

“Stick or Twist?”

A Report for the Prime Minister into Retention in
HM Armed Forces – and how to improve it

by the Rt Hon Mark Francois MP

February 2020

“We had an Air Vice Marshall visit us a few months ago to give us all a pep talk about how what we were doing was extremely important to Defence and how the nation greatly valued our contribution to National Security. While I was standing at the back, I couldn’t help thinking, well Sir, if that’s true, why are my kids showering in cold water – yet again?”

RAF Corporal, RAF Brize Norton (April 2019)

REPORT CONTENTS

CHAPTER	PAGES
Foreword	Page 1
Executive Summary	Pages 2 – 8
Chapter One The Perfect Storm Continues	Page 9
Chapter Two The Impact of Service Life on Family/Personal Life	Pages 10 – 13
Chapter Three Childcare – Why we need more of it	Pages 14 – 16
Chapter Four Pay and Pensions	Pages 17 – 19
Chapter Five Accommodation – Stop Reinforcing Failure	Pages 20 – 26
Chapter Six Re-making the Case for Defence	Pages 27 – 29
Annex A: Methodology	Page 30
Annex B: Standard “Riff” used to introduce the Stick or Twist Report to focus groups of Service Personnel	Pages 31 – 32
Annex C: Two potential “Quick Wins” to assist Retention	Pages 33 – 35
Annex D: The “Stick or Twist” Team Biographies	Page 36

Foreword

In 2016, the then Prime Minister, the Rt Hon Theresa May MP, commissioned me to undertake a one-year study into the challenges facing Recruitment into the Armed Forces. The resultant report, entitled “Filling the Ranks” (FTR) was submitted to the Prime Minister in July 2017. In that report we made 20 recommendations, all of which were subsequently accepted by the Ministry of Defence and almost all of which are now in work today.

However, every time I and my small Team raised the topic of Recruitment, we soon found ourselves engaged in a conversation about Retention – which is unsurprising, as there is little point in widening the aperture of the “Recruitment tap” if you cannot do something about putting a “Retention plug” in the sink. As a result, the Team requested permission from the Prime Minister to be effectively recommissioned to undertake a second report, at no cost to the public purse, into the whole subject of Retention. We were subsequently formally recommissioned to do so in December 2018.

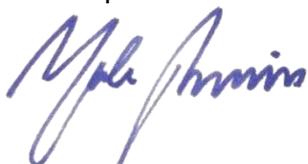
The objective of this second study, as defined in our Terms of Reference was: “To understand how to create an environment that ensures the best Retention of Service personnel for as long as Defence needs them”. The Terms of Reference asked for an initial report and recommendations to the Prime Minister and the Defence Secretary, which were provided via a 16-page letter, at the end of July 2019. This document now represents the final report.

The study has been conducted by a three-man Team led by me, assisted by Brigadier Simon Goldstein MBE ADC, a senior Army Reservist and the current Deputy Commander (Reserves) of Sixth Division. As Colonel Goldstein, Simon helped me to draft the original “Filling the Ranks” report which can still be viewed online, via my Parliamentary website at <https://www.markfrancois.com/filling-ranks>. The third member of our team is my Parliamentary Researcher/Assistant, Mr Rory Boden, who himself has previously served in HM Armed Forces. More details of the methodology of the study are provided at Annexes A and B. Two “Quick Wins” to assist Retention were recommended in the July 2019 letter, both have since been actioned and more details are at Annex C. Biographies of the team members are at Annex D.

The study, which was undertaken in the course of 2019 and early 2020 has included visits to MoD HQ, Naval Command, Army Command, Air Command and Joint Forces Command (now Strategic Command) and a number of other units across Defence. In order to gain some comparison with business, industry meetings were also held with BAE Systems and Rolls Royce.

The report produces fourteen specific recommendations to help improve Retention in HM Armed Forces. These include reviewing the degree of operational tempo, pay and allowances, childcare and the maintenance of Service Families Accommodation – as well as the need to re-make the case for Defence both internally within the Department and externally among politicians, the media and the wider public.

I hope this report will provide a useful contribution to the Defence of the United Kingdom and assist our service personnel and their families in particular.



Rt Hon Mark Francois MP

Former Minister of State for the Armed Forces 2013-2015
February 2020

Executive Summary

The Retention issue is complex, and Ministers and the Service Chiefs are clearly already seized of its importance. Nevertheless, we have sought in this report to lay out briefly both the challenges facing Defence in terms of the Retention of Service personnel and also some specific recommendations about what can be done to overcome them, i.e. to persuade personnel to “stick” rather than to “twist”. For brevity, however, if we were to attempt to sum up our findings in a single sentence, it would be as follows:

“Defence will have to take some difficult balance of investment decisions in order to spend more money on Armed Forces personnel and their families and less on shiny new equipment – .”

A brief summary of each of the six chapters – and their associated fourteen recommendations – is provided below.

Chapter One: The Perfect Storm Continues

1. A total of 15,830 personnel joined the Regular Armed Forces in the year to 1st January 2020 and 15,230 personnel left, a net inflow of 600. This is a significant improvement from the 12 months to 1st January 2019 (11,092 joined and 14,698 left), predominantly due to an increase in those joining the Army of almost 4,000. However, the Workforce Requirement deficit currently stands at 8.4% (12,170), up from 6.6% (9,650) the year before. Outflow is edging up (although within historic norms) but to start to fill the very significant deficit in trained strength, Retention of our highly trained people must be improved, which is one of the reasons why the Team asked to be recommissioned to undertake the report.¹

2. An economy with near full employment – and one in which engineering/advanced communication skills are already at a premium – provides a particularly challenging environment for Retention of specialised Armed Forces personnel, who by the nature of their highly effective training, have never been so attractive to potential employers.

3. Whilst economic forecasting is a difficult business, it is of course possible that at some point the UK economy will face a downturn, which, ironically, could improve Retention in HM Armed Forces. However, this report assumes that, at least in the short term, UK economic performance will remain broadly positive and therefore the challenges which this presents for Defence will remain.

Recommendation 1:

- (i) *Senior leaders in the Ministry of Defence must fully appreciate the pressure on Retention caused by a relatively buoyant economy and must not rely on a potential economic downturn to rescue them from this challenge.*

¹ MoD, *UK Armed Forces Quarterly Service Personnel Statistics 1st January 2020*, published 20th February 2020.

Chapter Two: The Impact of Service Life on Family/Personal Life

1. There are a number of reasons why personnel are leaving the Armed Forces, but the Armed Forces Continuous Attitude Survey (AFCAS)² reports that “*Impact of Service life on family/personal life remains the top factor influencing intentions to leave*” (62%). The “ground truth” visits that we conducted to 11 service establishments³ very much reinforced this point and emphasised that this is still the single greatest reason why personnel are now leaving HM Armed Forces in such numbers.

2. In addition, shortages of personnel create something of a vicious circle. For instance, units that are already shorthanded, and sometimes have to deploy for a variety of tasks at sub-unit level (e.g. an Infantry Company or an Armoured Squadron) often have to “trawl” personnel from one Company to backfill another – only to find that when that Company returns from task and the next Company is sent on a different mission, they then have to “trawl” from the original Company to backfill them...and so on.

3. Given this, Defence should look again at its high degree of operational tempo and, in particular, whether there is now scope for downgrading some of the very high readiness rates at which thousands of personnel have been held for relatively long periods of time. For instance, now that the United Kingdom has left the European Union on 31st January 2020 and, given that some of the cataclysmic events which some in the media had been predicting have not come to pass, then this should provide a near-term opportunity to either stand down those MoD personnel assigned to Operation Yellowhammer or at the very least, relax some of their readiness states, in order to allow personnel more time with their families and to have more opportunity to plan a family holiday.

4. Systemically there needs to be better triage of taskings in general, especially those not already programmed and introduced at short notice, and a realisation that the culture of being “busy” engendered by the genuinely high tempo experience of Afghanistan and Iraq may need to be modified. With our highly trained and valuable workforce, demand cannot be completely isolated from supply considerations. This is well encapsulated by Service Personnel at all levels who recognise that we need to separate “Good Busy” from “Bad Busy”.

Recommendations 2, 3 and 4:

- (ii) *It must be clearly acknowledged that the pressures on family/personal life remain the single biggest driver for people to leave HM Armed Forces and it is realistically unlikely that the problems of Retention can be ameliorated unless this challenge is faced head on. This means the Department must look again at both its alert states and its high tempo of recycling personnel in order to seek to achieve a more realistic work/life balance – without compromising key operations.*
- (iii) *Commanders of higher formations should ask themselves the self-disciplining question “Is your trawl really necessary?”. In addition, senior commanders may need to take a more empathetic approach when personnel cannot re-deploy on yet another short-term trawl. The alternative is that these personnel will simply vote with their feet in response.*
- (iv) *Defence needs to understand the challenge for Retention caused by the lack of active combat operations on the ground. This is particularly challenging for the Army and the Royal Marines and many personnel, whilst willing to undertake tasks which are “Good Busy” are increasingly reluctant to spend a great deal of their time on repetitive tasks, which they often refer to as “Bad Busy”. Defence must endeavour to provide more of the former and less of the latter if it is to retain young people in an increasingly competitive jobs market.*

² UK Regular Armed Forces Continuous Attitude Survey Results 2019 published 19th May 2019 (‘AFCAS’).

³ See Annex B for details.

Chapter Three: Childcare – Why we need more of it

1. AFCAS shows that 75% of Service Personnel (SP) are married or in a long-term relationship, and of these, 60% of partners were in full time employment and 21% were in part time employment. 27% of SP have a child or children under 5, and 34% have a child or children between 5 and 17, that is/are financially dependent.⁴ Further, the days of partners simply “following the flag” have been over for a significant time. For instance, when we visited the Navy Families Federation at Portsmouth, of the 12 partners attending our focus group, all were in employment. In addition, it was not unusual to be told that it was the partner who had the better paid/more senior employment.

2. The cost of childcare is already expensive for many people in civilian life but is often a particular pressure for Armed Forces personnel, many of whom, because of their postings, only have access to very expensive nurseries, some of which are already heavily oversubscribed. On visiting establishments, we found that monthly childcare fees for one child of £1,200 to £1,300 were not uncommon and, as one example, at RAF Brize Norton, a female RAF Corporal explained to us that her wife, who also serves in the Royal Air Force, was now reluctantly having to leave the Service, because it had become impossible for them to afford their childcare fees of £1,300 a month for one child, on their combined RAF salaries.

3. There is also a clear and unacceptable dichotomy between what Service personnel – and in particular junior ranks – are being asked to pay for their own childcare compared to those who work in MoD Main Building. Our team were shocked to discover that while junior NCO’s could be paying £1,200 to £1,300 a month for their childcare requirements, civil servants in Main Building, including those of senior rank, have access to arguably the best defended creche in the United Kingdom within Main Building itself, at a subsidised cost of some £300 to £400 per month.

4. We understand that following the submission of our interim letter in July 2019, which strongly highlighted the need for improved childcare for Armed Forces personnel, the Ministry of Defence made a successful application to the Treasury last summer for around £160 million, in order to help provide “wraparound childcare” for Armed Forces personnel.

