

Research Briefing
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Number

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Armed Forces Pay 2024/25

Summary	2
1 How is armed forces pay decided?	5
2 How much do personnel earn?	5
3 The 2024/25 pay award	6
4 Recent pay awards	8
5 Criticism of delays to pay awards	10
6 Are personnel happy with pay?	11
7 Quinquennial review of X-Factor	13
8 Future changes to pay and reward?	14

Summary

Pay was capped at 1% between 2013/14 and 2017/18.

Pay rose by:

2.0% + 0.9% non-consolidated one-off payment in 2018/19

2.9% in 2019/20

2.0% in 2020/21

Paused in 2021/22

3.75% in 2022/23

5% + £1,000 consolidated increase in 2023/24

6% in 2024/25

Armed forces personnel will receive a 6% pay rise for 2024/25. This is in line with the recommendation of the Armed Forces Pay Review Body (AFPRB). Pay for new recruits has been increased which the government said will mean “for the first time” the starting armed forces salary will be in line with the National Living Wage.

Pay award announcement

John Healey, the Defence Secretary, said “this year’s award provides a targeted and significant pay uplift for new recruits alongside a large headline increase of 6%.”¹ The award was announced on the same day as other public sector awards on 29 July 2024.

The [pay award for the armed forces](#) included:

- A headline increase of 6% for personnel (5% for senior officers at two-star and above).
- The starting salary to be increased by 7.5% to “bring it into line with the National Living Wage”. From 1 April 2024 the starting salary is £25,200.
- The rate of initial pay to be increased to £25,200.

The Defence Secretary said that accepting all of the pay review body’s recommendations “represents an annual increase of c.£2,800 in the nominal ‘average’ salary in the Armed Forces as well as an annual increase of c.£1,880 in the starting salary for an officer”.²

The Defence Secretary said the pay award “will be funded through reprioritisation and savings measures, including savings generated by reducing spend on consultancy.”³

The AFPRB said one of the factors it considered was what it described as the historically high level of voluntary outflow from the armed forces and continuing shortfalls in recruitment:

We know that the armed forces face an acute problem in recruiting and retaining sufficient, trained and motivated personnel. Voluntary Outflow is high and during the course of the round reached a level last seen in the

¹ HCWS37 [[Armed Forces Update](#)], 29 July 2024

² HCWS37 [[Armed Forces Update](#)], 29 July 2024

³ HCWS37 [[Armed Forces Update](#)], 29 July 2024

1990s, while recruitment has fallen well short of intake targets. The size of the armed forces reduced by over 7,000 personnel in calendar year 2023.⁴

The AFPRB also said it had been concerned “for some time” that the reduced pay is an obstacle to recruitment, particularly for those with pre-existing financial commitments and broader experience.⁵

The AFPRB calculated that the net cost of all of its recommendations was £788 million.⁶ Of this total, £406 million is the cost of the increase in salaries plus allowances, recruitment and retention payments and other targeted payments for regular personnel.

How much do personnel earn?

The [starting salary for service personnel](#), including new recruits, will be £25,200 from 1 April 2024. By comparison, it was £21,425 in April 2022.⁷

Service personnel receive an additional pensionable payment on top of basic pay known as X-Factor. This is intended to recognise the special conditions of service life compared to civilian life. The AFPRB reviews this rate every five years and in 2023 [recommended retaining the current rate of 14.5%](#).

The pay that an individual receives will depend on their personal circumstances and eligibility for specialist pay and allowances.

How is armed forces pay decided?

Pay for members of the armed forces is decided by the Ministry of Defence based on the recommendations of the [Armed Forces’ Pay Review Body](#). The basic principle is that pay should be broadly comparable with pay levels in civilian life. The AFPRB is expected to consider other factors, [such as the Government’s inflation target](#), when forming recommendations.

⁴ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024

⁵ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024

⁶ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024 appendix 3

⁷ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

Satisfaction with pay has fallen

51% of personnel do not think the pay and benefits they receive are fair for the work they do.

Satisfaction with the rate of basic pay is at its “lowest reported levels”, according to a [survey of personnel](#) published in May 2024. Less than a third (32%) are satisfied with the rate of basic pay. This is the lowest since recording began in 2008. A majority of personnel (51%) do not think the pay and benefits they receive are fair for the work they do.

