

# **NEW EMPLOYMENT MODEL**

## **FREQUENTLY ASKED QUESTIONS**

### **1. Why a New Employment Model (NEM)?**

The current employment model for Service personnel needs to be updated in order to meet the needs of today's and tomorrow's modern Armed Forces. Specifically:

- The difference between what the Services offer against the expectations of Service personnel and their families;
- The issues faced by the Armed Forces in a climate of reducing resources;
- The operational requirement for greater agility, flexibility and joint capability from within a smaller force structure.

### **2. What does the NEM mean for Serving personnel?**

Personnel will be affected by the changes under NEM in different ways, at different times and in different stages of their careers. Overall the NEM aims to provide an 'Offer' to Service personnel that increases personal choice, provides the opportunity for greater stability with modern accommodation options for all personnel, whilst continuing to support mobility where this is essential to Defence requirements. The NEM is providing an opportunity to update Terms and Conditions of service (TACOS), which include pay, pensions, allowances and accommodation provision, to meet the needs of today's and tomorrow's modern Armed Forces.

### **3. What do you mean by the 'offer'?**

The 'offer' is the sum of all the things Defence makes available to you in exchange for your Service. This includes things such as pay, pension, accommodation, healthcare, support and development throughout your career. The direction of travel is a measured shift in the nature of the offer, towards a greater emphasis on individual value, personal choice and responsibility, and a reduction in the impact of service life on families through increased domestic stability with modern accommodation options, in a way that is affordable and realistic.

### **4. What does the NEM mean for Reservists?**

Reserves are an integral part of Defence Capability and the NEM will be designed to support a whole force approach to manning, bringing TACOS up to date for Regular and Reserve personnel so that they meet the needs of today's and tomorrow's modern Armed Forces. The Future Reserves 2020 programme is looking at Reserves TACOS as part of its own work but is working closely with the NEM as it does so. The intention is that their work is integrated into the overarching NEM solution in a way that ensures that transfer from one commitment to the other is much easier.

### **5. When will changes happen?**

The NEM is a long term programme and the major changes should all be in place by 2020, with the bulk of implementation activity affecting people from 2015 onwards. Some changes could bring benefits to personnel more quickly, however, including in the

accommodation offer, and opportunities for early implementation are being actively considered as part of the detailed policy design work now underway in Stage II.

## **6. When will we get more information and will I be consulted?**

This announcement follows the completion of Stage I and sets the scene for Stage II. Thereafter, information will be continually available, and updated, on the Defence Intranet and through various single Service communication channels. Consultation exercises with personnel and families in 2013, in order to help shape detailed design and, as we near implementation, there will be an extensive communications effort to tell personnel about the changes and what they mean for them.

## **7. Is it just a cost saving exercise?**

No. The current employment model does not fully meet the needs of today's and tomorrow's modern Armed Forces. This is an opportunity to get better value from the money we spend on Service personnel and to better balance the demands placed on our people and their families. Fundamentally the NEM recognises that Service personnel should have a fair deal which sustains the Armed Forces as an attractive employer.

## **8. Will Service personnel really be able to make choices to suit their lifestyle?**

The NEM will ensure that we value and respect our people by offering them genuine, but realistic choices about the way they live their lives and pursue their careers, while continuing to support Operational Capability and the wider requirements of Defence. Under the Career Management (CM) strand of NEM, it is envisaged that more active CM will enable greater predictability of employment, increase the emphasis on supporting domestic stability, and offer realistic lifestyle choice.

## **9. How will the Armed Forces be more stable?**

Overall, the NEM aims to provide an 'Offer' to Regular Service personnel that increases personal choice and reduces the impact of Service life on domestic stability. Where mobility is required for service reasons, appropriate support and compensation will be available. The NEM is also examining how more active career management can help reduce the turbulence and cost that arises from mobility and the uncertainty that ensues for Service personnel and their families.

## **10. Will Service provided accommodation be available in the future?**

Yes. Service provided accommodation will remain an important part of the offer for those people that need it. However, overall, the NEM programme seeks to maximise stability, support personal choice and reduce the dependency on publicly supported accommodation. Consequently, options for a different approach to the provision of accommodation are being explored, one of which includes improved financial assistance for personnel to buy a home.

## **11. Isn't the accommodation solution just about saving money?**

No. There are many reasons why the NEM is examining a future accommodation solution. Of course, we have to look at the growing costs of the current scheme. But amongst other

factors, there is also a widespread desire amongst SP and their families for better service, to have greater choice and a strong aspiration for home ownership.

## **12. Is the NEM really just about removing Service personnel and their families' entitlement to MOD provided accommodation?**

No. It is true that the NEM seeks to reduce the dependence on expensive publicly subsidised accommodation, whilst increasing stability and personal choice. The current accommodation arrangements were designed many decades ago have not evolved to reflect changes in society. For example home ownership has increased significantly. Therefore the MOD's approach to accommodation must reflect wider society and enable personnel to make realistic choices over their living arrangements.

## **13. What improvements will be made to Service accommodation?**

As part of the NEM, the MOD intends to produce an accommodation offer to Service personnel which provides Service personnel and their families with lifestyle choices and meets their family needs. This will be achieved by:

- The introduction of a Home Purchase Incentives scheme to help you buy your own home.
- Continuing to provide Service Families Accommodation or Single Living Accommodation (SLA) where you require it either through lifestyle choice or for career purposes.
- Improving the standards of the available accommodation, particularly SLA.
- Introducing a more flexible approach to the allocation of accommodation.
- Providing a better service in the management of accommodation.
- Introducing a simpler & more realistic set of charging mechanisms that are clearer to understand and easier to manage.