5. We warmly welcome this development and the reiteration of the need to take action in the Conservative Party’s 2019 Manifesto, but it is vitally important to make sure that these funds are well spent and will make a material difference to junior ranks and not just to senior officers and civil servants.

Recommendations 5 and 6:

- (v) *The cost and availability of childcare is now a material reason why service personnel are leaving the Armed Forces and Defence needs to think innovatively in order to provide increased capacity in childcare, including “out of hours” and also needs to ensure that this is a cost which even junior ranks can realistically afford.*
- (vi) *It is morally at least highly questionable that junior ranks are having to pay £1,200 to £1,300 per month in some cases for childcare whilst MoD Centre civil servants have theirs highly subsidised for a third or even a quarter of the cost. This must be addressed, not just as a matter of fairness but as an example to Armed Forces personnel that their service and the care of their families genuinely matters to Defence.*

⁴ Of those 60%, 11% were employed in the Armed Forces and 49% were in full time employment elsewhere.

Chapter Four: Pay and Pensions

1. The subject of pay frequently cropped up during the ground truth visits but could be best described as one of a number of cumulative factors why personnel consider leaving the Armed Forces – but not an overriding one. Few personnel complained openly that they were badly paid, but many were clearly conscious of the comparative opportunities in the civilian sector and there was a broad feeling that pay was barely keeping pace, given increases in other costs such as accommodation.

2. There appears to be a widespread opinion, particularly among junior ranks, that the current Armed Forces Pension Scheme 2015 (AFPS 2015) provides relatively poor value for money, particularly when compared with AFPS 05 and the much earlier Armed Forces Pension Scheme 1975 (AFPS 75) which is viewed as very much the “gold standard” of military pensions. Anecdotally, this position is made worse by the perception, often propagated by experienced personnel, that whilst AFPS 75 is a good scheme, AFPS 2015 is much worse and that therefore those people on that scheme are somehow being unfairly taken advantage of.

3. Because of the budgetary constraints that Defence has had to undergo and the endless efficiency measures which have been introduced over the past two decades or so, many personnel reported a feeling that “The Offer” (the total package of pay and benefits available to Service personnel and their families) had been seriously degraded over a number of years.

4. It is acknowledged that the Army are now attempting corrective action in this area – the “Discover My Benefits” website and calculator is a good example.⁵ It is understood other services are looking at this issue as well. However, many personnel report at least a perception that “The Offer” is being progressively degraded and that, taken in the round, it is no longer as competitive a package as it once was.

Recommendations 7 and 8:

- (vii) *Defence needs to understand that whilst pay is not the major reason why people are leaving the Armed Forces, it is now one that is cited increasingly as at least one of those factors, in what is often a mix of reasons, that convinced people to Twist rather than Stick. Ministers must continue to liaise with bodies such as the Armed Forces Pay Review Body (AFPRB) to make sure that pay awards remain competitive and this must also be communicated to HM Treasury.*
- (viii) *Defence, from the top down, needs to completely refresh its marketing of “The Offer” to Service personnel and needs to communicate with them much more effectively – junior ranks in particular – in order to lay out the combined benefits, including financially, of continued service in HM Armed Forces.*

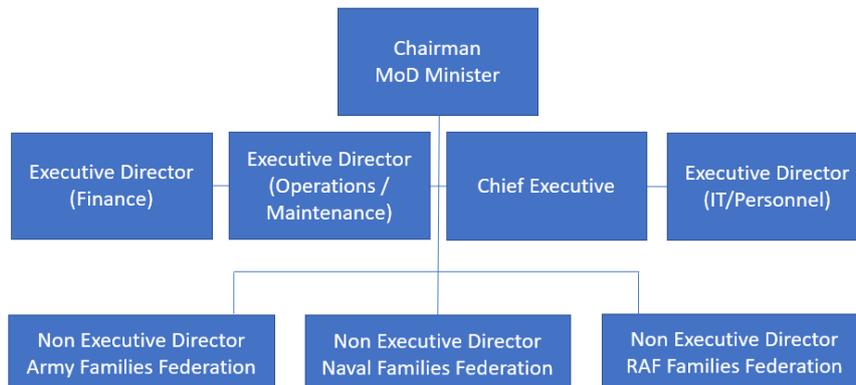
⁵ <https://www.army.mod.uk/people/join-well/discover-my-benefits/>.

Chapter Five: Accommodation – Stop Reinforcing Failure

1. In the view of the Stick or Twist Team, the problems of Service Family Accommodation (SFA) will never really be put right as long as the DIO remains in charge of it. The people we are seeking to retain require a fresh start if we are to win back their confidence in the Department as caring for them and in particular, for their families.
2. Down the years, Defence has often underinvested in infrastructure and accommodation for Service personnel, to the point where some are now living in conditions which many in civilian life would simply not be prepared to tolerate. The stark reality is that spending on infrastructure and accommodation has often been deferred again and again, as a relatively short-term savings measure, when economies were being sought in a highly pressurised budgetary environment.
3. Maintenance provision in particular is woeful. Done on a “fix when broken” methodology, this is leading to substantial deterioration of the estate. Timeliness and efficacy of repairs, missed appointments, and tradesmen arriving unequipped to expedite a repair were all mentioned during our visits. The current maintenance contract, National Housing Prime (NHP), let on an unrealistic profit margin, with seemingly unenforceable performance criteria, has a major part to play in this.
4. In short, the mantra that “people are our greatest asset” now clearly rings hollow at ground level among many of our personnel, who can see quite clearly for themselves that Defence has underinvested in them and their families – for decades. This is now one secondary, but nonetheless very important reason why personnel are leaving the Armed Forces. If Retention is to be taken seriously, the situation must now be addressed once and for all.
5. Our ground truth visits discovered widespread dissatisfaction, even open contempt, among service personnel and their families for the Defence Infrastructure Organisation (DIO). Reaction during our focus groups at the mention of the DIO ranged from eye rolling, through harsh criticism to profanity. The Organisation is widely perceived to be bureaucratic, unresponsive and not committed to the welfare of service personnel (or their families). Among many units, it goes by the nickname “DI No”. Few personnel believed their accommodation would ever materially improve while the DIO were responsible for it.
6. The DIO’s answer to persistent criticism is a proposed new housing maintenance contract, known as the Future Defence Infrastructure Services (FDIS) Contract. The MoD’s plan is to have three separate contracts for FDIS, one for ranges and exercise areas, a second for technical accommodation (workshops/hangers etc) and a third for accommodation, including SFA. Specifically, MoD is due to replace the current national maintenance contract, NHP, with FDIS, from 2021. Tenders for FDIS (SFA), which most directly affects service personnel and their families, are due to be issued imminently. However, the risk with this approach is that it may simply perpetuate the mistakes of the past.
7. In essence, our alternative proposal is to establish a Forces Housing Association, which would be run as a self-standing Trust, for the benefit of service personnel and their families, rather than the Department.
8. It could be chaired by an MoD Minister, but with its Executive Directors, including the Chief Executive, drawn from the social housing market, and thus providing a leadership comprising skilled housing professionals – rather than civil servants. In short, the housing of service personnel and their families would be put in the hands of people who are actually expert in housing.
9. In addition, the three Chief Executives of the Forces Families Federations could be included as non-executive Directors on the board of such an entity, in order to provide active input on behalf of service personnel and to advise the executive directors on the direction of the Housing Association Trust.

Stick or Twist

Table 1: Potential Management Structure for a Forces Housing Association Trust



10. We fully realise that this proposal is likely to be controversial but nevertheless, it is based on both empirical evidence of the degree of dissatisfaction with the DIO/Contractor model, and our serious concerns about the efficacy of FDIS, which only appears to be reinforcing failure. We believe this alternative option could create an entity in which service personnel and their families have some feeling of ownership and would help to persuade such people they are being truly respected by Defence and the wider Government. In addition, this could be made a major commitment under the broad heading of the Armed Forces Covenant.

Recommendations 9, 10, 11 and 12:

- (ix) *The DIO's proposed FDIS contract should be put on hold while other more attractive options are explored for providing service families accommodation which genuinely respects our personnel and their loved ones – rather than continuing to take them for granted.*
- (x) *The Public Accounts Committee supported by the NAO are clearly engaged and familiar with the ongoing issues with SFA.⁶ They might wish to keep a close eye on FDIS as it progresses, rather than after it becomes irrevocably committed to by the Department.*
- (xi) *As a better alternative, Defence, working with housing specialists and the Services Families Federation's should actively investigate the option of setting up a dedicated Forces Housing Association whose articles of association would be to provide high quality, well maintained accommodation for service personnel and their families at an affordable cost. There could well be value in the NAO undertaking a similar review of these proposals as it did for us on FDIS (SFA) in order to assess whether lessons have been learned from past experience.*
- (xii) *Another possibility might be to combine maintenance and ownership and explore Annington Homes taking on the maintenance of the estate. Given the current renegotiations about future rent levels, it is acknowledged this would be sensitive.*

⁶ "We have reported four times in recent years on service family accommodation and will continue to keep a close eye on developments", PAC19-Military Homes, Introduction.

Chapter Six: Re-making the Case for Defence

1. In an area of tight resources, Defence now faces yet another Review, in this case it is the Integrated Security Defence and Foreign Policy Review (the Integrated Review) which is just commencing and will hopefully conclude before the end of this calendar year. Yet again, service personnel will face a period of uncertainty whilst the review is carried out. Defence will have to make a case for resources in a highly competitive Whitehall environment, with many other demands on the public purse, for instance from the agencies and the wider security apparatus.
2. It would be a serious mistake to underestimate the degree to which this is felt by serving personnel. It was not uncommon during our ground truth visits to be questioned by personnel, across the rank structure, about how much we felt their work was still valued, both by politicians and the general public.
3. This is undoubtedly a complex problem, and whilst an increase in the Defence budget would clearly be welcome, it is more wide ranging than that and suggests a real need for senior politicians and military leaders to redouble their efforts to explain to a sometimes sceptical public why the Defence of the Realm, the ultimate guarantee of our freedom, should never be taken for granted, and the vital role of those who wear the Queen's uniform in ensuring this.
4. In summary, the challenge on making and re-making the case for Defence continues and it is important to remember that this has an important effect on the Retention of Service personnel, who do not expect to be molycoddled or feather-bedded – but who do want to be respected. This is also the case among service families who are often proud of what their partners do but yet dismayed by disrespect for their Servicemen in some areas of society.

Recommendations 13 and 14:

- (xiii) *We need to re-make the case for Defence, from senior leaders downwards and to redouble efforts to remind the tax paying public of the importance of the Defence of the Realm. This requires action in Parliament and the media as well as internal communications to remind our Service personnel of the vital task that they perform on behalf of the nation.*
- (xiv) *Defence should commission work, perhaps in conjunction with the National Audit Office (NAO), to attempt to quantify the opportunity cost that is incurred by the Government and Defence in particular when highly skilled personnel leave the Armed Forces prematurely. This work should be undertaken as a matter of some urgency and ideally before the new Integrated Review is completed.*

Chapter 1

The Perfect Storm Continues

1. In our previous “Filling the Ranks” report, the opening chapter was entitled “A Perfect Storm” as it cited a number of difficulties affecting the current recruiting environment.⁷ In many ways, these same challenges affect Retention as well.