Future changes to pay?

An [independent review of pay and reward](#) led by Rick Haythornthwaite recommended the services move away from a uniform offer towards bespoke reward packages, tailored to reflect the changing needs of personnel as their life and career evolves.

The Conservative government said it intends to implement all 67 recommendations and is “working to establish a reward and incentivisation architecture that will attract and retain the skills we need in the years ahead.”⁸

On 25 July 2024 the new Labour government said the publication of a formal response to the report is a priority.⁹ Al Carns, the Minister for Veterans and People, also said that the core principles and recommendations of the Haythornthwaite review will be “central” to the recently launched strategic defence review. This review, which will be externally-led, is expected to deliver its report in the first half of 2025.¹⁰

⁸ PQ902184 [[Armed Forces](#)], 25 March 2024

⁹ PQ191 [[Armed Forces: Conditions of employment](#)], 24 July 2024

¹⁰ Ministry of Defence, [The Strategic Defence Review](#), 17 July 2024

1 How is armed forces pay decided?

Pay for members of the armed forces is decided by the Ministry of Defence (MOD), based on the recommendations of the Armed Forces' Pay Review Body (AFPRB). There are similar processes for the police, teachers, senior civil servants and the NHS, who have their own pay review bodies.¹¹

The Armed Forces Pay Review Body provides independent advice on pay and charges for service personnel to the Ministry of Defence.

The AFPRB gives independent advice to the Government on pay, accommodation and food charges for the armed forces. The MOD is not obliged to accept these recommendations.

The basic principle is that pay should be broadly comparable with pay levels in civilian life. The AFPRB is obliged to consider other factors such as the funds available to the MOD and the need to recruit and retain suitably qualified people.¹²

In his letter instructing the 2024/25 review, Grant Shapps, then Defence Secretary said that accepting the Pay Review Bodies 2023/24 recommendations, and not increasing borrowing, “required tough decisions”. Mr Shapps said it is “vital that the Pay Review Bodies consider the historic nature of the 2023-24 awards and the Government’s affordability position”.¹³

Pay for senior military personnel is decided as part of the separate [Senior Salaries Review Body](#) (SSRB), which submits its own report to the Cabinet Office.

2 How much do personnel earn?

Incorporating the new pay award, the starting salary for service personnel after training is £25,200 from 1 April 2024. This is the equivalent of a private in the army, air specialist in the RAF, and able rate in the Royal Navy. Initial pay on training is now the same.¹⁴

The starting salary for an officer is £33,183 after training.¹⁵

¹¹ For more on pay bodies and recent trends in public sector pay, see Commons Library research briefing CBP-8037, [Public Sector Pay](#)

¹² The AFPRB’s terms of reference can be found in its reports via Gov.uk: [Armed Forces’ Pay Review Body](#)

¹³ MOD, [Armed Forces pay round 2024 – remit letter](#), 20 December 2023

¹⁴ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024 appendix

¹⁵ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024 appendix

Each service provides information on pay and benefits on their individual websites, which explains the expected salary at selected ranks and reflects the new pay award:

- [Royal Navy](#)
- [The Army](#)
- [The RAF](#)

The pay package for armed forces personnel includes basic pay, an additional payment called the X-Factor, trade or specialist pay, plus any recruitment and retention payments (where applicable), and other allowances. The AFPRB can also recommend retention payments or incentives for specific roles. Full details are listed in the appendix of every AFPRB report.

3 The 2024/25 pay award

The MOD accepted in full all of the AFPRB's recommendations. John Healey, the Defence Secretary, said "this year's award provides a targeted and significant pay uplift for new recruits alongside a large headline increase of 6%." The award was announced on the same day as other public sector awards on 29 July 2024.