The NEM is also examining possible extension of entitlement/eligibility to accommodation based on the societal changes of the modern 21st Century Family, and aims to produce a harmonised and simplified accommodation policy.

## **14. Who will qualify for the new Home Purchase Incentive scheme?**

Those who qualify for the Long Service Advance of Pay (LSAP) scheme will qualify for the Home Purchase Incentive (HPI) scheme when it is introduced. LSAP is open to RN personnel once they are accepted on the trained strength and Army and RAF personnel after 4 years Service. In addition, the conditions applied to the current LSAP scheme are being reviewed for the new HPI scheme with the intention of relaxing some of the constraints and therefore increasing the availability to a wider range of Service Personnel.

## **15. What is going to happen to the Service personnel who are serving in Germany?**

Whilst this is not a direct responsibility of the NEM Programme, decisions about the re-basing of units currently in Germany will have a direct affect on our ability to improve stability. Therefore, the NEM programme remains engaged with this decision process and will adapt as necessary to achieve the best possible outcome for Service Personnel.

## **16. How will the NEM affect personnel serving in other locations overseas?**

Whilst changes to the overall package of TACOS will affect personnel serving overseas, the NEM will continue to provide the necessary support through allowances and accommodation solutions.

#### **17. Will the MOD still look after families?**

Yes. The MOD will maintain welfare support for Service personnel and their families. In addition, through the Armed Forces Covenant, the Government recognises the importance of looking after the Armed Forces community, and this will not change.

#### **18. What will happen to pay and allowances?**

Three different options are being examined for a potential future pay structure, all of which include changes to deal with underlying problems with the existing Pay 2000 other ranks pay system, and it should be possible to give further details of the planned approach in 2013. In terms of allowances, further work will be undertaken to simplify the current Allowance structure in order to compensate personnel for expenses incurred in the course of their duty and to provide a degree of lifestyle choice for Service personnel but with no inherent bias towards a particular lifestyle.

#### **19. What will happen to pensions?**

The Future Armed Forces Pension Scheme (FAFPS) is not part of the NEM, however it is linked to its development. The design of the FAFPS has already been announced and further details can be found at the link [here](#).

#### **20. What is the future role of the Armed Forces Pay Review Body?**

There is no change to their role. The AFPRB will be kept fully informed as this work proceeds. Proposals on both pay and accommodation will be subject to their review and recommendations.

#### **21. Will Continuous Education Allowance (CEA) still be available?**

The NEM recognises the importance of stability for children's education and the challenge that the requirement for mobility presents. In the medium term it is envisaged that CEA will remain a necessary allowance to support mobility and operational capability. The Programme has not yet identified an alternative to CEA and is now focussed on approaches that will expand the support available from the maintained sector over the longer term.

#### **22. Will Service personnel lose out with the new offer?**

The NEM is about ensuring that sufficient, capable and motivated Service personnel will continue to be attracted to, and retained in, the Services. Thus, the offer must remain competitive but it also needs to be affordable. At this relatively early stage of the Programme there can be no guarantees that some personnel who are currently serving will not lose out; for example, by having to pay a more realistic market rate, and thus more, for the Service provided accommodation they occupy. However, it is reasonable to assume at this stage that there will be transitional arrangements put in place in order to minimise the impact on potential losers. Furthermore, we must not forget that the NEM is designed for the future, for personnel who have yet to join the Services, and the package

must be seen as a whole. The most important aspect of the NEM is the recognition that in the future, Service Personnel should continue to have a *fair deal* which is both *affordable* and *sustains* the Armed Forces as an attractive employer.

### **23. Will Service personnel be able to work part-time?**

Opportunities for Part Time Working (PTW) support lifestyle choice and currently exist through Volunteer Reserve (VR) service, in the form of the Additional Duties Commitment (ADC) engagement. However, such opportunities require Service personnel to leave Regular service with no confidence of a return to the Regular career structure. Further work will be undertaken by the NEM to determine if there is a way of introducing a better system of PTW for a relatively small number of Service personnel.

### **24. How will promotion opportunities be affected?**

Whilst it is likely that there will be changes to Terms of Service and career structures under the NEM, there will still be opportunities for promotion and career advancement, albeit at a slower rate since some personnel will be able to serve for longer overall.

### **25. What will this mean job security in the Armed Forces?**

The Armed Forces will remain a vocation that requires a serious commitment from both the “employee” and the “employer”. By implication, Service personnel must have a degree of job security, as well as the expectation to progress in the organisation, if they so wish. However, in order to keep pace with modern work practices and allow the Services to achieve the required level of flexibility with a smaller force structure, the NEM programme will explore opportunities presented by alternative types of engagement and potentially more modular careers.

### **26. Will there still be training and education opportunities?**

Yes. The NEM is examining a number of different ways that some training could be delivered more effectively and efficiently. This includes a single personal development pathway contract which will deliver a through-life development and career support programme for Service Personnel, extending beyond Regular service. Training, education, skills and personal development will remain an extremely important part of Service life and one aspect that makes a career in the Services an attractive proposition.

### **27. Will the training still be accredited?**

Wherever possible the MOD will seek to provide appropriate accreditation.

### **28. How do you intend to improve manpower control?**

The NEM aspires to make manpower control more flexible, efficient and adaptable to better support operational capability. This will enable the single Services to better manage the flow of their personnel through the various stages of a career.