2. Principal among these is the fact that, fortunately, the United Kingdom currently enjoys a relatively buoyant economy, with the lowest rate of unemployment (3.8%) since 1974.⁸ Whilst this is good news for the economy and for society it prevents a particular difficulty for Defence, as Service personnel are well aware that they can often leave the Services, in many cases with a valuable skill, and walk relatively easily into an often better paid job in the private sector – and one that allows them to spend far more time with their families as well.

3. Against this background, 15,830 personnel joined the Regular Armed Forces in the year to 1st January 2020 and 15,230 personnel left, a net inflow of 600. This is a significant improvement from the 12 months to 1st January 2019 (11,092 joined and 14,698 left), predominantly due to an increase in those joining the Army of almost 4,000. However, the Workforce Requirement deficit currently stands at 8.4% (12,170), up from 6.6% (9,650) the year before. Outflow is edging up (although within historic norms) but to start to fill the very significant deficit in trained strength, Retention of our highly trained people must be improved, which is one of the reasons why the Team asked to be recommissioned to undertake this report.⁹

4. An economy with near full employment – and one in which engineering/advanced communication skills are already at a premium – provides a particularly challenging environment for Retention of specialised Armed Forces personnel, who by the nature of their highly effective training, have never been so attractive to potential employers. Whilst economic forecasting is a difficult business, it is of course possible that at some point the UK economy will face a downturn, which, ironically, could improve Retention in HM Armed Forces. However, this report assumes that, at least in the short term, UK economic performance will remain broadly positive and therefore the challenges which this presents for Defence will remain.

5. The Ministry of Defence and the Armed Services suffer particular weaknesses in a number of highly specialised or “pinch point” trades, such as pilots, engineers and communications specialists and in some cases these shortages are already impinging upon the Department’s ability to conduct operations. Given the “can-do” attitude for which the Services are renowned, so far these gaps have been effectively plugged but this has often been undertaken by a process of effectively “robbing Peter to pay Paul” which has placed increasing pressure on highly skilled personnel in particular. As we will demonstrate later in the report, this cumulative pressure, often repeated over multiple operational tours or deployments, is now the greatest single reason for personnel leaving the Armed Forces.

Recommendation 1:

- (i) *Senior leaders in the Ministry of Defence must fully appreciate the pressure on Retention caused by a relatively buoyant economy and must not rely on a potential economic downturn to rescue them from this challenge.*

⁷ *Filling the Ranks*, Francois M, 2017, Chapter 1.

⁸ Employment in the UK: 2019, Office for National Statistics dated 21st January 2020.

⁹ MoD, *UK Armed Forces Quarterly Service Personnel Statistics 1st January 2020*, published 20th February 2020.

Chapter 2

The Impact of Service Life on Family/Personal Life

1. There are a number of reasons why personnel are leaving the Armed Forces, but the Armed Forces Continuous Attitude Survey (AFCAS)¹⁰ reports that “*Impact of Service life on family/personal life remains the top factor influencing intentions to leave*” (62%). The “ground truth” visits that we conducted to 11 service establishments¹¹ very much reinforced this point and emphasised that this is still the single greatest reason why personnel are now leaving HM Armed Forces in such numbers.

2. AFCAS findings on “Work/Life Balance” were mixed but found that regarding “*plan my own life – long term e.g. holidays/career training*” officers were 55% satisfied (31% dissatisfied) but for soldiers only 39% were satisfied (43% dissatisfied). AFCAS found that “*the effect of service life on spouse/partner’s career*” were similar for officers and soldiers with 21% satisfied but 43% dissatisfied.¹²

3. Whilst it is fair to say that Service personnel expect to be busy and also to be occasionally deployed away from their home base and/or their loved ones, the very high operational tempo that Defence has had to undergo over the last two decades, from operations in Iraq and Afghanistan ranging through to Op Shader in Syria and Iraq, plus myriad other operations elsewhere, has meant that many Service personnel have had to be deployed and then redeployed at relatively short notice, often on unaccompanied deployments (i.e. without family members), in particular in undermanned trade groups. An unrelenting program of exercises also contribute. The cumulative effect of this has led to a great deal of pressure on the family and personal lives of Service personnel.

4. Even post the end of Operation Herrick in Afghanistan in 2014, the MoD has still had to operate at a high tempo, including more recently in terms of domestic commitments such as Operation Temperer (providing military support to the police and civil authorities against terrorism e.g. after the London Bridge attacks) and Operation Yellowhammer (contingency planning for Brexit). This has often meant that thousands of personnel have been held at relatively short notice to move, sometimes as little as 6 hours, which, in turn, has meant that it is often practically very difficult for them to plan any vacation time away with their families.

5. There may also be a cultural carry over of a high tempo from when the Armed Forces (especially the Army) were fully committed in both Iraq and Afghanistan. This has been highlighted as a real problem and needs investigating further. For instance, some personnel believed their Commanding Officer’s annual report was more important to them than the welfare of their soldiers.

6. In addition, shortages of personnel create something of a vicious circle. For instance, units that are already shorthanded, and sometimes have to deploy for a variety of tasks at sub-unit level (e.g. an Infantry Company or an Armoured Squadron) often have to “trawl” personnel from one Company to backfill another – only to find that when that Company returns from task and the next Company is sent on a different mission, they then have to “trawl” from the original Company to backfill them...and so on.

7. The Naval equivalent for this would be for instance having to send certain highly skilled submariners repeatedly to sea in order to maintain the nuclear deterrent or warships on the Armilla Patrol in the Gulf. Similarly, the RAF has had many Squadrons deployed away from their main operating bases for a number of years – most recently on Operation Shader in Iraq/Syria and the principal of pressure on family life applies equally to the Royal Navy and the Royal Air Force as well.

¹⁰ UK Regular Armed Forces Continuous Attitude Survey Results 2019 published 19th May 2019 (‘AFCAS’).

¹¹ See Annex B for details.

¹² The remaining percentages were neutral.

8. In the worst instances, some personnel have been “trawled” repeatedly over the last few years to the point where the pressure becomes unsustainable and they hand in their papers to leave the Service. We found multiple examples during the ground truth visits of where this had happened to Service personnel, many of whom then responded by voting with their feet. This still remains the largest single reason why personnel are leaving the Armed Forces.

9. Given this, Defence should look again at its high degree of operational tempo and, in particular, whether there is now scope for downgrading some of the very high readiness rates at which thousands of personnel have been held for relatively long periods of time. For instance, now that the United Kingdom has left the European Union on 31st January 2020 and, given that some of the cataclysmic events which some in the media had been predicting have not come to pass, then this should provide a near-term opportunity to either stand down those MoD personnel assigned to Operation Yellowhammer or at the very least relax some of their readiness states in order to allow personnel more time with their families and to have more opportunity to plan a family holiday.

10. Similarly, it is strongly recommended that Defence should look again at other alert states, not least in relation to Operation Temperer aid to the civil power in response to terrorism. This is not to argue that the threat should not be taken seriously but rather it is to say that thousands of personnel that were originally put on notice was something of an arbitrary decision and the ruler should at least be run again over whether or not such high alert states are really necessary, *for quite so many people.*

Is your Trawl really necessary?

11. More broadly, higher headquarters should ask themselves the self-disciplining question “is your trawl really necessary?” and whether or not the often-incessant demands on units to provide personnel for various higher formation tasks, are really required. Demands, especially for short notice taskings, should be realistic rather than profligate.

12. As an excellent example of unreasonable notice for what appeared a nugatory role, a clearly bright and articulate captain in the Royal Tank Regiment explained that he had put in his notice to leave the Army when he had been forced to miss his best friend’s wedding – where he was due to be best man – because he had been picked up on a very short notice trawl to act as a watchkeeper in the small hours of the night on an exercise at BATUS in Canada. In practice, he spent most nights reading a series of paperbacks, following which he concluded:

“I contributed absolutely nothing. Afterwards, I decided that I wasn’t going to let the Army dictate my life like this anymore.”¹³

13. Systemically there needs to be better triage of taskings in general, especially those not already programmed and introduced at short notice, and a realisation that the culture of being “busy” engendered by the genuinely high tempo experience of Afghanistan and Iraq may need to be modified. With our highly trained and valuable workforce, demand cannot be completely isolated from supply considerations. This is well encapsulated by Service Personnel at all levels who recognise that we need to separate “Good Busy” from “Bad Busy”.¹⁴

¹³ Visit to Tidworth Garrison (June 2019)

¹⁴ See the next paragraph for context.

“Good Busy” vs “Bad Busy”

14. As we reported in our earlier Filling the Ranks report, the prospect of serving on Operations is an important recruiting sergeant for the Armed Forces. Similarly, the prospect of serving on Operations is often important in Retention as well. One of the challenges of retaining highly trained and motivated personnel, since the drawdown from Afghanistan, is that certainly for the Army and the Royal Marines at least, the relative lack of combat operations on the ground, has made it in many ways more difficult to keep fit and energetic personnel. For instance, the AFCAS reports a decline in morale in the Royal Marines – and from our ground truth visits, we have been told anecdotally on several occasions that this is because “there’s nothing to do”.¹⁵

15. A number of Service personnel who the Team interviewed drew a distinction between what they called “Good Busy” and “Bad Busy” i.e. they often felt that they were being involved in relatively mundane or repetitive tasks, which some of them were struggling to see the point of. The lack of operational tours since the draw down from Afghanistan has merely exacerbated this problem, with a number of personnel reporting adversely on having to conduct essentially the same training exercises, year after year, with the novelty value having worn off and thus leading to feelings of boredom at repetitive activity. Conversely, good quality adventurous training was cited multiple times as being Retention positive activity.

No longer “At War”

16. In addition, many personnel thought that we were “no longer at war” (although many appreciated the “grey zone” in which Defence now effectively operates, for instance in areas such as Estonia). Quite a few reported a feeling that the nation no longer really appreciated what they were doing or why they were doing it. An example of this often mentioned by audiences was the lack of medallic recognition for service in some theatres, although there has been and continues to be progress in this area which is welcome. The new Wider Service Medal (WSM) may go some way towards meeting this need for medallic recognition for those who Serve on operations, short of actual combat.

17. It is accepted that at the highest levels of the three Services this issue is acknowledged, and action is being taken, e.g. increased utilisation of “three watch manning” on Royal Naval vessels, but more is needed. It is this constant trawling and re-trawling across all three Services, exacerbated by personnel shortages, and the multiplicity of extra taskings at short notice, which materially affects Retention. If Defence is really serious about trying to keep people, especially key specialists who are often overworked, commanders at all levels should look again at unnecessary demand and the deleterious effect that this is having on their people.