The pay award for the armed forces included:

- A headline increase of 6% for personnel at pay point OR2-04 (and 5% for senior officers at two-star and above)
- The starting rate of pay for other ranks (OR-01) to increase by 7.5%, to £25,200, to "ensure that they receive National Living Wage increases at the same time as other public sector workforces". This measure was implemented on 1 April 2024. The Defence Secretary said this will provide a pay rise of around £1,700 or 7.25% for around 6,700 personnel.¹⁶
- An increase of 6% for the next two pay points, meaning those at OR2-02 and OR2-03 increase from £24,400 in April 2023 to £25,864 on 1 April 2024.¹⁷

¹⁶ HCWS37 [[Armed Forces Update](#)], 29 July 2024

¹⁷ MOD, [Armed forces' Pay Review body: Fifty-third report 2024](#), 29 July 2024

- A “targeted and significant pay uplift” for new recruits; their rate of initial pay will now match the first point of the main pay scale, which the AFBPR said will mean an increase from £18,687 to £25,200.¹⁸
- The rate of the Volunteer Reserves Training Bounty should increase by 6% from 1 April 2024.¹⁹

Some measures had already been implemented on 1 April 2024, including the 7.25% uplift for those at OR2-01. A smaller uplift, of 3.7%, had been applied by the MOD to those at OR2-02/03 (the next two pay points) but the government accepted the AFPRB recommendation to increase this to match the main pay recommendation of 6% for these two pay points. The 6% pay increase then applies for OR2-04 ranks upwards and will apply from 1 April 2024.

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

Source: MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024, para 3.36

The Defence Secretary said that accepting all of the pay review body’s recommendations “represents an annual increase of c.£2,800 in the nominal ‘average’ salary in the Armed Forces as well as an annual increase of c.£1,880 in the starting salary for an officer”.²⁰

The AFPRB said one of the factors it considered was what it described as the historically high level of voluntary outflow from the armed forces and continuing shortfalls in recruitment:

We know that the armed forces face an acute problem in recruiting and retaining sufficient, trained and motivated personnel. Voluntary Outflow is high and during the course of the round reached a level last seen in the 1990s, while recruitment has fallen well short of intake targets. The size of the armed forces reduced by over 7,000 personnel in calendar year 2023.²¹

¹⁸ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024

¹⁹ HCWS37 [[Armed Forces Update](#)], 29 July 2024

²⁰ HCWS37 [[Armed Forces Update](#)], 29 July 2024

²¹ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024

The AFPRB also said it had been concerned “for some time” that reduced pay is an obstacle to recruitment, particularly for those with pre-existing financial commitments and broader experience.²²

Pay for specialist trades, such as medical and dental officers, has also been increased. Some payments aimed at retaining specialist personnel, such as special forces and submariners, are also being replaced with new payments.

The government has also accepted the AFPRB’s recommendations relating to increases to accommodation and furniture charges.

Full details of the pay award are given in a [written statement](#) published on 29 July 2024.

3.1 Funded in part from savings

The Defence Secretary said the pay award “will be funded through reprioritisation and savings measures, including savings generated by reducing spend on consultancy.”²³

The award was announced on the same day as other pay awards for public sector workers. The Chancellor, Rachel Reeves, said in her statement that because the previous government “failed to prepare” for the pay body review recommendations in the departmental budgets, each department is being asked to find savings to absorb the additional expenditure. The Chancellor said saving measures will include stopping all non-essential spending on consultancy and Government communications, and 2% savings in back-office costs.²⁴

4 Recent pay awards

The Government imposed a two-year public sector pay freeze from **2011/12 to 2012/13**, which meant only those earning less than £21,000 received an increase in base pay during that time.

From **2013/14 to 2017/18**, [public sector pay](#) was capped at an average of 1%. The AFPRB recommended the same across all ranks in line with this.²⁵

The Government lifted the public sector pay cap for the **2018/19** pay round, payable from 1 April 2018. The AFPRB [recommended a 2.9% increase in](#)

²² MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024

²³ HCWS37 [[Armed Forces Update](#)], 29 July 2024

²⁴ [HC Deb 29 July 2024 c1035](#)

²⁵ Commons Library paper, [Public sector pay](#), CBP-8037

[base pay for the forces](#).²⁶ The Government accepted “[the spirit of this recommendation](#),” with a 2.0% increase in pay (in September salaries, backdated to 1 April 2018) and a 0.9% non-consolidated one-off payment.²⁷ However, the AFPRB reported negative feedback from personnel about the decision, saying it “showed disrespect for the unique role that they perform.”²⁸ The AFPRB has also said that, because of incremental pay progression, more than half of personnel (56.2%) had no pay increase in 2018/19.²⁹

In **2019/20** personnel received a 2.9% increase in line with the AFPRB’s recommendation.³⁰

The Government also accepted in full the AFPRB’s recommended 2% increase in base rate of pay for **2020/21**.

