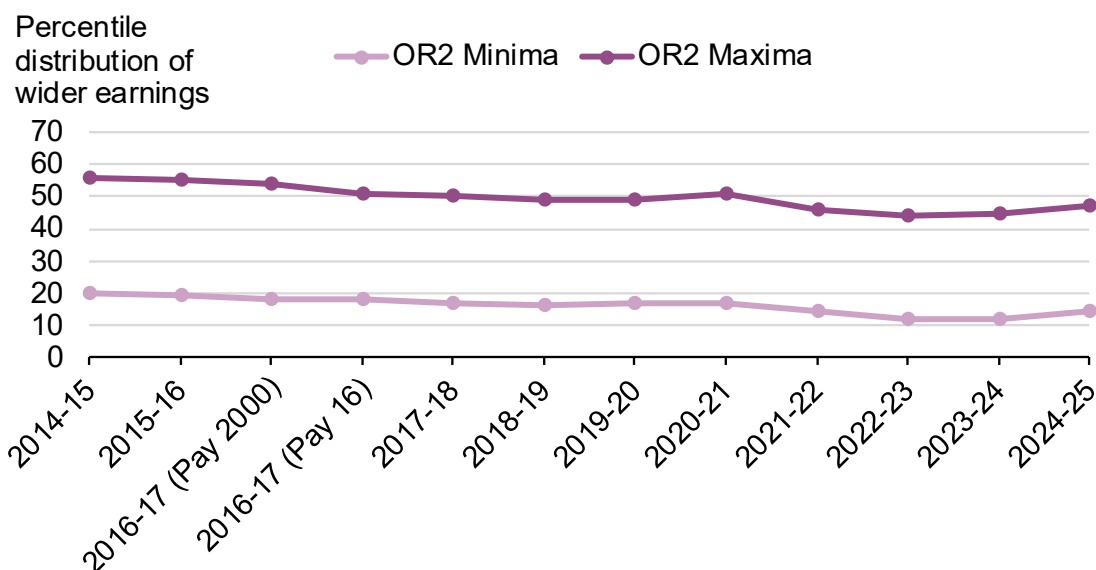
### *Comparisons with data from ASHE*

- 2.19 The most recent ASHE data available at the time of writing this Report pertains to the 2024-25 financial year. Consequently, our analysis concerns the 2024-25 Armed Forces' pay scales, which incorporate a 6% pay award for personnel on the main pay scales up to and including OF6 personnel, and a 5% pay award for Senior Officers (previously within the remit of the Senior Salaries Review Body).
- 2.20 The relative position of pay for Other Ranks had either improved or been maintained in 2024-25 on 2023-24. The relative position of pay for Officers was broadly maintained in 2024-25 on 2023-24. For Junior Officers, the relative position improved in 2024-25 and for the lowest paid OF5 and OF7 personnel, the relative position slightly declined in 2024-25 on 2023-24.
- 2.21 The relative position of pay for the most Junior Other Ranks (OR2) and Officers (OF1) declined the most over the last decade relative to wider earnings. The 2024-25 pay award resulted in an improvement of the relative position for these ranks.
- 2.22 The analysis excludes the latest Armed Forces' pay award of 4.5% for 2025-26, as this falls outside the release period of the ONS ASHE estimates. The ASHE figures for 2025-26 are anticipated to be published in late 2026.

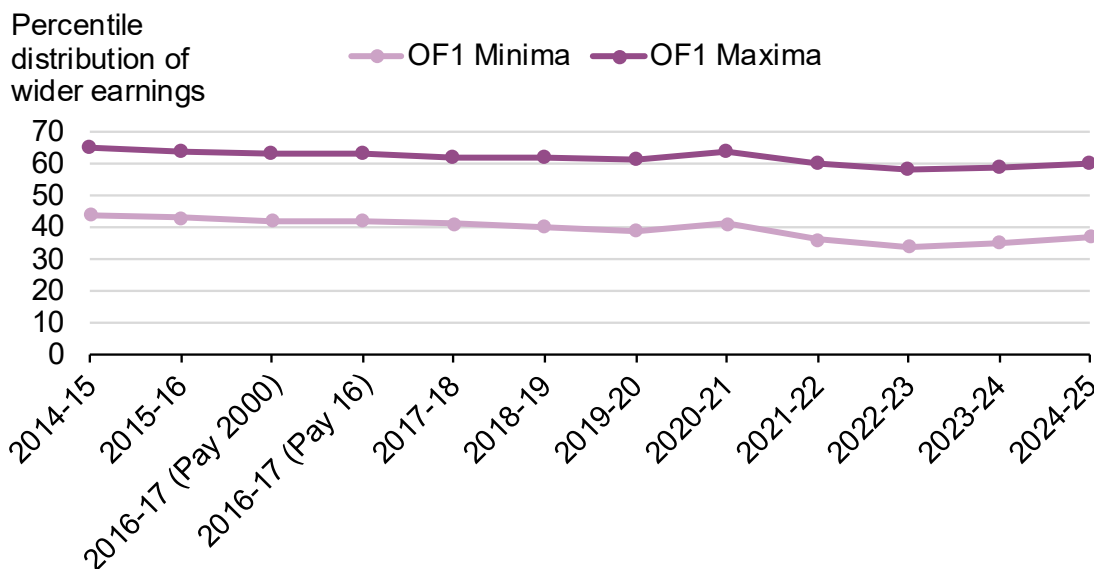
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<sup>22</sup> The Annual Survey of Hours and Earnings (ASHE), carried out in April each year, is a comprehensive source of information on the structure and distribution of earnings in the UK. ASHE provides information about the levels, distribution and make-up of earnings and paid hours worked for employees in all industries and occupations.

**Figure 2.5: Position of the OR2 pay framework including X-Factor in the distribution of earnings across the UK economy for 2014-15 to 2024-25<sup>23</sup>.**



**Figure 2.6: Position of the OF1 pay framework including X-Factor in the distribution of earnings across the UK economy for 2014-15 to 2024-25.**



*Starting pay in selected occupations*

2.23 As in previous years, we examined the starting salaries for both graduates and non-graduates entering the Armed Forces by reviewing research from recruitment and specialist organisations. We also compared these Armed Forces’ starting salaries with those in other public sector organisations, regardless of whether a university degree is required.

2.24 As of the time of reporting, the latest Institute of Student Employers (ISE) Student Recruitment Survey draws on data collected from 30 June to 30 July 2025, while the

<sup>23</sup> Service personnel receive X-Factor, a pensionable addition to pay to reflect the exigencies of Service life (as opposed to normal civilian employment).

most recent High Fliers Graduate Market Survey uses information gathered during July 2025.

2.25 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. 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.

- The ISE reported a median graduate starting salary of £33,000 and a median school and college leaver starting salary of £24,000 in 2024-2025, increases of 2% and 3% respectively from the year before<sup>24</sup>.
- High Fliers reported a median graduate starting salary of £35,000 in 2025, an increase from £34,000 in 2024, and a rise of 16.7% since 2021<sup>25</sup>.

**Table 2.1: Starting pay in selected public sector occupations and graduate recruitment survey, 2025.**

	Starting pay
Doctor <sup>26</sup>	£38,831
Armed Forces’ Officer	£34,676
ISE Graduate Median	£33,000
Teacher <sup>27</sup>	£32,916
Fast Stream civil servant <sup>28</sup>	£31,554
Police Officer <sup>29</sup>	£31,164
National Health Service nurse <sup>30</sup>	£31,049

#### *Our comments on pay comparability*

2.26 We note that over the period analysed, the most junior Other Ranks and junior Officers saw a gradual decline in the relative position of their pay compared with wider earnings. However, in the last two years analysed, the decline has been reversed and the pay position of these cohorts has now improved. The relative position of the pay of more senior Other Ranks and senior Officers has remained broadly consistent in the analysis.

2.27 Our pay comparability analysis examines the relative position of Armed Forces’ salaries from the main pay scales against annual earnings in the wider economy. This assessment does not include Recruitment and Retention Payments, Financial

<sup>24</sup> ISE (2025) *Student Recruitment Survey 2025* (online) Available to ISE members: [https://ise.org.uk/knowledge/research/491/ise\\_student\\_recruitment\\_survey\\_2025](https://ise.org.uk/knowledge/research/491/ise_student_recruitment_survey_2025) [Accessed 23 January 2026].

<sup>25</sup> High Fliers (2025) *The Graduate Market in 2025* (online) Available at: <https://www.highfliers.co.uk/> [Accessed 23 January 2026].

<sup>26</sup> Hospital doctors in England on Foundation Year 1 (Basic pay) as at 1 April 2025.

<sup>27</sup> Applies to teachers in England, but outside London. Schools have flexibility to offer starting salaries above the minimum quoted. Figures provided are indicative. Rates as at 1 September 2025.

<sup>28</sup> Civil Service Fast Stream (2025) *The Civil Service Fast Stream* (online) Available at: <https://www.civil-service-careers.gov.uk/fast-stream/> [Accessed 23 January 2026].

<sup>29</sup> The pay relates to new entry, pay point 1 for constables, England and Wales. Rates at 1 September 2025.

<sup>30</sup> Agenda for Change England rates assuming starting point Band 5 entry step point as of 1 April 2025.

Retention Incentives, compensatory allowances, or pay for personnel whose trades are on separate pay scales. We assess that having a fuller appreciation of overall gross remuneration relative to the wider economy is important. We invite the Ministry of Defence to provide us with better data on the maxima and minima pay for key cohorts (whether by rank and trade), taking into account these additional payments. This will allow us to understand better the gross earnings for these groups of Armed Forces' personnel.

## Chapter 3 - WORKFORCE DATA

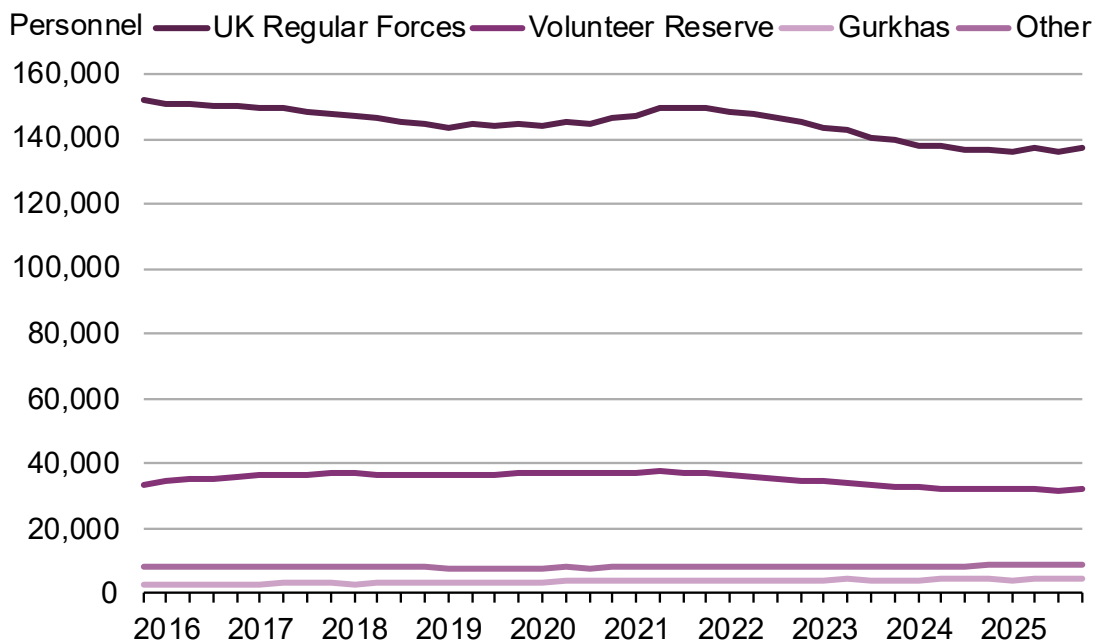
### Introduction

- 3.1 Our Terms of Reference require us to consider the need for the Armed Forces to recruit, retain and motivate suitably able and qualified people.
- 3.2 This chapter presents the latest available statistics on the size and composition of our remit group, including Senior Officers, and includes a summary of the evidence submitted by the Ministry of Defence (MOD) regarding the workforce.
- 3.3 MOD does not publish all of its statistical releases with reference to the same date. This may lead to variation in time periods covered. At the time of writing this Report, the latest data available to us on the strength of the Armed Forces was 1 October 2025.

### Workforce strength

- 3.4 At 1 October 2025, the United Kingdom (UK) Forces totalled 182,063 personnel: 137,102 Regulars, 31,940 Volunteer Reserves, 4,232 Gurkhas, and 8,789 other personnel<sup>31,32</sup>. This was a 0.3% increase (516 personnel) from October 2024. These figures relate to the overall strength of the Armed Forces and therefore include both untrained and trained Service personnel.

**Figure 3.1: Strength of UK Forces, Tri-Service, 1 October 2015 to 1 October 2025.**

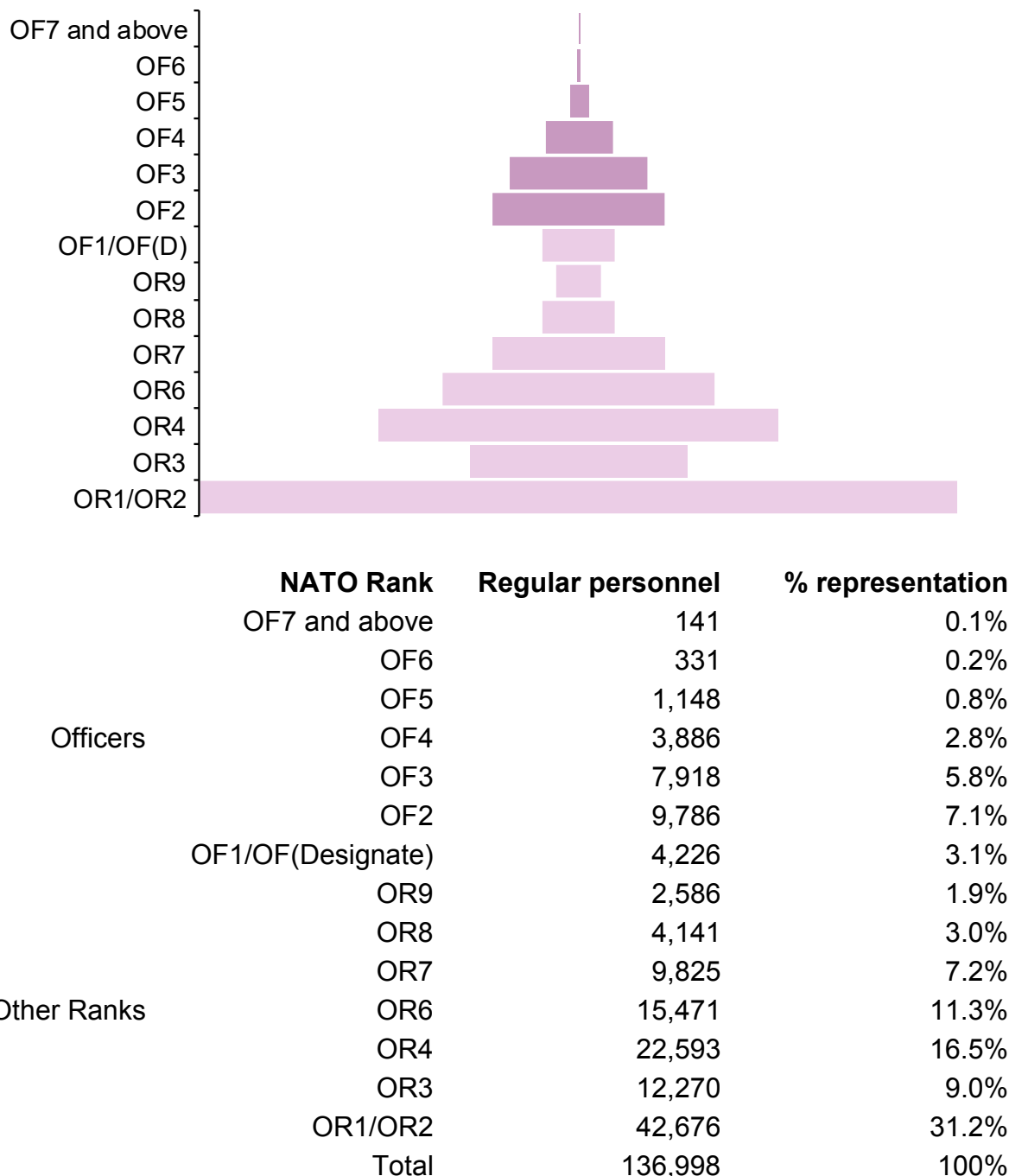


<sup>31</sup> MOD (2025) *Quarterly service personnel statistics: 1 October 2025* (online) Available at: <https://www.gov.uk/government/statistics/quarterly-service-personnel-statistics-2025/quarterly-service-personnel-statistics-1-october-2025> [Accessed 22 January 2026].

<sup>32</sup> 'Other' includes Serving Regular Reserves, Sponsored Reserves, Military Provost Guard Service, Locally Engaged Personnel and elements of the Full-Time Reserve Service (FTRS).

3.5 Figure 3.2 displays the North Atlantic Treaty Organisation (NATO) rank breakdown of Regulars within our remit group, using data from 1 April 2025<sup>33,34</sup>. The group consisted of 80% Other Ranks and 20% Officers. Senior Officers, included in our remit group for the first time, represented 0.1% of the Regulars.

**Figure 3.2: Strength of UK Regular Forces, AFPRB remit group rank distribution, Tri-Service, 1 April 2025.**



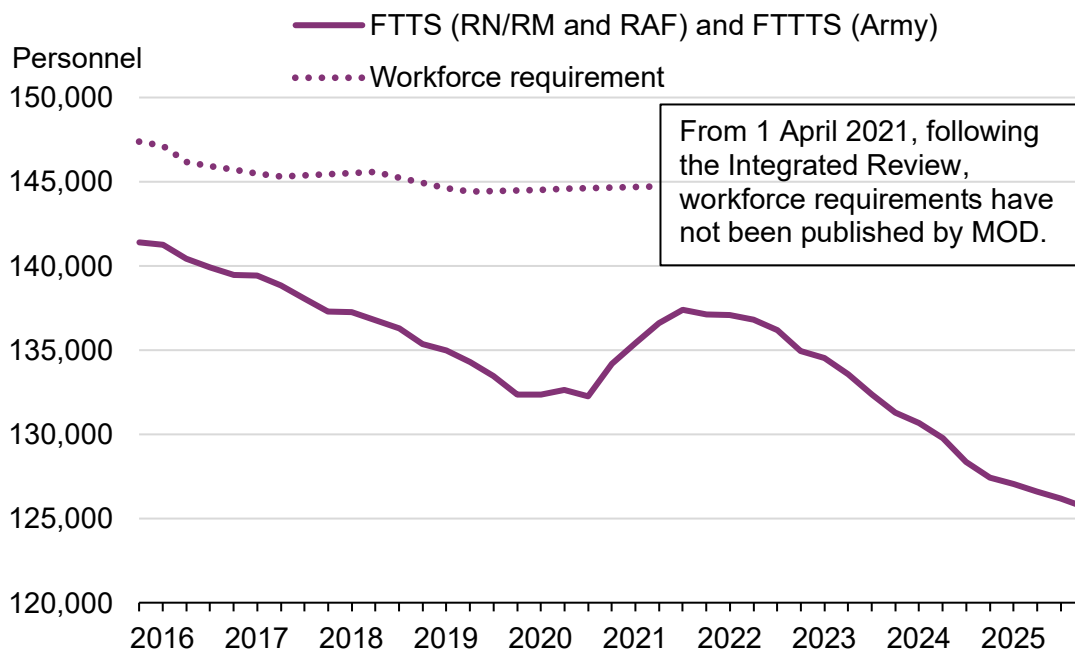
<sup>33</sup> The NATO breakdown of elements of the UK Armed Forces is published annually by MOD.

<sup>34</sup> MOD (2019) *Key to Rank codes April 2019* (online) Available at:

<https://www.gov.uk/government/publications/tri-service-pension-codes-april-2019/key-to-rank-codes-april-2019> [Accessed 18 February 2026].

3.6 At 1 October 2025 the full-time trained strength (FTTS) (Royal Navy (RN)/Royal Marines (RM) and Royal Air Force (RAF)) and full-time trade trained (FTTTS) (Army) strength was 125,680 personnel, a 1.4% (1,762 personnel) decrease on 1 October 2024. The trained strength of each Service decreased on the previous year, RN/RM by 1.1%, Army and RAF by 1.5%.

**Figure 3.3: FTTS and FTTTS against Workforce Requirement, Tri-Service, 1 October 2015 to 1 October 2025.**



3.7 The trained strength of the Future Reserves 2020 (FR20) Forces at 1 October 2025 was 29,066 personnel, a decrease of 191 personnel or 0.7% since 1 October 2024<sup>35</sup>.

#### *MOD evidence on the workforce*

3.8 In oral evidence, the Chief of Defence Staff told us that the Armed Forces continued to face a workforce crisis and that retention was the most effective way of rebuilding the workforce to required strength levels. MOD also said that FTTS and FTTTS was expected to decline further in 2025-26 and that achieving a full recovery to previous strength levels would take a number of years.

3.9 MOD said that to enhance capabilities, it was imperative for it to make strategic investments in its people, which would include focusing on improving skills. MOD provided us with an update on its Whole Force reporting, defined as Workforce Capability Gaps (WCG). MOD defined a WCG as 'deficiencies or shortfalls in the skills, experience, or personnel numbers that could impact the ability to deliver defence outputs effectively'. The single Services reported the following number of WCGs at varying severity levels: RN 60 WCGs, Army 59 WCGs and RAF 19 WCGs.

3.10 MOD told us that WCGs within the workforce had remained stable since last year, with no significant changes in their volume or distribution.

<sup>35</sup> FR20 includes Volunteer Reserves who are mobilised, High Readiness Reserves and those Volunteer Reserves serving on FTRS and Additional Duties Commitment (ADC). Sponsored Reserves are also included in the Army Reserve FR20.

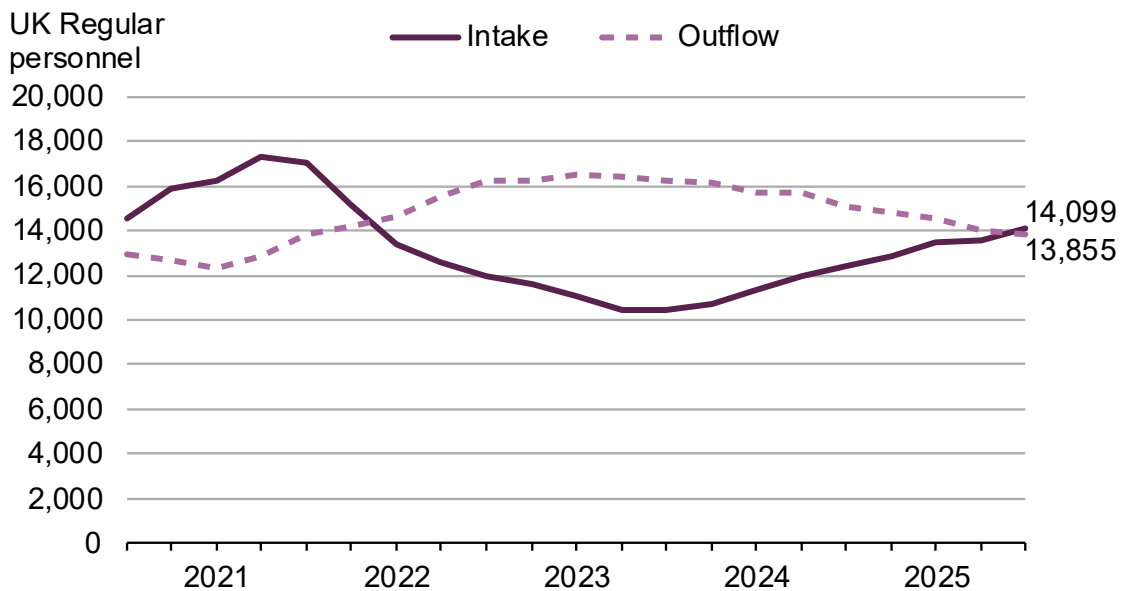
*Our comments on the workforce*

- 3.11 In our 2025 Report, we registered significant concerns about the decline in workforce strength; this issue has since become increasingly pronounced. Against a rapidly moving, increasingly complex geopolitical environment, the Strategic Defence Review outlined how there is no scope to reduce the number of highly trained and equipped Regulars across all three Services<sup>36</sup>. However, in the last year to October 2025, the full-time trained (RN/RM and RAF)/trade trained strength (Army) strength has decreased by 1,762 personnel, driven by decreases of trained Regulars. We assess that the overall workforce position is fragile and that the retention of trained personnel remains a key issue.
- 3.12 We welcomed the evidence submitted to us from each of the single Services which described their workforce position and WCGs. We note that WCGs can refer to areas with deficiencies at a certain rank or deficiencies that affect the entire cadre. We are concerned that some WCGs have endured for many years. We invite MOD to submit more evidence on these in the next pay round, in particular data on gapping by severity so that we can understand the WCGs more accurately and the link between these and remunerative actions.

**Recruitment and retention**

- 3.13 For the year ending 30 September 2025, total intake into the Regulars surpassed outflow for the first time since 2021<sup>37</sup>. Total intake into the Regulars was 14,099 personnel, a 13.3% increase on the previous year and total outflow from the Regulars was 13,855 personnel, an 8.1% decrease on the previous year.

**Figure 3.4: UK Regular Forces total intake and total outflow, Tri-Service, 12 months ending 30 September 2020 to 12 months ending 30 September 2025.**



- 3.14 Total intake increased for each of the Services: RN/RM intake increased 14.5%, Army intake increased 7.4% and RAF intake increased 37.7% compared to the previous year. Total outflow decreased for each of the Services: RN/RM outflow decreased 7.4%, Army outflow decreased 5.4% and RAF outflow decreased 18.1%

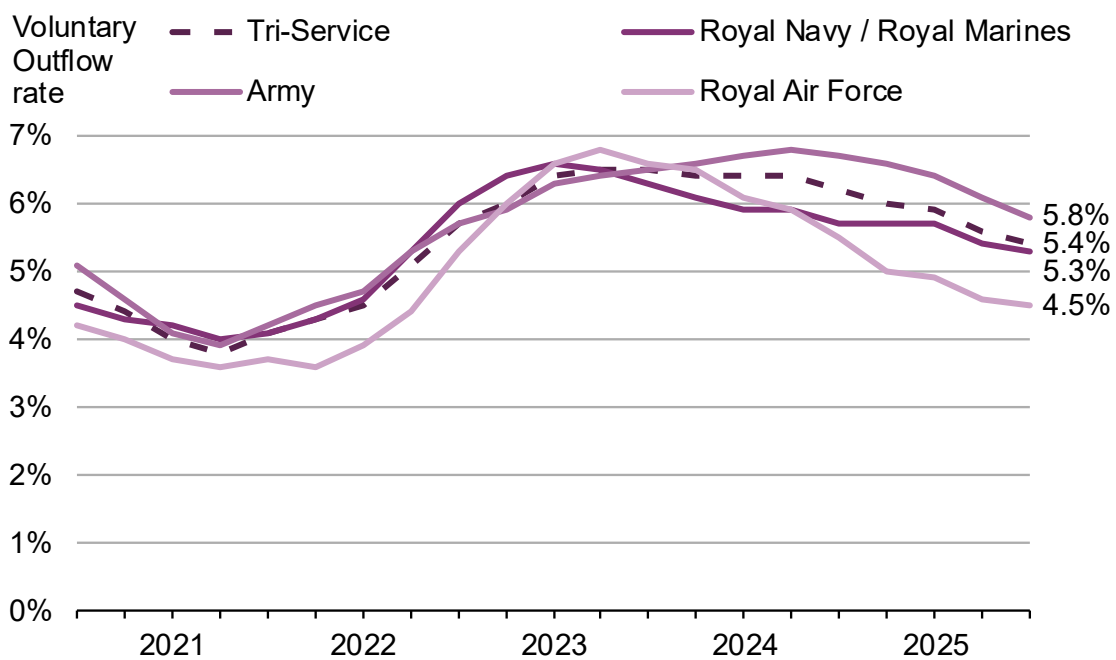
<sup>36</sup> See footnote 3.

<sup>37</sup> 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. This excludes intake and outflow from Long Term Absentees (Service personnel who have been absent without leave for more than 21 days).

compared to the previous year. The Army was the only Service with higher outflow than intake.

- 3.15 The number of applications to join the Armed Forces for all three Services increased in the 12 months to 30 June 2025 on the previous year<sup>38</sup>.
- 3.16 The Tri-Service Voluntary Outflow (VO) rate was 5.4% in the 12 months ending 30 September 2025, a decrease of 0.8 percentage points on the previous year and the lowest rate observed in over three years<sup>39</sup>.
- 3.17 The VO rate for Officers was 4.5%, representing a decrease of 0.7 percentage points compared to the previous year. For Other Ranks, the VO rate was 5.6%, a reduction of 0.9 percentage points from the year prior.
- 3.18 The VO rates were 5.3% for RN/RM, 5.8% for the Army, and 4.5% for the RAF. Compared with the previous year, the RN/RM VO rate fell by 0.4 percentage points, the Army rate dropped by 0.9 percentage points, and the RAF rate decreased by 1 percentage point.

**Figure 3.5: Voluntary Outflow rate, Tri-Service and single Service, 12 months ending 30 September 2020 to 12 months ending 30 September 2025.**



*MOD evidence on recruitment and retention*

- 3.19 In written evidence, MOD stated that the Armed Forces continued to face significant challenges regarding workforce recruitment and retention. We also received evidence from each of the single Services on their workforce position. One theme consistent across the evidence provided was that all Services need to grow in strength, at pace, to meet future demands.

<sup>38</sup> We note that some of the application data published by MOD was provisional.