Recommendations 2, 3 and 4:

- (ii) *It must be clearly acknowledged that the pressures on family/personal life remain the single biggest driver for people to leave HM Armed Forces and it is realistically unlikely that the problems of Retention can be ameliorated unless this challenge is faced head on. This means the Department must look again at both its alert states and its high tempo of recycling personnel in order to seek to achieve a more realistic work/life balance – without compromising key operations.*

¹⁵ Individual morale: All Service ORs High 39% Low 29% (2014 and 2019)/ RM ORs High 44% Low 29% (2014) High 33% Low 36% (2019) AFCAS. (2019)

Stick or Twist

- (iii) *Commanders of higher formations should ask themselves the self-disciplining question “Is your trawl really necessary?”. In addition, senior commanders may need to take a more empathetic approach when personnel cannot re-deploy on yet another short-term trawl. The alternative is that these personnel will simply vote with their feet in response.*

- (iv) *Defence needs to understand the challenge for Retention caused by the lack of active combat operations on the ground. This is particularly challenging for the Army and the Royal Marines and many personnel, whilst willing to undertake tasks which are “Good Busy” are increasingly reluctant to spend a great deal of their time on repetitive tasks, which they often refer to as “Bad Busy”. Defence must endeavour to provide more of the former and less of the latter if it is to retain young people in an increasingly competitive jobs market.*

Chapter 3

Childcare – Why we need more of it

1. AFCAS shows that 75% of Service Personnel (SP) are married or in a long-term relationship, and of these 60% of partners were in full time employment and 21% were in part time employment. 27% of SP have a child or children under 5, and 34% have a child or children between 5 and 17, that is/are financially dependent.¹⁶ Further, the days of partners simply “following the flag” have been over for a significant time. For instance, when we visited the Navy Families Federation at Portsmouth, of the 12 partners attending our focus group, all were in employment.¹⁷ In addition, it was not unusual to be told that it was the partner who had the better paid/more senior employment.

The Prohibitive Cost of Childcare

2. The cost of childcare is already expensive for many people in civilian life but is often a particular pressure for Armed Forces personnel, many of whom because of their postings only have access to very expensive nurseries, some of which are already heavily oversubscribed. On visiting establishments, we found that monthly childcare fees for one child of £1,200 to 1,300 were not uncommon and, as one example, at RAF Brize Norton, a female RAF Corporal explained to us that her wife, who also serves in the Royal Air Force, was now reluctantly having to leave the Service, because it had become impossible for them to afford their childcare fees of £1,300 a month for one child, on their combined RAF salaries.¹⁸

3. As a further striking example of this, when the Team visited Catterick Garrison in Yorkshire and interviewed a panel of a dozen junior ranks, a number of whom had already submitted their Notice to Terminate (NTT), when asked the question “How many of you envisage yourself still serving in the British Army five years from today?” – only one soldier put their hand up. When they were offered the theoretical prospect of a 5% pay rise, none of them changed their mind. However, when asked whether they would remain in the Army if they could benefit from subsidised childcare on the Garrison, 4 of the 12 unhesitatingly put their hands up and explained that such an arrangement would materially affect their likelihood of remaining in the Army.¹⁹ While this was the most stark example the Team encountered, it was by no means unrepresentative of the reaction that we had from the other two Services as well. This is clearly an issue which Defence must address more intelligently and indeed sympathetically, if it is to retain personnel with family commitments.

“Do as I say, not as I do” – Childcare in MoD Main Building

4. There is also a clear and unacceptable dichotomy between what Service personnel – and in particular junior ranks – are being asked to pay for their own childcare compared to those who work in MoD Main Building. Our team were shocked to discover that while junior NCO’s could be paying £1,200 to £1,300 a month for their childcare requirements, civil servants in Main Building, including those of senior rank, have access to arguably the best defended creche in the United Kingdom within Main Building itself, at a subsidised cost of some £300 to £400 per month.

¹⁶ 11% in the Armed Forces and 49% in full time employment elsewhere.

¹⁷ Visit to HM Naval Base Portsmouth (May 2019).

¹⁸ Visit to RAF Brize Norton (May 2019).

¹⁹ Visit to Catterick Garrison (May 2019).

5. This is apparently subsidised by Defence, as a deliberate Retention measure for civil servants working in London but it seems completely iniquitous that they should benefit from such childcare provision, when junior ranks are paying in some cases three or even four times as much for their own children to be cared for, whilst they also serve the Queen. This is a classic example of “do as I say, not as I do” and makes even more pressing the need to bring about change.

The Need for More Childcare Facilities

6. As previously explained, the cost of childcare is now becoming so prohibitive in many cases that it is forcing Service personnel to leave the Armed Forces. There are challenges both in the quantity of childcare available and in the price and Defence should be prepared to think more imaginatively about how it can redevelop its estate to provide further nursery/creche facilities at Naval Bases, Army Garrisons and RAF Stations. In the Royal Air Force for instance, the outgoing Chief of the Air Staff has sought to initiate a programme of actively subsidising childcare as a deliberate Retention measure, in order to overcome regional variations and ensure that RAF personnel will pay broadly the same for childcare wherever they Serve in the United Kingdom. The Royal Air Force Benevolent Fund has for several years been building nurseries at stations, which are then handed over to contractors, or in some cases the Royal Air Force Association (RAFA) to run.

7. The Navy clearly has fewer establishments but more needs to be done to provide additional childcare facilities at these and again to do so at a realistically affordable cost. For instance, the Team visited a high-quality nursery at Portsmouth, but which due to its high cost was only an option for officers and senior rates.

8. A number of Army Garrisons or establishments have very few childcare facilities at all, with Army personnel often having to rely on the availability of facilities in the civilian community instead.

9. Defence often has the land, and as spousal employment remains a major challenge (which itself affects Retention) then there may be some partners who might be willing to work locally in childcare, to look after their own and their colleagues' children, if they were given the chance to do so by a suitably qualified contractor, perhaps in a newly constructed or modified building. Defence must be prepared to think imaginatively and to “look after its own” and grip this issue because it is now materially affecting the number of people that leave the UK Armed Forces.

An Extra £160 million for “wraparound” childcare

10. The Conservative Party's 2019 General Election Manifesto said the following about childcare in the Armed Forces:

“A Conservative Government understands the sacrifices made by Armed Forces personnel, veterans and their families....We will offer wraparound childcare for Forces families.”²⁰

11. We understand that following the submission of our interim letter in July 2019, which strongly highlighted the need for improved childcare for Armed Forces personnel, the Ministry of Defence made a successful application to the Treasury last summer for around £160 million, in order to help provide “wraparound childcare” for Armed Forces personnel.

12. We warmly welcome this development and the reiteration of the need to take action in the Conservative Party's 2019 Manifesto, but it is vitally important to make sure that these funds are well spent and will make a material difference to junior ranks and not just to senior officers and civil servants.

²⁰ Conservative Party 2019 General Election Manifesto, page 52.

Recommendations 5 and 6:

- (v) *The cost and availability of childcare is now a material reason why service personnel are leaving the Armed Forces and Defence needs to think innovatively in order to provide increased capacity in childcare, including “out of hours” and also needs to ensure that this is a cost which even junior ranks can realistically afford.*
- (vi) *It is morally at least highly questionable that junior ranks are having to pay £1,200 to £1,300 per month in some cases for childcare whilst MoD Centre civil servants have theirs highly subsidised for a third or even a quarter of the cost. This must be addressed, not just as a matter of fairness but as an example to Armed Forces personnel that their service and the care of their families genuinely matters to Defence.*

Chapter 4

Pay and Pensions

1. According to AFCAS, pay is the fifth reason why Service personnel are leaving the Armed Forces, with 42% of personnel citing it as a reason to leave, versus 35% who cited it as a reason to stay. Whilst satisfaction with pay was higher among Officers, other ranks (where the greatest Retention challenge lies) reported that only some 33% were now satisfied with their level of pay.²¹

2. The subject of pay frequently cropped up during the ground truth visits but could be best described as one of a number of cumulative factors why personnel consider leaving the Armed Forces – but not an overriding one. Few personnel complained openly that they were badly paid, but many were clearly conscious of the comparative opportunities in the civilian sector and there was a broad feeling that pay was barely keeping pace, given increases in other costs such as accommodation.

3. It remains to be seen whether the recently heralded and welcome 2.9% increase for Service personnel (in some cases up to 6% for the most junior ranks) as announced by the Armed Forces Pay Review Body (AFPRB) will have a material impact on the perceptions of Service personnel in this regard – but this is a positive step.²²

Retention Bonuses

4. Caution should be exercised in regard to the use of Retention Bonuses in an attempt to solve personnel issues. On several ground truth visits, we encountered cases of personnel who felt disaffected with the MoD's use of Retention bonuses. Many saw them as a blunt instrument which would leave those "just on the other side of the line" feeling undervalued.

5. We liaised with the BAE Systems HR Department to discuss their use of Retention Bonuses when trying to address manpower issues. They revealed they use the measure sparingly and on very much a case by case basis, offering a Retention Bonus to those with skills critical to the company's success, for example a highly trained avionics engineer. Going forward, it might be advisable to look to the private sector when employing the use of bonuses as a Retention Measure, to ensure it is done in a manner which avoids the opposite of what was intended.

Pensions

6. There appears to be a widespread opinion particularly among junior ranks that the current Armed Forces Pension Scheme 2015 (AFPS 2015) provides relatively poor value for money, particularly when compared with AFPS 05 and the much earlier Armed Forces Pension Scheme 1975 (AFP S75) which is viewed as very much the "gold standard" of military pensions. Anecdotally, this position is made worse by the perception, often propagated by experienced personnel, that whilst AFPS 75 is a good scheme, AFPS 2015 is much worse and that therefore those people on that scheme are somehow being unfairly taken advantage of.

7. The situation is compounded by the fact that many personnel, including particularly junior ranks, do not appear to have a clear understanding of how good their pension is – and for many in their late teens or early 20's this is not regarded as a high priority at that stage in life.

²¹ UK Regular Armed Forces Continuous Attitude Survey Results 2019 published 19th May 2019 ('AFCAS').

²² Written Statement by the Secretary of State for Defence, Armed Forces Pay Review Body Report 2019, Hansard 22nd July 2019.

8. In reality, we believe that AFPS15 still represents a very good pension when compared with private sector alternatives and indeed even with public sector pensions. For instance, while military pensions remain non-contributory, which is now almost unique in the public sector, police officers, including junior constables, pay some 14% of their salary as employee pension contributions (and incidentally, MPs pay just over 11%). The significant advantage which this gives to Service personnel appears to be largely unappreciated by those who benefit from it, especially among junior ranks.

The perceived downgrading of “The Offer” to Service personnel

9. Because of the budgetary constraints that Defence has had to undergo and the endless efficiency measures which have been introduced over the past two decades or so, many personnel reported a feeling that “The Offer” (the total package of pay and benefits available to Service personnel and their families) had been seriously degraded over a number of years.

10. As a junior NCO at RAF Benson summarised the problem:

“In recent years Sir, it feels like we are being nibbled to death by ducks. The Offer is being eroded at the margin again and again, whether its pensions, increases in accommodation charges, the fact the Mess is no longer open early in the morning or late at night and a whole range of other things on top. This is just nowhere near the fun it used to be.”²³

11. Specifically, this includes issues such as the perceived (we would argue often incorrectly) poor value of the Armed Forces Pension Scheme 2015 (when compared to the “Gold Standard” of AFPS 75). Whilst Service accommodation remains subsidised, personnel are now having to pay more for it – despite what they consider to be a very poor service in terms of upkeep and maintenance of the properties for which they pay. (See next Chapter) The introduction of “pay as you dine” on Service establishments has often divided opinion whilst the contractorisation of many messing and catering facilities has often led to less flexible arrangements, which have made it more difficult for Service personnel to enjoy an active social life on camp.