Pay was frozen between 2011 and 2013.

Pay was capped at 1% between 2013 and 2018.

Pay rose by:

2.0% + 0.9% non-consolidated one-off payment in 2018/19

2.9% in 2019/20

2.0% in 2020/21

Paused in 2021/22

3.75% in 2022/23

5% in 2023/24

For **2021/22**, following the Chancellor’s announcement of a public sector pay pause, only those earning less than £24,000 received a £250 increase. The MOD and AFPRB differed over the inclusion of X-Factor for this calculation. The AFPRB said X-Factor should be excluded from the salary calculation: “in our view, Service personnel would be justified in feeling aggrieved if the lowest paid did not access the minimum payment being offered across all other public sector employees simply because of their X-Factor.”³¹

The MOD disagreed. The Defence Secretary said X-Factor is a component of the overall military salary, and therefore the £250 uplift will be paid to

²⁶ MOD, [Armed Forces’ Pay Review Body forty-seventh report: 2018](#), 24 July 2018

²⁷ [HCWS909, 24 July 2018](#).

²⁸ MOD, [Armed Forces Pay Review Body forty-eighth report: 2019](#), 22 July 2019

²⁹ MOD, [Armed Forces’ Pay Review Body forty-ninth report: 2020](#), 6 August 2020

³⁰ [HCWS1770, 22 July 2019](#)

³¹ MOD, [Armed Forces’ Pay Review Body: Fiftieth report 2021](#), 19 October 2021, para 13

“those earning less than the equivalent of £24,000 per year inclusive of X-Factor.”³²

In **2022/23** the Government accepted the [AFPRB’s recommendation of a 3.75% increase](#).³³ Announcing the award on 19 July 2022, the Defence Secretary, Ben Wallace, described it as “[the biggest percentage uplift in 20 years](#).”³⁴ The separate Senior Salaries Review Body [recommended an increase of 3.5%](#) to base pay for senior officers (2 star and above).³⁵

Armed forces personnel received a headline 5% pay rise, plus a further £1,000 consolidated increase, in **2023/24**. Then Defence Secretary, Ben Wallace, said the highest pay increase will be targeted towards junior Service personnel: “providing effective pay increases of between 9.7% for the most junior ranks and 5.8% for officers at one-star rank.”³⁶ This was in line with the AFPRB’s recommendations. Then Chief Secretary to the Treasury, John Glenn, said this means the lowest paid will receive an increase of £2,000.³⁷ The rate of X-Factor will remain at 14.5%.³⁸ Senior military personnel (two-star rank and above) received a 5.5% consolidated increase in pay.³⁹ The MOD said that civil service recruitment would be cut back until March 2025 to help fund the pay rise for the armed forces.⁴⁰

5 Criticism of delays to pay awards

The AFPRB has repeatedly criticised the MOD for failing to announce pay awards in time for the start of the financial year (1 April).

In its 2021 report, the body criticised the “significant” delays in receiving evidence from the MOD for the 2021/22 pay award.⁴¹ The AFPRB submitted its report on 21 July and the award was not announced until October 2021.⁴²

In its 2022 report, the body said it was “disappointed” that delays in the provision of evidence meant it could not deliver its recommendations to the

³² [HCWS329 \[Armed Forces Pay\]](#), 19 October 2021

³³ MOD, [Armed Forces’ Pay Review Body: Fifty-first report 2022](#), 19 July 2022

³⁴ [HCWS237 \[Ministry of Defence Update\]](#), 19 July 2022

³⁵ MOD, [Senior Salaries Review Body Report: 2022](#), 19 July 2022

³⁶ [HLWS928](#), 13 July 2023

³⁷ [HC Deb 13 July 2023](#)

³⁸ [HLWS928](#), 13 July 2023

³⁹ [HLWS928](#), 13 July 2023

⁴⁰ [HC Deb 13 July 2023](#)

⁴¹ MOD, [Armed Forces’ Pay Review Body: Fiftieth report 2021](#), 19 October 2021, paras 1.8, 3.4 and 6.28

⁴² [HCWS329, 19 October 2021](#)