<sup>39</sup> 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.

- 3.20 MOD stressed that recruitment and retention of personnel remained key priorities for Defence and, though there were initial signs of improvement in attracting new recruits, challenges had persisted in retaining skilled personnel.
- 3.21 In evidence, MOD discussed how new targets had been implemented for Armed Forces' recruitment. These focused on making it quicker and easier for people to 'sign up to serve', whilst attracting the best talent<sup>40</sup>. MOD also said that the increases to Initial Pay in 2024 and 2025 had contributed to increased applications and a related rise in intake. However, MOD was clear that conversion into Gains to Trained Strength (GTTS) will take time.
- 3.22 MOD explained that the recruitment environment was challenging, especially for highly sought after skills that were in short supply within both the Defence sector and the wider economy. MOD also noted that civilian industries might offer significantly better salaries or more attractive reward packages in key skills areas.
- 3.23 MOD identified the Armed Forces Recruitment Service (AFRS) (due to be introduced in 2027) as a crucial milestone to stabilise and rebuild the workforce. The AFRS would aim to recruit from the broadest spectrum of society and attract the best talent by providing a streamlined, single-entry point into the Armed Forces for prospective recruits. MOD also explained that specific retention measures tailored to each Service would be vital in addressing workforce issues.

#### *Our comments on recruitment and retention*

- 3.24 We are pleased that the latest data available to us confirmed that recruitment into the Regulars exceeded outflow. However, we judge that intake needs to increase and outflow needs to decrease further and faster to enable the Armed Forces to return to full strength. On recruitment, we note that MOD has introduced initiatives that remove unnecessary barriers to entry into the Armed Forces and to expedite the process of starting basic training. To ensure this increased intake is rapidly translated into trained strength, we urge MOD to ensure its training pipelines are able to respond to this increase in demand.
- 3.25 We note that statistics on the number of applications to join the Armed Forces do not translate directly into intake. Nevertheless, we are encouraged to see an increase in the number of applications to join each Service and we will keep this under review. We would like to see more accurate data on the number of eligible applicants to join the Armed Forces to enable us to understand how effective the recruitment process is at converting applicants into intake. The introduction of the AFRS in 2027 should provide MOD with an opportunity to collect this information.
- 3.26 We observe that VO rates have fallen across the Services. The Tri-Service VO rate is now marginally lower than the average experienced over the last decade. We recognise that the fall in the VO rate represents an improvement in the retention of personnel. Retention, however, remains a concern because trained personnel have continued to exit the Armed Forces, albeit at a lower rate. We understand that it takes investment of time and money to convert new recruits into GTTS. Therefore, we recognise that MOD needs to improve retention of its trained personnel to stop

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<sup>40</sup> MOD (2025) *Armed Forces to cut red tape and deliver quicker and easier recruitment service* (online) Available at: <https://www.gov.uk/government/news/armed-forces-to-cut-red-tape-and-deliver-quicker-and-easier-recruitment-service> [Accessed 27 January 2026].

the overall strength shrinking further. We will monitor the trained strength of the Armed Forces closely in the next year.

### Diversity in the Armed Forces

3.27 MOD provided evidence to us on the gender and ethnicity of our remit group up to 1 April 2025. Consistent with previous years, the following statistics on the diversity of the Armed Forces present the most recent data available to us at the time of writing<sup>41,42</sup>.

**Table 3.1: Representation of female personnel and ethnic minorities (excluding white minorities) personnel in the UK Regular Forces, Tri-Service and single Service, 1 October 2025 compared with 1 October 2024<sup>43</sup>.**

	Female representation	Ethnic minorities representation
<b>Tri-Service</b>	12.0% (0.1pp increase)	12.5% (0.8pp increase)
<b>RN/RM</b>	11.5% (0.3pp increase)	7.3% (1.2pp increase)
<b>Army</b>	10.5% (no change)	18.0% (1.0pp increase)
<b>RAF</b>	16.3% (0.2pp increase)	4.7% (0.4pp increase)

3.28 Of the 17,070 ethnic minority (excluding white minorities) Regular personnel at 1 October 2025, 7,480 (43.9%) were of non-UK nationality. This was an increase of 1.7 percentage points, or 780 personnel, on a year prior.

3.29 In the 12 months to 30 September 2025, 10.5% of Regulars' intake was female, a decrease of 0.5 percentage points compared to the year before. Intake of this cohort was higher for Officers at 18.1% compared to Other Ranks at 9.7%. Of the three Services, the RAF recruited the highest proportion of females at 14.6%.

3.30 In the 12 months to 30 September 2025, 17.5% of Regulars' intake was ethnic minorities (excluding white minorities) personnel, a decrease of 1.1 percentage points compared to a year prior. Intake of this cohort was higher for Other Ranks at 18.7% compared to Officers at 6.8%. Of the three Services, the Army recruited the highest proportion of ethnic minorities (excluding white minorities) at 19.9%.

3.31 Of the 2,420 ethnic minority (excluding white minorities) personnel who joined the Regulars in the 12 months ending 30 September 2025, 1,390 (57.7%) were of non-UK nationality.

#### *Armed Forces' gender pay gap*

3.32 MOD had not published the 2024-25 Armed Forces' gender pay gap data at the time of writing this Report.

#### *MOD evidence on diversity in the Armed Forces*

3.33 MOD said that its advantage derives from the talent and skills of its people. MOD, therefore stated that it must attract, recruit and retain the best people from the

<sup>41</sup> MOD publishes statistics relating to the diversity of the Armed Forces on a biannual basis.

<sup>42</sup> 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.

<sup>43</sup> Percentage point (pp).

broadest diversity of thought, skills and background, which it considers as mission critical to operational effectiveness.

- 3.34 MOD said that Defence will only meet current and future security challenges and threats if all its people, regardless of background, are confident that their skills and efforts are properly recognised, their individuality and experience respected, and they are able to achieve their full potential.
- 3.35 In evidence, MOD told us that the new AFRS will have commercial targets to recruit both women and ethnic minority candidates to grow representation of underrepresented groups in support of Defence's levels of ambition.
- 3.36 MOD explained how work has progressed through its 'Raising our Standards' culture change programme to promote more inclusive behaviours which includes tackling unacceptable behaviours with 100% action and consistent education and training for leaders.

#### *Our comments on diversity in the Armed Forces*

- 3.37 Early in the pay round we held a discussion with the MOD's Director of Conduct, Equality and Justice because we recognise that diversity is one of many factors that can influence recruitment and retention. From this session we sensed that the department was focused on driving compliance and improving behaviours. This was so that the Services could not only attract recruits from different backgrounds, but for the Services also to get the messaging on behaviours and standards right to ensure that they do not alienate individuals already in the Armed Forces.
- 3.38 We understand why MOD seeks to recruit from as broad a range of individuals as possible. This is not just important to help the Armed Forces to address their workforce shortfalls as they build back to full strength, but to ensure they can always attract the skilled and talented people that they need. We acknowledge the complexity involved in improving the diversity of the Armed Forces and that there has been a lack of progress over many years. We urge MOD to conduct a thorough analysis to identify the underlying reasons contributing to the lack of improvement in this area, and to assess the realistic scope to make progress so that any action taken can be focused to where it will have best effect. We note that the introduction of the AFRS in 2027 will have commercial diversity targets and may facilitate progress in growing the representation of currently underrepresented groups. We hope that the AFRS will also provide data to help MOD to understand better where any issues might lie.

## Chapter 4 - MOTIVATION AND MORALE

### Introduction

- 4.1 In this chapter, we present a summary of the evidence used to inform our pay recommendations relating to the motivation and morale of our remit group. It includes evidence gathered from the Armed Forces Continuous Attitude Survey (AFCAS), Reserves Continuous Attitude Survey (ResCAS), Continuous Working Patterns (CWP) Survey, our visits to Service establishments, online discussion group sessions we held with members of the remit group and evidence from Service Families' Federation (SFF) representatives.
- 4.2 Each year we use the results of the Ministry of Defence's (MOD) surveys to help inform our deliberations when making our recommendations. We attach great value to these, and they are a key source of evidence for our pay review process. We encourage our remit group to respond to the surveys.

### Armed Forces Continuous Attitude Survey

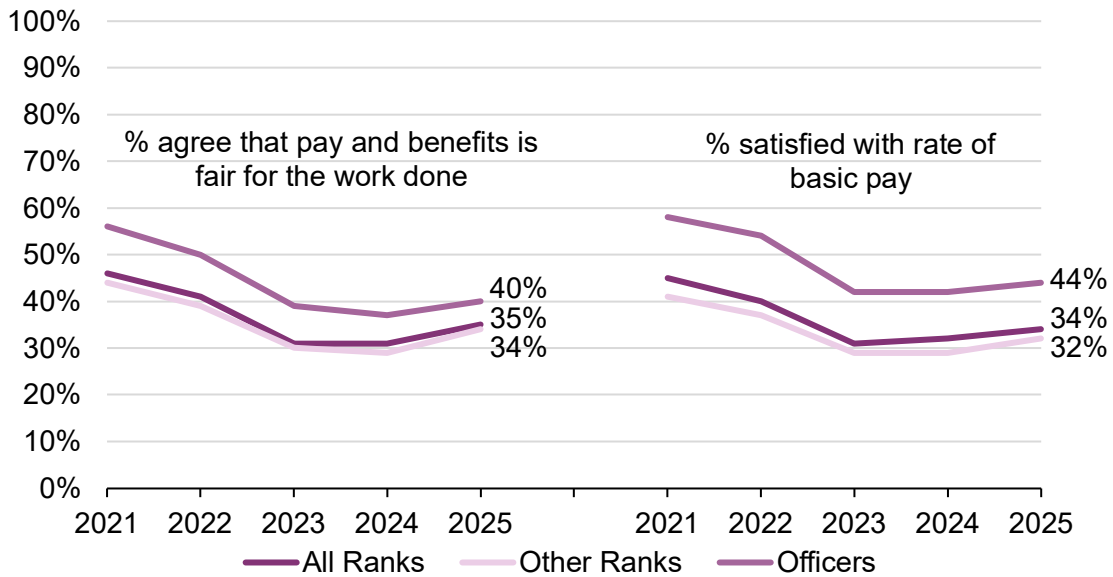
- 4.3 AFCAS is an Accredited Official Statistics publication produced by MOD and is one of its main mechanisms to gather the views and experiences of trained United Kingdom (UK) Regular personnel<sup>44</sup>. AFCAS is a resource that we use each year to consider and monitor our remit group's perspectives on life in the Armed Forces.
- 4.4 The latest AFCAS data we could access this year was AFCAS 2025<sup>45</sup>. The Survey was distributed to a sample of 31,955 trained UK Regulars and had a response rate of 29%. This reflects a continued decline in the response rate each year since 2019 when it was 42%. We are mindful that responses to the Survey were captured between September 2024 and February 2025. As a result, the Survey presents the views of personnel prior to the announcement and implementation of the 2025-26 pay award of 4.5%.
- 4.5 Our analysis spans from the Survey's introduction in 2007 to the 2025 results to understand how views of personnel have changed through time. We present the latest five years of results within this chapter and comment where statistically significant differences are observed.

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<sup>44</sup> Accredited Official 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 (2025) *Accredited Official Statistics* (online) Available at: <https://osr.statisticsauthority.gov.uk/accredited-official-statistics/> [Accessed 20 January 2026].

<sup>45</sup> MOD (2025) *Armed Forces Continuous Attitude Survey: 2025* (online) Available at: <https://www.gov.uk/government/statistics/armed-forces-continuous-attitude-survey-2025> [Accessed 20 January 2026].

**Figure 4.1: AFCAS – Attitudes towards pay, Tri-Service, 2021 to 2025.**



**Notes:**

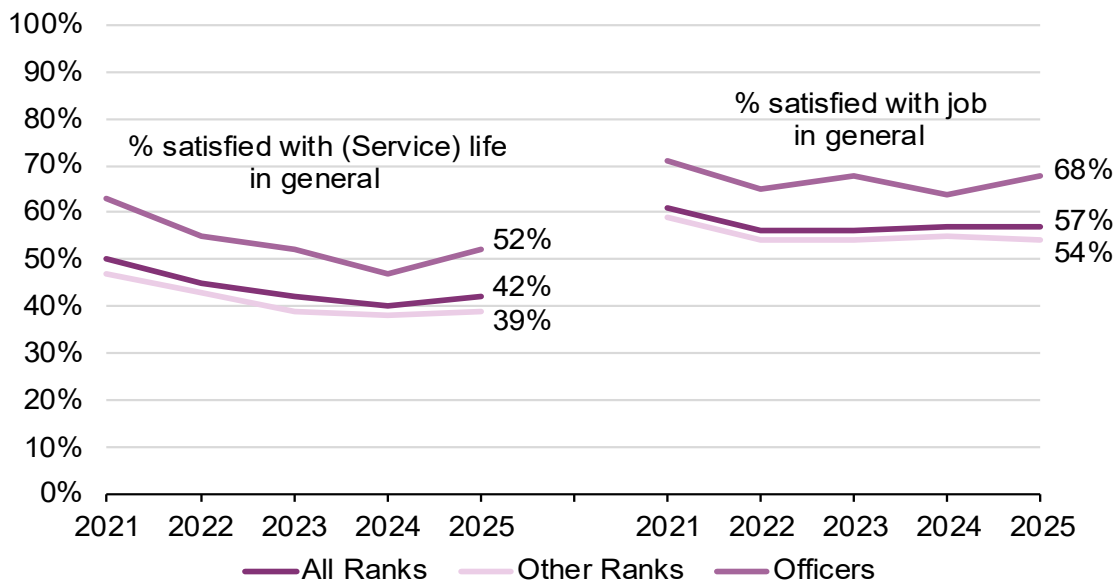
How strongly do you agree or disagree with the following? The pay and benefits I receive are fair for the work I do.

35% of personnel agreed, a 4 percentage point increase on the 2024 result.

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).

34% of personnel reported they were satisfied, a 2 percentage point increase on the 2024 result.

**Figure 4.2: AFCAS – Attitudes towards Service life and job in general, Tri-Service, 2021 to 2025.**



**Notes:**

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

42% of personnel reported they were satisfied with Service life in general, comparable to the 2024 result but remains in line with the lowest reported levels.

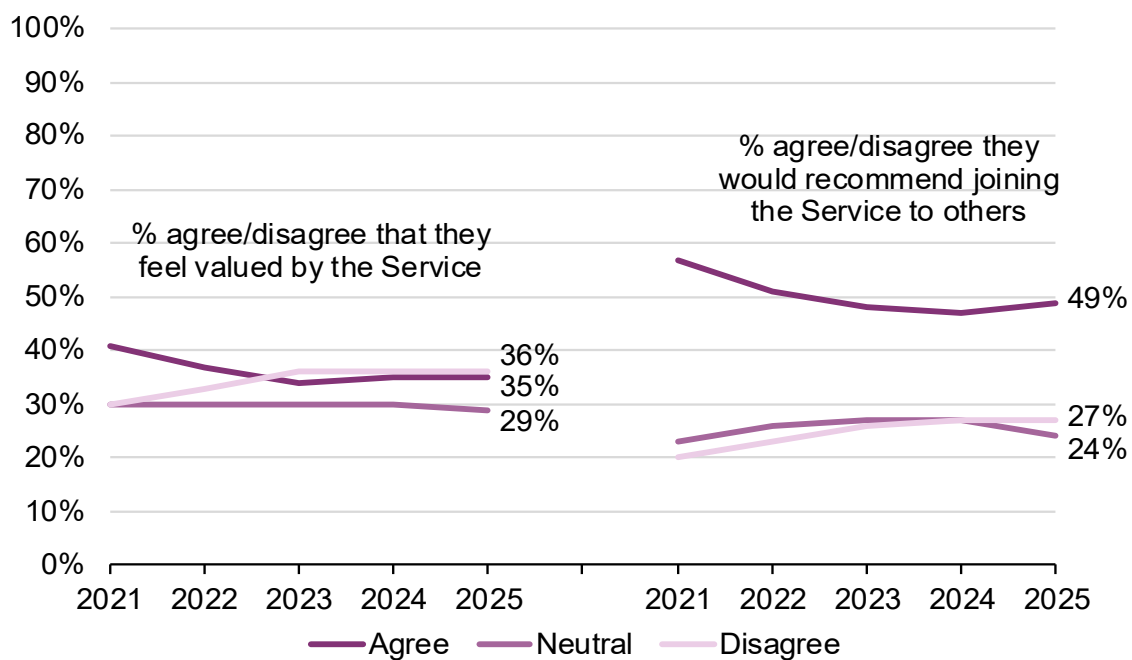
How satisfied are you with the following aspects of your current job? My job in general.

57% of personnel reported they were satisfied with their job in general, comparable to the 2024 result.

**Table 4.1: AFCAS – Top factors influencing Service personnel’s intentions to stay or leave the Service, 2025<sup>46</sup>.**

Intentions to stay		Intentions to leave	
1	Job security		Impact of Service life on family/personal life
2	Dental provision		Opportunities outside the Service
3	Healthcare provision		Spouse/partner’s career (4th in 2024)
4	Pension		Amount of pay (3rd in 2024)
5	Financial incentives available to me		Service morale

**Figure 4.3: AFCAS – Attitudes towards feeling valued and whether personnel would recommend joining the Service to others, Tri-Service, 2021 to 2025.**



**Notes:**

How strongly do you agree or disagree with the following? I am valued by the [Service].

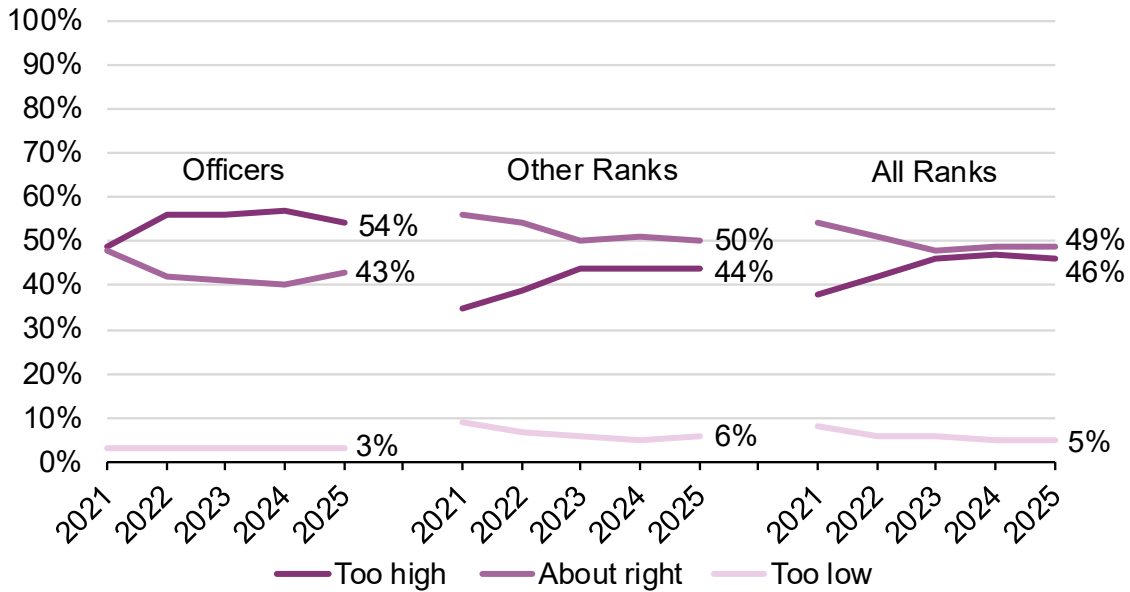
35% of personnel agreed they feel valued by the Service and 36% of personnel disagreed they feel valued by the Service, both are comparable to the 2024 results.

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

49% agreed they would recommend joining the Service to others and 27% disagreed, both are comparable to the 2024 results.

<sup>46</sup> 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 31 factors: ‘Increases my intentions to stay’, ‘Has no effect on my intentions to stay or leave’, ‘Increases my intentions to leave’.

**Figure 4.4: AFCAS – Attitudes towards workload, Tri-Service, 2021 to 2025.**

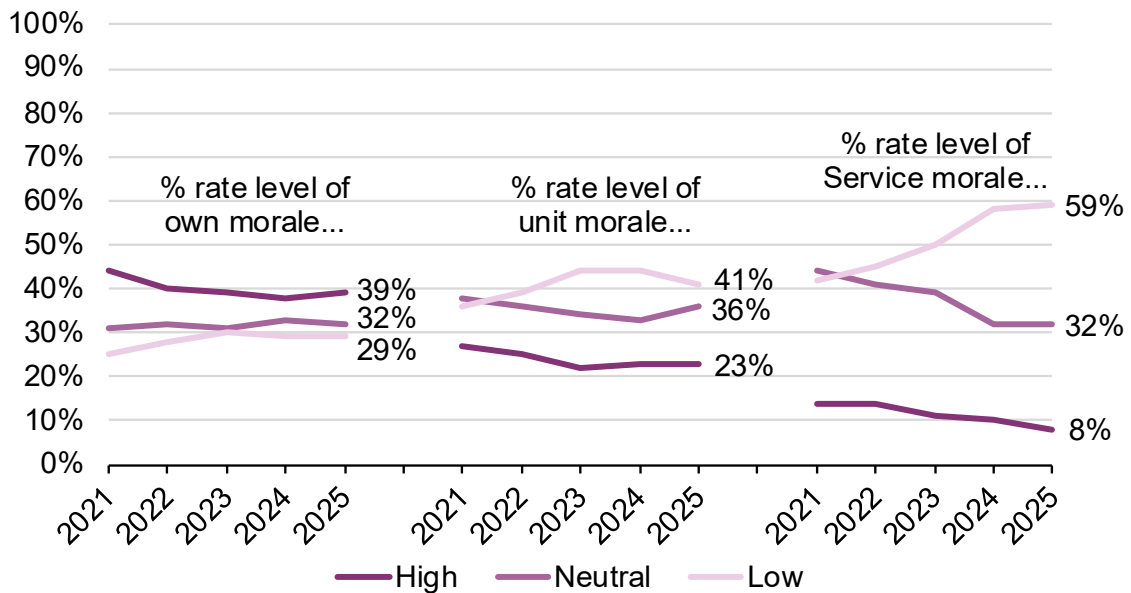


Notes:

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

46% of personnel rated their workload as too high, 49% of personnel rated their workload as about right and 5% of personnel rated their workload as too low. All these results are comparable to the 2024 results.

**Figure 4.5: AFCAS – Attitudes concerning morale, Tri-Service, 2021 to 2025.**



Notes:

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

39% of personnel rated their own morale as high and 29% of personnel rated their own morale as low, both are comparable to the 2024 results.

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

23% of personnel rated unit morale as high, comparable to the 2024 result and 41% of personnel rated unit morale as low, a 3 percentage point decrease on 2024.

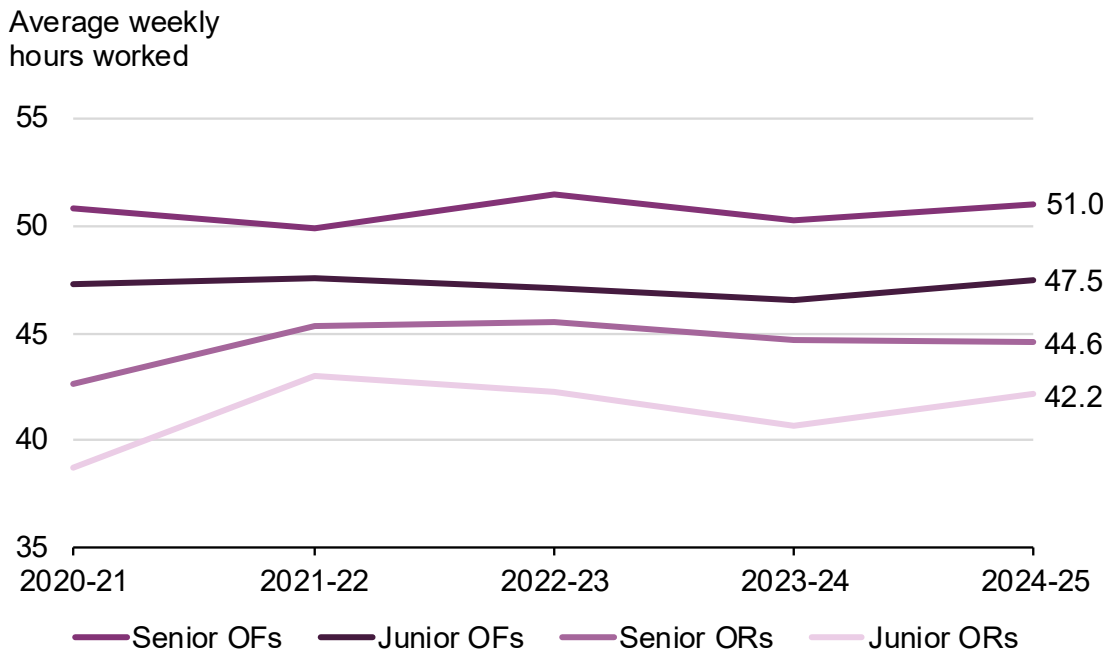
How would you rate the level of morale of... My Service?

8% of personnel rated the morale of their Service as high, comparable to the 2024 result and in line with the lowest reported levels. 59% of personnel rated the morale of their Service as low, comparable to the 2024 result.

## Continuous Working Patterns Survey<sup>47</sup>

- 4.6 The CWP Survey is a seven-day diary completed by a rank-ranged sample of trained UK Regulars to record the numbers of hours spent at work, on call, on breaks and off duty. MOD runs the Survey and it is sponsored under a remit from us.
- 4.7 The Survey was conducted from October 2024 to March 2025 and achieved a response rate of 12%, similar to response rates observed in recent years. This section of the Report presents an overview of working hours categorised by Service and rank group<sup>48,49</sup>.
- 4.8 In 2024-25, the average recorded weekly working hours was 44.1 hours, representing an increase of one hour compared to the previous year. The Royal Navy (RN) reported the highest average weekly working hours at 47.3 hours, which is 2.6 hours more than in 2023-24. The Army's figure was 43.4 hours per week, remaining broadly consistent with 2023-24. The Royal Air Force (RAF) reported the lowest average, at 42.8 hours per week, marking a 1.2 hour increase over 2023-24.
- 4.9 Consistent with many previous years, on average, weekly working hours increased with the seniority of personnel. Senior Officers recorded 51 hours per week working in 2024-25. Junior Other Ranks reported average weekly hours worked of 42.2 hours in 2024-25, an increase of 1.6 hours on 2023-24.

**Figure 4.6: CWP – Working hours of Service personnel by rank group, Tri-Service and single Service, 2020-21 to 2024-25.**



<sup>47</sup> MOD (2025) *Armed forces continuous working patterns survey 2024/25* (online) Available at: <https://www.gov.uk/government/statistics/armed-forces-continuous-working-patterns-survey-202425> [Accessed 20 January 2026].

<sup>48</sup> 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 representational duties and secondary duties.

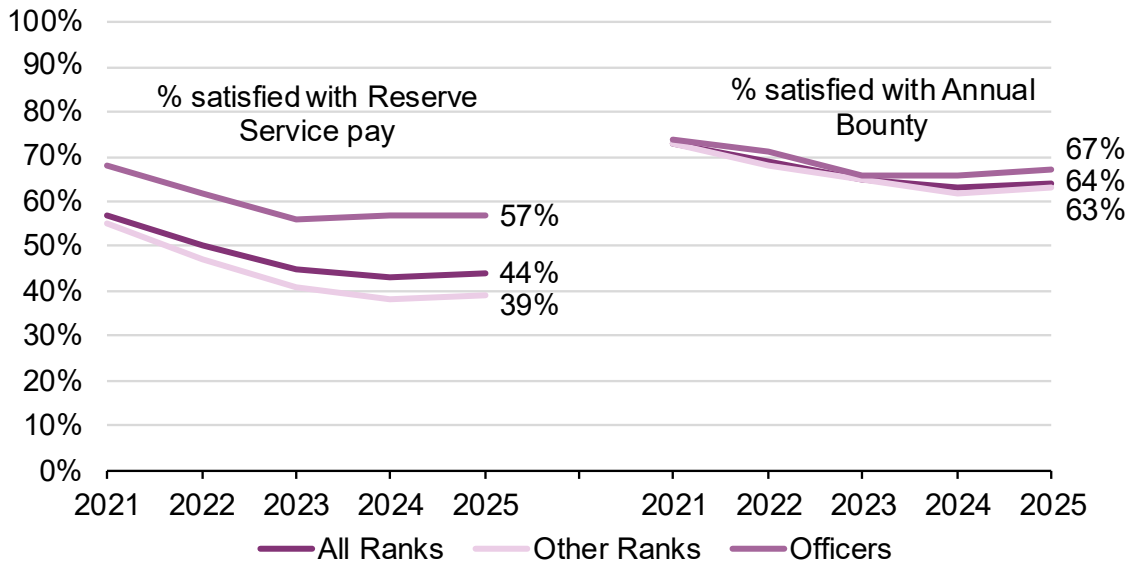
<sup>49</sup> MOD identifies Senior Officers as OF3 to OF6, Junior Officers as OF1 to OF2, Senior Other Ranks as OR6 to OR9 and Junior Other Ranks as OR1 to OR4.

## Reserves Continuous Attitude Survey

4.10 ResCAS is an MOD Official Statistics publication which gathers information on the views and experience of Reserve Forces' personnel across the Royal Navy Reserve, Royal Marine Reserve, Army Reserve and Reserve Air Force<sup>50,51</sup>.

4.11 Responses for the Survey were captured between January 2025 and April 2025 and ResCAS 2025 had a response rate of 21%, down from 23% in 2024.

**Figure 4.7: ResCAS – Attitudes towards pay, Tri-Service, 2021 to 2025.**



**Notes:**

How satisfied are you with: Your Reserve Service pay?