12. In addition, often onerous regulations (for instance regarding Fire Safety, precluding even basic cooking in accommodation blocks) have often led to personnel feeling undervalued or not being given proper responsibility. As one Tank Commander at Tidworth, who had been banned from cooking in his living accommodation, alongside all his colleagues, put it succinctly:

“The Queen trusts me to command a £4 million tank Sir, but she evidently doesn’t trust me to operate a toaster.”²⁴

13. It is acknowledged that the Army are now attempting corrective action in this area – the “Discover My Benefits” website and calculator is a good example.²⁵ It is understood other services are looking at this issue as well. However, many personnel report at least a perception that “The Offer” is being progressively degraded and that, taken in the round, it is no longer as competitive a package as it once was.

²³ Visit to RAF Benson (April 2019).

²⁴ Visit to Tidworth Garrison (June 2019).

²⁵ <https://www.army.mod.uk/people/join-well/discover-my-benefits/>.

Completely recommunicate “The Offer”

14. Defence needs to become much better at communicating with its own people – again and again we heard complaints from Service personnel that they felt “the system” was not good at telling them what they and their families really needed to know. This is a challenge for the chain of command across all three Services but was most prevalent in the Army (which, to be fair, is the largest and most dispersed of the Services).

15. Defence should set about a priority task, led by Minister’s and senior officers but that also employs junior ranks to “talk to their mates” as equals, to try and reemphasise the value of the total package of Service in the Armed Forces. This includes what is still a very good pension (one of the few remaining non-contributory pensions anywhere in the public sector), subsidised accommodation, free healthcare for Service personnel and their families, and still including opportunities to travel to interesting parts of the world and participate in exciting adventurous training. Whilst perhaps secondary, the extensive opportunities to do well delivered, adventure training and sport as individual development, rather than leave activity, are pertinent.

16. Anecdotally, junior ranks – where the greatest Retention challenge sits – are more influenced by their peers than senior officers and this should be borne in mind when seeking to communicate messages to them, whether electronically or face to face. We heard a good example of this from the Chief Executive of SSAFA,²⁶ who, when he was the commanding officer of a Royal Horse Artillery Regiment, used “re-joiners” to explain to the Regiment why the “grass was not always greener” in the civilian world outside.

Re-sell the benefits of Service Life

17. Conversely, an exercise undertaken several years ago, when three senior officers filmed a video to explain to junior personnel the benefits of their AFPS 15 pension, apparently fell at the first hurdle when, at a showing to junior ranks, one private pointed out loudly:

“They’re alright sarge, they’re all on bloody AFPS 75 aren’t they?”²⁷

18. In short, Defence is “underselling itself” significantly and a major effort needs to be undertaken in order to persuade personnel of the benefits of continuing to Serve in the Armed Forces. This needs to be addressed with a mixture of innovative and modern solutions such as apps and websites but also direct “peer to peer” communication as well.

Recommendations 7 and 8:

- (vii) *Defence needs to understand that whilst pay is not the major reason why people are leaving the Armed Forces, it is now one that is cited increasingly as at least one of those factors, in what is often a mix of reasons, that convinced people to Twist rather than Stick. Ministers must continue to liaise with bodies such as the Armed Forces Pay Review Body (AFPRB) to make sure that pay awards remain competitive and this must also be communicated to HM Treasury.*
- (viii) *Defence, from the top down, needs to completely refresh its marketing of “The Offer” to Service personnel and needs to communicate with them much more effectively – junior ranks in particular – in order to lay out the combined benefits, including financially, of continued service in HM Armed Forces.*

²⁶ Interview with Lieutenant General Sir Andrew Gregory KBE CB (October 2019).

²⁷ Interview with Junior Ranks at Bulford Garrison (June 2019).

Chapter 5

Accommodation – Stop Reinforcing Failure

1. Down the years, Defence has often underinvested in infrastructure and accommodation for Service personnel, to the point where some are now living in conditions which many in civilian life would simply not be prepared to tolerate. The stark reality is that spending on infrastructure and accommodation has often been deferred again and again, as a relatively short-term savings measure, when economies were being sought in a highly pressurised budgetary environment.

2. Maintenance provision in particular is woeful. Done on a “fix when broken” methodology, this is leading to substantial deterioration of the estate. Timeliness and efficacy of repairs, missed appointments, and tradesmen arriving unequipped to expedite a repair were all mentioned during our visits. The current maintenance contract, National Housing Prime (NHP), let on an unrealistic profit margin, with seemingly unenforceable performance criteria, has a major part to play in this.

3. In 2016 the Public Accounts Committee (PAC) reported to Parliament:

“The Ministry of Defence and its contractor CarillionAmey are badly letting down service families by providing them with poor accommodation, and often leaving them for too long without basic living requirements such as heating, hot water or cooking facilities. It is unacceptable that such problems with service housing have continued for many years. In certain cases frustration with the failure to undertake small-scale repairs may be driving some highly trained personnel to leave the military...It appears to have taken the Secretary of State’s intervention to secure improvements from the contractor, CarillionAmey, although we await confirmation that progress is real and can be sustained.”²⁸

4. Unfortunately, since that report was published, the situation does not appear to have changed. When the PAC reported again in 2019, it commented:

“The Ministry of Defence acknowledges the fundamental importance of good quality accommodation in retaining service personnel yet too many personnel find themselves in living quarters where the standard is simply not good enough.²⁹...Contractors providing maintenance for service family homes under the existing contract have failed to meet key performance targets over an extended period, leading to high levels of complaints.”³⁰

5. For instance, at Air Command at RAF High Wycombe, the boilers heating the offices have not worked properly for three years and because of Defence Infrastructure Organisation (DIO) internal rules, the Station Commander has been effectively prevented from trying to hire a local supplier to simply fix the problem. Again, and again, we came across examples of DIO bureaucracy which were standing in the way of common sense and providing a better standard of accommodation to Armed Forces personnel and their families. This was regarded as truly disempowering by a chain of command desperate to look after its people properly.

²⁸ House of Commons Committee of Public Accounts, *Service Families Accommodation*, Ninth Report of Session 2016-17, printed 29th June 2016 (PAC16-SFA) – Summary.

²⁹ House of Commons Committee of Public Accounts, *Military Homes*, One Hundred and Second Report of Session 2017-19, printed 17th June 2019 (PAC19-Military Homes), Conclusions.

³⁰ PAC19-Military Homes, Introduction.

Dissatisfaction with the Maintenance of Service Family Accommodation

6. The current national maintenance contract administered by Amey (following the collapse of Carillion) is clearly highly unsatisfactory and is not making Service personnel feel either valued or respected. As one Officer's wife put it bluntly at Tidworth:

*"When it was Carillion Amey, they were a total disaster and now it's Amey, they're just very poor."*³¹

7. Admittedly, there have been improvements in the standard of housing, including 95% of homes now being at the nationally recognised Decent Homes Plus standard and £135m spent in 2018-19 on refurbishment.³² AFCAS gives a satisfaction rating for overall standard of Service Families Accommodation (SFA) of 51% (dissatisfaction of 34%), and 60% value for money (dissatisfaction 23%). But the standard of maintenance, about which we heard so much criticism, attenuates much of this benefit. Only 33% are satisfied (51% dissatisfied) with the response to requests for maintenance and repairs, and only 30% are satisfied (52% dissatisfied) with the quality of maintenance/repair work, by those responding to the survey – a truly appalling result, little changed from AFCAS 2016.

8. The Families Continuous Attitude Survey³³ gives a slightly better picture – satisfaction to requests for maintenance/repair of 41% (dissatisfaction of 42%) and satisfaction with quality of work at 36% (dissatisfaction of 45%) and whilst there has been a marginal improvement of 6% from (a low base) last year these figures are still bad. As the PAC concluded last year:

*"Levels of satisfaction with housing remain far too low and are a continued risk to Retention rates among service personnel."*³⁴

9. The net of this is that many Service personnel no longer really feel valued, not least when they have had to Serve repeatedly in overseas postings, whilst their families have had to suffer sub-standard accommodation maintenance in their absence. The situation was perhaps best summarised by a young Corporal at RAF Brize Norton, who told the Team the following:

*"We had an Air Vice Marshall visit us a few months ago to give us all a pep talk about how what we were doing was extremely important to Defence and how the nation greatly valued our contribution to National Security. While I was standing at the back, I couldn't help thinking, well Sir, if that's true, why are my kids showering in cold water – yet again?"*³⁵

10. In short, the mantra that "people are our greatest asset" now clearly rings hollow at ground level among many of our personnel, who can see quite clearly for themselves that Defence has underinvested in them and their families – for decades. This is now one secondary, but nonetheless very important reason why personnel are leaving the Armed Forces. If Retention is to be taken seriously, the situation must now be addressed once and for all.

³¹ Visit to Tidworth Garrison (June 2019).

³² PAC19-Military Homes, Summary.

³³ UK Tri-Service Families Continuous Attitude Survey Results 2019 printed 25th July 2019.

³⁴ PAC19-Military Homes, Conclusions.

³⁵ Visit to RAF Brize Norton (May 2019).

The Defence Infrastructure Organisation (DIO) – A Broken Reed

11. Our ground truth visits discovered widespread dissatisfaction, even open contempt, among service personnel and their families for the Defence Infrastructure Organisation (DIO). Reaction during our focus groups at the mention of the DIO ranged from eye rolling, through harsh criticism to profanity. The Organisation is widely perceived to be bureaucratic, unresponsive and not committed to the welfare of service personnel (or their families). Among many units, it goes by the nickname “DI No”. Few personnel believed their accommodation would ever materially improve while the DIO were responsible for it.³⁶

12. In fairness to the organisation, it was created as something of a “shotgun marriage” between widely disparate elements of the MoD, in the aftermath of the 2010 Strategic Defence Review (SDR 2010). It was asked to meet highly challenging efficiency targets, which resulted in widespread job losses from the outset. Moreover, it has been consistently under-resourced for years and has therefore struggled to maintain adequate levels of service, whilst frequently having its budget raided in Annual Spending Rounds to help provide savings for MoD Centre.

13. All that said, the DIO sought a Strategic Business Partner Contract with Capita, which turned out to be a disaster. On the contract to bring in a Strategic Business Partner to assist the DIO, the NAO reported:

“There were fundamental weaknesses in the Department’s contracting with a strategic business partner...the Department failed to set contractual safeguards...the key performance indicators regime has weaknesses...around half the KPIs were not in place at the start of the contract...the Department failed to deliver the transformation it expected to before the partner joined the DIO, including putting in place an effective operating model supported by a single IT system.”³⁷

14. Interestingly, while Minister’s have consistently refused to sack Capita from the widely criticised Recruit Partnering Project (RPP) Contract, things were so bad on the parallel DIO contract, they did resolve to sack the company after only a few years. A £400m ten-year contract, the decision was made in 2017 to terminate the contract five years early, in 2019.