Government in time for them to be implemented on 1 April 2022.⁴³ It said it hoped there will be a return to the usual timetable for 2023/24.⁴⁴

The pay review body again criticised the delays in the provision of evidence to them by the Government for the 2023/24 round.⁴⁵ Personnel told members of the review body that late receipt of a pay award “cause considerable frustration”. The body also said a delay in implementation, despite backdating, has “the potential to cause real cost of living challenges for some.”⁴⁶

John Healey, then Shadow Defence Secretary, criticised the delay to the 2023/24 pay award. Speaking in April 2023, he said the delay was a “kick in the teeth for service communities” who will be concerned about the “impact this delay will have on household budgets during the cost-of-living crisis.”⁴⁷

In its report for 2024, the pay review body said it was disappointed to not be able to make recommendations in time for implementation on 1 April. Personnel told them that late receipt of the pay award “caused considerable frustration” and any delay to the implementation “has an adverse impact on moral and can cause real cost of living challenges”.⁴⁸ The body noted the MOD had implemented a pay increase from 1 April for those at the lower ends of the other ranks (OR) scale in response to the increase in the national living wage. However, the pay review body reiterated its preference for all service personnel to receive their award on 1 April.⁴⁹

6

Are personnel happy with pay?

The views of personnel on their pay are captured in the annual [Armed Forces' Continuous Attitudes Survey](#) (AFCAS). The 2024 survey, published in May 2024, shows:

- Attitudes towards pay “remain at their lowest reported levels”.
- Less than a third (32%) are satisfied with the rate of basic pay. This is the lowest since recording began in 2008. Satisfaction peaked at 71% in 2010.

⁴³ In his remit letter, the Defence Secretary asked the AFPRB submit its report in May 2022: [AFPRB remit letter from the Defence Secretary: 2022 to 2023](#), 15 December 2

⁴⁴ MOD, [Armed Forces' Pay Review Body: Fifty-first report 2022](#), 19 July 2022, para 36

⁴⁵ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

⁴⁶ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

⁴⁷ [Government delays announcement on military pay rise despite soaring cost of living](#), Sky News, 1 April 2023

⁴⁸ MOD, [Armed Forces' Pay Review Body: Fifty-third report 2024](#), 29 July 2024

⁴⁹ MOD, [Armed forces' Pay Review body: Fifty-third report 2024](#), 29 July 2024, para 6.14

- A majority of personnel (51%) do not think the pay and benefits they receive are fair for the work they do.
- A majority (56%) do not think the X-Factor payment is enough compensation for Service lifestyle, with only 27% agreeing it was.
- Pay is now one of the top three factors influencing the decision to leave the services.⁵⁰ Nearly half (49%) of personnel cite amount of pay as a factor impacting their intentions to leave.⁵¹

The AFPRB has previously said that for many personnel, the ability to maintain their living standards is a key issue around pay.⁵² In its report for 2023, the body said that pay had become the focal point of conversation with personnel, with people reportedly feeling they were being asked to do more with less, and that their pay did not recognise the additional workload. Their inability to undertake industrial action, compared to other public sector workers, was also raised as a disadvantage.⁵³

In June 2023 Sky News reported on cost-of-living pressures on personnel, including reports that personnel at RAF Coningsby were using an unofficial food bank set up on the base to support the local community.⁵⁴ This issue was raised by MPs in Parliament, including by then Shadow Defence Secretary John Healey and the SNP's then armed forces and veterans spokesperson, Owen Thompson.⁵⁵

In its 2023 report, the AFPRB reported hearing about the impact of the cost-of-living crisis on personnel, with personnel stationed away from families not being able to afford to travel home as often as they wanted to, putting additional strains on family relationships. Personnel felt the MOD had not responded in a timely fashion to the economic situation, for example by not increasing quickly enough the Get You Home allowance when fuel prices spiked in June 2022. They felt this “exacerbated a sense that MOD didn’t value them.”⁵⁶

Morale remains “fragile”, the AFPRB reported in 2024, with many personnel “feel that their contribution is taken for granted”. The pay review body heard about the financial pressures on family life and the need for spousal employment, particularly among junior ranks. They also heard disquiet among personnel about the lack of recompense when called upon to cover

⁵⁰ The top factor is the impact of service life on family/personal life, followed by opportunities outside the services.