44% of Reserve personnel reported they were satisfied with Reserve Pay, this result is comparable to 2024 and continues to sit at its lowest level reported.

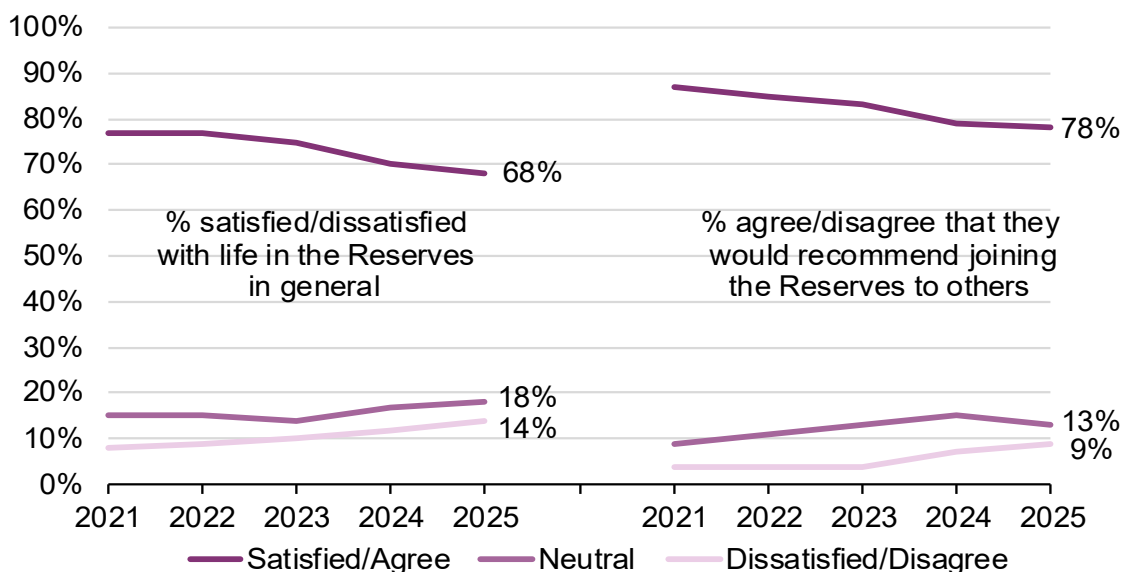
How satisfied are you with: Your Annual Bounty?

64% of Reserve personnel reported they were satisfied with the Annual Bounty, this result is comparable to 2024 and continues to sit at the lowest level reported.

<sup>50</sup> MOD (2025) *Tri-Service reserves continuous attitude survey: 2025* (online) Available at: <https://www.gov.uk/government/statistics/tri-service-reserves-continuous-attitude-survey-2025> [Accessed 20 January 2026].

<sup>51</sup> ResCAS reports responses to attitudinal questions on a three-point level such as the following: Strongly agree or agree, Neither agree nor disagree, Strongly disagree or disagree. For conciseness, this Report uses the following terminology: Agree, Neutral, Disagree or Satisfied, Neutral, Dissatisfied.

**Figure 4.8: ResCAS – Attitudes towards Service life, Tri-Service, 2021 to 2025.**



**Notes:**

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

68% of Reserve personnel reported they were satisfied with Service life in general, comparable to the 2024 result and in line with the lowest satisfaction recorded.

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

78% of Reserve personnel reported they would agree to recommend joining the Reserves to others, comparable to the 2024 result and in line with the lowest level recorded.

**Visits and discussion groups**

4.12 Between June and October 2025, we undertook 13 in-person visits, varying in duration from half a day to a week. We met some 850 Service personnel covering all ranks and all Services in various locations. During some of the in-person visits we also spoke to Service personnel’s spouses and partners. In addition, we undertook three online discussion groups (one from each of the single Services) with Part-Time Volunteer Reserve personnel. The government published our 2025 Report on 22 May, so all the personnel we met were able to comment on the 2025 pay award. The list of the 2025 visit locations is at Appendix 6.

4.13 Visits are a vital aspect of our evidence gathering. They enable us to meet members of our remit group to hear directly about issues relevant to our Terms of Reference. Through visits we can understand better the Service environment, what personnel do and the circumstances in which they operate. We also hear about the challenges that personnel face as well as the advantages of Service life.

4.14 We were keen to engage with personnel closer to the time when we were making our recommendations. Therefore, we held online discussion groups in November 2025 with 140 Service personnel from all three Services and drawn from locations across the UK, including one group with Senior Officers<sup>52</sup>.

4.15 We would like to thank all of those who took part in the visits and discussion groups, as well as MOD, the single Services and Cyber and Specialist Operations Command for organising and facilitating these sessions.

<sup>52</sup> The Senior Officers’ discussion group is considered further in Chapter 5.

4.16 Several themes raised by Service personnel were consistent across the visits and discussion groups. The key points are recorded below.

#### *Pay*

4.17 The 2025 4.5% pay increase was generally well received. Positive feedback acknowledged that this exceeded inflation and was at the higher end of public sector settlements. However, as in previous years, some felt it did not sufficiently compensate for years when the Armed Forces (and the public sector more generally) received low or no pay awards. The ongoing impact of the cost of living crisis was frequently raised. Concerns were also expressed that funding for the pay award might be diverted from other areas of Defence, although others were concerned that a lower pay award could negatively affect morale and retention.

4.18 Some suggested that increases in basic pay should be aligned with inflation and reflect cost of living pressures. However, others emphasised the importance of the pay award being comparable to those elsewhere in the public sector.

4.19 Many personnel made comparisons with levels of civilian sector pay. Some felt they could earn more and work fewer hours outside the Armed Forces. In locations where personnel worked alongside civilian contractors it was easy to see differences in pay and conditions, with many perceiving that some civilian contractors working on base often earned more. Such close comparisons had led some personnel to consider leaving their Service, not just for the pay but to enjoy a better work-life balance. Some personnel felt that peers who had left the Armed Forces appeared to be thriving in civilian roles. There was also a view that civilian employment offered better additional incentives, including access to private medical and dental care. Such additional benefits contributed to questions about the relative value of the wider Service offer.

4.20 Comparisons were also made with the pay and conditions of Armed Forces in other countries, with some personnel believing that attractive offers were available elsewhere.

4.21 Some personnel felt that the X-Factor no longer accurately reflected the complexity of readiness and Service life.

4.22 A number of personnel recognised that they benefited from subsidised accommodation and food on base. This reduced their outgoings so had a positive effect on overall take-home pay.

#### *Workforce issues*

4.23 Many personnel told us that a focus on retention was critical given the time needed to train new people and the importance of experience for specialist roles.

4.24 Service personnel perceived that their workload had remained constant or increased in recent years. Gapping, including in Civil Service posts (exacerbated by a civilian recruitment freeze) had led to personnel covering multiple roles, placing additional strain on individuals and teams, without any financial compensation.

4.25 We heard that some personnel were choosing not to pursue promotion, believing that the additional pay did not adequately reflect the increased responsibilities, the level of commitment and stress associated with more senior roles.

- 4.26 There was a perception that the Army Soldier Retention Payment was being awarded to individuals who were likely to remain in the Service anyway<sup>53</sup>. Some personnel interpreted the payment as an implicit acknowledgement that pay for those in scope was inadequate. However, there was recognition that the payment encouraged some individuals to make an additional commitment, while others said that it was insufficient to incentivise continued service.
- 4.27 Separately, there was strong support for the reintroduction of commitment bonuses, which were seen as a means to encourage retention once personnel had acquired valuable transferable skills.
- 4.28 Views on skills-based pay were mixed. While some personnel appreciated its ability to reflect complex work, others felt its effectiveness varied depending on branch and promotion opportunities.
- 4.29 We heard of personnel leaving for other uniformed services such as the police and fire service, which were perceived to offer better pay and stability.

#### *Morale and motivation*

- 4.30 Some personnel reported that the high tempo of work made it difficult to access wider support services and recreational facilities. Many felt they were working harder than ever, with limited time for personal wellbeing. The demands on personnel had increased while capacity had remained static or declined. Some personnel told us that they were working extended hours, often exceeding 12 hours per day, to meet operational requirements. The introduction of contractors in certain roles reduced the scope of work for some personnel, leading to frustration and diminished morale.
- 4.31 We heard of issues regarding outdated equipment, a perception of poorly defined support contracts and insufficient spares. Concerns were raised about the lack of investment in exercises, training, deployments, personal kit, and infrastructure.
- 4.32 While job security was valued, some personnel expressed disappointment that their expectations on joining the Armed Forces had not been realised, including around opportunities to travel overseas and gain international experience.
- 4.33 Personnel who had previously experienced a cyclical rhythm of operations and training told us that work had become increasingly unpredictable, which contributed to fatigue and burnout.
- 4.34 Some personnel raised concerns about perceived increased levels of mental health issues within the workforce and commented on the potential impact of these on operational capability. We also heard that in some locations there was limited mental health support, or poor communication about the facilities available.
- 4.35 Some personnel told us that there was a perceived lack of incentives for those who were deployed and those who felt that they were frequently 'trawled'. The absence of differentiation in pay between deployable and non-deployable personnel was a source of dissatisfaction for some personnel. High operational tempo, compounded by extensive gapping, placed significant pressure on deployable personnel. Some felt that increasing the levels of Longer Separation Allowance could help to retain

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<sup>53</sup> This Payment is explained in the AFPRB 54<sup>th</sup> Report 2025, paragraph 4.70.

deployable personnel. Concerns were also raised about high readiness levels and some felt that they faced significant restrictions without any financial recognition.

- 4.36 A perceived increase in bureaucracy was noted, with personnel spending more time on administration. Senior personnel felt less able to support those more junior because of high workloads. Although some personnel said that they had been issued with laptops which gave them greater work flexibility, this often led to work being completed outside official hours so was seen as a mixed blessing.
- 4.37 Challenges were reported regarding childcare availability and cost. While Wraparound Childcare (WAC) received positive feedback, its term-time limitation posed difficulties during school holidays.
- 4.38 We heard about the difficulties faced by spouses and partners in accessing employment. Concerns were also raised about the challenge of accepting postings that could disrupt dual-income households.

#### *Issues relevant to overseas service*

- 4.39 For this year's pay round there was one overseas visit. This was to a range of units with UK Armed Forces' personnel in the United States of America (USA). We noticed that many of the key issues that Service personnel and their families faced had not changed since our last visit to the USA in 2022. Personnel were generally happy with the experience for themselves and their families, but faced significant financial and cultural challenges.
- Personnel raised several issues about the upfront costs of moving to the USA. The majority reported that they were 'out of pocket' for making the move because of the inadequate financial support available to them. Conversely, personnel also told us that they were anxious about the level of support available when they moved back to the UK.
  - A lack of spousal employment opportunities was identified as a significant negative factor. Visa restrictions in the USA and an inability to transfer qualifications from the UK meant that some professionally-qualified spouses and partners had to accept lower-skilled and lower-paid roles.
  - The different standards applicable in American schools could affect children's education. There were concerns about how children would assimilate back into UK schools on their return, and some said that they paid for tutoring of their child while in the USA to mitigate this.
  - Many personnel were irritated by the inflexibility of some MOD policies. There was a sense that many were written through a UK lens and did not always relate to circumstances in the USA or recognise some of the differences between individual states.
  - UK Service personnel raised the high level of recognition and respect directed towards American Armed Forces' personnel. They compared this with the situation in the UK where they felt that Service personnel were not so highly valued by wider society.

## *Pensions*

- 4.40 Pensions are not within our remit but were raised as an issue in most of our visits. We encourage MOD to improve its communications around the Armed Forces' Pension Scheme to ensure that Service personnel understand the full value of their pension as part of the wider offer.

## **Service Families' Federations**

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

## *Pay and the wider offer*

- 4.42 The SFFs reported that the 2025 pay award and related recommendations on allowances were well received by Service personnel. However, we were told that a number of personnel remained dissatisfied with their pay because of wider cost of living increases which eroded their disposable income. This meant that some personnel could not save money and had to cut back spending on holidays which had the detrimental effect of eroding quality time spent with their family. The SFFs reported an increase in debt and credit card use and an inability to save as issues which had increased in significance over the year. The SFF representatives told us that while job satisfaction had improved, workload remained high.
- 4.43 The SFFs explained that the benefits of being in the Armed Forces were often lost in the day-to-day reality of being a Service person and the demands that they face. We were also told that the value of some benefits of being in the Armed Forces, such as retail discount recognition schemes, were diluted because similar schemes were available to other public sector employees, so the recognition was no longer seen as a special reward for Service personnel.
- 4.44 The SFFs said that there was inconsistent application of the Armed Forces Covenant (AFC) across organisations. The SFFs attributed some of these inconsistencies to a lack of understanding about the AFC and observed that, in some instances, veterans had a better understanding of the AFC than serving families. The SFFs suggested that there was a need for metrics to measure the AFC's effectiveness.

## *Service families*<sup>54</sup>

- 4.45 The SFFs referred to their respective surveys which showed that sometimes families were relocated to areas of the UK where childcare and food expenses were notably higher. Families felt that they were penalised for not being able to choose where they lived. The SFFs continued to explain how the impact of Service life on the family was dependent on where families were located. For example, in Scotland, older children benefited from free university tuition and maintenance loans, but early years' childcare was more expensive than in England. The situation was aggravated as access to childcare also affected spouse and partner employment.
- 4.46 We were told that spouses and partners accompanying their serving partners both in the UK and abroad often encountered difficulties to continue their career. Many sought work for financial reasons, including to meet income requirements for WAC

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<sup>54</sup> Note that discussion of the points raised in relation to accommodation are covered in Chapter 8.

eligibility. Some felt forced into jobs unrelated to their professional qualifications or to spend their savings. The SFFs told us that families were reporting financial pressures due to the inability to maintain two incomes.

- 4.47 The SFFs told us that communication from MOD remained a major barrier because a lot of the content applicable to a Service family was available only to the Service person. We were told that this often caused issues when the Service person was away from home and that spouses and partners were frustrated when they could not progress family-related administration which was linked to the Service person.

*Our comments on motivation and morale*

- 4.48 We greatly appreciate the opportunities to talk to our remit group. The chance to speak to Service personnel in their work environment gives us an even greater understanding of the work they do.
- 4.49 We assess that in MOD's continuous attitude surveys, responses relating to pay have become more positive in the last year, which we attribute to the recent pay increases awarded to Service personnel. However, we note that the surveys have not yet captured the responses of personnel after the most recent pay award of 4.5% for those up to OF6 and 3.75% for OF7 and above. We were told during our visits this pay round that the remit group was generally pleased with the 2025-26 pay award.
- 4.50 Last year we commented on how the average working hours per week, as reported by trained UK Regulars, had fallen. This year, we note that the average working hours per week has increased to 44.1 hours (from 43.1 hours), driven by an increase in the RN average weekly working hours. Over recent years, one of the common themes that has emerged from our remit group is how personnel feel that their workload has increased. We note that AFCAS results indicate that 46% of trained Regulars believed that their workload was 'too high'. We understand from the discussion groups that personnel in areas with the most workforce gaps are disproportionately affected by a higher workload. The feedback gathered on visits corresponds closely with survey results, and we will continue to monitor these.
- 4.51 In line with what many see as an increasing social norm, Service personnel and the SFFs attach importance to the ability of non-serving spouses and partners to generate an income in support of the family. Where this is not possible, it has a detrimental impact on morale, motivation, fulfilment and retention. We note that it is becoming increasingly difficult for families to sustain a reasonable standard of living on a single income. We recognise that the circumstances of Service life can make it difficult for non-serving spouses and partners to work and realise their potential income or follow their chosen career. For families this has an impact on income and morale.
- 4.52 We recognise the importance of the AFC, but we assess that it has not been realised to its fullest extent. We encourage MOD and the broader public and private sectors to do all that they can to ensure that the AFC is more widely practiced and encouraged so that our remit group is not disadvantaged compared to civilians.

## Chapter 5 - SENIOR OFFICERS

### Introduction

5.1 This year our remit has been extended to cover the pay of OF7-OF9 personnel, a responsibility previously held by the Review Body on Senior Salaries (SSRB). This chapter sets out the evidence we received in respect of this group which we will refer to as Senior Officers. We have familiarised ourselves with the issues raised by the SSRB in respect of Senior Officers in its 2025 report<sup>55</sup>. In accordance with our Terms of Reference, this chapter focuses on the recruitment, retention and morale of Senior Officers and the feeder group from which they are recruited.

### The Senior Officer workforce

5.2 The latest available data to us for this cohort refers to 1 April 2025. There were 141 Senior Officers at 1 April 2025 representing 0.1% of the total Regular strength<sup>56</sup>. This was two personnel fewer than in July 2024, the last reported strength for this cohort by the SSRB.

**Table 5.1: Strength of Senior Officers, by NATO Rank, Tri-Service and single Service, 1 April 2025 compared with 1 July 2024<sup>57</sup>.**

	1 April 2025			1 July 2024	
	Royal Navy	Army	Royal Air Force	Tri-Service	Tri-Service
OF7	31	45	29	105	110
OF8	10	10	8	28	25
OF9	4	3	1	8	8
Total	45	58	38	141	143

5.3 We note that the number of Senior Officers has remained fairly stable over the last ten years, although also observe that the SSRB routinely excluded Medical Officers and Dental Officers (MODO) and Chaplains from their workforce analysis given that their rates of pay were derived from our recommendations.

### Career structure and succession planning

5.4 The Ministry of Defence (MOD) explained that, to facilitate agile management, the Senior Officer Compulsory Retirement (SOCR) scheme permits compulsory retirement where no suitable employment can be found at either the substantive or higher rank<sup>58</sup>. MOD was clear that individuals are informed of their terms of service on accepting a role in scope of SOCR. MOD acknowledged that uncertainty of tenure could affect individual decisions on whether to accept promotion or leave the Armed Forces.

5.5 MOD informed us that the Senior Appointments Committee (SAC) is responsible for assessing talent to ensure that Officers with the right skills and experience are available at the right time to fill key roles. The SAC also conducts annual strategic

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<sup>55</sup> SSRB (2025) *Senior Salaries Review Body Report: 2025* (online) Available at: <https://www.gov.uk/government/publications/senior-salaries-review-body-report-2025> [Accessed 18 February 2026].

<sup>56</sup> Including four Senior Medical and Dental Officers (MODOs) and three Chaplains.

<sup>57</sup> Some personnel were in Tri-Service or NATO appointments.

<sup>58</sup> OF5 in the RN and Army and OF6 in the RAF.

reviews, assessing the talent pipeline and identifying necessary interventions to sustain it. MOD stated that the SAC had three areas of focus in 2025:

- increased use of data to understand Senior Officer talent and career pipelines;
- growth of under-represented groups; and
- inclusive leadership, ensuring that Defence appoints individuals who exemplify the values and behaviours needed to lead inclusively.

#### *Recruitment (Feeder Group)*

- 5.6 Senior Officers are appointed from within the Armed Forces. MOD told us that workforce requirements are filled through competition, providing the best candidate for the job. During the 12 months to April 2025, 24 personnel were newly promoted into the Senior Officer cohort and 11 personnel were promoted within Senior Officer ranks.
- 5.7 MOD explained that it needed to be able to retain the right quality and mix of OF5 and OF6 personnel to be the leaders of the future. MOD told us that the Voluntary Outflow (VO) rate of OF6s increased to 8.0% (25 Officers) in 2024-25 from 5.8% (18 Officers) in 2023-24. MOD explained that this was set against a background of reducing workforce numbers across the Armed Forces. The VO rate of OF5s decreased to 5.6% (56 Officers) in 2024-25 from 6.6% (66 Officers) in 2023-24. MOD said that the decrease in the VO rate of OF5s could be due to improvements in pay and a desire to attain promotion to OF6 rank.
- 5.8 MOD told us that it had analysed the reasons behind VO for OF5 and OF6 personnel. Over 55% of exits were for one or more of the following reasons: to seek fresh challenges; for opportunities/prospects outside; dissatisfaction with career prospects and/or for a firm offer of civilian employment.
- 5.9 MOD provided us with Armed Forces Continuous Attitude Survey (AFCAS) results for the feeder group covering 2021-2025. In 2025, the Survey was sent to 348 OF5-OF6 Service personnel and achieved a 55% response rate. MOD said that the only statistically significant differences between the responses of the feeder group and Senior Officers in AFCAS 2025 were:
- 46% of OF5-OF6s rated their Service morale as low, compared to 28% of OF7s and above; and
  - 16% of OF5-OF6s were in receipt of a Recruitment and Retention Payment compared to 3% of OF7s and above.
- 5.10 Of the personnel that did not take all of their annual leave allowance in the last leave year: more OF5-OF6s selected courses/training (11%) and understaffing (38%) as reasons for not taking their leave allowance compared to OF7s and above (3% and 19%, respectively). More OF7s and above selected workload (95%) as a reason for not taking all their annual leave allowance compared to OF5-6s (79%).

**Table 5.2: AFCAS – Top factors influencing the feeder group’s intentions to stay or leave the Armed Forces, 2025.**

<b>Intentions to stay</b>		<b>Intentions to leave</b>	
1	Job security		Impact of Service life on family/personal life
2	Pension		Opportunities outside the Service
3	Dental provision		Spouse/partner’s career
4	Excitement of the job		Service morale
5	Healthcare provision		Childcare

5.11 MOD told us that morale among the feeder group had been consistent since 2020.

*Retention of Senior Officers*

5.12 MOD told us that it can retain Senior Officers for the period of service required, with few leaving before their normal retirement age or end of engagement date. In 2024-25, three Senior Officers voluntarily left the Armed Forces, no change on the previous year. In addition, 22 Officers retired, compared to 20 in 2023-24.

5.13 MOD also told us that in the 12 months ending 31 March 2025, a total of 28 personnel left the Services on SOCR terms (2 OF5s, 19 OF6s, 5 OF7s and 2 OF8s).

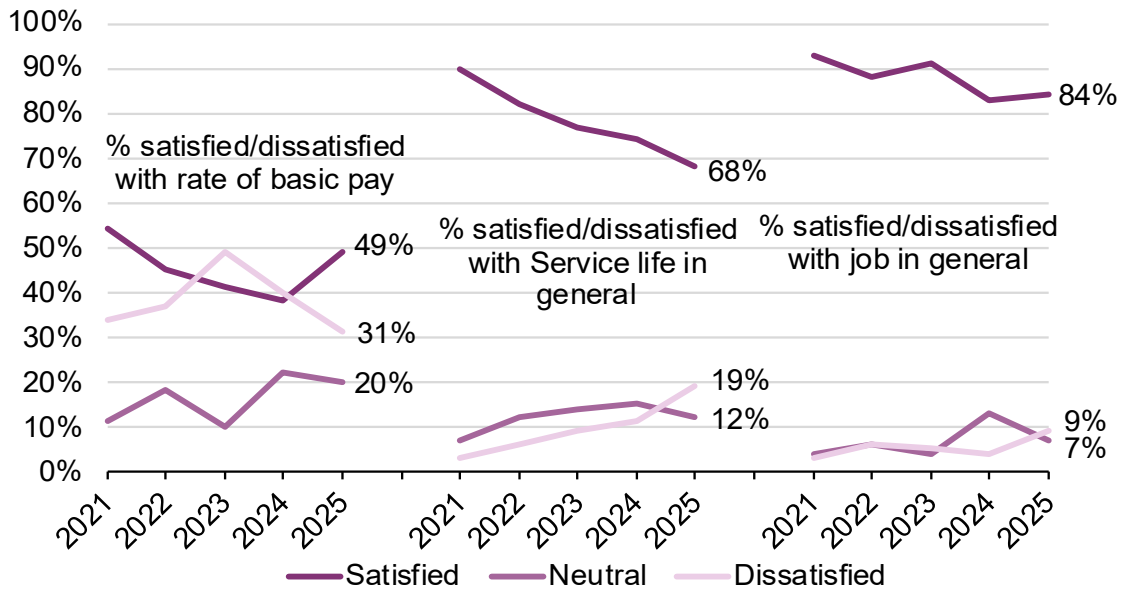
**Motivation and morale of Senior Officers**

5.14 MOD provided us with AFCAS results for Senior Officers covering 2021-2025. In 2025, the Survey was sent to 117 OF7-OF9 Service personnel and achieved a 50% response rate. Notably, the MOD performed statistical significance testing on the 2025 results compared to those from 2024, but not for earlier years. Therefore, we cannot determine whether the 2025 results presented in Figure 5.1 and 5.2 represent a significant change from years preceding 2024.

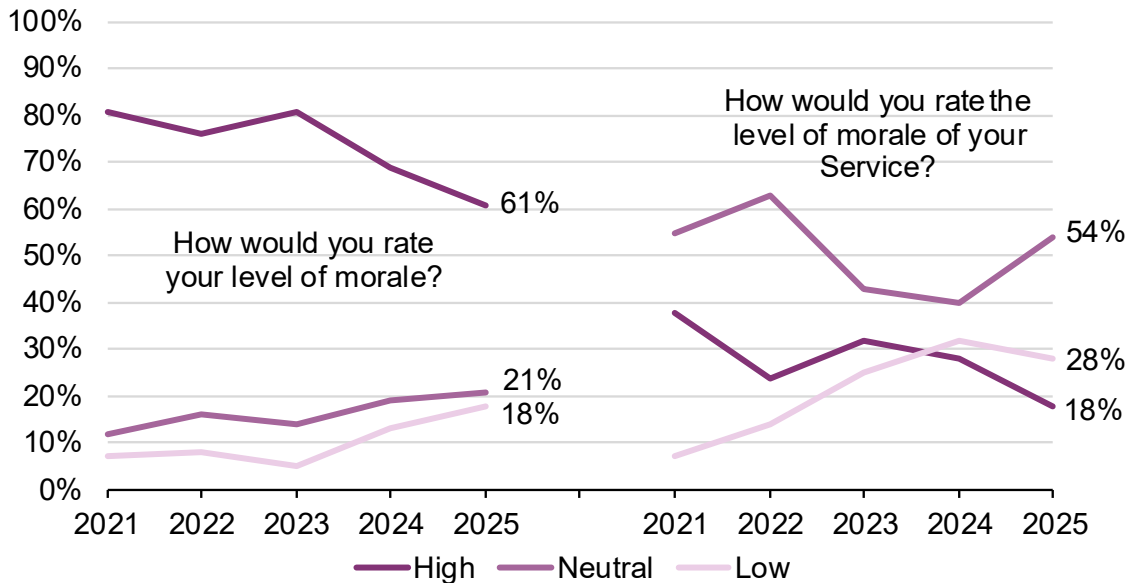
5.15 MOD said that the only statistically significant changes in the 2025 AFCAS responses compared to the 2024 responses for Senior Officers were:

- more Senior Officers took their annual leave allowance in the past 12 months than in 2024 (37% vs 11%); and
- fewer Senior Officers felt neutral about their opportunities for promotion compared to 2024 (11% vs 28%). For context, 73% were satisfied with their opportunities for promotion.

**Figure 5.1: AFCAS – Senior Officers’ attitudes on pay and satisfaction with their lives and their job, Tri-Service, 2021 to 2025.**



**Figure 5.2: AFCAS – Senior Officers’ attitudes on personal morale and morale of the Services, Tri-Service, 2021 to 2025.**



**Table 5.3: AFCAS – Top factors influencing Senior Officers’ intentions to stay or leave the Armed Forces, 2025.**

Intentions to stay		Intentions to leave	
1	Excitement of the job	1	Impact of Service life on family/personal life
2	Pension	2	Opportunities outside the Service
3	Current job satisfaction	3	Spouse/partner’s career
4	Job security	4	Amount of pay
5	Dental provision	5	Accommodation provision

## *Diversity*

5.16 MOD provided us with a summary of diversity data relating to Senior Officers and the feeder group. The figures are at 1 April 2025 with comparison to 1 June 2024.

- The number of females OF4 to OF6 was 532, a decrease from 555 (0.6%) in June 2024.
- The number of females at OF7 to OF9 was nine, including one Officer at OF9. This means that 6.7% of the Senior Officer cohort was female<sup>59</sup>. In addition, there were three female MODO Senior Officers (one OF8 and two OF7) meaning that 75% of those filling MODO Senior Officer posts were female.
- There were two OF7 personnel from a non-white background, unchanged from the previous year and 82 Officers at OF4 to OF6 from a non-white background, this was an increase from 78 in the previous year (5.1%)<sup>60</sup>.

5.17 MOD told us that representation at Senior Officer level was affected by the proportions of personnel at more junior ranks so targeted interventions at OF3 and OF4 were being considered to retain diverse talent at these ranks.

## *Pensions*

5.18 Although pensions are not in our remit, we appreciate that pension taxation rules remain a major concern for Senior Officers. MOD told us that in tax year 2023-24, 58 Senior Officers exceeded the revised Annual Allowance of £60,000 from an 'at risk' population of 159. A further four individuals were awaiting final calculations to be completed. By contrast, in 2022-23, 121 members of the remit group exceed the Annual Allowance of £40,000.

## *Our Senior Officer Survey*

5.19 We invited our secretariat to continue to undertake the annual online survey previously requested by the SSRB. This was sent to all Senior Officers. We decided that this year's Survey should use the same questions used by the SSRB to allow comparisons with previous years.

5.20 The Survey elicited a response rate of 49% (69 respondents) drawn from all three Services. We report results from the Survey rounded to the nearest percent. A selection of the findings can be found below<sup>61</sup>.

- Do you think the overall remuneration package values and recognises your Service? 70% of personnel responded 'Yes' or 'To an extent' compared to 30% of personnel who responded, 'Not really' or 'No'.
- In relation to your current working life, how motivated are you to do a good job? 99% of personnel responded that they were 'Very motivated' or 'Motivated'.