The Future Accommodation Model (FAM)

15. In the 2015 Strategic Defence and Security Review (SDSR 2015) the Department announced it would develop a Future Accommodation Model (FAM) to offer more choice, flexibility and value for money. However, the roll-out of FAM has been heavily delayed, as highlighted by the PAC in 2019:

“The delivery of a modern and flexible accommodation model is still a distant prospect, over three years after its announcement...the pilots will take three years and MoD will make its main investment decision in 2022. Assuming it opts to proceed, full roll-out will then begin - at least seven years after the initial announcement.”³⁸

16. We encountered significant opposition from stakeholders such as the Families Federations (who have studied FAM in detail), and the Public Accounts Committee has stated that it will keep a close eye on developments.

³⁶ There was almost universal criticism of the DIO on all 11 ground truth visits.

³⁷ National Audit Office, *Delivering the defence estate*, dated 15th November 2016, paras 17 – 19.

³⁸ PAC19-Military Homes, Conclusions and Recommendations.

17. We did receive some limited positive feedback on FAM during our ground truth visits. For instance, the decision to allow unmarried service personnel in long-term relationships (usually defined as over a year or more) access to any surplus SFA was welcomed as a change reflecting modern life. However, the near three-year delay in the establishment of even the FAM pilot projects provided a degree of cynicism about the Department's real commitment to the initiative, which itself was often criticised for being ill-defined.³⁹

18. Among Army families in particular, for whom FAM arguably represents the greatest change from the traditional SFA concept, there was clear anxiety that, over time, FAM might undermine the emphasis on "patch life", which is seen as important for family and community cohesion, especially if units are deployed on operations. This is a particular concern of the Army Families Federation (AFF).

The DIO's Proposed Solution – The Future Defence Infrastructure Services (FDIS) Contract

19. The DIO's answer to persistent criticism is a proposed new housing maintenance contract, known as the Future Defence Infrastructure Services (FDIS) Contract. The MoD's plan is to have three separate contracts for FDIS, one for ranges and exercise areas, a second for technical accommodation (workshops/hangers etc) and a third for accommodation, including SFA. Specifically, MoD is due to replace the current national maintenance contract, NHP, with FDIS, from 2021.

20. Tenders for FDIS (SFA), which most directly affects service personnel and their families, are due to be issued imminently. However, the risk with this approach is that it may simply perpetuate the mistakes of the past. On NHP itself the PAC stated:

*"The Department has repeated failings that this Committee has seen only too often in other Government contracts. In particular, it too easily assumed CarillionAmey had the capacity to deliver, did not do enough to make sure the contract would meet user needs, and agreed a penalty regime that is ineffective in incentivising performance."*⁴⁰

21. In response to these concerns, last autumn, the Stick or Twist Team invited the National Audit Office to conduct a preliminary examination of the development to date of the FDIS (SFA) proposals, and in particular, how lessons from past estate contracts were being taken into account. The NAO produced a 13-page report in December 2019, which concluded:

*"Given that the Department has yet to issue the tenders for the new maintenance contracts, we are not in a position to conclude on the adequacy of the Department's response, nor evaluate whether it's actions will lead to value for money. We have, however, also highlighted a number of important risks around the current proposals which we would expect the Department to manage as it develops its future arrangements."*⁴¹

³⁹ For instance, this was evident at Faslane, which is one of the long-awaited FAM pilots.

⁴⁰ PAC16-SFA, Conclusions and recommendations.

⁴¹ National Audit Office, MoD, "Maintaining Services Family accommodation: The MoD's response to commercial lessons learnt", dated 18th December 2019 (NAO-FDIS report).

The Risks of the FDIS Contract

22. The contracts for FDIS will be procured under the new DIO commercial strategy published in January 2018.⁴² NAO-FDIS states in emerging risks that the Department will need the right culture and people. The NAO mentioned it may be difficult in the current environment to secure these people and it remains to be seen, in the light of experience since 2011, if novation and enforcement of contract will improve. The FDIS(SFA) contract will also be one of the first to be let under this new strategy.

23. Whilst the risk of a single national delivery organisation gives a single point of failure, when Carillion went into liquidation Amey did manage to continue delivery – in fact it appeared to have improved. Breaking into four different regional maintenance delivery contracts does give redundancy and performance comparators, but also interdependencies between suppliers and creates complexity in determining where responsibility lies when things go wrong. The Department acknowledges with candour that an arrangement with multiple regional suppliers could be “difficult to manage”.

24. In addition, the FDIS framework has the regional maintenance deliverers separated from the customers by the National Accommodation Management (NAM) deliverer. Given the record of the last six years of failure in holding to account more widely, this added complexity would seem undesirable when determining responsibility. To take an example from the rail industry, the risk here is that the NAM and the regional contractors will constantly blame each other if things go wrong, much as Network Rail and the train operating companies (TOCs) have often done, to the frequent consternation of ordinary commuters.

25. The NAO state that the Department will need to fully clarify responsibilities between the four regional suppliers and the national management supplier before the contract awards or during the transition period. If the contract is awarded and the Department does not achieve this, this would seem a highly inauspicious and frangible start.

IT Risks

26. A multiple, integrated off-the-shelf management system would seem to be good practice. However, adaption of off-the-shelf technology is a Departmental weakness. The Retention Team (during the “Filling the Ranks” study) saw in detail the significant damage wrought by inchoate IT at the inception of the RPP contract in 2013, and then later by the introduction of the DRS system before it was ready.⁴³

27. NHP itself included delays (including a portal which has never come to fruition) in the introduction of the required IT system. A longer than usual transition period with both NHP and FDIS (SFA) running simultaneously is potentially welcome, but this period, at the very least, would have to endure until the proposed new IT management system is functioning properly.

⁴²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672756/184784_DIO_Commercial_Strategy_Jan2018_HIGH.pdf

⁴³ “Capita encountered significant problems when it launched the online recruitment system, which reduced the number of recruits. Applicants had difficulties using the online system...the Army estimates that this resulted in 13,000 fewer applications between November 2017 and March 2018, compared with the same period in the preceding year”. NAO, *Investigation into the British Army Recruiting Partnering Project*, dated 14th December 2018.

A Better Alternative: A Forces Housing Association

28. This situation raises the broader question of why the maintenance of Service Families Accommodation should be provided by companies with only limited public sector housing experience, when the United Kingdom already has a large number of Housing Associations, many of which have been in existence for decades and which specialise in the building and maintenance of public sector accommodation. Conversely, the DIO is regarded with open derision and frustration on military establishments, because of their generally unimaginative and negative attitude to anything which is not “by the book”. If we are to retain Service personnel, this whole structure has to change.

29. At the very least, examination should be undertaken of putting the maintenance of Service Families Accommodation into the hands of housing professionals, such as housing associations, whose whole raison d’etre is to provide public sector housing and professional maintenance thereof. The Department committed to examining such options to the Public Accounts Committee in 2016:

“The Department committed to considering different approaches for providing SFA, including those used successfully elsewhere, such as Arm’s Length Management Organisations, housing trusts...”⁴⁴

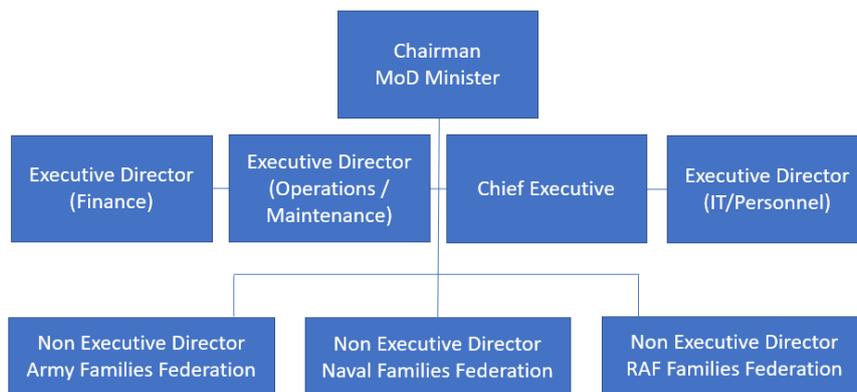
30. There is therefore clearly scope for examining the option of establishing a dedicated Forces Housing Association (FHA), perhaps run as a Trust, the sole purpose of which, as made plain in its Articles of Association, would be “To provide high quality accommodation for Service personnel and their families at an affordable cost.”

31. In essence, our alternative proposal is to establish a Forces Housing Association, which would be run as a self-standing Trust, for the benefit of service personnel and their families, rather than the Department.

32. It could be chaired by an MoD Minister, but with its Executive Directors, including the Chief Executive, drawn from the social housing sector, and thus providing a leadership comprising skilled housing professionals – rather than civil servants. In short, the housing of service personnel and their families would be put in the hands of people who are actually expert in housing.

33. In addition, the three Chief Executives of the Forces Families Federations could be included as non-executive Directors on the board of such an entity, in order to provide active input on behalf of service personnel and to advise the executive directors on the direction of the Housing Association Trust.

Table 1: Potential Management Structure for a Forces Housing Association Trust



⁴⁴ PAC16-SFA, Summary.

34. We have socialised, in confidence, this FHA concept with the Chief Executives of the three Families Federations, a number of senior Officers, several charities and housing sector professionals and the senior management of Annington Homes, all of whom were sympathetic and thought this idea bears further detailed investigation. We strongly emphasise that FDIS should be put on hold, or at least not irrevocably committed to, so as to allow some breathing space for these proposals to then be looked at as a viable alternative or, at the very least, as a “Plan B” should FDIS prove unsuccessful.

35. A further variant of this concept might be to re-join maintenance and ownership (which is the desirable norm) and examine if Annington Homes could be involved in the FHA and then undertake the maintenance of the estate, most of which it now owns. However, with the current renegotiations on future rents ongoing, it is accepted that there are sensitivities involved in this approach.

Doing Right by “our people”

36. We fully realise that this proposal is likely to be controversial but nevertheless, it is based on both empirical evidence of the degree of dissatisfaction with the DIO/Contractor model, and our serious concerns about the efficacy of FDIS, which only appears to be reinforcing failure. We believe this alternative option could create an entity in which service personnel and their families have some feeling of ownership and would help to persuade such people they are being truly respected by Defence and the wider Government. In addition, this could be made a major commitment under the broad heading of the Armed Forces Covenant.

37. In short, creating a dedicated Housing Association Trust for service personnel and their families, to manage SFA, would demonstrate to those we are seeking to Retain, that we understand their long standing criticism of the DIO and the quality of the housing in which they live and would demonstrate a clear determination by Defence to do something genuine about it.