⁵¹ MOD, [Armed Forces’ Continuous Attitudes Survey 2024](#), 23 May 2024

⁵² MOD, [Armed Forces’ Pay Review Body: Fifty-first report 2022](#), 19 July 2022

⁵³ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

⁵⁴ [Revealed: The military personnel turning to food banks as cost of living crisis hits](#), Sky News, 12 June 2023

⁵⁵ [HC Deb 14 June 2023 c338](#)

⁵⁶ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023, paras 2.90 to 2.106

for others taking industrial action, and workforce pressures of covering for gapped posts.⁵⁷

John Healey said the pay award for 2024/25 is an “important step towards turning around the declining morale and recruitment crisis we have faced in recent years.”⁵⁸

7

Quinquennial review of X-Factor

X-Factor is a pensionable addition to basic pay.

It is set at 14.5%.

Armed forces personnel receive additional remuneration called the “X-Factor”. This is intended to recognise the special conditions of military life as compared with civilian employment.

When it was introduced in 1970 the level of X-Factor was set to compensate for the overall net disadvantage of military life over normal civilian employment.⁵⁹

X-Factor is reassessed every five years by the AFPRB. They do so by assessing a number of “components”, and compare the military experience with civilian life. These components include turbulence (the dislocation to service life by the type and geographic location of work), effect of service life on spousal/partner employment, separation from home because of working commitments, job security, hours of work and stress, amongst others. These are assessed as having improved, deteriorated or unchanged over the five years between reviews.⁶⁰

7.1

Outcome of the 2018 review

At the 2018 review, the AFPRB recommended retaining the existing rate of 14.5%. In anticipation of the 2023 review, the AFPRB reviewed the current 13 components, concluding they should be reduced to 12 by removing the travel to work component, because the MOD provides a travel allowance. It also recommended amending some of the definitions, for example with danger explicitly stating physical and mental health.⁶¹ A [full list of the components and definitions](#) can be found in appendix 2 of the AFPRB’s 2021 report.

⁵⁷ MOD, [Armed forces’ Pay Review body: Fifty-third report 2024](#), 29 July 2024, para 2.81

⁵⁸ MOD, [Armed Forces awarded largest pay increase in decades to ‘renew nation’s contract with those who serve’](#), 30 July 2024

⁵⁹ MOD, [Armed Forces Pay Review Body: Fiftieth Report 2021](#), 19 October 2021, para 3.31

⁶⁰ MOD, [Armed Forces Pay Review Body: 47th Report 2018](#), 24 July 2018, para 6 and table 6.1

⁶¹ MOD, [Armed Forces Pay Review Body: 50th report 2021](#), 19 October 2021

7.2 Outcome of the 2023 review

In its 2023 report, the AFPRB recommended retaining the existing rate of 14.5%. They felt that while there appeared to have been a modest improvement for Service personnel compared to civilians over the review period, any reduction in X-Factor in the current cost of living crisis would have a “significantly deleterious impact on morale”, and potentially on recruitment and retention.⁶²

Personnel told the body that they felt X-Factor was no longer being used for its intended purpose, and instead used “to compensate for armed forces pay falling behind wider pay.” Many felt it was insufficient for all the additional tasks that were not part of their normal role.⁶³

The AFPRB suggested the MOD should assess, through the Haythornthwaite review of armed forces incentivisation (see section 9), whether the current mechanism remains right for the way the MOD wishes to compensate Service personnel in the future. Their report was submitted to the MOD before Rick Haythornthwaite’s review was published (in June 2023).

Haythornthwaite recommended varying elements of the X-Factor to reflect the review’s view that, compared to when it was introduced, personnel are not exposed to similar levels of risk and rigour over the course of their career. The review suggested varying elements of X-Factor would reward those “engaged in risky, rigorous activity outside operational theatres”.⁶⁴

8 Future changes to pay and reward?

The MOD published Rick Haythornthwaite’s report in June 2023 as [Agency and Agility: Incentivising people in a new era](#), but it is better known as the Haythornthwaite review.⁶⁵

Haythornthwaite recommended the services move away from a uniform offer towards bespoke reward packages, tailored to reflect the changing needs of personnel as their life and career evolves. This, he argued, would improve engagement and retention. He said by adopting a more agile approach, such as proactively adjusting rewards, the armed forces can “drive