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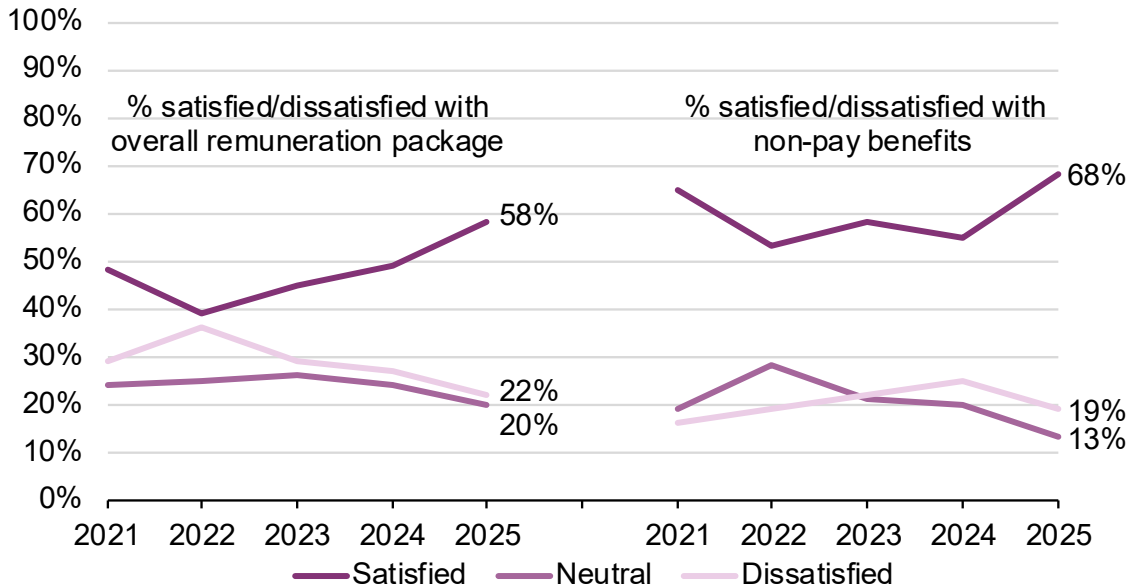
<sup>59</sup> Percentage based on the population excluding MODOs and Chaplains.

<sup>60</sup> It has not been possible to calculate an accurate figure for OF5 and OF6 personnel only.

<sup>61</sup> The Senior Officer Survey collects responses to some attitudinal questions on a five-point level such as the following: Very satisfied, Satisfied, Neither satisfied nor dissatisfied, Dissatisfied, Very dissatisfied. Our Report consolidates responses into Satisfied, Neutral, Dissatisfied for clarity.

- Are you considering leaving the Armed Forces before your current End of Engagement date? 45% of personnel responded 'No', 38% of personnel responded 'Yes' and 17% of personnel responded 'Unsure'.

**Figure 5.3: Senior Officer Survey, attitudes on remuneration and non-pay benefits, 2021 to 2025<sup>62</sup>.**



5.21 The variations in results between the AFCAS and Senior Officer surveys may be, in part, due to the differing time frames during which each survey was conducted as well as to distinctions in the phrasing of survey questions.

#### *Senior Officer discussion group*

5.22 We also continued the SSRB practice of holding a separate Senior Officer discussion group to enable us to hear views and concerns from Officers at these ranks. The following key points were raised in discussion:

- pay was considered less significant a factor than pensions;
- pension taxation remained a source of uncertainty and concern which was damaging to morale and influencing decisions about continued service;
- expectations for the next pay award focused on the importance of maintaining parity with inflation;
- the increases in pay on promotion into senior roles did not match the level of additional responsibility and risked undermining incentives for promotion;
- the overall package, rather than pay alone, shaped perceptions of value with some feeling that they were operating at a level equivalent to corporate executives for lower reward and without some of the quality-of-life benefits perceived to be available in the corporate world;

<sup>62</sup> This figure has been informed by Senior Officer Survey questions on 'How satisfied are you with your overall remuneration package?' and 'How satisfied are you with your non-pay benefits?'

- most worked long hours, with frequent weekend working and plans cancelled at short-notice, although this was recognised as being part of the ‘unlimited liability’ and a consequence of being at the pinnacle of a career;
- career uncertainty, including the destabilising effect of SOCR, was a recurring theme, including the burden of planning for future employment while managing complex roles; and
- reflecting on the wider remit group and those under their command, they said that the last pay award had generally been well received and that the recent higher awards for Junior Other Ranks were important for recruitment and retention, with the retention payments for specialist roles viewed positively.

#### *Our comments*

- 5.23 We welcome the fact that Senior Officers have been brought into our remit group and see considerable benefit in being able to consider the pay for all Armed Forces’ personnel. This will ensure coherence across all ranks. Our recommendation on pay for Senior Officers is included in Chapter 6.
- 5.24 We found our discussion group session particularly useful and are grateful to the personnel who were able to attend. We observe that, despite some of the concerns raised with us, morale remained relatively high, driven by commitment to service. However, we note that participants considered pay and pensions as inseparable and that any erosion of benefits, combined with operational pressures and declining support structures, risked deterring those in the feeder group from becoming future Senior Officers.
- 5.25 MOD presented evidence to us which suggested that there were no particular workforce challenges in relation to Senior Officers. We observe that while survey data, unsurprisingly, showed high satisfaction among those who had successfully achieved promotion to Senior Officer rank, this was much lower among the feeder group. We note the importance of the feeder group to ensure that there are the right number and quality of Senior Officers to provide the Armed Forces with the future leadership it needs. We also observe that personnel in that group will be at a critical stage in their career, with many questioning whether to stay or leave the Armed Forces. Therefore, we will continue to monitor data in relation to the feeder group. We are aware that the SSRB asked MOD for data on the quality of personnel in the feeder group. We ask MOD to continue with this request and to provide data in evidence for next year’s round.
- 5.26 We urge MOD to provide us with survey data on the Senior Officers and feeder group which has significance testing on the most recent results compared to at least four years of previous results. This would enable us to analyse trend data accurately for this cohort.
- 5.27 We were struck by the number of comments made to us regarding SOCR. The lack of guaranteed employment was described as emotionally draining and creating insecurity to the extent that, until your next post was confirmed, you were distracted by looking for a new job outside the Armed Forces. The point was made that many of those at this career juncture were also at an important stage in life with wider family commitments to take into account. We heard the perception that the system was driving talent towards industry and a feeling that SOCR creates unhelpful instability and drives perverse behaviours.

- 5.28 We also note that many senior posts are competed on a Tri-Service basis and that there is a move in certain areas, through the introduction of Unified Career Management, to harmonise terms and conditions of service across the single Services. In this context we assess that the current SOCR arrangements, whereby the single Services guarantee different periods of future Service, are increasingly unsustainable. We invite MOD to consider the justification for this variation. More generally, we encourage MOD to look at how it might modernise the Senior Officer employment offer to provide more choice and flexibility at different stages in careers and to adapt to the needs of modern family life. This would help to ensure that it continues to attract and retain those with the highest levels of talent and skills required for Senior Officer posts.
- 5.29 We note that in its report last year, the SSRB said that it was disappointed by the levels of diversity within the Senior military and that progress on improving this had been poor. We observe that this would be expected in a base-fed organisation where the foundations of this were laid around thirty years ago. We discuss the measures being implemented to increase diversity more widely across the Armed Forces in Chapter 4 but will want to continue to monitor diversity among Senior Officers in future rounds.

## Chapter 6 - MAIN PAY RECOMMENDATION

### *Introduction*

6.1 This chapter outlines our main pay recommendation for the Armed Forces. It includes our consideration of the key evidence presented in the previous chapters and other factors that we have used to inform our recommendation.

### **Context for our recommendation**

#### *Terms of Reference*

6.2 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*

- 6.3 In his remit letter dated 22 July 2025 (Appendix 5), the Secretary of State for Defence told us that he was pleased that the government accepted our recommendations for the 2025-26 pay round in full. The 4.5% award delivered a pay award above inflation for the second year in a row. The Secretary of State said that the pay award recognised the extraordinary professionalism of the Armed Forces and their work to keep Britain secure at home and strong abroad. It meant that MOD could maintain its status as a National Living Wage (NLW) employer.
- 6.4 The Secretary of State affirmed that our work remained vital against a backdrop of a changing world where the threats to the United Kingdom (UK) have become more serious and less predictable than any time since the Cold War. He said that at a time of rising tensions, people remain at the heart of Defence and their professionalism and dedication are the foundation for everything the Strategic Defence Review (SDR) sets out to achieve. The Secretary of State observed that alongside a comprehensive benefits package, pay plays a key role in recognising the contribution that personnel make and in attracting and retaining the people Defence needs to keep the country safe.
- 6.5 The Secretary of State outlined the broader fiscal context for Defence. He stated that there was a trajectory to spending 2.6% of Gross Domestic Product (GDP) on North Atlantic Treaty Organisation (NATO) qualifying defence spending by April 2027. There was an ambition to reach 3% in the next Parliament, subject to economic and fiscal conditions. He said that the government had also made a historic commitment to spend 5% of GDP on national security by 2035<sup>63</sup>. The Secretary of State also noted that the Spending Review 2025 (SR25) had set departmental budgets until 2028-29 for Resource Departmental Expenditure Limit and 2029-30 for Capital Departmental Expenditure Limit, and the SDR set out a path to transform Defence in the next decade and beyond. He said that MOD would publish a Defence Investment Plan in the Autumn, which would take the SDR's strategic direction and turn it into a delivery plan. The Secretary of State confirmed that all pay must be funded from

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<sup>63</sup> NATO (2025) *The Hague Summit Declaration* (online) Available at: <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2025/06/25/the-hague-summit-declaration> [Accessed 5 March 2026].

departmental budgets and that there would be no additional funding for pay settlements.

## **Our approach**

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

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

- 6.7 In evidence, MOD told us that the SDR, as agreed with His Majesty's Treasury (HMT), was based on the assumption of a 2.5% pay award for all personnel including Senior Officers, at a cost of around £355m. MOD proposed higher pay increases for the most junior Other Ranks in response to the 4.1% increase to the NLW from 1 April 2026. To fund these higher awards MOD proposed reducing the pay award for the rest of the remit group to 2.2%.
- 6.8 In addition, MOD stated that the funding for a pay award would have to come from within existing settlements and that the department would have to do everything possible to avoid and absorb pressures. Every 1% increase in pay award above the MOD proposal would add an additional £140m of 'unaffordable pressure', requiring compensating savings elsewhere in the budget. MOD said that offsets would have to be made through reduction in business areas that were already stretched as significant savings and efficiencies had been agreed through SR25. MOD added that off-setting reductions would result in significant capability and operational impacts such as an inability to meet the SDR recommendations (including NATO commitments). The quality of life of personnel could also be affected by wider cuts, which in turn would amplify recruitment and retention issues.
- 6.9 In HMT's written evidence to the Pay Review Bodies, it stated that all pay awards must continue to be funded from departmental budgets. HMT stated that any recommendations above the level departments had set out as affordable would require careful consideration. We were also told that this was particularly acute given the Budget 2025 commitment to make further efficiencies and savings from 2028-29 onwards. This constituted new information since MOD had submitted its evidence on pay affordability and represented a further constraint on the department's budget.
- 6.10 In oral evidence, MOD acknowledged the affordability challenge, noting that the constrained resource position would make it difficult to meet expectations amongst personnel for pay rises at or above inflation. MOD noted that the gap between the expectation of our remit group and the reality of a pay award would create pressure, and navigating this balance was critical.
- 6.11 In oral evidence with the Minister for Veterans and People we challenged the affordability position of the department. The Minister stated that affordability ultimately came down to the choices available to the MOD, noting that most of the SR25 budget settlement had been allocated into capital spending, which left the resource budget particularly constrained. The Minister also said that wider pressures across government, including structural challenges and the cost of living crisis also shaped the overall affordability position. We were told that shortfalls in workforce numbers remained at a crisis level and that if pay rose in line with the cost of living and stayed comparable to other public services, it would have a neutral impact on retention.

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

- 6.12 Our latest pay comparability evidence gives us an appreciation of where the Armed Forces' pay rates sit relative to gross earnings in the wider economy. It includes analysis of the impact of the 2024-25 pay award of 6.0%. It does not include the impact of the 2025-26 Armed Forces' pay award of 4.5% as the required economy-wide earnings data is not yet available. Our main findings are that in 2024-25 there were some improvements in the relative position of Junior Other Ranks and Junior Officers' pay, whilst pay for most other personnel had kept pace with movements in the wider economy.
- 6.13 Median pay awards across the economy to the three months ending January 2026 were 3.2% with expectations for awards over 2026 being broadly in the same range.
- 6.14 The annual rate of inflation to January 2026, as measured by the Consumer Prices Index (CPI) was 3.0% and Consumer Prices Index including owner occupiers' housing costs (CPIH) was 3.2%.
- 6.15 The NLW is set to increase by 4.1% on 1 April 2026 to £12.71 an hour for those aged 21 years old and over. Alongside this are additional increases to the National Minimum Wage for younger employees. MOD said that to maintain its status as an NLW-compliant employer, Initial Pay/OR2-1 would need to increase by 6.3% and OR2-2/OR2-3 by 4.7% to maintain some progression between OR2-1 and OR2-2.
- 6.16 We appreciate that Defence Ministers are committed to ensuring that Service pay remains broadly aligned with the NLW. The department's approach has been to translate the hourly NLW rate to an annual equivalent using the average weekly hours worked by Junior Other Ranks from MOD's Continuous Working Patterns (CWP) Survey.
- 6.17 We have several reservations about this approach. The average weekly hours worked conceal significant differences between the single Services (with the Royal Navy recording materially longer hours). Additionally, the Survey is conducted for only one week a year and attracts a very low (12%) response rate. Not surprisingly, results fluctuate from year to year with little understanding of the causes. We assess that the MOD approach differs from the methodology employed in other sectors where there are no contracted working hours. Using a notional figure such as a 40-hour working week, the annualised equivalent of the NLW for 2026 would be £26,528. Our pay recommendation will ensure that the pay of Armed Forces' personnel continues to exceed this level.
- 6.18 If MOD chooses to maintain its reliance on the CWP Survey, we suggest that it moves to a more stable approach, for example, using a rolling average of weekly hours worked over a number of years. Ultimately, it is for MOD to decide whether and, if so, how it wants to adhere to the spirit of the NLW. In any event, we strongly recommend that should MOD continue with its existing approach, any additional cost of matching the NLW should not be funded at the expense of the main pay award. We also observe that the MOD approach to alignment with the NLW raises questions about the X-Factor and its basis as an addition to comparable outside earnings.

### *The need to recruit, retain and motivate*

- 6.19 For three consecutive calendar years to 2025, significantly more personnel exited the Armed Forces than were recruited. Over this period, our pay recommendations focused on enhancing recruitment. Pay at common entry points into the Armed Forces has increased by the following: 56.3% uplift in Initial Pay, 23.0% increase to OR2-1 pay and an increase to the starting salary for Officers of 20.1%.
- 6.20 In 2025, the Armed Forces have, for the first time since 2021, recorded a greater intake of Regular recruits than the number of personnel leaving the Services. The Voluntary Outflow rate from the trained strength has also fallen to its lowest point in three years. It is encouraging that there has started to be a reversal in the decline in workforce numbers in the Armed Forces. However, MOD was clear in evidence that the workforce situation was still in crisis. The SDR stated that there was no scope to reduce the number of highly trained and equipped Regulars across all three Services<sup>64</sup>. Since its publication in June 2025, the full-time trained/trade trained strength has continued to fall, sitting at 125,680 personnel in October 2025, a decrease of over 15,700 personnel in the last decade. In evidence, the single Services each explained that they expected to see a further decline in their trained strength before growing again. From this, we conclude that we should reflect the need to support MOD's focus on rebuilding workforce numbers in our pay recommendation.
- 6.21 We gathered a broad range of information from our discussion groups with Service personnel. During both in-person and online visits we heard about our remit group's expectations for a pay award and the general state of morale in the Armed Forces. Service personnel mostly told us that they would be content if their pay award was at, or a little above, the inflation rate. They said that they continued to feel cost of living pressures but recognised that funding for a higher pay award might divert money from other important areas and have an impact on the wider offer. Personnel generally felt that their workloads had either remained the same or increased in recent years, exacerbated by workforce gapping (in military and civilian posts) which had led to a requirement for individuals to cover multiple roles. Some personnel also told us that the high operational tempo made it difficult for them to access aspects of the wider offer and that their lives had become less predictable and increasingly focused on service commitments.
- 6.22 Improved retention is important to reduce the burden of Workforce Capability Gaps whilst new recruits undertake the necessary training. We assess that, alongside factors such as the capacity of the single Services to train any increased intake and the efficiency of training pipelines to deliver trained strength, pay remains a central factor in continuing to attract new recruits and encouraging skilled personnel to stay in the Armed Forces.

### **Main pay recommendation**

- 6.23 As set out in our Terms of Reference, the funds available to the MOD form part of our deliberations. While Defence spending is due to increase as a share of GDP from 2027, the government has decided that this will largely benefit capital funds. It has been made clear to us that these additions cannot be repurposed to fund non-capital spend such as pay.

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<sup>64</sup> See footnote 3.

- 6.24 We have been provided with extensive evidence on the demanding financial position of MOD, set out in SR25. Indeed, we have been told that the department will have to identify further savings in non-capital expenditure from 2028, additional to those assumed in SR25. We have also been told that the government has determined that funding for all pay awards must be found from within existing departmental budgets. It has been made clear to us that no additional funding will be made available to finance a pay award above the affordability figure we have been given. Against this tight funding situation, in coming to our recommendations we have also recognised the exceptionally volatile and dangerous international climate. This puts further focus on the importance of the Armed Forces, especially as they are already stretched and below trained strength.
- 6.25 In evidence to us, MOD recognised that the forecast return to full strength is too slow. MOD judged that, given recent improvements in recruitment, a focus on improving retention would be the best way to achieve the required increase. We strongly agree.
- 6.26 We also observe that the very tight budgetary position for Defence requires difficult trade-offs in deciding how best to improve retention. We have therefore balanced our recommendation on pay against the requirements for funding in areas such as accommodation and training activity which we know are important to our remit group. This pay round has been conducted in a period of international turbulence unprecedented in recent years. At the time of making our recommendations we observe that Defence has arrived at a critical juncture in a more dangerous and changing world. We recognise that the government and MOD will have to take difficult decisions on spending priorities as a result.
- 6.27 We considered whether we should make a differentiated recommendation. We concluded that there should be a unified pay award across our entire remit group.
- 6.28 Having assessed and balanced the range of factors in our Terms of Reference, remit letter, the written and oral 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 main pay recommendation this year are listed below:
- the dangerous and volatile security environment, with the threat and risk facing the nation at levels not seen in at least a generation;
  - the importance of supporting the Armed Forces' ability to recruit and retain the quantity and quality of personnel required for the defence of the nation in the face of a continuing workforce crisis;
  - the requirement to ensure that the pay of the Armed Forces remains broadly comparable with pay levels in civilian life and is seen to be fair;
  - our assessment that a pay award in line with the median level of awards in the wider economy (3.2%) would risk undermining the fragile recovery in recruitment and retention;
  - the rate of inflation, with CPI at 3.0% and CPIH at 3.2%, as we conclude this Report;

- the funds available to Defence, government statements on affordability and our assessment that a pay award at the level we recommend will have a minimal impact on achievement of the government's 2% inflation target;
- the impact of Service life on personnel and their families, satisfaction with the wider offer, and the need to guard against further erosion in morale; and
- the importance of pay as a demonstration of reward and value.

6.29 Having taken full account of all the evidence, we therefore recommend an increase of 3.6%, from the 2025-26 rates, for all personnel in our remit group.

**Recommendation 1: We recommend that rates of base pay increase by 3.6% for all members of our remit group from 1 April 2026.**

## Chapter 7 - RECOMMENDATIONS FOR SPECIFIC GROUPS AND COMPENSATORY ALLOWANCES

### *Introduction*

- 7.1 This chapter sets out our recommendations on measures which we have been asked to consider alongside our main pay award. We also discuss Recruitment and Retention Payments (RRPs), targeted payments and pay supplements, and compensatory allowances.
- 7.2 In reviewing the separate payments in this chapter, we are mindful of the factors which informed our main pay recommendation (as set out in Chapter 6). In particular, we are aware that all of these are driven by a need to address recruitment and/or retention in the area in question. As discussed in Chapter 3, we are conscious of the fragile workforce situation and reflect on the extent to which these pay measures, and our recommendations, support a framework within which recruitment can be sustained and retention improved.
- 7.3 We note that the Public Sector Equality Duty requires the government to assess policies against nine protected characteristics. The Ministry of Defence (MOD) has provided us with equality impact assessments for the proposals presented to us.

### **Review of remuneration for specific cohorts**

#### *Nurses*

- 7.4 We last considered pay for nurses in Pay Round 2024 and MOD indicated then that the ability of Defence to recruit sufficient numbers of eligible nurses into the Armed Forces was challenging and that work was in hand to address this<sup>65</sup>. We note that there are already two bespoke pay spines for nurses (Nursing Officers and Nursing Other Ranks), which we agreed to in 2009 in response to the introduction of Agenda for Change in the National Health Service (NHS)<sup>66</sup>.
- 7.5 MOD stated that the military nursing workforce had a number of Workforce Capability Gaps. We were told that a Defence Functional Nursing Strategy had been produced which provided a framework to modernise military nursing capability by 2030. The pay proposals presented are considered to be a critical component in enabling the achievement of this strategy.
- 7.6 MOD provided us with workforce data which showed that more nurses left than were recruited to train in 2023-24 and we were disappointed not to receive more recent data on Voluntary Outflow (VO). It stated that the highest rate of VO for Nursing Officers was at OF3 with limitations for promotion to OF4 and beyond being a major factor. MOD said that a growing senior cohort at the top of the current pay structure was becoming disenfranchised because of the lack of pay progression. We were told that the environment for those working within NHS secondary care was compounded by significant staffing shortages within the NHS. MOD indicated that the competition in healthcare recruitment was increasing as employers, particularly private sector healthcare providers and private hospitals, sought to attract nurses to work for them. These organisations could often offer attractive packages with increased

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<sup>65</sup> AFPRB 53<sup>rd</sup> Report 2024, paragraph 4.28.

<sup>66</sup> AFPRB 38<sup>th</sup> Report 2009, paragraphs 3.19-3.24.

remuneration and better work-life balance, alongside interesting and appealing assignments.

- 7.7 MOD told us that it had reviewed Defence Medical Services (DMS) Targeted Attitude Survey data. This indicated that while increased pay might not be the principal driver for retention, it was firmly within the top three issues alongside work-life balance and promotion. MOD also indicated that the Survey captured support for extra increment levels, a separation of pay from rank and extra pay for additional qualifications.
- 7.8 In presenting its pay proposals to us, MOD said that it wanted to adopt a skills-based approach and to invest in military nurses. MOD wanted to link pay both to the level at which nurses were operating and the area of practice within which they were working. MOD acknowledged that the proposed changes would not accurately map across to the NHS Agenda for Change framework. MOD told us that the pay proposals had been developed with reference to recent changes made to other Service bespoke pay arrangements. The components, to be introduced from October 2026, comprised:
- Nursing Professional Pay Spine (NPPS). A single integrated pay spine for all ranks up to and including OF3. Pay would be pensionable and replace the current bespoke pay spines. Rank would be retained to reflect the leadership ability of individuals. Personnel would progress through the pay spine based on length of service with pay bars to incentivise promotion and to recognise leadership, talent and skills. MOD also stated that the arrangement would support lateral entry.
  - Senior Nursing Officer Pay (SNOP). On promotion to OF4, Nursing Officers would transition from NPPS to SNOP and remain on it for the rest of their career. The SNOP spine would include OF6 pay in recognition of nurses holding 1-star appointments. Progression would be by annual increment in line with established Service pay principles. MOD said that promotion would be by selection in accordance with current single Service and Unified Career Management (UCM) policy<sup>67</sup>.
- 7.9 To help us understand the proposals, we received a presentation from the Director General DMS and a supporting team. In explaining the new arrangements, DMS said that the proposals would mark a significant change in nurse remuneration with a focus on skills. The model sought to reward knowledge and clinical expertise, alongside leadership reflecting broader changes in nursing both nationally and internationally. The approach aimed to retain experienced nurses in clinical roles by providing additional pay without promotion.
- 7.10 Discussing other aspects of the pay package, MOD said that RRP (Nursing) has been used to attract and retain military nurses who completed specialist training. MOD said that as part of the new arrangements, the RRP should be frozen from 1 April 2026 and withdrawn from 1 October 2026, with no payments from 1 October 2027<sup>68</sup>. MOD indicated that this was appropriate because the recruitment and retention aspect of the RRP would be delivered by the new pay spines.

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<sup>67</sup> UCM is a Tri-Service approach to management of the workforce.

<sup>68</sup> MOD explained to us that this was consistent with the policy for the removal of an RRP.

- 7.11 In addition, MOD told us that a Golden Hello (GH) was in place to give a financial incentive of £30,000 (single payment) to attract direct entrants into specified shortage nursing specialisations. MOD said that this was intended as a positive incentive to attract and recruit experienced nurses, but had been under-utilised with an average of two payments per year between 2014 and 2024. MOD said that the rate of the GH had not been reviewed since 2020 and proposed an increase to £50,000 with a five-year Return of Service (RoS) to restore its purchasing power and to increase the attractiveness of the offer.
- 7.12 In concluding its evidence to us, MOD said that it was essential that the offer to military nurses was attractive to maintain the required level of operational capability. Furthermore, the offer should remain competitive against the main employers of nurses in the United Kingdom (UK) (both NHS and the private sector) to attract and retain personnel with the required knowledge, skills, experience and behaviour. We were told that the implementation of the Defence Functional Nursing Strategy would transform military nursing, whilst building opportunities for professional and personal development, improving satisfaction and the lived-experience of military nurses. To achieve all of this, a different approach to pay was required as reflected in the proposals presented to us. Recognising that it would be important to ensure that the nursing offer remains relevant, MOD invited us to agree that reviews of nurses' pay should adopt a three-year cycle, with the next review of nursing pay taking place in Pay Round 2029.
- 7.13 In considering the proposals presented to us, we noted the points made to us by nurses during our visit to Joint Hospital Group (North) in June 2025. Nurses told us that they were generally happy about their pay but were concerned about the lack of incentive for clinical excellence in nursing. Some thought that pay should more closely relate to their professional and clinical skills. We assess that the proposed measures address these points and we support a move to a skills-based pay model for nurses.
- 7.14 We are surprised that no clear explanation of the relationship between the proposed measures and the NHS pay structure was provided, especially given that many military nurses work directly alongside NHS colleagues. However, we recognise the importance of making military nursing more attractive by addressing the need to reward clinical excellence. We support the introduction of the new pay spines and an increase to the GH. However, we do not agree that RRP (Nursing) should be frozen. We recommend that the RRP (Nursing) should be uplifted to maintain its value in recognition that the new pay spines will not be introduced until October 2026. We are content to agree that RRP (Nursing) should be removed 12 months after the introduction of the new pay spines.

**Recommendation 2: We agree to the introduction of the Nursing Professional Pay Spine from 1 October 2026 for all nursing ranks up to and including OF3 alongside a Senior Nursing Officer Pay Spine for OF4 to OF6 nurses.**

**Recommendation 3: We agree that the value of the nurses' Golden Hello should increase to £50,000 from 1 April 2026.**

**Recommendation 4: We agree that RRP (Nursing) should be removed 12 months after the introduction of the new nursing pay spines.**

**Recommendation 5: We agree to move to a three-year cycle of reviews of nursing pay with the next review in Pay Round 2029.**

### *United Kingdom Special Forces*

- 7.15 Building on information notes in previous rounds, MOD presented us with proposals for a new remuneration model for UK Special Forces (UKSF) personnel<sup>69</sup>. In 2024 we agreed in principle to the replacement of specified Special Forces' (SF) RRPs with Special Forces Supplement Pay effective from 1 April 2026. We had hoped to see a paper of evidence providing the detail about this last year. However, MOD told us that the challenge of developing a coherent pay model, combined with the ongoing reviews to workforce structures and training, meant that the outcome of the follow-on work would be set out in a paper of evidence for the current pay round.
- 7.16 In setting out the proposals to us, MOD explained that it had developed what would now be known as the Special Forces' Remuneration Model (SFRM) with the intention that this would attract personnel to join and remain in the UKSF. The SFRM was designed as 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. MOD was clear that the SFRM would replace RRPs (and in certain cases Financial Retention Incentives (FRIs)) with a remuneration mechanism which would be paid in addition to core pay.
- 7.17 We noted that the pay model presented to us in Pay Round 2024 had 16 levels at varying and irregular rates. MOD told us that it now planned to deliver a model providing support for skills, and to provide flexibility for amendments, with 20 levels and standardised intervals between rates. A further difference was the planned inclusion of the Communicator and Medical cohorts into the model. These cohorts are currently eligible to receive FRIs which would be replaced by SFRM. The groups proposed to transfer to the SFRM would be those with a recognised UKSF selection pathway. MOD was clear that Service personnel who did not undertake a recognised UKSF selection pathway were not being considered for inclusion in the SFRM at this time. The model would however allow them to be included in the future if this were considered necessary.
- 7.18 MOD told us that the SFRM would be delivered by no later than April 2028. Indicative pay rates were presented to us and MOD said that it would expect these to be increased ahead of implementation.

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<sup>69</sup> AFPRB 53<sup>rd</sup> Report 2024, paragraphs 4.31-4.34.