Recommendations 9, 10, 11 and 12:

- (ix) *The DIO’s proposed FDIS contract should be put on hold while other more attractive options are explored for providing service families accommodation which genuinely respects our personnel and their loved ones – rather than continuing to take them for granted.*
- (x) *The Public Accounts Committee supported by the NAO are clearly engaged and familiar with the ongoing issues with SFA.⁴⁵ They might wish to keep a close eye on FDIS as it progresses, rather than after it becomes irrevocably committed to by the Department.*
- (xi) *As a better alternative, Defence, working with housing specialists and the Services Families Federation’s should actively investigate the option of setting up a dedicated Forces Housing Association whose articles of association would be to provide high quality, well maintained accommodation for service personnel and their families at an affordable cost. There could well be value in the NAO undertaking a similar review of these proposals as it did for us on FDIS (SFA) in order to assess whether lessons have been learned from past experience.*
- (xii) *Another possibility might be to combine maintenance and ownership and explore Annington Homes taking on the maintenance of the estate. Given the current renegotiations about future rent levels it is acknowledged, this would be sensitive.*

⁴⁵ “We have reported four times in recent years on service family accommodation and will continue to keep a close eye on developments”, PAC19-Military Homes, Introduction.

Chapter 6

Re-making the Case for Defence

1. It is now some six years since the United Kingdom withdrew its Armed Forces from active combat operations in Afghanistan. Unlike then, families in their living rooms no longer see regular footage of British Troops in contact or on patrol facing a hostile enemy, in the shape of the Taliban. Public memory can sometimes be short and public opinion often fickle and whilst there is still great empathy for our Armed Forces – for instance as shown at very healthy turnouts at Remembrance Sunday Services – the general public are not exposed to Britain's Armed Forces on operations with anything like the regularity that they were several years ago.

2. In an area of tight resources, Defence now faces yet another Review, in this case it is the Integrated Security Defence and Foreign Policy Review (the Integrated Review) which is just commencing and will hopefully conclude before the end of this calendar year. Yet again, service personnel will face a period of uncertainty whilst the review is carried out. Defence will have to make a case for resources in a highly competitive Whitehall environment, with many other demands on the public purse, for instance from the agencies and the wider security apparatus.

3. It would be a serious mistake to underestimate the degree to which this is felt by serving personnel. It was not uncommon during our ground truth visits to be questioned by personnel, across the rank structure, about how much we felt their work was still valued, both by politicians and the general public. As one RAF Corporal at RAF Benson, who had already applied to leave the Services, put it succinctly:

"I'm an ambitious bloke, so why do I want to remain part of a firm like the MoD that is always shrinking?"⁴⁶

4. Given that the economy remains relatively healthy and that young people now have so many more career options, if Defence is to continue to retain fit, motivated and often highly skilled young people then part of this is going to mean maintaining their sense of purpose and convincing them that they have public support for what they do.

5. This is a challenge not just for those directly involved in Defence, but also their supporters, in Parliament and indeed the wider media, to make the case for Defence, not least in an era of growing international competition from countries like China and Russia.

A Sense of Purpose

6. The overall challenge was perhaps best summed up by the Commanding Officer of a Cavalry Regiment who, when the Team were leaving his Barracks at the end of a very productive visit, said the following:

"Sir, the best thing you can do to retain these guys is to persuade them that what they are doing really matters. My blokes are enthusiastic and hardworking but a lot of them feel that they are now involved in repetitive tasks, often at short notice, that don't really contribute to the Defence of the Realm. We've got to persuade the public and your colleagues in Parliament as well as my soldiers that what they're doing is really important if we're going to persuade them to stay in this Service."⁴⁷

⁴⁶ Visit to RAF Benson (April 2019).

⁴⁷ Visit to Catterick Garrison (May 2019).

7. In the view of the Team, this could hardly have been put better and reflected a feeling, prevalent across all ranks, that six years on from Afghanistan, Defence was not really valued by the public and those in public life in the way that perhaps it once had been.

8. This is undoubtedly a complex problem, and whilst an increase in the Defence budget would clearly be welcome, it is more wide ranging than that and suggests a real need for senior politicians and military leaders to redouble their efforts to explain to a sometimes sceptical public, why the Defence of the Realm, the ultimate guarantee of our freedom, should never be taken for granted, and the vital role of those who wear the Queen's uniform in ensuring this.

9. This does not just imply more resources, but it also implies a strategic communications effort, in Parliament and the media, to remind the British public of why it's Armed Forces are so valuable and remain a truly world class asset to the United Kingdom.

The Value of Service Personnel

10. One weakness which we identified in this context is the relative inability of Defence to place a monetary value on the experience of its personnel. For instance, according to the outgoing Chief of the Air Staff, it costs approximately £7 million to train an RAF pilot from basic training through to the point where they can fly Typhoon as part of the Quick Reaction Alert (QRA) Force.⁴⁸ Clearly, every one of these highly trained pilots who is lost to the civilian airline industry represents a tremendous opportunity cost for Defence.

11. However, it is comparatively difficult to find similar calculations for other highly skilled Defence personnel, ranging from an Army Sergeant Major (with perhaps 15 or more years of service under their belt) to a very senior engineering rate in the Royal Navy. As one example, there is a known shortage of nuclear watch keepers in the Royal Navy, without whom some nuclear submarines would struggle to put to sea.⁴⁹

12. There is therefore surely merit in seeking to calculate, as accurately as possible, the true cost of training highly skilled personnel, over a number of years, and therefore attempting to quantify what is the opportunity cost when those people leave the Armed Forces prematurely, before reaching the planned end of their engagement.

13. As a team, we realised that this is beyond our skill set but we do think it is important as Defence continues to compete for resources in a challenging environment, to at least attempt some form of exercise to quantify the opportunity cost of losing extremely highly trained personnel early.

14. It is a suggestion that Defence should commission work of this nature, perhaps by outside consultants or possibly in conjunction with the National Audit Office (NAO) to at least seek to codify some monetary value (that could then be presented to those in Whitehall and in particular HM Treasury) to try and illustrate the adverse effect on Retention, of relatively modest savings, for instance as a result of successive "in year savings" exercises.

⁴⁸ Interview with the then Chief of the Air Staff, Air Chief Marshall Sir Stephen Hillier KBE CBE DFC ADC (October 2019).

⁴⁹ This was an important facet at our trip to Faslane (May 2019).

The Wider Case for Defence

15. In addition to this exercise, Defence needs to “re-sell” itself, including in terms of wider economic prosperity, as outlined brilliantly in the former Defence Procurement Minister, Phillip Dunne MP’s report entitled “*Growing the Contribution of Defence to UK Prosperity*” in July 2018.⁵⁰ The UK remains one of the premier Defence exporters and some of the equipment we produce is still genuinely world class. We should be seeking to leverage this for reasons of economic advantage as well as for their core function of the Defence of the Realm.

16. In summary, the challenge on making and re-making the case for Defence continues and it is important to remember that this has an important effect on the Retention of Service personnel, who do not expect to be mollicoddled or feather-bedded – but who do want to be respected. This is also the case among service families, who are often proud of what their partners do but yet dismayed by disrespect for their Servicemen in some areas of society.

Recommendations 13 and 14:

- (xiii) *We need to re-make the case for Defence, from senior leaders downwards and to redouble efforts to remind the tax paying public of the importance of the Defence of the Realm. This requires action in Parliament and the media as well as internal communications to remind our Service personnel of the vital task that they perform on behalf of the nation.*

- (xiv) *Defence should commission work, perhaps in conjunction with the National Audit Office (NAO), to attempt to quantify the opportunity cost that is incurred by the Government and Defence in particular when highly skilled personnel leave the Armed Forces prematurely. This work should be undertaken as a matter of some urgency and ideally before the new Integrated Review is completed.*

⁵⁰ “Growing the Contribution of Defence to UK Prosperity” Report by Phillip Dunne MP (in July 2018).
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723679/20180709_MOD_Philip_Dunne_Review_FOR_WEB_PUB.pdf

ANNEX A

METHODOLOGY

1. The study has used both quantitative and qualitative analysis. In terms of the former, we have looked carefully at the MoD's Armed Forces Personnel Statistics and have also employed the use of a number of formal surveys, including the Armed Forces Continuous Attitude Survey (AFCAS); and the Families Continuous Attitude Survey (FAMCAS). We have also accessed a variety of Parliamentary Reports, Written Parliamentary Questions and other publicly available source materials.

2. We have discussed the issue with all four individual Service Chief's (the First Sea Lord, the Chief of the General Staff, the outgoing Chief of the Air Staff and the Commander of Joint Forces Command – now Strategic Command) and have also interviewed the Chief Executives of each of the three Families Federations. In addition, we have had meetings with industry, to compare how they address the challenges of Retention, including meetings with BAE Systems, Rolls Royce and Babcock International. We have also spoken to several of the Service Charities, including the Royal British Legion, SSAFA and the RAF Benevolent Fund. Moreover, we had some 200 individual submissions from Service personnel or their family members who were aware of the Study.

3. In addition, we conducted 11 visits to Service establishments, in order to try and ascertain what the Military calls "ground truth" directly from Service personnel themselves. On each of these visits we interviewed personnel in four focus groups comprising 1: Officers, 2: Senior NCOs or their equivalents, 3: Junior ranks and 4: Service families. The establishments visited were;

- Navy Command at Portsmouth
- HM Naval Base Portsmouth
- HM Naval Base Clyde (Faslane)
- Army Command at Andover
- Bulford Garrison
- Tidworth Garrison
- Catterick Garrison
- Air Command at RAF High Wycombe
- RAF Benson (the Puma Force)
- RAF Brize Norton (the RAFs Fixed Wing Transport Fleet)
- Joint Forces Command (Northwood) – since renamed Strategic Command

4. Each focus group lasted around 45 minutes to an hour and we began by introducing the Team and explaining our objective and then using a 5-minute scenario setting "Riff" in order to try and set the scene for the subsequent discussion. A copy of this "Stick or Twist" scenario is enclosed for reference at Annex B.

5. What we discovered was remarkable alignment between what the quantitative survey data was telling us and what the qualitative feedback from Armed Forces personnel was. In this report we have quoted directly from Service personnel in order to try and give a true flavour of some of the frustrations which are compelling people to leave the Armed Forces.

ANNEX B

STANDARD “RIFF” USED TO INTRODUCE THE STICK OR TWIST REPORT TO FOCUS GROUPS OF SERVICE PERSONNEL

“It is 10:00pm on Friday evening in a Service family accommodation quarter in Catterick Garrison. Lance Corporal Thomas Atkins, of B Company, 1 LOANSHIRES, has put his two young children to bed and is now enjoying a glass of wine across the kitchen table, with his wife, Jennifer. After a conversation about various domestic issues, Lance Corporal Atkins turns to his wife and says the following:

“Jen love, they have asked me at work to extend my Service in the Army by several more years. What do you think we should do?”

A detailed conversation then ensues, as the couple attempt to analyse the pros and cons of Thomas remaining in the Queen’s Service. To begin with, they discuss his past career in the Army and his future prospects, including the likelihood of promotion and what that might mean for their lifestyle if he stays in. Similarly, Jennifer works as a Teaching Assistant in a local Primary School, which she quite enjoys as she likes working with children. If her husband were to leave the Army and they were to move to somewhere else in the country as a result, she would lose this job – and therefore the conversation is not just about his career prospects but her career prospects as well.

Thomas’ best mate, Patrick, left the Army a year ago and so they discuss his experience (they keep in touch regularly via Facebook) and whether, from his perspective, “the grass really was greener on the other side”.