⁶² MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

⁶³ MOD, [Armed Forces Pay Review Body: Fifty-Second Report 2023](#), 13 July 2023

⁶⁴ MOD, [Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation](#), 19 June 2023, recommendation 20

⁶⁵ MOD, [Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation](#), 19 June 2023

desired behaviours such as mobility, readiness, and the delivery of operational effect.”⁶⁶

In the written statement announcing the pay award for 2023, the then Defence Secretary said that while the MOD is still studying the report’s recommendations “it provides a compelling vision for improving the proposition to those who may consider serving in the future.”⁶⁷

The MOD incorporated its response to the review in its refreshed Defence Command Paper, published on 18 July 2023. This [announces a new employment model and skills framework for the armed forces](#).⁶⁸

In March 2024, the then Minister for Defence People, Dr Andrew Murrison, said “Haythornthwaite Review teams have been stood up” across defence to implement all 67 recommendations “working to establish a reward and incentivisation architecture that will attract and retain the skills we need in the years ahead.”⁶⁹

On 25 July 2024 the new Labour government said the publication of a formal response to the report is a priority.⁷⁰ Al Carns, the Minister for Veterans and People, also said that the core principles and recommendations of the Haythornthwaite review will be “central” to the recently launched strategic defence review. This review, which will be externally-led, is expected to deliver its report in the first half of 2025.⁷¹

⁶⁶ MOD, [Agency and Agility: Incentivising people in a new era - a review of UK Armed Forces incentivisation](#), 19 June 2023, paras B.xxxii-B.xxiv

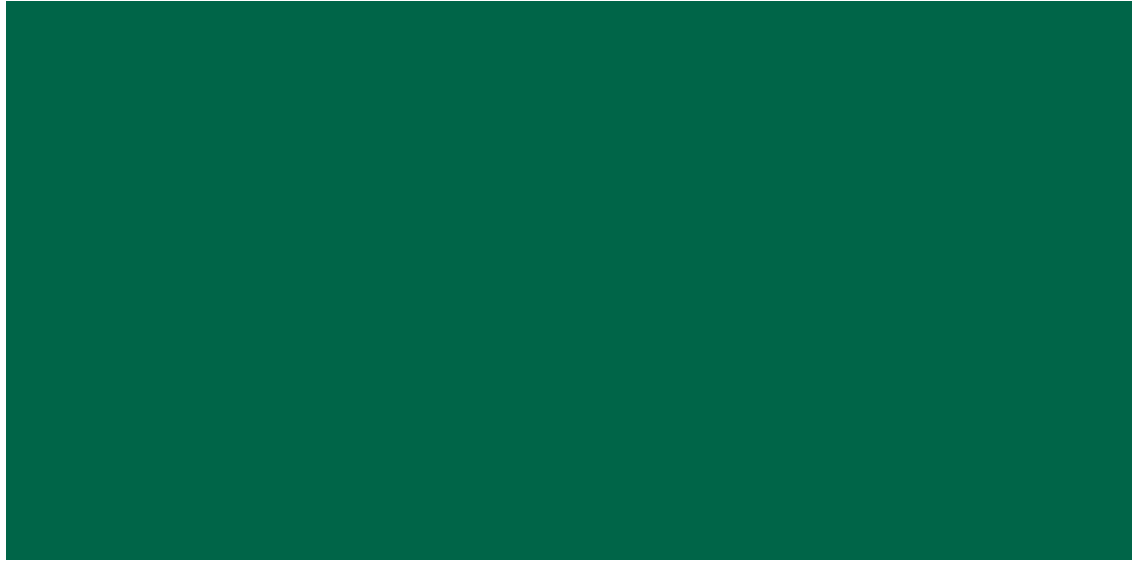
⁶⁷ [HLWS928 13 July 2023](#)

⁶⁸ MOD, [Defence Command Paper 2023: Defence’s response to a more contested and volatile world](#), CP 901, 18 July 2023

⁶⁹ PQ902184 [[Armed Forces](#)], 25 March 2024

⁷⁰ PQ191 [[Armed Forces: Conditions of employment](#)], 24 July 2024

⁷¹ Ministry of Defence, [The Strategic Defence Review](#), 17 July 2024



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