- 7.19 In discussing the benefits of the new structure, MOD told us that the new model would reflect both skills and experience to provide a fairer and more supportive remuneration framework. MOD explained that the model was designed to provide flexibility in the future. While anticipating that amendments would be infrequent, MOD invited us to agree that its internal Armed Forces' Pay Steering Group could agree amendments to the model involving moves in the placement of cohorts of up to two levels and the creation of new levels. However, any systemic changes, including any addition or removal of cohorts, would be endorsed by us.
- 7.20 We assess that while the proposals were clear in principle, we found the evidence presented to us lacking in detail. Notably the proposals did not include figures on the overall levels of remuneration that individuals would receive once pay on the SFRM is combined with core pay. We have asked MOD to provide this for the next pay round.
- 7.21 MOD told us that these changes were designed to support the workforce. We recognise the importance of having sufficient personnel to deliver the UKSF's critical outputs. Our principal concern is the pace of change especially as the original intention was for the new pay model to be introduced this year, not in two years' time. We invite MOD to look at the possibilities to accelerate implementation.
- 7.22 We are concerned that cohorts who are not part of the initial transfer onto the SFRM, but are critical to the capability of the UKSF, are not benefitting from these new pay arrangements. We note that they may be considered for inclusion in future and encourage MOD to look at this.
- 7.23 Overall, we are content in principle to agree to the introduction of the SFRM pay arrangements. However, we want to see the effect of these on overall UKSF remuneration and will be interested in MOD's comments in response to the other points made above. Over the longer term we will want to review the success of the SFRM.

**Recommendation 6: We agree in principle to the introduction of the Special Forces' Remuneration Model, with 20 levels and to include cohorts that have a recognised United Kingdom Special Forces' selection pathway, for delivery by no later than April 2028.**

**Recommendation 7: We agree that amendments to the model involving moves of up to two levels and the creation of new levels can be managed and approved by the Ministry of Defence Armed Forces' Pay Steering Group.**

#### *Royal Marines' Remuneration Review*

- 7.24 MOD provided us with an information note which set out the progress it had made in reviewing the reward package for the Royal Marines (RM)<sup>70</sup>. We were told that the RM Remuneration Review (RMRR) was being conducted in a systematic and collaborative manner over an 18-month period to align with and to support changes in the operating structure of RM Commandos. We were told that we would receive evidence on the resulting proposals in the next pay round.

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<sup>70</sup> MOD confirmed that while the Review is mainly focussed on RM Commandos, the musicians of the RM Band Service will be considered as part of it.

- 7.25 In setting out the context for the RMRR, MOD explained the highly specialised role of the RM and that the training pathway to turn a civilian into a Commando was unique. We were told that individuals undertake a range of specialist trade training to supplement their core role to become part of an organisation unrivalled in its ability to operate in the hardest places.
- 7.26 There is currently no specific RM remuneration package, although MOD told us that certain cohorts within the RM are eligible for RRP<sup>71</sup>. In addition, other financial incentives and GHs have been available to several RM professions to incentivise specialist training and stabilise fragile workforces<sup>72</sup>.
- 7.27 MOD explained that a new workforce model for the RM would introduce specialist training at an earlier career stage than has previously been the case. This investment in skills would benefit the individual and the RM and be consistent with wider plans for Defence to become a skills-based organisation and one which rewards talent and development. In conjunction with this, the RMRR aimed to deliver a remunerative package that would be attractive to RM personnel, robust, affordable and simple to administer. MOD also stated that the RMRR would deliver a remuneration system which would have less reliance on other financial measures.
- 7.28 From evidence gathered during recent visits to RM personnel, we heard that many felt that they should receive additional reward to acknowledge the higher level of training necessary for their specific role<sup>73</sup>. We recognise that the material presented to us by MOD was designed to provide a high-level update, ahead of a more detailed paper of evidence in next year's round. At this stage, we note the intentions of the RMRR. We hope that next year's paper will provide a full explanation of the proposals and set out how the role of RM Commandos relates to other Service personnel. We recognise the importance of conducting a comprehensive and collaborative review. However, we are concerned about the inability of Defence to deliver retention-critical change at pace.

### *Submarine Remuneration Review*

- 7.29 We last discussed the Submarine Remuneration Review (SMRR) in our 2024 Report and agreed to the implementation of various components of the Review<sup>74</sup>. This year MOD provided us with an update on these measures, stating that:
- Nuclear Skills pay would be introduced on 1 January 2026 to replace the various technical RRPs that are available to submariners<sup>75,76</sup>;
  - Submarine Pay would be introduced on 1 January 2027 as the final element of SMRR implementation; and

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<sup>71</sup> RRPs for which RM Commandos could be eligible include RRP (Mountain Leader) and RRP (Parachute).

<sup>72</sup> These initiatives have been introduced within single Service delegation limits so have not been discussed in previous AFPRB reports. Measures include an incentive of £20,000 payable to RM vehicle technicians (January 2024-January 2026) and £8,000 for RM fabrication technicians (April 2024-April 2026).

<sup>73</sup> We visited the RM Commando Training Centre, Lympstone and Commando Logistics Regiment, Chivenor, in October 2024.

<sup>74</sup> AFPRB 53<sup>rd</sup> Report 2024, paragraphs 4.35-4.38.

<sup>75</sup> Note that in our 2025 Report (paragraph 4.63) we stated that this would be introduced in mid-late 2025.

<sup>76</sup> RRP (Nuclear Propulsion), RRP (Weapon Engineer Submarine), RRP (Engineer Officers' Supplement) and RRP (Naval Service Engineer).

- the new Submarine Environment Allowance would be delivered concurrently with Submarine Pay.

- 7.30 MOD told us that the Royal Navy had continued to develop the SMRR and that the first retention payment had been successful in stabilising and increasing the useable workforce. MOD explained that a second retention payment had originally been envisaged within SMRR and that the success of the first payment led to proposals for the second retention payment being refined. MOD originally intended that this second retention payment should incentivise retention beyond 12 years, this being the point at which personnel would be eligible to receive a resettlement grant.
- 7.31 In the original evidence presented to us we assessed that there was a lack of clarity on the payment profile of the second retention payment. MOD provided us with further information relating to the eligibility points for different cohorts. MOD explained that the second retention payment would be available to Other Ranks with between 14-16 years of service and to Officers (Warfare and Engineer Officers), with around 12 years of service. MOD confirmed that it believed that making the retention payment available at these career points would strike the optimal balance between incentivisation and reward.
- 7.32 We understand that the SMRR targets a critical capability area for MOD and we are content to support the introduction of the second retention payment to build on the success of the first one. We ask MOD to confirm the exact eligibility criteria for the second retention payment at the earliest possible opportunity. In doing so, MOD should advise of the assessments it made in determining the criteria, including assurance that it is confident that the measure will not be divisive.

**Recommendation 8: We agree to the introduction of a second retention payment from 1 April 2026 for OR7 submariners with between 14 and 16 years' service and OF3 submariners (Warfare and Engineer Officers) with 12 years' service.**

#### *Volunteer Reserves' Training Bounty*

- 7.33 This year we received evidence on the Volunteer Reserves' Training Bounty. MOD explained that the purpose of the Bounty was to incentivise and reward Volunteer Reserves to complete their individual training requirement and that it formed an important component of the offer to Reserves. MOD also highlighted that resilience and reinforcement, including to defend the UK homeland, would rely heavily on Reserve forces. MOD also described the challenges that each of the single Services face in growing their Reserve Forces against the intention set out in the Strategic Defence Review to increase the Active Reserve by 20% when funding allows<sup>77</sup>.
- 7.34 MOD told us that it had undertaken a review of the Bounty Framework. MOD said that the revised framework should provide the single Services with greater agility to incentivise Reserves to meet the training and readiness standards needed to deliver assured operational capability. MOD also indicated that it wanted the Bounty to remain tax-free.

<sup>77</sup> MOD explained that the Active Reserve comprises those already serving in voluntary categories, who can be mobilised into permanent service at times of need.

- 7.35 In presenting its preferred solution to us, MOD was clear that we would be advised of the values of the proposed payments in the next pay round, giving the single Services time to agree and cost the payment framework. However, MOD told us that the starting point for the overall solution was that it would have to be cost-neutral.
- 7.36 Our consideration of the proposals was further informed by the evidence we had received during three discussion group sessions with Reserve personnel. We heard about the importance of the Bounty for recruitment and retention. Noting that the extant model rewards eligible Reserve personnel with flat rate payments beyond year five, we also heard that there should be greater flexibility in payments beyond this point. Many said that the Bounty was important to them as recognition of their contribution to Defence. We also heard that gaining the Certificate of Efficiency, which triggers payment of the Bounty, was important to individuals in recognising their capability.
- 7.37 Though we are content to support the principle of flexibility in the model, we are concerned about the tension between a starting point of cost-neutrality and MOD's ambitions to grow the Reserves. We also have concerns that the option for single Service tailoring may, over time, undermine the principle of consistency. We note the possibility of the Bounty being reprofiled in respect of years of service and we assess that any such change would require very careful handling, not least to ensure that the psychological contract between Defence and the Reserves is not damaged. So, we ask that in next year's paper of evidence MOD includes:
- a clear set of proposals, underpinned by a set of principles explaining the rationale for the changes;
  - analysis on how the proposals will support the ambition to grow the Reserves; and
  - a discussion of the expected benefits (and handling of any risks) along with an explanation as to how the arrangements would be communicated.
- 7.38 Noting that current Bounty arrangements will continue to apply, MOD asked us to recommend an uplift to the existing rates of the Bounty. We recommend that these increase in line with our main pay award.

**Recommendation 9: We recommend that rates of the Volunteer Reserves' Training Bounty should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

#### *Medical Officers and Dental Officers*

- 7.39 As noted in last year's Report, we have moved to a biennial consideration of pay for Medical and Dental Officers (MODOs). Therefore, there is no specific discussion of the main pay award for this cohort in this year's Report. Between detailed reviews we would expect pay rates for MODOs to increase in line with the overall uplift for the wider remit group.

7.40 However, MOD did invite us to consider an uplift to the rates of Defence Clinical Impact Awards and Trainer Pay. Consistent with the approach taken to increase rates of other payments and allowances discussed later in this chapter, we recommend that these payments should increase in line with our main pay award.

**Recommendation 10: We recommend that the value of Defence Clinical Impact Awards and rates of Trainer Pay and Associate Trainer Pay should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

7.41 We thank the British Medical Association and British Dental Association for their submissions. We will consider the points made, alongside any updates, when we review the pay of MODOs in the next pay round.

### **Recruitment and Retention Payments**

7.42 RRPs are paid at MOD's discretion, with our endorsement, to address specific recruitment or retention issues. There were no RRPs subject to individual quinquennial review this year, but MOD provided us with an overview of RRP usage. MOD told us that in 2024-25 there were 19 categories of RRP and that over 20,000 personnel were in receipt of these at a cost of around £146m.

7.43 MOD informed us that changes made to the remuneration structures of nurses and Special Forces, if agreed, would have a significant longer-term impact on the RRPs received by those cohorts. MOD explained that these changes aligned with their aspiration to gradually move away from RRPs to structures that incorporate skills-based payments. MOD also said that the continued planned implementation of SMRR would subsume several RRPs received by submariners.

7.44 MOD told us that RRPs are generally well received, make a positive impact on recruitment and retention, and provide value for money for Defence. MOD stated that it was committed to providing a comprehensive data analysis of RRPs to us for Pay Round 2027.

7.45 MOD invited us to agree that all RRPs, except RRP (Nursing) are increased up to the level of the pay award. As discussed, we do not support the MOD's proposal to freeze RRP (Nursing).

**Recommendation 11: We recommend that all rates of RRPs (including RRP (Nursing)) should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

### **Targeted payments and pay supplements**

#### *Skills payments*

7.46 We were asked to review and recommend an uplift for five types of skills-based payments.

- Cyber Skills Payments are an annual payment for UCM cyber cadre Other Ranks. They do not attract an RoS and are awarded based on a Service person's recorded level of competence against the Defence Cyber Competence Framework. In evidence, MOD told us that the Cyber Skills Payments have

been successful in retaining cyber skills within Defence. In addition, the payments support MOD's concerted effort to recruit more personnel into the cyber cadre through the introduction of the Cyber Direct Entry Scheme<sup>78</sup>.

- MOD said that Engineering Supplement Payment (ESP) is payable to all eligible Army and Royal Air Force Regular and Reserve personnel in specific ranks and trades to recognise the value Defence places on them and to encourage greater attainment of professional qualifications. MOD explained that the ESP had a mildly positive impact on retention, but its long-term viability would be routinely assessed as part of Defence's engineering remuneration package.
- In 2024 we recommended the introduction of a Defence Human Intelligence Skills Payment for UCM Special Intelligence cadre personnel. MOD told us that even though the payment was in its infancy, the first two recruitment tranches had been very successful. MOD stressed the importance of the payments and that they need to continue to be effective in attracting new candidates into a very niche but vital Defence capability.
- From 1 April 2025, MOD began a trial of Skills Based Supplement (SBSup) based upon three specific engineering skills with payments at level 4 (practitioner) to level 6 (expert). MOD told us that it expected 3,200 personnel to receive SBSup over the two-year trial period.
- Professional Supplement (Aircrew) (PS(A)) was introduced as part of a suite of measures under the Defence Aircrew Remuneration Review (DARR) from 1 April 2025. All eligible Aircrew irrespective of current role, up to OF6, receive PS(A) according to a rank-based skill-level. MOD told us that the vast majority of Aircrew transitioned from RRP (Flying) to PS(A) and considered it imperative that the value of the measure was not eroded.

7.47 MOD invited us to recommend an uplift for the above measures and we recommend that they should increase in line with our main pay award recommendation.

**Recommendation 12: We recommend that the following skills payments should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation:**

- **Cyber Skills Payments;**
- **Engineering Supplement Payment;**
- **Defence Human Intelligence Skills Payment;**
- **the trialled payments at level 4 to level 6 of Skills Based Supplement; and**
- **Professional Supplement (Aircrew).**

<sup>78</sup> MOD (2025) *Cyber Direct Entry Scheme* (online) Available at: <https://www.gov.uk/guidance/cyber-direct-entry-scheme> [Accessed 28 January 2026].

## *Recognition awards*

7.48 MOD also asked us to review two types of lump sum payments.

- MOD told us that Engineering Professional Recognition Awards (EPRAs) are payments to engineers to recognise the value Defence places on them and to encourage greater attainment of professional qualifications. MOD invited us to agree that EPRA should be maintained at the current rates and payment categories.
- The Aircrew Professional Recognition Award (APRA) was introduced as part of DARR to recognise the value and incentivise the acquisition and maintenance of high-value specialist skills. APRA can be claimed upon completion of specific training (such as flying instruction, testing or weapons qualifications). MOD told us that APRA had effectively targeted the right skills and that, as a one-off payment, there was merit in retaining the existing amounts.

7.49 MOD invited us to agree that the rates of the payments should remain unchanged. We are content to endorse this approach but invite MOD to propose the frequency for more detailed reviews given the importance of ensuring that the payments retain their value.

## **Compensatory allowances**

### *Unpleasant Work Allowance*

7.50 We last reviewed Unpleasant Working Allowance (UWA) in 2018. UWA is intended to compensate Service personnel for operating in conditions that involve an exceptional degree of discomfort or fatigue, or exposure to noxious substances, beyond that compensated for by the X-Factor<sup>79</sup>. UWA has three levels of payment, with activities being grouped together in terms of the nature of the task, the associated level of hardship faced and, for some tasks, the duration of the task undertaken. All Service personnel, irrespective of rank, who undertake exceptionally unpleasant duties, or those of an objectionable nature, are eligible for UWA.

7.51 In evidence, MOD told us that the single Services assessed that UWA met its aim and enabled adequate compensation to Service personnel required to undertake tasks not already included in X-Factor. MOD assessed that UWA remained retention-positive and a fit for purpose allowance that complements the overall allowances package.

7.52 MOD invited us to agree the retention of UWA as an extant allowance in its current structure and to continue to uplift UWA rates in line with the main pay award. We are content to support this approach and recommend that all rates of UWA should increase in line with our main pay award recommendation.

### *Longer Separation Allowance*

7.53 The aim of Longer Separation Allowance (LSA) is to support and improve retention for Service personnel experiencing separation over and above that compensated for by the X-Factor. LSA is paid in incremental amounts to Regular personnel and mobilised Reserves to target those who experience the most separation throughout their service. MOD told us that the number of personnel who received LSA in the last

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<sup>79</sup> See footnote 23.

four financial years was broadly similar. However, we note that the use of LSA varies between each of the single Services with significantly more Royal Navy personnel eligible for the highest rates of LSA than personnel in the Army and Royal Air Force<sup>80</sup>.

- 7.54 In our 2020 Report, we recommended, subject to further data being provided by MOD, that MOD should introduce LSA (Cumulative) and LSA (High Readiness)<sup>81</sup>. The government accepted this recommendation, but MOD told us in 2021 that it had not been possible to progress work on the proposed LSA (Cumulative) initiative because of a lack of recorded data on separated service due to the COVID-19 pandemic<sup>82</sup>. However, MOD said then that it was still considering the introduction of a form of LSA for high levels of cumulative separation and for when Service personnel were held at high readiness for prolonged periods. We pressed MOD for progress following our 2020 Report and MOD told us in 2023 that, following the announcement of the Haythornthwaite Review, it would not progress work on the structure of allowances and would wait for the outcome of that Review to set the direction for future activity<sup>83</sup>.
- 7.55 In evidence this year, MOD confirmed that it completed a Cumulative Separation Allowance (CSA) trial from September 2023 to August 2025 to investigate providing financial compensation to Service personnel for the impact of cumulative separation, where personnel experienced frequent separation below the seven-day threshold for activation of LSA over a defined period. MOD said that very low numbers of personnel were eligible across the six trial units. MOD assessed that expanding eligibility to all personnel would still result in a low number of participants and therefore there was judged to be no significant issue to address. MOD also told us that although certain forms of readiness could be likened to separation, it concluded that readiness should be treated as a separate concern.
- 7.56 Drawing on the evidence gathered from our visits to Service establishments and the discussion groups we held, some Service personnel felt that there was not enough of a distinction in remuneration between personnel who were deployed and those who were non-deployable, citing an increase in the levels of LSA as a proposed option to support retention. MOD analysis of the number of personnel on the highest level of LSA concluded that there were 54% fewer personnel in receipt of LSA level 16 in 2024-25 than during the last quinquennial review. Therefore, MOD concluded that there was no requirement to extend the current levels of LSA.
- 7.57 MOD invited us to agree that the rates of LSA should be increased by up to the level of the main pay award and that no additional levels of LSA should be introduced at this time. We are content to support this approach and recommend that all rates of LSA should increase in line with our main pay award recommendation.
- 7.58 However, we are not convinced that the current system of LSA eligibility is adequate over the long-term and require further evidence. We assess that the CSA trial run by MOD was too restrictive on eligibility and that MOD should initiate a trial with a different approach which allows accumulation of several short periods of separation

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<sup>80</sup> The highest rates are defined here as levels 14-16.

<sup>81</sup> AFPRB 49<sup>th</sup> Report 2020, paragraphs 3.82-3.87.

<sup>82</sup> AFPRB 50<sup>th</sup> Report 2021, paragraph 3.55.

<sup>83</sup> AFPRB 51<sup>st</sup> Report 2022, paragraph 3.99.

to be eligible. We urge MOD to submit further evidence to us for Pay Round 2027 on addressing cumulative separation.

- 7.59 We agree with MOD that readiness and separation are separate factors and we are aware that MOD has introduced a year-long trial in selected units for personnel held at 12 to 24 hours' notice to move for seven continuous days<sup>84</sup>. We urge MOD to submit evidence to us on the findings of the high readiness allowance trial and would caution against conflating readiness and separation which are two separate issues.

#### *Experimental Test Allowance*

- 7.60 The aim of Experimental Test Allowance (ETA) is to provide a small compensatory payment in recognition of the discomfort and effort involved by those Service personnel who participate in officially approved experimental tests.
- 7.61 MOD told us that there is a continued requirement for ETA which is paid to those who voluntarily participate in officially approved experimental tests for which the X-Factor is not intended to compensate.
- 7.62 MOD invited us to agree that the rate of ETA should be increased in line with the main pay award. We support this approach and recommend that the rate of ETA should increase in line with our main pay award recommendation. However, for the next review of ETA we invite MOD to provide evidence to explain and justify the rate of the allowance.

#### *Other compensatory allowances*

- 7.63 The compensatory allowances that fall within our remit not otherwise discussed above are: Unpleasant Living Allowance, Afloat Environmental Allowance, Northern Ireland Resident's Supplement, Recruitment and Retention Allowance (London), Experimental Diving Allowance. MOD invited us to recommend an appropriate uplift for these compensatory allowances. For all these allowances we recommend an increase in line with our main pay award.

**Recommendation 13: We recommend that all rates of compensatory allowances should increase by 3.6% from 1 April 2026 in line with our main pay award recommendation.**

- 7.64 All recommended rates of compensatory allowances are at Appendix 3.
- 7.65 The costs of all of our recommendations are included in Appendix 4.

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<sup>84</sup> Soldier (2025) *High readiness allowance* (online) Available at: <https://soldier.army.mod.uk/issues/july-2025/updates/high-readiness-allowance> [Accessed 28 January 2026].

## Chapter 8 - ACCOMMODATION AND FOOD CHARGES

### *Introduction*

8.1 Under our Terms of Reference we are required to recommend certain charges for Armed Forces' personnel. These include accommodation charges, furniture charges and the Daily Food Charge (DFC). Our recommendations follow a discussion of accommodation issues based on the evidence we have received this year. The chapter concludes with a short commentary on the provision of food.

### **Accommodation context**

8.2 The Ministry of Defence (MOD) told us that its ability to generate an operationally effective force depends on a higher degree of geographical mobility than is customary in civilian life. To support this mobility, MOD said that it provides subsidised accommodation at the place of assignment as an entitlement. There are three core accommodation options: Service Family Accommodation (SFA), Single Living Accommodation (SLA) and home ownership support.

8.3 MOD indicated that of the trained strength of the Armed Forces in April 2025:

- 31% used their entitlement to SFA or its substitute during the working week;
- 44% used their entitlement to SLA or its substitute during the working week; and
- 46% of Service personnel owned a home, but that only 18% of Service personnel lived in a privately owned home during the week.

8.4 MOD stated that it was committed to providing quality and modern homes for Service personnel and their families in the United Kingdom (UK) and overseas. However, MOD acknowledged that poor quality homes, or issues affecting timely repairs, could affect the morale of personnel and have an impact on retention and operational effectiveness.

8.5 In last year's Report we referred to MOD's intention to deliver a Modernised Accommodation Offer (MAO). We heard that work was ongoing to gather data on what Service personnel and their families wanted from the new offer. This year, MOD confirmed that it remained committed to widening entitlement to family accommodation to maintain a mobile, deployable, and winning force, whilst also meeting the varying needs of all its people. Specifically, MOD said that it was committed to widening entitlement to SFA to personnel in long-term relationships and to those with a non-resident child who stayed with them for at least 80 nights a year.

### **Service Family Accommodation**

8.6 MOD indicated that on 1 April 2025, the SFA estate comprised some 47,000 properties in the UK of which around 38,800 were let. Of these, 33,300 were let to Service personnel, with the remainder sub-let to civilians or to programmes such as the Afghan Resettlement Programme<sup>85</sup>.

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<sup>85</sup> MOD (2025) *Afghan Resettlement Programme* (online) Available at: <https://www.gov.uk/guidance/afghan-resettlement-programme> [Accessed 20 February 2026].

8.7 MOD told us that in financial year 2024-25, around £445m was spent on maintaining and improving SFA. We also note that on 31 May 2025 the Defence Secretary announced an uplift of £1.5bn for investment in military housing as part of the Strategic Defence Review (SDR)<sup>86</sup>. MOD said that the improvements were expected to include:

- work to ensure that homes meet or exceed Government Energy Efficiency Targets, thereby reducing running costs for families and tackling damp and mould;
- repairs and maintenance of existing SFA; and
- provision for a number of new build homes.

### *Defence Housing Strategy*

8.8 MOD told us that work on a new Defence Housing Strategy had been underway since December 2024 following the deal with Annington Property Ltd which had brought over 36,000 homes back into public ownership<sup>87</sup>. We were told that this reacquisition would be financed from central government funds, minimising the strain on the Defence budget.

8.9 The Defence Housing Strategy was published in November 2025<sup>88</sup>. MOD was clear in evidence to us that this was not about the provision of accommodation, but about the improvement of the SFA estate and how unused MOD land could boost housebuilding and economic growth. The Strategy included the creation of the Defence Housing Service (which would go live from April 2027) to embed the reformed approach. We were also told that the Defence Housing Service would be independent and answerable to Parliament.

8.10 In oral evidence we were told that the Defence Housing Strategy marked a fundamental change. This strategy reflected the outcome of an independent review, whose findings have been accepted in full by the government. The strategy set out a vision for the future of Defence accommodation and how this will be made a reality with ring-fenced funding of £9.2bn over 10 years. MOD also explained that the total investment would be supplemented by SFA rental income and money from property sales which was made possible by the purchase of the SFA estate from Annington. We were told that the level of this investment was based on a detailed assessment of the funding required both to maintain the estate and deliver visible improvements. This review had shown that some 43,000 homes needed some form of intervention with 14,000 needing to be rebuilt.

### *SFA standards*

8.11 MOD explained that the standards for SFA were based on the government's Decent Homes Standard (DHS) and that no property below DHS should be allocated to

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<sup>86</sup> MOD (2025) *Homes fit for heroes with extra £1.5 billion for forces housing through upcoming Strategic Defence Review* (online) Available at: <https://www.gov.uk/government/news/homes-fit-for-heroes-with-extra-15-billion-for-forces-housing-through-upcoming-strategic-defence-review> [Accessed 28 February 2026].

<sup>87</sup> MOD (2025) *Major housing deal completed, bringing benefits to forces families* (online) Available at: <https://www.gov.uk/government/news/government-buys-back-36347-military-homes-to-improve-housing-for-forces-families-and-save-taxpayers-billions> [Accessed 16 February 2026].

<sup>88</sup> MOD (2025) *The Defence Housing Strategy 2025* (online) Available at: <https://www.gov.uk/government/publications/the-defence-housing-strategy-2025> [Accessed 18 February 2026].

personnel. We were told that at 1 April 2025 97% of SFA stock met or surpassed DHS. In evidence, MOD also referenced its Defence Housing Plus (DH+) standard<sup>89</sup>. We were told that the number of properties meeting DH+ had declined since 2020 reflecting the challenges that the Defence Infrastructure Organisation (DIO) faced in maintaining an ageing estate<sup>90</sup>. MOD also explained that the DH+ baseline would be insufficient to address legislative changes such as to requirements around Energy Performance Certificate ratings. In response, a new target standard for condition was being considered by the MOD Defence Housing Review Panel.

- 8.12 MOD said that it continued to oversee the five Future Defence Infrastructure Services (FDIS) accommodation contracts which deliver housing services to Service personnel and their families. We were told that the contractors were performing well against key performance indicators. However, MOD confirmed that it continued to work with them to make sustained improvements in performance. MOD also acknowledged that the maintenance service had never moved beyond 'fix-on-fail'. Under the auspices of the Defence Housing Strategy, MOD was working to deliver a fully-funded preventative maintenance regime. MOD noted, however, that this would take time to deliver because of the current standard of the estate.
- 8.13 As in previous years, MOD told us that tackling damp and mould in SFA remained a key priority for DIO. MOD said that over 9,000 SFA properties had received damp and mould works since the damp and mould taskforce was established in 2023.

#### *Engagement with Service families*

- 8.14 MOD explained that in April 2025 it launched the SFA Consumer Charter which would reinforce its commitment to Service personnel and their families<sup>91</sup>. More generally, MOD told us that a number of initiatives were underway to support Service families including:
- the launch of a Defence Homes website to improve communication and include DIO's self-assessment of UK SFA quality to ensure transparency and accountability in maintaining high standards across SFA;
  - the introduction of a mechanism to provide Service families with a choice of channels for managing their maintenance needs;
  - improved communication with Service families, with a named housing officer for every Service family to contact for housing related queries; and
  - creation of area offices, hosted by housing officers, that Service personnel and their families can visit for support.
- 8.15 We received evidence from MOD on the number of accommodation complaints<sup>92</sup>. MOD told us that 242 Stage 1 complaints were active as at end of April 2025, the lowest level since the FDIS Accommodation contracts came into service in April 2022 (down from 856 at April 2024). We noted that most active complaints (51%) in April 2025 concerned the duration of time for repair, with complaints about

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<sup>89</sup> MOD previously explained to us that this comprised DHS but with modestly higher standards for modernity and thermal insulation.

<sup>90</sup> 87.4% of SFA was at DH+ in 2020 compared to 86.8% in 2025.

<sup>91</sup> See footnote 86.

<sup>92</sup> Stage 1 complaints, the first stage of the complaints process, are handled locally by the contractor, Stage 2 are handled by DIO and Stage 3 by MOD.

communication second (20%) and damp and mould third (7%). MOD explained that a new complaints process was being devised as part of the Consumer Charter.

### *SFA overseas*

8.16 MOD said that delivery of the SFA estate overseas was more complex with no single responsible owner for all overseas locations. DIO was responsible for 4,200 SFA properties overseas and Cyber and Specialist Operations Command (CSOC) responsible for delivering SFA across the Permanent Joint Operating Base (PJOBs). MOD explained that the standard of SFA across the PJOBs was lower than within the UK. However, MOD said that a new charging methodology was being examined for tropical countries and the provision, or lack of, air conditioning units was being scoped which would link into future hirings and build designs.

### *Our comments on Service Family Accommodation*

8.17 We were told that the establishment of the Defence Housing Service will provide a vehicle for delivering sorely needed investment and focus on Defence housing. This is potentially encouraging although we hope that during this period of organisational change the improvements needed will be delivered at pace and scale.

8.18 We noted last year the House of Commons Defence Committee had said that the key issue was insufficient funding to bring Service accommodation up to decent, modern standards. The announcement of both the additional £1.5bn linked to the SDR, and the ring-fenced money attached to the launch of the Defence Housing Strategy, mark a significant change. We were pleased to hear in oral evidence the extent to which this new money will enable confidence in planning to deliver transformation in what has been a substantial and long-standing concern of ours. We also note the significant reduction in the number of accommodation complaints which, while still high, is a positive direction of travel.