Another part of the consideration is that the couple’s youngest child, Jonathan, aged 8, has additional needs which have affected his educational progress. Fortunately, the couple have managed to acquire an Educational and Healthcare Plan (EHCP) from the local authority, which is providing him with additional resources at school and which seems to be working well. However, unfortunately, it took nearly two years of haggling with the local authority to get the EHCP set up and these arrangements are not always portable to other parts of the country. Therefore, if Thomas were to leave the Army and the family had to move elsewhere, they face the potential prospect of having to go around the loop all over again to get another EHCP and therefore what are the educational implications for their son, Jonathan of his father’s potential decision?

Thomas’ mother, Maud, is aged 84 and lives in a Care Home on the outskirts of Manchester (Thomas’ hometown). He has been feeling guilty of late because they are badly short staffed in his Company and therefore, like many other members of the Company, he has had to work long hours in order to try and compensate for the shortage of manpower. He has also been picked up by the Battalion on several short notice “trawls” – which have seen him sometimes deployed away from the family, with relatively little warning. This has meant he has been unable to visit his mother as often as he would like and Jenny, with a couple of glasses of wine inside her, confesses frankly to her husband that she’s not been seeing enough of him either and she is getting rather frustrated with this.

In addition, the boiler in their Service quarter has unfortunately proved unreliable and Jenny is becoming increasingly frustrated by the failure of Amey, the DIO maintenance contractor, to provide repairs in a timely manner.

Stick or Twist

Before long, it has passed midnight and Lance Corporal Atkins, who loves his wife, turns to her and says:

“Ok love, we’ve given this a really good go, now what do you think I should do. Should I stick or twist?”

This conversation could have taken place at an RAF main operating base, or a Naval establishment as well as an Army one. We have used this description as a “scene setter” to try and persuade personnel that we understood some of the challenges that they and their family’s might face. What we found, was that at the end of this, they seemed to acknowledge that the Team “got it” – and then as a result, it was often difficult to shut them up! It was as a result of using this riff that we decided to call the report “Stick or Twist” – as it in essence encapsulates the Retention dilemma that so many of our Armed Forces personnel now face.

ANNEX C (As per July 2019)

TWO POTENTIAL “QUICK WINS” TO ASSIST RETENTION

i. Forces Help to Buy (FHTB)

1. From Faslane to Portsmouth, the Forces Help to Buy scheme (FHTB) has been raised on numerous occasions, across all rank structures, as an overwhelmingly Retention positive arrangement. The scheme enables service personnel to borrow up to 50% of their salary, interest free, to buy their first home or move to another property on assignment, or as their family’s needs change. The £200 million scheme was first launched as a pilot in April 2014 and has now been running for several years, most recently being extended to the 31st December 2019. The scheme is partly intended to address the relatively low rate of home ownership in the Armed Forces.

2. However, as popular as the scheme clearly is, there have been issues raised by personnel who have used or who intend to use the scheme. The first of these, is the fact that the scheme is currently set to end at the end of calendar year 2019. What can only be described as a “quick win” would be to extend this into the foreseeable future to ensure that future cohorts of Service personnel can own their own property as well. As we were told again and again on our “ground truth visits”, this would act as a Retention tool helping to keep Service personnel in the forces as their family’s needs mature.

3. Secondly, another issue highlighted by Service personnel, is that the restraints around letting out the property once purchased are too stringent, particularly when serving in a post which is liable to change every two years, or indeed, deploying on operations. Joint Service Publication 464, volume 1, section 7, para 1221 is the most contentious aspect in this regard. This technical area will be explored in greater detail in our Final Report but, in the meantime, we would strongly recommend an extension of FHTB for several years, in a very public way, to demonstrate clearly to personnel that Defence and indeed the Treasury were prepared to invest in a Retention positive measure.

ii. Compulsory Drug Testing (CDT)

4. Whilst alcohol use among millennials is down significantly, “recreational drug use” is increasingly viewed to be more acceptable by that generation, many of whom are then recruited into the Armed Forces. Many Service personnel, particularly in the Army, come from disadvantaged backgrounds where recreational drug use is relatively common and therefore young soldiers are often exposed to the temptation to take drugs during periods of rest and rehabilitation (R&R) or visiting family and friends back home.

5. The Forces currently have a policy of compulsory drug testing, via random sampling of units. The previous Defence Secretary, Gavin Williamson, changed the policy so that Service personnel who tested positive for drugs (such as cannabis or cocaine) would be automatically expelled from the Armed Forces and disallowed from re-joining – whereas the previous policy had been to allow CDT-positive re-joiners after a period of time had elapsed (two years), and give Commanding Officers, by exception, a degree of discretion to retain, based on facts such as the previous Service record of the individual in question.

6. As a result of this more “hard line” policy, the number of soldiers in the Army alone expelled per annum has risen from around 500 a year to nearer 900 and for the Army the potential re-joiners, circa 50 a month, are now unable to be considered for service. This is now causing real concern at senior levels in the Army, including the Executive Committee of the Army Board (ECAB).

7. Whilst this has always been an issue, it is now becoming an increasing difficulty in terms of Retention, particularly in terms of junior ranks, amongst whom the turnover tends to be the highest (at least in the Army). It is therefore recommended that the policy should be amended in two ways.

8. Firstly, it is strongly recommended that Defence should return to the previous policy of essentially allowing Commanding Officers some discretion by exception – rather than making dismissal automatic on a positive result. This should not be seen in any way as “going soft on drugs”, but rather it is to acknowledge the very real social pressures that Service Personnel can come under when on leave and would allow Commanding Officers and their equivalents some ability to judge each case on its merits, rather than having to apply a blanket one size fits all policy. Historically, this has been the case; having spoken with currently serving and ex-Commanding Officers, all have agreed that the Commanding Officer is well-placed to judge whether one of his charges has made an uncharacteristic error of judgement and determine whether a second chance would be justified.

9. Secondly, it is strongly recommended that after a sufficient period had elapsed, personnel who had been discharged under CDT should be able to apply to re-join (formerly 2 years). This ties in with a wider argument surrounding the Government’s policy of rehabilitation. If a criminal conviction were spent, then the person in question would have the ability to re-join. However, if they are discharged under CDT, then there would be no criminal conviction as they have been administratively discharged resulting in an inability to re-join – ultimately going against the grain of the rehabilitation policy.

10. Such changes would undoubtedly be welcome – particularly in the Army – but personnel should be under no illusions that a second offence would be punished with instant dismissal. This subject cropped up widely during ground truth visits and the strong balance of opinion was that reverting to the previous policy would be markedly Retention positive, which is why we recommend it here.

Two “Quick Wins” Achieved – Actions since the July 2019 Interim Report

i. Forces Help to Buy

11. Regarding the Forces Help to Buy (FHTB) scheme, we identified that following our visits to Service Establishments, this was an overwhelmingly positive Retention measure. Despite this, there was a degree of uncertainty surrounding the future of the scheme – with it set to finish at the end of 2019. Furthermore, there were issues surrounding Joint Service Publication 464, volume 1, section 7, para 1221, regarding the restraints surrounding the letting of the property.

12. Despite the most recent edition of JSP 464 being published with no change to the paragraph in question,⁵¹ we were delighted to see that, as of October 2019, the scheme has been extended until the end of 2022.⁵² This is a substantial increase on the year-by-year rolling extension that had been in place previously. This is a strong statement of intent from the MoD and Treasury which will help to both address the relatively low rate of home ownership amongst service personnel and increase Retention amongst those in the Armed Forces.

⁵¹ Joint Service Publication 464, volume 1, Part 1, Version 19, 3rd February 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/862438/20200203_-_JSP_464_Vol_1_Part_1_Version_19.pdf.

⁵² <https://www.gov.uk/government/news/forces-help-to-buy-scheme-extended-for-a-further-three-years> (22nd October 2019).

ii. Compulsory Drug Testing (CDT)

13. Secondly, representations were made to the Team by Service Personnel who had expressed an issue with the Compulsory Drug Testing (CDT) process employed by the MoD. The previous Defence Secretary, Gavin Williamson, changed the policy so that Service personnel who tested positive for drugs would be automatically expelled from the Armed Forces and disallowed from re-joining – where-as the previous policy had been to allow CDT-positive re-joiners after a period of time had elapsed (two years), and give Commanding Officers, by exception, a degree of discretion to retain, based on facts such as the previous Service record of the individual in question. With the policy in question leading to an increase of those exiting the service and a reduction of those re-joining the Forces in our interim report of July 2019, we suggested two ways in which the policy could be adjusted.

14. Firstly, it was strongly recommended that Defence should return to the previous policy of essentially allowing Commanding Officers some discretion by exception – rather than making dismissal automatic on a positive result. Secondly, it was recommended that after a sufficient period had elapsed, personnel who had been discharged under CDT should be able to apply to re-join the Armed Forces (formerly 2 years).

15. We were therefore pleased to see that a Ministerial Submission was approved in the Autumn of 2019 to, in effect, return to the policy prior to the change by the previous Secretary of State, a change that will be undoubtedly welcome, particularly by the Army.

ANNEX D

The “Stick or Twist” Team Biographies



Mark Francois was elected as the Member of Parliament for Rayleigh (now Rayleigh and Wickford) in 2001. Mark held several frontbench posts in Opposition from 2002 to 2010, including as an Opposition Whip, Shadow Paymaster General and Shadow Europe Minister (during the debates on the Lisbon Treaty). During the Coalition Government of 2010-15, Mark served as Vice Chamberlain of Her Majesty’s Household (a senior Government Whip) before becoming Minister for Defence Personnel Welfare and Veterans (Min DPWV) at the Ministry of Defence. In this role he secured the provision of “Genium” prosthetics, arguably the world’s

best prosthetic leg, for wounded personnel from Iraq and Afghanistan. Mark was then promoted to Minister of State for the Armed Forces (Min AF) from 2013-15 during which he oversaw the drawdown of UK forces from Afghanistan and the deployment of troops on Operation Gritrock, to assist in combatting the Ebola virus in Sierra Leone. Following the 2015 General Election, Mark moved to DCLG as Minister for Communities and Resilience. In 2016 he left the Government and now serves as a member of the House of Commons Defence Committee (HCDC).



Simon Goldstein joined the Territorial Army in 1987 and was commissioned in 1992. He served on operations in the Balkans and Afghanistan, was awarded the MBE in 2005, and attended RCDS in 2016-17. He was promoted to Brigadier in 2018 and appointed as Deputy Commander (Reserves) to Force Troops Command in 2018, which became the 6th (United Kingdom) Division in 2019. In civilian life he worked in banking and has degrees in chemical engineering and law. Having run cross country for his university and the Territorial Army his pace is now more sedate, and he also plays polo indifferently.



Rory Boden attended the University of Exeter, where he read International Relations, specialising in War Studies. Whilst at University, he served for a time in the Army Reserve. Following his graduation in 2016, he held several roles within the property industry and for a short time, he helped to run a pub. Since early 2019, Rory has worked for the Rt Hon Mark Francois MP as his Parliamentary Researcher, assisting him in his position as a member of the House of Commons Defence Committee, where he has a keen interest in Defence Procurement and the social issues surrounding Defence.