### **Single Living Accommodation**

8.19 MOD told us that there were some 133,000 permanent and temporary SLA bedspaces in the UK, around 17,000 bedspaces overseas and approximately 21,000 bedspaces across the UK training estate.

8.20 Since delegation of funding to Front Line Commands (FLC) in 2018, we were told that progress had been made in improving the condition of SLA and that the FLCs and Defence Estates Optimisation Programme had committed to a £5.3bn SLA improvement programme over a 10-year period<sup>93</sup>. Examples of areas of investment are set out below.

- The Royal Navy would deliver £2.4bn of works over the next 15 years, equating to approximately 14,000 bedspaces. This includes a full replacement of 1,080 Phase 1 trainee multi occupancy bedspaces at HMS Raleigh, reducing the shared sleeping areas to a maximum of 12 persons which would aid the commitment to improve recruitment and retention rates.

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<sup>93</sup> MOD (2024) *Defence Estate Optimisation Portfolio* (online) Available at: <https://www.gov.uk/guidance/defence-estate-optimisation-deo-portfolio> [Accessed 28 February 2026].

- The Army had a 10-year plan to replace 16,500 SLA bedspaces. However, we were told that in-year savings measures placed this at risk of delay by three to five years.
- The Royal Air Force told us that it was replacing 7,000 bedspaces and refurbishing 6,000 more with the aim of removing all Grade 3 and Grade 4 SLA for permanent staff and trainees over the next 10 to 17 years.
- CSOC told us that it would invest approximately £575m in its SLA over the next 10 years to address the worst accommodation on the estate. As was the case last year, we were told that action to make SLA in Cyprus earthquake compliant and to improve SLA in the Falkland Islands remained unfunded.

8.21 MOD explained that the minimum standard for SLA was implemented on 1 April 2024. We reported progress towards this in last year's Report<sup>94</sup>. MOD did not provide updated figures in evidence this year, but did say that it was the intention that all SLA should achieve the minimum standard by 1 April 2026, although financial pressures were making this challenging.

#### *Our comments on Single Living Accommodation*

8.22 We note that a number of bedspaces are not at the required standard and we also question whether the minimum standard may be set too low. We are concerned that the evidence on SLA improvement shows little progress since last year with, if anything, extensions to the delivery timescales. We assess that lack of security of funding is a significant contributing factor towards lack of progress. There has been a focus within government on SFA and major investment has been promised in that area. Given the proportionally higher number of Service personnel who live in SLA during the working week compared to those who live in SFA, we judge that there should be a focus on SLA too, especially as responsibility for it is currently fragmented. So, as we finalise this Report, we welcome the launch of an independent review into SLA provision<sup>95</sup>. We observe that the government says that this review marks a decisive shift in fixing longstanding problems with housing.

#### **Home ownership support**

8.23 MOD told us that support for homeownership formed part of the accommodation offer and that this was enabled through the Forces Help to Buy (FHTB) scheme. This scheme enables Service personnel to borrow up to 50% of their salary interest free, up to a maximum of £25,000, towards the purchase of a property. MOD said that payments had been made to over 31,000 applicants since the scheme began in April 2014<sup>96</sup>. MOD told us that it was considering whether enhancements to the scheme could be effective in further supporting homebuying.

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<sup>94</sup> AFPRB 54<sup>th</sup> Report 2025, paragraph 5.20.

<sup>95</sup> MOD (2026) *New review of single living accommodation to transform military housing standards* (online) Available at: <https://www.gov.uk/government/news/new-review-of-single-living-accommodation-to-transform-military-housing-standards> [Accessed 18 February 2026].

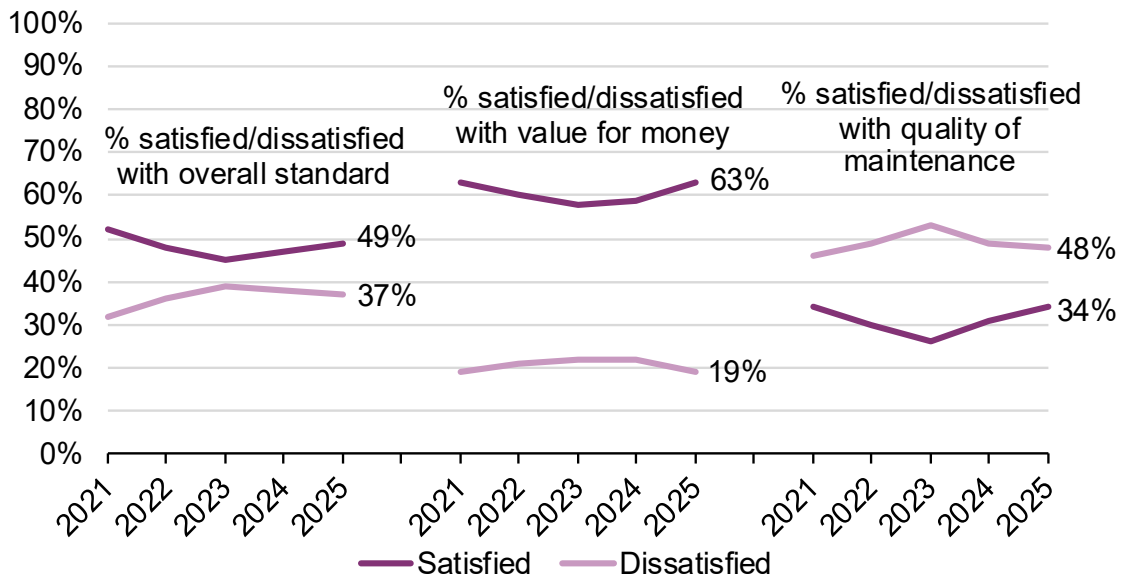
<sup>96</sup> This represents an increase of around 1,000 additional recipients compared to what MOD told us last year.

## Feedback on Service accommodation

### Armed Forces Continuous Attitude Survey

8.24 The Armed Forces Continuous Attitude Survey (AFCAS) contains data on Service personnel's satisfaction levels with their Service accommodation.

**Figure 8.1: AFCAS – Attitudes towards Service accommodation, Tri-Service, 2021 to 2025.**



**Notes:**

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

49% of personnel reported they were satisfied with the overall standard of their current Service accommodation and 37% of personnel reported they were dissatisfied, both results are comparable to the 2024 result.

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

63% of personnel reported they were satisfied with the value for money of Service accommodation, a 4 percentage point increase on the 2024 result and 19% of personnel reported they were dissatisfied, a 3 percentage point decrease on the 2024 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.

34% of personnel reported they were satisfied with the quality of maintenance/repair work carried out on Service accommodation and 48% of personnel reported they were dissatisfied, both results are comparable with the 2024 results.

### Service Families' Federations

8.25 In Chapter 4 we discuss the evidence we received from the Service Families' Federations (SFFs). They also shared points regarding the provision of Service accommodation. Overall, the SFFs said that accommodation remained a highly emotive and complex issue.

8.26 The SFFs highlighted the ongoing uncertainty and lack of communication to families from MOD regarding the introduction of the MAO, particularly about the extension of entitlement to SFA for those in long-term relationships. We heard that some personnel in long-term relationships felt financially disadvantaged as they had no option but to move to private rented accommodation, given the inability to access SFA.

- 8.27 The SFFs raised more general issues relating to the shortage of SFA, and the lack of suitably sized homes to meet individuals' needs, with concerns about the long timeline to deliver meaningful change. We were told of Service personnel moving to areas where there was insufficient accommodation, resulting in families being separated during the week as the Service person was having to live in SLA. The SFFs expressed concern that many perceived that the accommodation offer was diluted.
- 8.28 On standards and maintenance, the SFFs told us that there had been some improvements but communicating this to Service families was difficult given the overall levels of dissatisfaction, exacerbated by some strong emotions shared on social media. Issues remained around damp and mould. The SFFs also shared concerns about poorly insulated homes and the cost impact of this on energy bills. However, the SFFs said that they welcomed the introduction of the new complaints process although at the time of giving evidence, it was too soon to assess its impact.
- 8.29 We were told of positive developments in the allocation of housing in Cyprus as Service personnel could now view information about homes in a format similar to that used by estate agents.

#### *Our visits*

- 8.30 As discussed in Chapter 4, we undertook visits in support of this pay round. Where possible, at each of the locations we visited, we asked to see a wide range of accommodation types and standards. We attach great importance to seeing the standard of accommodation, and to meeting Service personnel and their spouses and partners to hear their views on the provision of accommodation and its maintenance.
- 8.31 Service personnel told us about the extent to which they see accommodation as a critical component of the overall offer. However, we heard concerns about quality, maintenance, and value for money. While subsidised housing was recognised as an important benefit, many personnel expressed frustration that charges increased without corresponding improvements. Some personnel said that they would pay more for better quality accommodation. Poor accommodation was seen as having a negative impact on morale and retention.
- 8.32 Over the course of the visits, we saw for ourselves the significant variation in standards in both SFA and SLA. We saw examples of disgraceful and totally unacceptable accommodation. Common problems highlighted to us included mould, heating failures, lack of hot water and inadequate storage. In terms of contractor performance, we picked up a sense that this was inconsistent, with reports of slow maintenance response times and frustrations around how jobs were prioritised. However, we did see some excellent accommodation, including some new-build SLA which appeared to address many of the concerns raised with us about storage and cooking facilities. We also saw good quality accommodation during our visit to UK Armed Forces' personnel in the United States of America.
- 8.33 We heard concerns about the processes for the allocation of accommodation, particularly for families wanting home office space and personnel in long-term relationships. We were also told about how standards of accommodation can vary significantly between location.

8.34 Many Service personnel in a range of locations were positive about the FHTB scheme. While it was recognised as an important part of the accommodation offer, it was noted that FHTB was of limited value in South East England given the relatively high cost of housing, with some suggesting that the scheme should be improved.

#### *Our comments on accommodation*

- 8.35 We remain of the view that the overall offer on accommodation is unacceptable. Despite seeing some good accommodation during our visits and noting that there have been positive developments, much remains to be done before improvements are widely felt and for many the accommodation offer is simply not good enough. One of our key takeaways from talking to Service personnel on our visits was the lack of consistency in the accommodation offer, and the frustration that people felt when having to move from good to poor quality accommodation. These concerns were exacerbated by uncertainty around the potential quality of accommodation on relocation to a new unit or area. In oral evidence we were encouraged by the way in which MOD talked about building homes for families, creating communities, and fostering a sense of belonging and the importance of this to retention. MOD underlined the need to provide homes that families valued and cared about. We agree and also assess that good quality family housing is important for the morale of personnel when they deploy for long periods.
- 8.36 We will watch with interest for progress in implementation of the Defence Housing Strategy and the review into SLA. In the case of the latter, we assess that getting SLA provision to a uniformly decent standard will be important in improving the overall offer. We hope that the commitment of funding promised for SFA will be mirrored for SLA as we are of the view that it will take a considerable amount of new funding to improve the overall quality of SLA. We hope to be able to report positive developments in both SFA and SLA provision in next year's Report.

#### **The accommodation subsidy**

- 8.37 MOD told us that it subsidises accommodation in recognition of the comparative disadvantages that Service personnel face in relation to accommodation, both from restrictions in the accommodation system and Service mobility. MOD said that it was reviewing its approach to the accommodation subsidy as part of wider work initiated in response to the Haythornthwaite Review and Total Reward Transformation. MOD explained that the aim of this Review was to look at improving fairness and transparency in its approach to accommodation charging. MOD said that it would be examining the factors which inform the subsidy and, in doing so, would compare the restrictions relevant to living in Service accommodation with those applicable to persons renting social housing or in the private sector. MOD also told us that the subsidy should not recompense Service personnel for issues covered in allowances or in the accommodation charging system.
- 8.38 MOD provided us with data on the monetary value of the subsidy based on the charges applicable following application of our 2025 recommendations compared to Office for National Statistics data on average rents. This showed that for personnel in SFA (depending on the type of property) the value of the subsidy ranged from £926 to £3,627 a month, with discounts ranging between 76% to 80%. MOD told us that understanding the value of the SLA subsidy remained challenging due to the lack of direct comparators in the civilian market. Last year MOD compared SLA charges with the median rent for a room in a house of multiple occupancy. However, this year the data provided to us was based on the average rent for a one-bedroom

property (£1,059). Using this baseline, MOD said that the value of the subsidy ranged from £855 to £1,018 a month, giving a discount between 81% and 96%.

- 8.39 MOD said that, because of the subsidy, the percentage of salary spent on accommodation by Service personnel was lower than civilian equivalents across all ranks and accommodation types. MOD provided illustrative data which indicated that private renters on a median household income could expect to spend 36.3% of their income on an average-priced rented home in England whereas a Private Soldier allocated a Band A for charge (highest/best condition) three- or four-bedroom home would pay 12% to 17% of their salary whilst an OF4 living in Band A SFA for charge would spend 9% of their salary on their accommodation. When looking at SLA charges, an OF2 in Grade 1 (the best) accommodation would pay 5% of their salary towards accommodation with 3% the equivalent figure for an OF4.

#### *Our comments on the accommodation subsidy*

- 8.40 We understand the MOD's rationale for the accommodation subsidy and agree that the factors underpinning it should be reviewed from time to time. We look forward to receiving updates from MOD, including on timelines and expected outcomes. We recognise that any changes affecting an individual's domestic arrangements would need to be communicated with care by MOD.
- 8.41 We noted the change in the way that MOD calculated the value of the subsidy for SLA, shifting from a multiple occupancy house to a one-bedroom property. We feel that this is significant and not fully explained. We question why it was not possible to find a more appropriate benchmark in the private and student rental sectors and encourage MOD to do so.

#### **Accommodation charges**

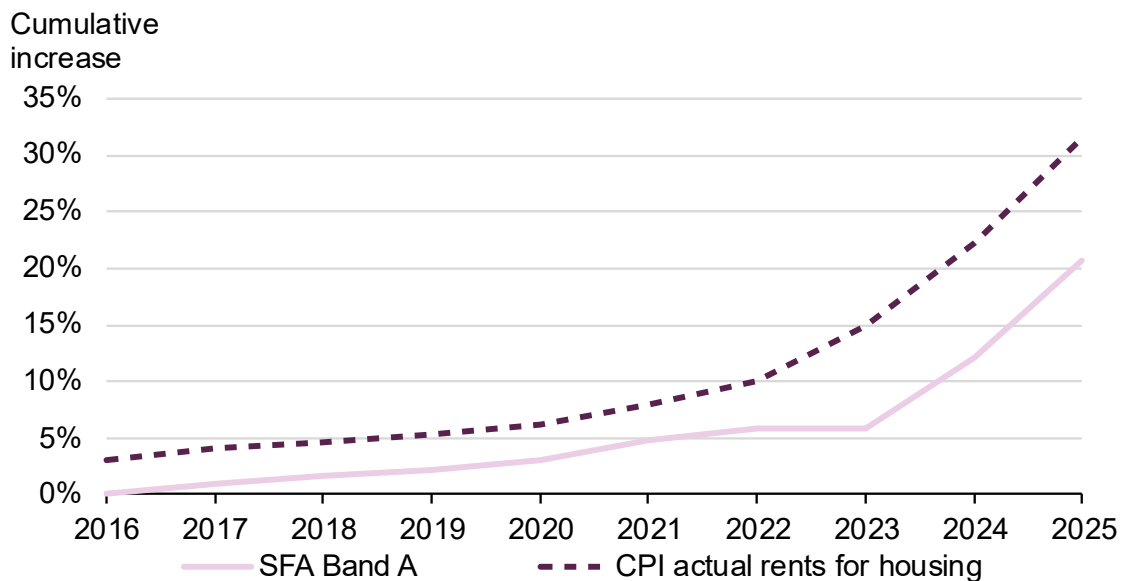
- 8.42 To inform our recommendations we traditionally use the annual November Consumer Prices Index (CPI) actual rents for housing component. MOD invited us to repeat this methodology for this year's recommendations. We are content to follow this approach and note that the November 2025 CPI actual rents for housing component was 3.8%.

#### *Service Family Accommodation rental charges*

- 8.43 SFA grade tiering is based on the Combined Accommodation Assessment System (CAAS) banding methodology. It uses a set of indicators based around the property's condition, scale (size and features) and location (which includes access to essential amenities). MOD explained that there are eleven charging bands (A-K) with Band A attracting the highest charge.
- 8.44 MOD told us that in 2024 it undertook a routine review of the location factor and that, in doing so, it changed the definition of a reasonable broadband speed to a significantly higher level. MOD informed us that, of the properties assessed, around 12% dropped one or two bands, 27% increased by one or two bands and around 61% remained unchanged.
- 8.45 Figure 8.2 shows the cumulative increases in annual CPI actual rents for housing in November each year against the annual uplifts to Band A SFA rental charges from

2016 to 2025. While accommodation charges have increased in line with CPI actual rents for housing in most years, this has not happened in every year<sup>97</sup>.

**Figure 8.2: Annual rate of CPI actual rents for housing, November 2015 to November 2024, compared to annual uplifts to Band A SFA rental charges, 2016 to 2025.**



8.46 We have carefully considered the evidence presented to us. We recognise that the CPI actual rents for housing component indicates the rate of price increases in the civilian sector. We consider that Service personnel should not be immune from price changes affecting the wider population, especially where accommodation is of a good standard.

8.47 When recommending an uplift to SFA accommodation charges, we are content that rates for the lower banded accommodation are calculated in descending increments of 10% from the Band A rate. Last year, noting evidence received, we recommended that the charges applying to the lowest levels of SFA should not increase. While elsewhere in this chapter we recognise some improvements in the management of SFA, we again saw some poor accommodation during the course of this year's visits and note that MOD recognises that work is required to bring the SFA estate up to the standard that Service personnel expect, and which MOD itself aspires to. Therefore, in making our recommendation on SFA charges this year we repeat last year's practice in recommending no increase for the lowest standard of accommodation.

8.48 We feel that the retrospective application of charges is unfair. Therefore, we conclude, as last year, that our recommendations to increase charges should only apply from the date that personnel receive their pay increase.

8.49 Taking all the above points together, we recommend that rental charges for SFA at CAAS Bands A-F should increase by 3.8%. We recommend no increase in the current rates of charges for SFA at CAAS Bands G and below. These increases are not to be subject to any backdating and should apply from the date that the pay award is delivered to Service personnel.

<sup>97</sup> For example, in 2024 we recommended an increase to accommodation charges of 6% against an annual November CPI actual rents for housing figure of 6.4% to align with our recommended percentage increase in pay. Our recommendation was accepted by government.

**Recommendation 14: We recommend that SFA rental charges for CAAS Bands A-F should increase by 3.8%. These increases are not to be subject to any backdating. We recommend no increase in the rates of charges for CAAS Bands G and below.**

#### *Furniture provision and charges*

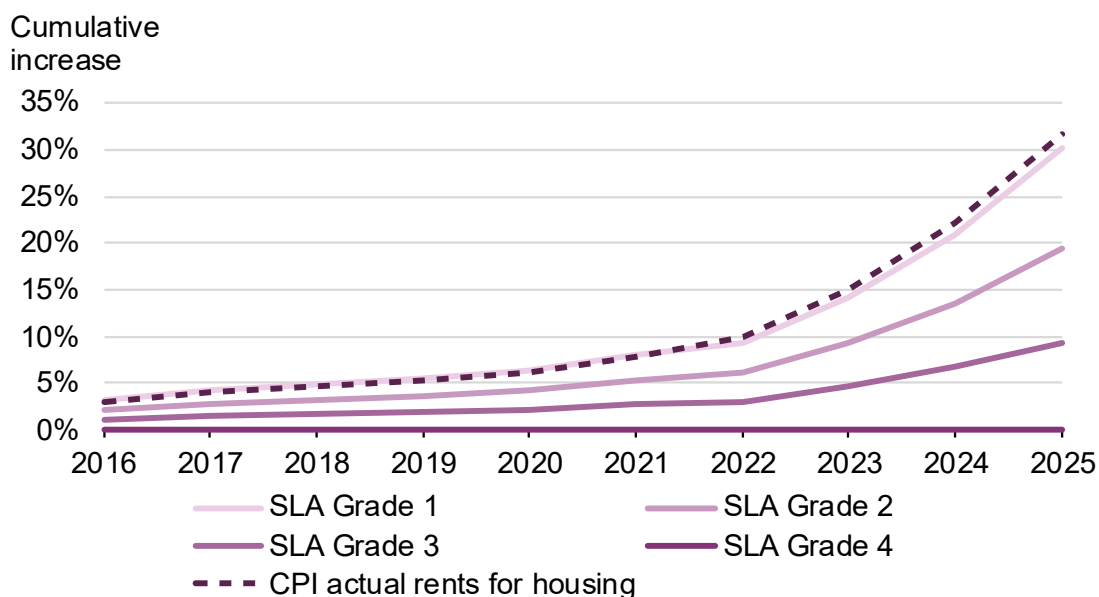
- 8.50 MOD explained that Service personnel entitled to SFA can request a fully or partially furnished property. MOD told us that work was continuing to understand the cost of furniture provision and to modernise the furniture offer while exploring opportunities for efficiencies.
- 8.51 MOD invited us to increase the rate of furniture charges based on the furniture and furnishing element of CPI. We note that the annual figure at November 2025 was - 0.9%. As discussed last year, if the rate is a negative figure, as it is this year, we are not averse to reducing charges to reflect price movements elsewhere. However, given the small percentage reduction and the relatively low level of daily charges for furniture, we assess that the application of a - 0.9% reduction is impractical. Therefore, we recommend no change in the level of furniture charges this year. However, we will consider whether to apply a discount to any future increase in charges.

**Recommendation 15: We recommend no increase in the rates of furniture charges.**

#### *Single Living Accommodation rental charges*

- 8.52 SLA charges are based on the Four-Tier Grading System which also uses scale, condition and location to determine the level of charge, with Grade 1 being the highest level (for the best accommodation) and Grade 4 the lowest. The approach we have most commonly taken in the past when recommending an uplift in SLA rates has been to apply the annual rate of CPI actual rents for housing to Grade 1 charges and to apply graduated uplifts of two-thirds of the Grade 1 increase to Grade 2 accommodation, one-third of the Grade 1 increase to Grade 3 accommodation and no uplift for Grade 4 SLA.
- 8.53 Figure 8.3 shows the cumulative increases in annual CPI actual rents for housing in November each year against the annual uplifts to SLA rental charges from 2016 to 2025. Accommodation charges have increased in line with CPI actual rents for housing in most years, but not in every year.

**Figure 8.3: Annual rate of CPI actual rents for housing, November 2015 to November 2024, compared to annual uplifts to SLA rental charges, 2016 to 2025.**



8.54 Following our usual methodology, we recommend that SLA rental charges for Grade 1 accommodation should increase by 3.8%, with reducing percentage increases for lower grades, giving increases of 2.5% for Grade 2, 1.3% for Grade 3 and no increase for Grade 4 SLA. In line with our recommendation on SFA charges, we also recommend that SLA charges are not backdated.

**Recommendation 16: We recommend that SLA rental charges for Grade 1 should increase by 3.8%, with increases of 2.5% for Grade 2, 1.3% for Grade 3 and no increase for Grade 4 accommodation. These increases are not to be subject to any backdating.**

*Other charges*

8.55 In previous years we have provided a separate recommendation for garage and carport rents. In last year’s Report we invited MOD to review the requirement for this especially as garage and accommodation charges have been assessed using the exactly the same formula. MOD confirmed that it would not invite us to make a separate recommendation in respect of these items, but that garage charges would be calculated using our standard methodology with reference to the actual rents for housing element of CPI and that sub-standard garage charges would not be increased. We are content to support this approach.

**Food and catering**

8.56 MOD provided us with an update on the Defence Catering Strategy, launched in May 2024, with a focus on improving the food on offer, the use of technology, supporting infrastructure, and the times when dining establishments would be open. MOD told us that the feedback it had received about this was largely positive.

8.57 We sampled food and listened to the views of personnel on catering during our visits. We heard some positive comments about the quality and variety of food. When compared to our experience in recent years, we assess that there have been

modest improvements and that food provision has moved slowly in the right direction. During next year's visits, we will want to see that this progress has continued. Where we heard negative comments, these tended to be around the food provided at weekends and lack of menu choices. As before, we heard a preference from many to be able to cook food for themselves, citing cost savings and greater choice, with frustration where there were not the facilities to enable this.

- 8.58 In evidence, MOD told us that it was reviewing funding for food and the DFC<sup>98</sup>. MOD reminded us that the DFC had been frozen at £5.61 a day since 2022 and that this freeze remained in place for 2025-26. However, MOD was clear that the freeze would be lifted from 1 April 2026 and that the new DFC rate would reflect the increase in food costs. At the time of presenting evidence to us, MOD was not able to confirm the actual increase but said that it anticipated that the increase would be just over one pound.
- 8.59 We recognise the need to increase the DFC and that this reflects the real movement in food costs. While the increase is modest in absolute terms, we note that it is significant in percentage terms. In communicating the change, MOD should justify the increase and to be clear on the extent to which the DFC represents value for money and how any such increase will be reflected in better quality food. More generally, we ask that MOD keep us informed on its plans for the future of the DFC and whether there will be a future role for us in reviewing food charges.

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<sup>98</sup> MOD told us that the following cohorts 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 9 - EMERGING ISSUES

### *Introduction*

9.1 In this chapter we set out issues that will form a backdrop to our future considerations.

### **Strategic issues and transformation**

9.2 We will continue to monitor the challenging and evolving international geopolitical situation exemplified by events in Eastern Europe and the Middle East.

9.3 The Ministry of Defence (MOD) has kept us informed of changes being implemented under Defence Reform and we ask that this continues. However, there remains a lack of clarity regarding some of the organisational details and lines of responsibility. We will want to see how Defence Reform is embedded and how single Service responsibilities will link into the new structures to provide a unified approach across Defence for Service personnel.

9.4 During the course of this round there have been significant announcements regarding Service accommodation covering the creation of the Defence Housing Service and a review into Single Living Accommodation. Noting our views on the standard of accommodation, we hope to be able to comment on real progress in the provision and quality of Service accommodation in next year's Report.

9.5 Last year we commented that we were looking forward to seeing how the new Armed Forces Commissioner might provide a route to address wider family and welfare issues<sup>99</sup>. At the time of writing, the Commissioner has not been appointed. We are still waiting to see how last year's expectations will be fulfilled.

9.6 This year we reviewed the Volunteer Reserves' Training Bounty. We are concerned about the starting point of cost-neutrality. We will maintain a focus on Reserves to see how the ambitions in the Strategic Defence Review can be realised without additional funding.

### **Pay and reward**

9.7 We note that steps are being made to implement various aspects of the Haythornthwaite Review (HRAFI). However, we are concerned with the slow progress in pay reform, including the development of a more strategic approach to pay. HRAFI envisages, and provides the opportunity to make, fundamental changes. We assess that priority should be given to the rationalisation and harmonisation of the current complex pay structures. More generally, we continue to have concerns and would like to see faster progress in the implementation of new pay proposals.

9.8 We will monitor developments in the National Living Wage (NLW) and will be interested in how MOD responds to our pay recommendation and observations on the NLW this year. While we understand the intention of the NLW, we note that the consequence of higher pay increases at the lower end of the pay scales has resulted in pay compression. We would be interested to know whether MOD considers that action is necessary to address this.

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<sup>99</sup> AFPRB 54<sup>th</sup> Report 2025, paragraph 6.12.

- 9.9 MOD confirmed to us that its quinquennial review of Pay 16 was underway and we look forward to seeing the outcome of this and the further work on 'Pay 16 Evolve'.
- 9.10 We note that commitment bonuses are regularly raised in discussion groups as a potential solution to enduring retention difficulties. We invite MOD to provide advice on what consideration it has given to reintroducing these payments.
- 9.11 We would like to have a better understanding of MOD's rationale for which elements of pay are, or are not, pensionable. The pensions landscape has changed with the move to a career average pension scheme. It is not clear the extent to which MOD has reflected this change in its considerations on pensionable pay. This issue is becoming increasingly salient given the move to skills-based pay.

## **Workforce**

- 9.12 In the next round we would like to see evidence of the effects of recent measures to increase workforce numbers. We recognise that aggregated numbers can disguise underlying issues in the single Services and some specialist areas. Therefore, we would welcome sight of granular data to help us to understand better the recruitment and retention situation.
- 9.13 We will continue to monitor data on diversity, not least given the connection with recruitment and retention. We remain concerned at the lack of real progress in diversity figures despite many years of activity in this area. We would welcome an explanation from MOD as to the reasons why there has been little change and assurance that the targets set in this area are realistic.
- 9.14 We will look forward to receiving an update from MOD on the introduction of the Armed Forces Recruiting Service, recognising that a successful launch will be critical to ensure effective and efficient recruitment.

## **Next year's round**

- 9.15 In addition to our routine papers of evidence, we understand that in next year's round we will be invited to review evidence on Medical and Dental Officers, Defence Engineering, and Recruitment and Retention Pay for Parachute Jump Instructors. We also expect to receive further evidence on the Volunteer Reserves' Training Bounty and the Royal Marines' Remuneration Review.
- 9.16 In previous rounds we have commented on our aspiration for the pay round to be brought forward to enable us to present recommendations to government so that they can be implemented in time for personnel to receive their pay award in April pay packets. We welcomed the fact that this year's remit letter confirmed the government's ambition to bring forward the evidence process. So, this year, we are pleased to be able to submit our report to government in advance of 1 April 2026. We will continue to work towards a timetable that will deliver recommendations to government in a similar or earlier timeframe. We look to MOD to support this aim by producing timely evidence.

## **Conclusion**

9.17 We record our thanks to all who have facilitated this year's round. We invite all parties to continue to work with us to deliver a successful round next year.

Julian Miller CB  
David Billingham  
Emma Boggis  
Steven Dickson  
William Entwisle OBE MVO  
Dr Gillian Fairfield  
Paul Moloney  
Dougie Peedle

*March 2026*

## **Appendix 1 - SALARIES (INCLUDING X-FACTOR) FOR 1 APRIL 2025 AND RECOMMENDATIONS FOR 1 APRIL 2026**

All salaries are annual and rounded to the nearest pound (£).

All salaries include X-Factor (where applicable), which was last reviewed in the 2023 AFPRB Report. The full rate of X-Factor is 14.5% for full-time UK Regular personnel in our remit group. Other rates of X-Factor are applicable on the basis of commitment or seniority.

For Other Ranks on the main pay spines (Table 1.1, 1.2, 1.3 and 1.4), personnel are allocated a pay supplement according to their trade, which is assessed through MOD's job evaluation process.

Eligibility criteria are published internally by MOD.

**Table 1.1: Other Ranks Trade Supplement 1.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	64,866	67,201
OR9-05	64,220	66,532
OR9-04	63,515	65,802
OR9-03	62,810	65,071
OR9-02	62,456	64,704
OR9-01	62,456	64,704
OR7-12 / OR8-06	58,176	60,271
OR7-11 / OR8-05	57,220	59,279
OR7-10 / OR8-04	56,284	58,310
OR7-09 / OR8-03	55,211	57,199
OR7-08 / OR8-02	54,077	56,024
OR7-07 / OR8-01	54,077	56,024
OR7-06	52,940	54,845
OR7-05	52,137	54,014
OR7-04	51,370	53,219
OR7-03	50,576	52,396
OR7-02	49,821	51,615
OR7-01	49,821	51,615
OR6-06	48,840	50,598
OR6-05	47,698	49,415
OR6-04	46,566	48,243
OR6-03	45,450	47,086
OR6-02	44,423	46,022
OR6-01	44,423	46,022
OR4-06	42,303	43,826
OR4-05	41,725	43,227
OR4-04	41,178	42,660
OR4-03	40,593	42,054
OR4-02	39,565	40,989
OR4-01	39,565	40,989
OR2-10 / OR3-03	37,214	38,553
OR2-09 / OR3-02	35,610	36,892
OR2-08 / OR3-01	34,083	35,310
OR2-07	32,648	33,823
OR2-06	31,252	32,377
OR2-05	30,160	31,245
OR2-04	28,730	29,764
OR2-03	27,028	28,001
OR2-02	27,028	28,001
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.2: Other Ranks Trade Supplement 2.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	64,866	67,201
OR9-05	64,220	66,532
OR9-04	63,515	65,802
OR9-03	62,810	65,071
OR9-02	62,456	64,704
OR9-01	62,456	64,704
OR7-12 / OR8-06	59,986	62,145
OR7-11 / OR8-05	59,229	61,362
OR7-10 / OR8-04	58,450	60,555
OR7-09 / OR8-03	57,666	59,742
OR7-08 / OR8-02	56,532	58,567
OR7-07 / OR8-01	56,532	58,567
OR7-06	55,106	57,090
OR7-05	54,305	56,259
OR7-04	53,538	55,465
OR7-03	52,742	54,641
OR7-02	51,871	53,739
OR7-01	51,871	53,739
OR6-06	50,849	52,680
OR6-05	49,617	51,404
OR6-04	48,255	49,992
OR6-03	47,015	48,707
OR6-02	45,876	47,527
OR6-01	45,876	47,527
OR4-06	43,687	45,260
OR4-05	43,110	44,662
OR4-04	42,543	44,075
OR4-03	41,735	43,238
OR4-02	40,684	42,149
OR4-01	40,684	42,149
OR2-10 / OR3-03	38,212	39,587
OR2-09 / OR3-02	36,516	37,830
OR2-08 / OR3-01	34,848	36,103
OR2-07	33,274	34,471
OR2-06	31,685	32,826
OR2-05	30,179	31,266
OR2-04	29,052	30,098
OR2-03	27,028	28,001
OR2-02	27,028	28,001
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.3: Other Ranks Trade Supplement 3.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	64,866	67,201
OR9-05	64,220	66,532
OR9-04	63,515	65,802
OR9-03	62,810	65,071
OR9-02	62,482	64,731
OR9-01	62,482	64,731
OR7-12 / OR8-06	61,251	63,456
OR7-11 / OR8-05	60,894	63,086
OR7-10 / OR8-04	60,515	62,693
OR7-09 / OR8-03	60,091	62,254
OR7-08 / OR8-02	59,260	61,393
OR7-07 / OR8-01	59,260	61,393
OR7-06	57,661	59,737
OR7-05	56,548	58,583
OR7-04	55,580	57,581
OR7-03	54,638	56,605
OR7-02	53,697	55,631
OR7-01	53,697	55,631
OR6-06	52,593	54,486
OR6-05	51,308	53,155
OR6-04	50,085	51,888
OR6-03	48,911	50,671
OR6-02	47,763	49,483
OR6-01	47,763	49,483
OR4-06	45,484	47,122
OR4-05	44,694	46,303
OR4-04	43,795	45,372
OR4-03	42,856	44,399
OR4-02	41,772	43,276
OR4-01	41,772	43,276
OR2-10 / OR3-03	38,994	40,398
OR2-09 / OR3-02	37,207	38,547
OR2-08 / OR3-01	35,507	36,786
OR2-07	33,933	35,154
OR2-06	32,229	33,389
OR2-05	30,613	31,715
OR2-04	29,388	30,446
OR2-03	27,028	28,001
OR2-02	27,028	28,001
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.4: Other Ranks Trade Supplement 4.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	66,585	68,982
OR9-05	66,003	68,379
OR9-04	65,385	67,739
OR9-03	64,775	67,107
OR9-02	64,247	66,560
OR9-01	64,247	66,560
OR7-12 / OR8-06	62,981	65,249
OR7-11 / OR8-05	62,625	64,879
OR7-10 / OR8-04	62,244	64,485
OR7-09 / OR8-03	61,792	64,016
OR7-08 / OR8-02	61,156	63,358
OR7-07 / OR8-01	61,156	63,358
OR7-06	59,521	61,664
OR7-05	58,618	60,728
OR7-04	57,650	59,726
OR7-03	56,710	58,751
OR7-02	55,820	57,830
OR7-01	55,820	57,830
OR6-06	54,643	56,611
OR6-05	53,270	55,188
OR6-04	51,948	53,818
OR6-03	50,641	52,464
OR6-02	49,251	51,024
OR6-01	49,251	51,024
OR4-06	46,812	48,497
OR4-05	45,915	47,568
OR4-04	44,866	46,481
OR4-03	43,864	45,443
OR4-02	42,782	44,322
OR4-01	42,782	44,322
OR2-10 / OR3-03	39,734	41,164
OR2-09 / OR3-02	37,846	39,209
OR2-08 / OR3-01	36,107	37,407
OR2-07	34,352	35,588
OR2-06	32,632	33,807
OR2-05	31,016	32,133
OR2-04	29,388	30,446
OR2-03	27,028	28,001
OR2-02	27,028	28,001
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.5: Officers<sup>100</sup>.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
CDS-04	335,258	347,327
CDS-03	328,684	340,517
CDS-02	322,239	333,840
CDS-01	315,921	327,294
OF9-06	245,686	254,531
OF9-05	240,869	249,540
OF9-04	236,146	244,647
OF9-03	230,387	238,681
OF9-02	224,767	232,858
OF9-01	219,285	227,179
OF8-05	202,703	210,000
OF8-04	196,895	203,984
OF8-03	191,258	198,144
OF8-02	184,032	190,657
OF8-01	175,428	181,743
OF7-05	158,353	164,054
OF7-04	155,315	160,906
OF7-03	152,335	157,819
OF7-02	149,414	154,793
OF7-01	146,549	151,825
OF6-06	138,423	143,406
OF6-05	137,088	142,023
OF6-04	135,753	140,640
OF6-03	134,418	139,257
OF6-02	133,083	137,874
OF6-01	133,083	137,874
OF5-08	122,849	127,272
OF5-07	121,017	125,374
OF5-06	119,184	123,475
OF5-05	117,352	121,577
OF5-04	115,519	119,678
OF5-03	113,687	117,780
OF5-02	111,854	115,881
OF5-01	111,854	115,881
OF4-08	106,955	110,806
OF4-07	104,550	108,314
OF4-06	102,143	105,821
OF4-05	99,738	103,328
OF4-04	97,332	100,836
OF4-03	94,933	98,351
OF4-02	92,520	95,850
OF4-01	92,520	95,850
OF3-13	87,230	90,371
OF3-12	85,542	88,621
OF3-11	83,886	86,906
OF3-10	82,263	85,225
OF3-09	80,672	83,576

<sup>100</sup> OF3-09 to OF3-13 are only for RAF Engineer Officers, by selection.

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF3-08	79,112	81,960
OF3-07	76,967	79,738
OF3-06	74,821	77,515
OF3-05	72,676	75,292
OF3-04	70,531	73,070
OF3-03	68,385	70,847
OF3-02	66,240	68,624
OF3-01	66,240	68,624
OF2-08	62,598	64,852
OF2-07	60,968	63,163
OF2-06	59,337	61,474
OF2-05	57,706	59,784
OF2-04	56,076	58,095
OF2-03	54,445	56,405
OF2-02	52,815	54,716
OF2-01	52,815	54,716
OF1-05	45,705	47,351
OF1-04	44,288	45,883
OF1-03	42,872	44,415
OF1-02	41,456	42,948
OF1-01	34,676	35,925

**Table 1.6: Clearance Divers – Other Ranks.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	86,665	89,785
OR9-05	85,875	88,967
OR9-04	85,085	88,148
OR9-03	84,296	87,330
OR9-02	83,536	86,543
OR9-01	83,536	86,543
OR7-12 / OR8-06	81,890	84,838
OR7-11 / OR8-05	81,185	84,108
OR7-10 / OR8-04	80,480	83,378
OR7-09 / OR8-03	79,775	82,647
OR7-08 / OR8-02	79,100	81,948
OR7-07 / OR8-01	79,100	81,948
OR7-06	77,541	80,333
OR7-05	76,852	79,619
OR7-04	76,162	78,904
OR7-03	75,472	78,189
OR7-02	74,782	77,474
OR7-01	74,782	77,474
OR6-06	73,267	75,905
OR6-05	71,317	73,884
OR6-04	69,368	71,865
OR6-03	67,418	69,845
OR6-02	65,469	67,826
OR6-01	65,469	67,826

**Table 1.7: Military Provost Guard Service.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	56,283	58,309
OR9-05	55,363	57,356
OR9-04	54,441	56,401
OR9-03	53,520	55,447
OR9-02	52,624	54,519
OR9-01	52,624	54,519
OR8-06	51,587	53,445
OR8-05	50,748	52,575
OR8-04	49,920	51,717
OR8-03	48,970	50,733
OR8-02	47,966	49,692
OR8-01	47,966	49,692
OR7-06	46,971	48,662
OR7-05	46,263	47,928
OR7-04	45,584	47,225
OR7-03	44,880	46,496
OR7-02	44,215	45,807
OR7-01	44,215	45,807
OR6-06	43,344	44,904
OR6-05	42,332	43,856
OR6-04	41,333	42,821
OR6-03	40,345	41,797
OR6-02	39,438	40,857
OR6-01	39,438	40,857
OR4-06	37,556	38,908
OR4-05	37,037	38,370
OR4-04	36,554	37,870
OR4-03	36,043	37,341
OR4-02	35,129	36,394
OR4-01	35,129	36,394
OR3-03	33,474	34,679
OR2-09 / OR3-02	31,984	33,135
OR2-08 / OR3-01	30,374	31,468
OR2-07	29,269	30,323
OR2-06	28,006	29,015
OR2-05	26,849	27,816
OR2-04	25,579	26,499
OR2-03	24,145	25,014
OR2-02	24,145	25,014
OR2-01	23,588	24,438
Initial Pay	23,588	24,438

**Table 1.8: Nursing – Other Ranks.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR9-06	67,416	69,843
OR9-05	66,717	69,119
OR9-04	66,018	68,395
OR9-03	65,320	67,671
OR9-02	64,649	66,976
OR9-01	64,649	66,976
OR7-12 / OR8-06	63,375	65,656
OR7-11 / OR8-05	62,477	64,726
OR7-10 / OR8-04	61,578	63,795
OR7-09 / OR8-03	60,680	62,864
OR7-08 / OR8-02	59,810	61,963
OR7-07 / OR8-01	59,810	61,963
OR7-06	58,631	60,742
OR7-05	57,724	59,802
OR7-04	56,817	58,862
OR7-03	55,910	57,923
OR7-02	55,002	56,982
OR7-01	55,002	56,982
OR6-06	53,894	55,834
OR6-05	52,886	54,790
OR6-04	51,878	53,745
OR6-03	50,869	52,701
OR6-02	49,875	51,670
OR6-01	49,875	51,670
OR4-06	47,495	49,205
OR4-05	46,258	47,924
OR4-04	45,021	46,642
OR4-03	43,783	45,359
OR4-02	42,546	44,078
OR4-01	42,546	44,078
OR2-10 / OR3-03	40,573	42,034
OR2-09 / OR3-02	38,605	39,995
OR2-08 / OR3-01	36,637	37,956
OR2-07	34,669	35,918
OR2-06	32,701	33,879
OR2-05	30,733	31,840
OR2-04	29,067	30,114
OR2-03	27,099	28,075
OR2-02	27,099	28,075
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.9: Nursing – Officers.**

<b>Rank-based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF5-08	125,461	129,978
OF5-07	123,576	128,024
OF5-06	121,691	126,072
OF5-05	119,805	124,118
OF5-04	117,920	122,165
OF5-03	116,035	120,212
OF5-02	114,150	118,259
OF5-01	114,150	118,259
OF4-08	109,905	113,861
OF4-07	107,428	111,295
OF4-06	104,950	108,728
OF4-05	102,472	106,161
OF4-04	99,994	103,594
OF4-03	97,524	101,035
OF4-02	95,039	98,460
OF4-01	95,039	98,460
OF3-08	84,044	87,070
OF3-07	81,591	84,528
OF3-06	79,137	81,986
OF3-05	76,683	79,444
OF3-04	74,229	76,902
OF3-03	71,776	74,360
OF3-02	69,322	71,818
OF3-01	69,322	71,818
OF2-08	65,861	68,232
OF2-07	63,938	66,239
OF2-06	62,014	64,246
OF2-05	60,090	62,253
OF2-04	58,167	60,261
OF2-03	56,243	58,268
OF2-02	54,319	56,275
OF2-01	54,319	56,275
OF1-05	47,283	48,986
OF1-04	45,818	47,467
OF1-03	44,351	45,948
OF1-02	42,884	44,428
OF1-01	35,863	37,154

**Table 1.10: Allied Health Professionals – Other Ranks.**

<b>Rank based increment level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OR8-12 / OR9-06	67,416	69,843
OR8-11 / OR9-05	66,717	69,119
OR8-10 / OR9-04	66,018	68,395
OR8-09 / OR9-03	65,320	67,671
OR8-08 / OR9-02	64,649	66,976
OR8-07 / OR9-01	64,649	66,976
OR7-12 / OR8-06	63,375	65,656
OR7-11 / OR8-05	62,477	64,726
OR7-10 / OR8-04	61,578	63,795
OR7-09 / OR8-03	60,680	62,864
OR7-08 / OR8-02	59,810	61,963
OR7-07 / OR8-01	59,810	61,963
OR6-12 / OR7-06	58,631	60,742
OR6-11 / OR7-05	57,724	59,802
OR6-10 / OR7-04	56,817	58,862
OR6-09 / OR7-03	55,910	57,923
OR6-08 / OR7-02	55,002	56,982
OR6-07 / OR7-01	55,002	56,982
OR6-06	53,894	55,834
OR6-05	52,886	54,790
OR6-04	51,878	53,745
OR6-03	50,869	52,701
OR6-02	49,875	51,670
OR6-01	49,875	51,670
OR4-06	47,495	49,205
OR4-05	46,258	47,924
OR4-04	45,021	46,642
OR4-03	43,783	45,359
OR4-02	42,546	44,078
OR4-01	42,546	44,078
OR2-10 / OR3-03	40,573	42,034
OR2-09 / OR3-02	38,605	39,995
OR2-08 / OR3-01	36,637	37,956
OR2-07	34,669	35,918
OR2-06	32,701	33,879
OR2-05	30,733	31,840
OR2-04	29,067	30,114
OR2-03	27,099	28,075
OR2-02	27,099	28,075
OR2-01	26,334	27,282
Initial Pay	26,334	27,282

**Table 1.11: Special Forces – Other Ranks.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
Range 5 (OR9) Warrant Officer 1	Level 6	80,971	83,886
	Level 5	80,188	83,075
	Level 4	79,404	82,263
	Level 3	78,621	81,451
	Level 2	77,837	80,639
	Level 1	77,083	79,858
Range 4 (OR7 – OR8) Warrant Officer 2, Staff Sergeant	Level 12	75,564	78,284
	Level 11	74,708	77,397
	Level 10	73,851	76,510
	Level 9	72,994	75,622
	Level 8	72,138	74,735
	Level 7	71,310	73,878
	Level 6	69,905	72,422
	Level 5	69,049	71,534
	Level 4	68,192	70,647
	Level 3	67,336	69,760
	Level 2	66,479	68,872
	Level 1	65,651	68,015
Range 3 (OR6) Sergeant	Level 6	64,357	66,674
	Level 5	63,705	65,998
	Level 4	63,052	65,322
	Level 3	62,399	64,646
	Level 2	61,746	63,969
	Level 1	61,154	63,356
Range 2 (OR4) Corporal	Level 6	58,237	60,333
	Level 5	57,381	59,447
	Level 4	56,523	58,558
	Level 3	55,667	57,671
	Level 2	54,811	56,784
	Level 1	53,954	55,896
Range 1 (OR2 – OR3) Lance Corporal, Private	Level 10	52,719	54,617
	Level 9	51,948	53,818
	Level 8	51,177	53,019
	Level 7	50,406	52,221
	Level 6	49,634	51,421
	Level 5	48,863	50,622
	Level 4	48,092	49,823
	Level 3	47,321	49,024
	Level 2	46,549	48,225
	Level 1	45,778	47,426

**Table 1.12: Special Forces – Officers Commissioned from the Ranks.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF3	Level 9	92,397	95,723
	Level 8	91,481	94,774
	Level 7	90,565	93,825
	Level 6	89,655	92,883
	Level 5	88,745	91,940
	Level 4	88,080	91,251
	Level 3	86,913	90,042
	Level 2	86,002	89,098
	Level 1	85,092	88,156
OF1 – OF2	Level 15	85,942	89,035
	Level 14	85,450	88,526
	Level 13	84,964	88,023
	Level 12	83,736	86,750
	Level 11	82,502	85,472
	Level 10	81,267	84,193
	Level 9	80,044	82,926
	Level 8	78,804	81,641
	Level 7	77,570	80,363
	Level 6	76,604	79,362
	Level 5	75,682	78,407
	Level 4	74,750	77,441
	Level 3	73,813	76,470
	Level 2	72,880	75,504
	Level 1	71,947	74,537

**Table 1.13: Professional Aviators – Officers and Other Ranks.**

<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
Level 35	106,966	110,817
Level 34	105,515	109,314
Level 33	104,057	107,803
Level 32	102,606	106,299
Level 31	101,159	104,800
Level 30	99,696	103,285
Level 29	98,255	101,792
Level 28	96,798	100,282
Level 27	95,334	98,766
Level 26	93,894	97,274
Level 25	92,431	95,758
Level 24	90,984	94,260
Level 23	89,638	92,865
Level 22	87,952	91,118
Level 21	86,338	89,446
Level 20	84,713	87,762
Level 19	83,104	86,096
Level 18	81,490	84,424
Level 17	79,877	82,752
Level 16	78,263	81,081
Level 15	76,649	79,408
Level 14	75,035	77,737
Level 13	73,410	76,053
Level 12	71,802	74,387
Level 11	70,188	72,714
Level 10	69,261	71,754
Level 9	68,200	70,655
Level 8	67,128	69,544
Level 7	66,066	68,444
Level 6	65,000	67,340
Level 5	63,927	66,228
Level 4	62,861	65,124
Level 3	61,794	64,019
Level 2	60,722	62,908
Level 1	59,649	61,797

**Table 1.14: Regular Aircrew Pay Spine 1 (APS1) – Officer and Non-Commissioned Officer Pilots.**

<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
Level 30	94,013	97,398
Level 29	92,102	95,418
Level 28	90,231	93,479
Level 27	88,397	91,580
Level 26	86,602	89,720
Level 25	84,844	87,898
Level 24	83,121	86,114
Level 23	81,435	84,366
Level 22	79,782	82,654
Level 21	78,164	80,978
Level 20	76,579	79,336
Level 19	75,027	77,728
Level 18	73,507	76,153
Level 17	71,398	73,968
Level 16	69,351	71,847
Level 15	67,363	69,788
Level 14	65,433	67,789
Level 13	63,560	65,848
Level 12	61,741	63,963
Level 11	59,975	62,134
Level 10	57,711	59,788
Level 9	55,534	57,533
Level 8	53,440	55,364
Level 7	51,427	53,279
Level 6	49,492	51,274
Level 5	47,631	49,346
Level 4	45,887	47,538
Level 3	43,560	45,128
Level 2	41,456	42,948
Level 1	34,676	35,925

**Table 1.15: Regular Aircrew Pay Spine 2 (APS2) – Non-Pilot Other Ranks.**

<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
Level 28	80,779	83,687
Level 27	79,411	82,270
Level 26	77,854	80,657
Level 25	76,327	79,075
Level 24	74,831	77,525
Level 23	73,363	76,005
Level 22	71,925	74,514
Level 21	70,515	73,053
Level 20	69,132	71,621
Level 19	67,776	70,216
Level 18	66,285	68,671
Level 17	64,826	67,160
Level 16	63,400	65,682
Level 15	62,005	64,237
Level 14	60,640	62,823
Level 13	59,306	61,441
Level 12	58,001	60,089
Level 11	56,586	58,623
Level 10	55,206	57,194
Level 9	53,860	55,799
Level 8	52,546	54,438
Level 7	51,264	53,110
Level 6	50,014	51,815
Level 5	48,794	50,551
Level 4	47,515	49,225
Level 3	43,793	45,369
Level 2	37,512	38,863
Level 1	26,334	27,282

**Table 1.16: Chaplain Officers.**

<b>Rank/Length of Service</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
Chaplain-General	Level 5	133,493	138,299
Chaplain of the Fleet	Level 4	132,130	136,887
Chaplain in Chief	Level 3	130,784	135,493
	Level 2	129,433	134,093
	Level 1	128,081	132,692
Deputy Chaplain-General	Level 5	118,107	122,359
	Level 4	116,711	120,913
	Level 3	115,316	119,467
	Level 2	113,925	118,026
	Level 1	112,535	116,586
Principal Chaplain	Level 6	111,144	115,145
	Level 5	109,753	113,705
	Level 4	108,357	112,258
	Level 3	106,966	110,817
	Level 2	105,012	108,793
	Level 1	103,058	106,768
Chaplain	Level 20	95,490	98,928
	Level 19	93,670	97,042
	Level 18	91,810	95,116
	Level 17	89,945	93,183
	Level 16	88,092	91,263
	Level 15	86,232	89,336
	Level 14	84,378	87,415
	Level 13	82,518	85,489
	Level 12	80,664	83,568
	Level 11	78,804	81,641
	Level 10	76,950	79,721
	Level 9	75,096	77,800
	Level 8	73,231	75,867
	Level 7	71,383	73,952
	Level 6	69,523	72,026
	Level 5	67,669	70,105
	Level 4	65,804	68,173
	Level 3	63,956	66,258
	Level 2	62,084	64,319
	Level 1	60,236	62,404

**Table 1.17: Veterinary Officers.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF4	Level 5	102,159	105,837
	Level 4	100,629	104,251
	Level 3	99,104	102,671
	Level 2	97,568	101,081
	Level 1	96,049	99,507
OF2 – OF3	Level 22	93,274	96,632
	Level 21	91,370	94,659
	Level 20	89,460	92,680
	Level 19	87,555	90,707
	Level 18	85,656	88,740
	Level 17	83,747	86,761
	Level 16	81,848	84,794
	Level 15	79,933	82,810
	Level 14	78,045	80,854
	Level 13	76,392	79,142
	Level 12	74,761	77,452
	Level 11	72,930	75,555
	Level 10	71,092	73,651
	Level 9	69,261	71,754
	Level 8	67,440	69,868
	Level 7	65,608	67,970
	Level 6	63,777	66,073
	Level 5	61,950	64,181
	Level 4	60,119	62,283
	Level 3	58,293	60,391
Level 2	56,461	58,494	
Level 1	52,815	54,716	

**Table 1.18: Officers Commissioned from the Ranks.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF1 – OF2	Level 19	69,769	72,280
	Level 18	69,294	71,788
	Level 17	68,373	70,834
	Level 16	67,457	69,885
	Level 15	66,530	68,925
	Level 14	65,608	67,970
	Level 13	64,687	67,016
	Level 12	63,537	65,824
	Level 11	62,827	65,089
	Level 10	62,106	64,342
	Level 9	60,683	62,868
	Level 8	59,974	62,133
	Level 7	59,248	61,381
	Level 6	57,829	59,911
	Level 5	56,410	58,441
	Level 4	54,991	56,971
	Level 3	53,572	55,501
	Level 2	52,153	54,031
	Level 1	50,735	52,561

**Table 1.19: OF6 Medical Officers and Dental Officers.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF8	Spot rate	208,248	215,745
OF7	Spot rate	198,569	205,717
OF6	Level 7	186,357	193,066
	Level 6	184,809	191,462
	Level 5	183,266	189,864
	Level 4	181,708	188,249
	Level 3	180,154	186,640
	Level 2	178,617	185,047
	Level 1	177,059	183,433

**Table 1.20: Accredited consultants.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF3 – OF5	Level 35	181,809	188,354
	Level 34	181,121	187,641
	Level 33	180,435	186,931
	Level 32	179,752	186,223
	Level 31	179,406	185,864
	Level 30	179,065	185,511
	Level 29	178,713	185,147
	Level 28	178,371	184,793
	Level 27	177,684	184,081
	Level 26	176,997	183,369
	Level 25	176,309	182,657
	Level 24	174,641	180,928
	Level 23	172,978	179,205
	Level 22	169,546	175,649
	Level 21	167,635	173,670
	Level 20	165,731	171,697
	Level 19	163,820	169,717
	Level 18	161,921	167,750
	Level 17	159,512	165,254
	Level 16	157,115	162,771
	Level 15	154,993	160,573
	Level 14	152,867	158,370
	Level 13	150,750	156,177
	Level 12	148,629	153,980
	Level 11	143,966	149,149
	Level 10	139,314	144,329
	Level 9	134,662	139,509
	Level 8	130,530	135,229
	Level 7	126,388	130,938
	Level 6	122,241	126,642
	Level 5	118,355	122,616
	Level 4	116,845	121,051
	Level 3	115,303	119,454
	Level 2	110,194	114,161
	Level 1	105,137	108,922

**Table 1.21: Accredited GMPs and GDPs.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF3 – OF5	Level 35	169,705	175,814
	Level 34	169,062	175,149
	Level 33	168,422	174,486
	Level 32	167,785	173,825
	Level 31	167,263	173,284
	Level 30	166,864	172,871
	Level 29	166,214	172,198
	Level 28	165,693	171,658
	Level 27	165,165	171,111
	Level 26	164,761	170,692
	Level 25	164,117	170,025
	Level 24	163,584	169,473
	Level 23	163,062	168,933
	Level 22	162,530	168,381
	Level 21	162,008	167,840
	Level 20	161,476	167,289
	Level 19	159,024	164,749
	Level 18	158,409	164,111
	Level 17	157,677	163,353
	Level 16	156,914	162,563
	Level 15	156,159	161,781
	Level 14	155,397	160,991
	Level 13	154,641	160,208
	Level 12	153,966	159,509
	Level 11	150,492	155,910
	Level 10	149,823	155,217
	Level 9	149,051	154,417
	Level 8	148,286	153,624
	Level 7	147,514	152,825
	Level 6	143,932	149,113
	Level 5	141,979	147,090
	Level 4	140,015	145,056
	Level 3	138,062	143,033
	Level 2	136,098	140,998
	Level 1	132,381	137,147
OF2	Level 5	100,453	104,069
	Level 4	98,437	101,981
	Level 3	96,428	99,899
	Level 2	94,408	97,806
	Level 1	92,393	95,719

**Table 1.22: Non-accredited GMPs and GDPs.**

<b>Rank</b>	<b>Level</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
OF3 – OF5	Level 19	121,156	125,517
	Level 18	119,942	124,260
	Level 17	118,728	123,003
	Level 16	117,509	121,740
	Level 15	116,424	120,615
	Level 14	115,356	119,509
	Level 13	114,276	118,390
	Level 12	113,197	117,272
	Level 11	112,123	116,160
	Level 10	111,049	115,047
	Level 9	109,755	113,706
	Level 8	107,574	111,447
	Level 7	105,389	109,183
	Level 6	103,837	107,575
	Level 5	102,301	105,984
	Level 4	100,760	104,387
	Level 3	99,219	102,791
Level 2	94,058	97,444	
Level 1	88,929	92,131	
OF2	Level 5	82,421	85,388
	Level 4	80,343	83,236
	Level 3	78,254	81,071
	Level 2	76,181	78,924
	Level 1	74,119	76,788
OF1	Level 1	56,376	58,406

**Table 1.23: Medical and Dental Cadets.**

<b>Length of Service</b>	<b>1 April 2025 (£)</b>	<b>1 April 2026 (£)</b>
After 2 years	27,089	28,065
After 1 year	24,581	25,466
On appointment	22,084	22,879

**Table 1.24: Allowances for GMPs and GDPs.**

<b>DMS Trainer Pay</b>	<b>1 April 2026 (£)</b>
GMP and GDP Trainer Pay	10,621
GMP Associate Trainer Pay	5,314
<b>DMS Clinical Impact Awards</b>	
Defence Level 1	25,238
Defence Level 2	39,705
Defence Level 3	54,822

## Appendix 2 - RECOMMENDED RATES FOR TARGETED PAYMENTS AND PAY SUPPLEMENTS

Eligibility criteria are published internally by MOD.

**Table 2.1: Professional Supplement (Aircrew).**

APS	Level	1 April 2025 (£) <i>Annual rate</i>	1 April 2026 (£) <i>Annual rate</i>
Main Pay	OF6	6,203	6,426
	OF5	15,065	15,607
	OF4	19,606	20,312
APS1	OF3	30,462	31,559
	OF2	18,720	19,394
	OR9	17,169	17,787
	OR7 – OR8	15,508	16,066
APS2	OR9	8,862	9,181
	OR7 – OR8	7,200	7,459
	OR4 – OR6	5,539	5,738

**Table 2.2: Aircrew Professional Recognition Award.**

Level	1 April 2025 (£) <i>Lump sum</i>	1 April 2026 (£) <i>Lump sum</i>
Level 3	10,000	10,000
Level 2	5,000	5,000
Level 1	2,500	2,500

**Table 2.3: Engineer Professional Recognition Award.**

Service	Level	1 April 2025 (£) <i>Lump sum</i>	1 April 2026 (£) <i>Lump sum</i>
RN/RM	Level 2	3,000	3,000
	Level 1	2,000	2,000
Army	Level 3	3,000	3,000
	Level 2	2,000	2,000
	Level 1	1,000	1,000
RAF	Level 3	5,000	5,000
	Level 2	3,000	3,000
	Level 1	2,000	2,000

**Table 2.4: Engineering Supplement Pay.**

<b>Service</b>	<b>Rank</b>	<b>1 April 2025 (£) Annual rate</b>	<b>1 April 2026 (£) Annual rate</b>
RAF and Army	OR9	1,045	1,083
	OR8 (Army only)	1,568	1,624
	OR7	1,672	1,732
	OR6	1,463	1,516
	OR4	941	975
	OR3 (Army only)	627	650
	OR2 (RAF only)	314	325

**Table 2.5: Skills Based Supplement (SBSup).**

<b>Level</b>	<b>1 April 2025 (£) Daily Rate</b>	<b>1 April 2026 (£) Daily Rate</b>
Level 6	7.76	8.04
Level 5	5.98	6.20
Level 4	3.58	3.71

**Table 2.6: Unified Career Management – Cyber Skills Payment<sup>101</sup>.**

<b>Level</b>	<b>1 April 2025 (£) Annual Rate</b>	<b>1 April 2026 (£) Annual Rate</b>
Level 4	26,125	27,066
Level 3	15,675	16,239
Level 2	6,270	6,496

**Table 2.7: Unified Career Management – Human Intelligence Skills Payment<sup>102</sup>.**

<b>Level</b>	<b>1 April 2025 (£) Annual Rate</b>	<b>1 April 2026 (£) Annual Rate</b>
Level 6	21,423	22,194
Level 5	19,855	20,570
Level 4	18,288	18,946
Level 3	16,720	17,322
Level 2	15,153	15,699
Level 1	-	-

<sup>101</sup> Level 2 competence is the minimum requirement for entry into the UCM cyber cadre.

<sup>102</sup> Level 1 and Level 2 competence attract RRP (Special Intelligence).

## Appendix 3 - RECOMMENDED RATES OF RECRUITMENT AND RETENTION PAYMENTS AND COMPENSATORY ALLOWANCES FROM 1 APRIL 2026

Eligibility criteria are published internally by MOD.

<b>RECRUITMENT AND RETENTION PAYMENTS</b>	<b>Rate £ per day</b>
<b>RRP (Flying Mission Support)</b>	
<i>Ground Branch Officer</i>	
Initial rate	19.90
Middle rate	33.79
Top rate	53.75
 <i>Ground Trades Other Ranks</i>	
Initial rate	10.39
Middle rate	21.68
Top rate	28.56
 <i>Army Medical Officers</i>	
<i>Lieutenant Colonel</i>	
On appointment	55.48
After 6 years	51.99
After 8 years	48.53
<i>Colonel</i>	
On appointment	42.48
After 2 years	39.84
After 4 years	37.25
After 6 years	32.90
After 8 years	28.56
<i>Brigadier</i>	17.33
 <b>RRP (Flying Crew)</b>	
Lower rate	6.74
Higher rate	10.93
 <b>RRP (Nursing)</b>	
	14.73

	<i>Rate £ per day</i>
<b>RRP (Diving)<sup>103</sup></b>	
Category 2	11.29
Category 3	15.29
Category 3a	10.04
Category 4	26.50
Category 4a	10.04
Category 5	
Level 1	37.78
Level 2	41.00
Level 3	43.40
Category 5a	14.71
Category 5b	6.54
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<b>RRP (Submarine)</b>	
Level 1	17.33
Level 2	22.52
Level 3	26.85
Level 4	30.34
Level 5	38.10
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<b>RRP (Submarine) Engineer Officers' Supplement</b>	
Level 1	13.88
Level 2	27.75
<hr/>	
<b>RRP (Nuclear Propulsion)</b>	
Category C	4.15
Category B2	8.34
Category B1	16.66
Category A2	55.50
Category A1	
Level 1	16.49
Level 2	27.49
<hr/>	

<sup>103</sup> Category 1 is no longer payable.

	<i>Rate £ per day</i>
<b>RRP (Hydrographic)</b>	
Level 1	4.64
Level 2	7.58
Level 3	8.75
Level 4	12.66
Level 5	15.81
Level 6	18.73
<b>RRP (Special Forces) Officers</b>	
Level 1	54.71
Level 2	64.00
Level 3	69.88
Level 4	76.18
<b>RRP (Special Forces) Other Ranks</b>	
Level 1	26.96
Level 2	37.88
Level 3	43.79
Level 4	52.21
Level 5	57.26
Level 6	64.00
Level 7	69.88
Level 8	76.18
Level 9	81.50
Level 10	85.57
<b>RRP (Special Reconnaissance) Officers</b>	
Level 1	54.71
Level 2	64.00
Level 3	69.88
Level 4	76.18
<b>RRP (Special Reconnaissance) Other Ranks</b>	
Level 1	26.96
Level 2	37.88
Level 3	43.79
Level 4	52.21
Level 5	57.26
Level 6	64.00
Level 7	69.88
Level 8	76.18
Level 9	81.50
Level 10	85.57

	<b>Rate £ per day</b>
<b>RRP (Special Forces-Swimmer Delivery Vehicle)</b>	16.49
<b>RRP (Special Forces Communications)</b>	
Level 1	25.12
Level 2	29.46
<b>RRP (Special Communications)</b>	16.49
<b>RRP (Special Intelligence)</b>	
Level 1	29.46
Level 2	44.22
<b>RRP (Mountain Leader)</b>	
Initial	22.78
Enhanced	27.26
<b>RRP (Parachute Jump Instructor)</b>	
Level 1	10.92
Level 2	17.00
Supplement	4.47
<b>RRP (Parachute)</b>	7.40
<b>RRP (High Altitude Parachute)</b>	13.93
<b>RRP (Explosive Ordnance Disposal)</b>	
Level 1	23.41
Level 2	31.19
Level 3	39.84
<b>RRP (Weapon Engineer Submarine)</b>	
Level 1	4.07
Level 2	16.33
Level 3	27.21
<b>RRP (Naval Service Engineer)<sup>104</sup></b>	
Level 1	3.71
Level 2	6.20
Level 3	8.04
Level 4	10.83

<sup>104</sup> RRP (NSE) structure changed with effect from 1 January 2025 to include Level 4.

<b>COMPENSATORY ALLOWANCES</b>	<b>Rate £ per day</b>
<b>Longer Separation Allowance</b>	
Level 1 (up to 280 days qualifying separation)	9.58
Level 2 (281-460 days qualifying separation)	14.97
Level 3 (461-640)	20.38
Level 4 (641-820)	22.37
Level 5 (821-1000)	24.07
Level 6 (1001-1180)	25.79
Level 7 (1181-1360)	27.49
Level 8 (1361-1540)	30.08
Level 9 (1541-1720)	31.81
Level 10 (1721-1900)	33.51
Level 11 (1901-2080)	35.22
Level 12 (2081-2260)	36.97
Level 13 (2261-2440)	38.66
Level 14 (2441-2800)	40.38
Level 15 (2801-3160)	42.08
Level 16 (3161+)	43.77
<b>Unpleasant Work Allowance</b>	
Level 1	3.62
Level 2	8.77
Level 3	25.96
<b>Unpleasant Living Allowance</b>	4.74
<b>Afloat Environmental Allowance<sup>105</sup></b>	
Level 1	2.85
Level 2	4.74
Level 3	6.63
Level 4	12.13
<b>Northern Ireland Resident's Supplement</b>	10.41
<b>Recruitment and Retention Allowance (London)</b>	5.50
<b>Experimental Test Allowance (per test)</b>	3.84

<sup>105</sup> The introduction of the Afloat Environmental Allowance replaced the following payments: Unpleasant Living Allowance (Seagoing), RRP (Submarine Supplement) and Mine Countermeasures Vessels Environmental Allowance. For more information, see AFPRB 54th Report 2025, paragraphs 4.75-4.77.

**Rate**  
**£ per day**

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**Experimental Diving Allowance**

(Lump sum per dive)

Grade 5	429.09
Grade 4	214.58
Grade 3	160.95
Grade 2	107.26
Grade 1	21.43

**Additional hourly rates**

Grade 5	85.82
Grade 4	21.43
Grade 3	16.07
Grade 2	10.75
Grade 1	—

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## Appendix 4 - COST OF AFPRB 2026 RECOMMENDATIONS

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

### Cost of recommendations<sup>106,107</sup>.

	<b>£m</b>
Regulars' and Full-Time Reserves' salary	247
Part Time Reserve Forces' salary (including bounties)	10
RRPs, allowances and other targeted payments	20
Employers' National Insurance contributions	41
Estimated effect of SCAPE	189
Total paybill cost	508
<i>Less total increased yield from charges</i>	<i>-6</i>
<b>Net cost of recommendations</b>	<b>502</b>

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<sup>106</sup> Components may not sum to the total because of rounding.

<sup>107</sup> Superannuation Contributions Adjusted for Past Experience (SCAPE). From 1 April 2024, MOD's Armed Forces SCAPE employer contribution rate increased to 73.5% of pensionable pay.

## **Appendix 5 - TRANSCRIPT OF REMIT LETTER FROM THE SECRETARY OF STATE FOR DEFENCE TO THE CHAIR OF THE AFPRB, DATED 22 JULY 2025**

Dear Julian,

I would once again like to take this opportunity to thank you and members of the Armed Forces' Pay Review Body (AFPRB) for your hard work and dedication to Armed Forces' pay over the past year. I would particularly like to thank you for helping us to bring the 2025/26 pay round forward. Our collective efforts meant that we could announce the award much earlier than last year, providing certainty for personnel and allowing us to get money into people's pockets sooner.

I am pleased that this government was able to accept your recommendations for the 2025/26 pay round in full. The headline increase of 4.5% delivered a pay award above inflation for the second year in a row and ensured that our most junior sailors, soldiers and aviators who choose a full-time career in the Armed Forces continue to receive the National Living Wage. The award recognises the extraordinary professionalism of our Armed Forces and their work to keep Britain secure at home and strong abroad – foundational to this government's Plan for Change.

I write to you now to formally commence the 2026/27 pay round.

Since I wrote to you last year, the Prime Minister has announced the trajectory to spending 2.6% of GDP on NATO qualifying defence spending by April 2027, with the ambition to reach 3% in the next Parliament subject to economic and fiscal conditions. As announced at the NATO Hague Summit, we are also making a historic commitment to spend 5% of GDP on national security. The NATO Defence Investment Plan is currently split into 1.5% of security and resilience spending, and 3.5% of core defence spending, with the overall ambition, trajectory and split to be reviewed in 2029. This is a generational increase in defence and security spending, underlining the UK's commitment to national security and honouring our commitment to be a leader in NATO. The Spending Review 2025 has set departmental budgets until 2028-29 for Resource Departmental Expenditure Limit (RDEL) and 2029-30 for Capital Departmental Expenditure Limit (CDEL), and the Strategic Defence Review (SDR) that we launched within three weeks of taking office has been published and sets out a path to transform Defence in the next decade and beyond. The first root-and-branch review of UK Defence in 25 years, it lays out a clear vision for the warfighting force the UK needs – integrated, innovative and fit for the future. We look forward to updating you on this critical work and the implications for people at the appropriate time.

The AFPRB's work in the coming year remains vital. As the SDR sets out, the world has changed. The threats we face now are more serious and less predictable than any time since the Cold War, including war in Europe, growing Russian aggression, new nuclear risks and daily cyber-attacks at home. At a time of rising tensions, people remain at the heart of Defence and their professionalism and dedication are the foundation for everything the SDR sets out to achieve. Along with a comprehensive benefits package, pay plays a key role in recognising the contribution they make and in attracting and retaining the people we need to keep our country safe.

This year, I am inviting the AFPRB to make pay recommendations for the whole of the Armed Forces including the senior military (two-star rank and above). Historically, as you

know, the AFPRB has made pay recommendations for military personnel up to and including one-star, with the Senior Salaries Review Body (SSRB) responsible for the senior military. Recent changes to Terms and Conditions of Service make it no longer necessary to differentiate between the two groups, so the government is transferring responsibility for the senior military to the AFPRB; thereby making one body responsible for all of the military.

During this pay round, you will receive evidence from my department, HM Treasury and key stakeholders. My department's evidence will, as usual, cover the recruitment and retention context for the Armed Forces as well as our workforce strategy. It will also set out the funds available to the Ministry of Defence for 2026 to 2027 following the Spending Review last month. As set out in the SDR, the Ministry of Defence will publish a Defence Investment Plan in the Autumn, which will take the SDR's strategic direction and its costed recommendations, including on capabilities, and turn that into a line-by-line delivery plan. The impact of the 2025/26 pay award will be factored into the Defence Investment Plan. As the Spending Review confirmed, all pay must be funded from Departmental budgets and there will be no additional funding for pay settlements.

My department's evidence will also include recommendations on pay (including affordability), targeted measures, Service provided accommodation charges and allowances. We will also provide updates on other elements of the Armed Forces' benefits package. Over the coming months, Ministry of Defence staff will continue to work closely with your Secretariat to provide written evidence for your consideration and facilitate remuneration discussions in oral evidence sessions.

The government knows that public sector workers delivering vital public services deserve timely pay awards. We announced the 2025-26 pay awards two months earlier than last year and remain committed to bringing 2026-27 pay announcements forward further. That is why we are launching this pay round two months earlier than the previous pay round [and five months before the previous government commenced the 2024-25 round].

I would be grateful if you could support an earlier pay announcement by submitting your report at the earliest point that allows you to give due consideration to the relevant evidence. I recognise that changing the timeline from recent years will present challenges for you, but I am sure you also share the government's belief in the importance of returning to more timely annual pay processes. To enable you to submit your report earlier, my department will aim to cooperate with all your deadlines and bring the evidence process forward.

Thank you again for your valuable contribution and commitment to Armed Forces' pay.

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

Best wishes,  
RT HON JOHN HEALEY MP  
Secretary of State for Defence

## Appendix 6 - AFPRB VISITS

Our evidence base for this Report included visits. We undertook in-person visits to a variety of establishments which provided the opportunity to engage with units of all three Services. During these visits we met with members of our remit group and, in certain locations, their spouses and partners. In addition, to the in-person visits shown below, we undertook a number of online discussion group sessions.

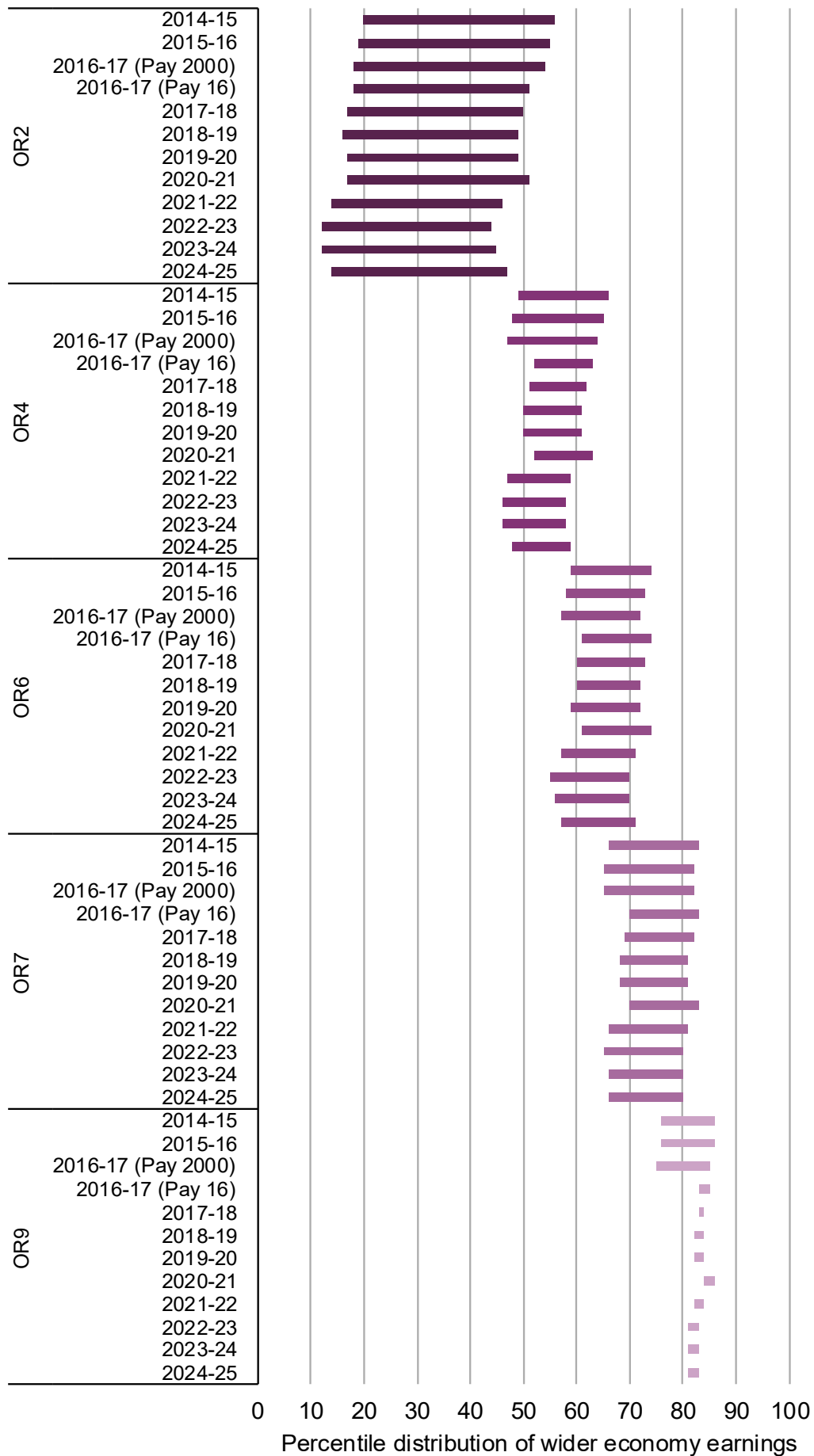
<b>Visit location</b>	<b>Service</b>
RAF Lossiemouth, Moray	RAF
39 Engineer Regiment, Kinloss Barracks, Forres	Army
HMNB Clyde, Faslane	RN
Joint Hospital Group (North), Defence Medical Services, Catterick	CSOC
1st (UK) Division and 19th Light Brigade, Imphal Barracks, York	Army
RAF Wittering, Peterborough	RAF
4 Ranger, New Normandy Barracks, Aldershot	Army
10 The Queen's Own Gurkha Logistic Regiment, St Omer Barracks, Aldershot	Army
The Household Cavalry Regiment, Ward Barracks, Bulford Camp	Army
1st Battalion The Royal Welsh, Lucknow Barracks, Tidworth Garrison	Army
British Armed Forces' personnel based in the United States of America	RN and RAF
Royal Naval Air Station Culdrose, Helston	RN
HMNB Devonport, Plymouth and HMS DUNCAN	RN

## **Appendix 7 - HISTORICAL VIEW OF PAY COMPARABILITY 2014-15 TO 2024-25**

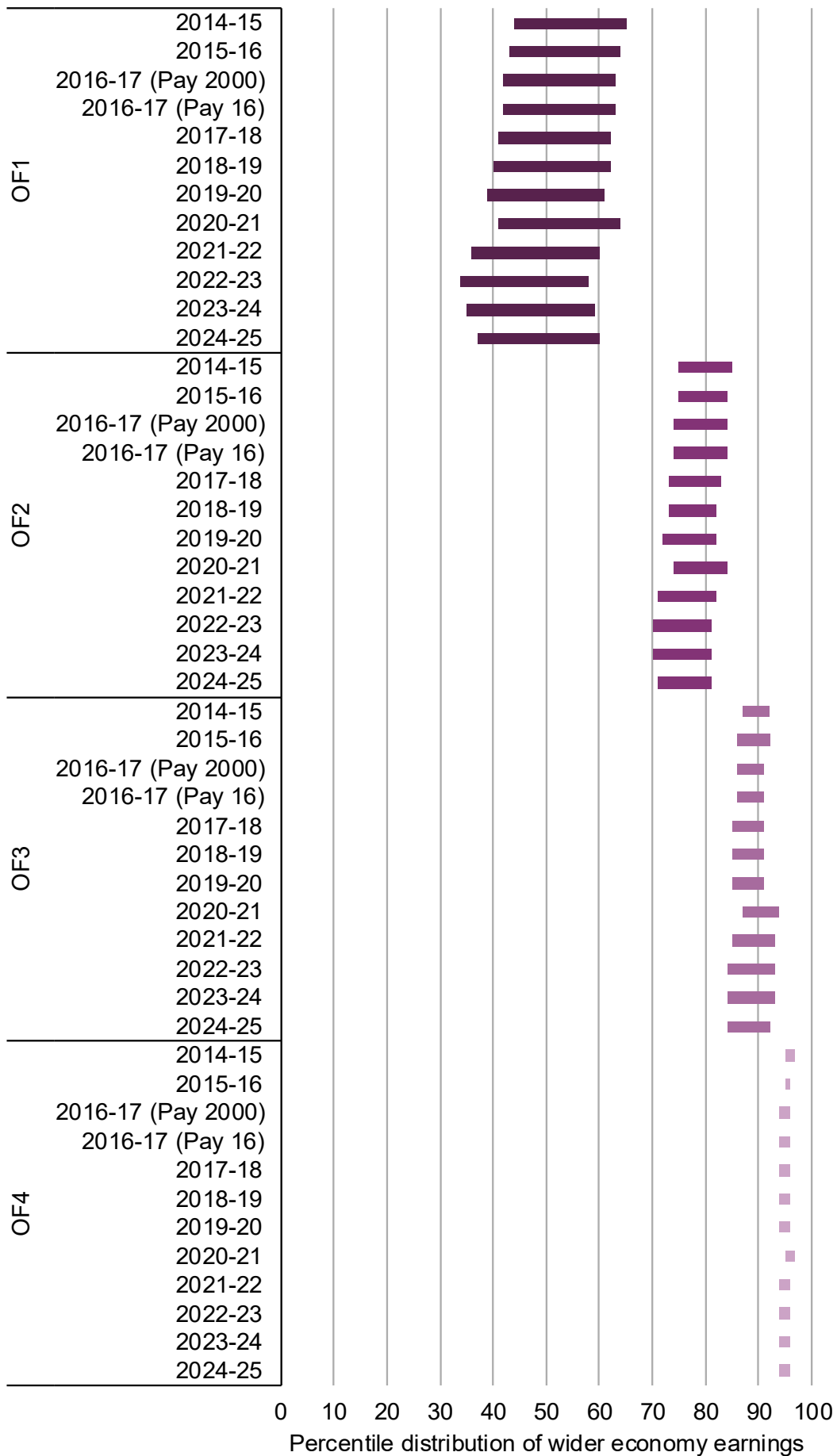
### **Notes**

1. Office for Pay Review Bodies (OPRB) analysis of unpublished Office for National Statistics' (ONS) Annual Survey of Hours and Earnings (ASHE) data.
2. OPRB refreshed the analysis for all years analysed to reflect methodological improvements. This has not affected the position of the Armed Forces in previous years.
3. The ASHE results are survey estimates, and 2024-25 data is provisional.
4. Since 2023, the ONS has made a number of revisions and methodological changes to ASHE which follows on from several years of data being impacted by COVID-19. The ONS cautions users against comparing the most recent years with those prior.
5. 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.
6. The OF3 pay range includes the increment range OF3-09 to OF3-13, introduced for RAF Engineer Officers only from 2020-21.
7. The position of Officers from OF5 and above are not presented in the charts as their positions in the distribution of wider economy earnings were 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 2014-15 to 2024-25.**



**Position of the Armed Forces' pay framework including X-Factor (Officers) in the distribution of earnings across the UK economy from 2014-15 to 2024-25.**



## GLOSSARY OF TERMS

<b>ADC</b>	Additional Duties Commitment
<b>AFC</b>	Armed Forces Covenant
<b>AFCAS</b>	Armed Forces Continuous Attitude Survey
<b>AFPRB</b>	Armed Forces' Pay Review Body
<b>AFRS</b>	Armed Forces Recruitment Service
<b>APRA</b>	Aircrew Professional Recognition Award
<b>ASHE</b>	Annual Survey of Hours and Earnings
<b>BoE</b>	Bank of England
<b>CAAS</b>	Combined Accommodation Assessment System
<b>CDS</b>	Chief of the Defence Staff
<b>CPI</b>	Consumer Prices Index
<b>CPIH</b>	Consumer Prices Index including owner occupiers' housing costs
<b>CSA</b>	Cumulative Separation Allowance
<b>CSOC</b>	Cyber and Specialist Operations Command
<b>CWP</b>	Continuous Working Patterns
<b>DARR</b>	Defence Aircrew Remuneration Review
<b>DFC</b>	Daily Food Charge
<b>DHS</b>	Decent Homes Standard
<b>DH+</b>	Decent Housing Plus
<b>DIO</b>	Defence Infrastructure Organisation
<b>DMS</b>	Defence Medical Services
<b>EPRA</b>	Engineering Professional Recognition Award
<b>ESP</b>	Engineering Supplement Payment
<b>ETA</b>	Experimental Test Allowance
<b>FDIS</b>	Future Defence Infrastructure Services
<b>FHTB</b>	Forces Help to Buy
<b>FLC</b>	Front-Line Commands
<b>FR20</b>	Future Reserves 2020
<b>FRI</b>	Financial Retention Incentives
<b>FTRS</b>	Full-Time Reserve Service
<b>FTTS</b>	Full-Time Trained Strength
<b>FTTTS</b>	Full-Time Trade Trained Strength
<b>GDP</b>	Gross Domestic Product or General Dental Practitioner
<b>GH</b>	Golden Hello
<b>GMP</b>	General Medical Practitioner
<b>GTTS</b>	Gains to Trained Strength
<b>HMNB</b>	His Majesty's Naval Base
<b>HMS</b>	His Majesty's Ship
<b>HMT</b>	His Majesty's Treasury
<b>HRAFI</b>	The Haythornthwaite Review of Armed Forces' Incentivisation
<b>ISE</b>	Institute of Student Employers

<b>LSA</b>	Longer Separation Allowance
<b>MAO</b>	Modernised Accommodation Offer
<b>MOD</b>	Ministry of Defence
<b>MODO</b>	Medical and Dental Officer
<b>NATO</b>	North Atlantic Treaty Organisation
<b>NHS</b>	National Health Service
<b>NLW</b>	National Living Wage
<b>NPPS</b>	Nursing Professional Pay Spine
<b>OBR</b>	Office for Budget Responsibility
<b>OF</b>	Officer
<b>ONS</b>	Office for National Statistics
<b>OPRB</b>	Office for the Pay Review Bodies
<b>OR</b>	Other Ranks
<b>PJOB</b>	Permanent Joint Operating Base
<b>PS(A)</b>	Professional Supplement (Aircrew)
<b>RAF</b>	Royal Air Force
<b>ResCAS</b>	Reserves Continuous Attitude Survey
<b>RHDI</b>	Real Household Disposable Income
<b>RoS</b>	Return of Service
<b>RM</b>	Royal Marines
<b>RMRR</b>	Royal Marines' Remuneration Review
<b>RN</b>	Royal Navy
<b>RRP</b>	Recruitment and Retention Payment
<b>SAC</b>	Senior Appointments Committee
<b>SBSup</b>	Skills Based Supplement
<b>SCAPE</b>	Superannuation Contribution Adjusted for Past Experience
<b>SDR</b>	Strategic Defence Review
<b>SF</b>	Special Forces
<b>SFA</b>	Service Family Accommodation
<b>SFF</b>	Service Families' Federation
<b>SFRM</b>	Special Forces Remuneration Model
<b>SLA</b>	Single Living Accommodation
<b>SMRR</b>	Submarine Remuneration Review
<b>SNOP</b>	Senior Nursing Officer Pay
<b>SOCR</b>	Senior Officer Compulsory Retirement
<b>SR25</b>	Spending Review 2025
<b>SSRB</b>	Review Body on Senior Salaries
<b>UCM</b>	Unified Career Management
<b>UK</b>	United Kingdom
<b>UKSC</b>	UK Strategic Command
<b>UKSF</b>	United Kingdom Special Forces
<b>USA</b>	United States of America
<b>UWA</b>	Unpleasant Work Allowance

<b>VO</b>	Voluntary Outflow
<b>WAC</b>	Wraparound Childcare
<b>WCG</b>	Workforce Capability Gap

