



A Major breach of trust

Armed Forces redundancy injustices

September 2013



What's happened

- Army redundancies undermine Military Covenant
- Promised resettlement income snatched away
- Officers and families feel betrayed after loyalty in Afghanistan, Iraq, N. Ireland, Kosovo etc.
- No trade union or employment protection- need MPs
- Parliament to press Ministers to avoid more damage



This is not about redundancy per se

- This is about trust and honouring commitments
- Officers accept need for redundancy, just expect to be treated fairly
- Just want the terms they were promised in writing to be kept
- They have no union, no employment protection, can't speak out
- Forcing them to fight for their promised rights is wrong
- Will impact army morale



Importance of IPP

- Officers who leave army after 16 years - Immediate Pension (IPP) get income to help resettle
 - 28.5% of salary to age 55, but no inflation uplift
- IPP drives recruitment/retention/service terms
- Men assured of lifelong commission or IPP if not
- Commissioning letter '***Officers are granted a minimum period of service of 10 years or such longer periods as may be necessary to complete 16 years reckonable service for officer's retired pay***'
- Clear and unequivocal



Impact on those affected

- They need this payment to resettle into civilian life
 - IPP tops up lower earnings while starting new career
 - IPP helps guarantee mortgage payments
- Legitimate expectations of reaching IPP and having the money
- Officers feel betrayed - army morale?
- Their wives gave up careers on basis of army commitments
- Some have launched Service Complaints
- Seems to have taken inordinately long time



The losses – over £200,000

- Ministers said men get *'significantly increased tax free lump sum'* to compensate for lost IPP
- Not true - **Lower** lump sum, no income
- Major reaches IPP:
 - Total lump sum on leaving = £124,000
 - **PLUS** £ 12,000pa each year to age 55
- Major forced out before IPP:
 - Lump sum on leaving = £118,000
 - and no resettlement income
- £204,000 income snatched away (£12,000 x 17 yrs)



Redundancy programme errors

- Redundancy terms said to be based on clear, objective eligibility criteria to ensure fairness
- Ministers say using IPP as redundancy criteria would be unfair and would compromise future Army structure
- But exclusions mean redundancy selection pools unfair/skewed
 - Excluded if EED < April 2015; on operations; < 2 reports in rank
- Result in better officers redundant e.g. Reg C promotion defers EED
- Undermines the stated desire to 'retain the best'



Military Covenant, Values, Standards

- *British Army Values and Standards state: "The Nation, the Army and the chain of command rely on the continuing allegiance, commitment and support of all who serve: that is, on their loyalty. Equally important is that all soldiers and their families, must be confident that the Army and the Nation will treat them with loyalty and fairness.'*
- *Queens Regulations, enshrined in the Armed Forces Covenant: "The Army's loyalty to the individual is expressed in the Military Covenant - it manifests itself in justice, fair rewards and life-long support".*
- *Each individual Officer is worthy of consideration – can't just say only affects around 1%*
- *Selfless loyal service tossed aside for cost cutting*



Honesty, integrity, trust

- Trust is crucial when you put your life on the line
- These men put their lives on the line for us, we must treat their lives fairly and with respect
- Officers have proved their loyalty and integrity
- We have denied them normal employment rights or representation
 - Firemen, prison officers, police have union-style federations
 - Civil servants have unions and FDA
 - Police can't be made compulsorily redundant
- Army covers for other services



MoD duty to personnel

- Mark Francois: *"When selecting personnel ... for compulsory redundancy no consideration was given to the proximity of the immediate pension point... our priority is to ensure ... the correct balance of those skills and experience across the rank structures which are required to deliver operational capability now and in the future."*
- Yes, balance of skills and experience for operational capability important
- But MoD duties must also consider needs, promises to & legitimate expectations of officers
- Especially when it denies them normal rights



Legitimate expectations

- No precedent for not reaching IPP when close
- Other ranks IPP reduced by 4 years, not Officers
- No previous Government has done this
 - Past redundancies, allowed IPP for Officers at 12 years
- Officers' Terms and Conditions Article 197 clearly relates to medical unfitness
- No-win, no-fee legal case against Government
- Short-sighted cost cutting dangerous



Penalised for commitment

- 2010 Major A applied and achieved Reg. C
- Moved from IRC to lifelong Regular Commission
- But EED moved >2015, so eligible for redundancy
- Those not selected stayed on IRC, and reach IPP <April 2015
- Officers losing out for commitment to stay in the army
- Fairness?



Possible Solutions

- MoD says it's too difficult, can't be done
- Let's resolve this without major publicity – options:
 1. Extend redundancy notice period beyond 1 year, to allow officers to reach their IPP
 2. Allow them to align EED with IPP
 3. Reduce IPP by 4 years as before?
 4. Introduce taper to pay pro-rata IPP amounts



Summary

- Armed forces reputation and military morale at risk
- Investment in army equipment no use without commitment of the people using it
- Officers risk their lives to carry out Government policy believing they and their families looked after
- If this ends up in Court, what will it do?
- But leaving aside legal case, what about moral duty?
- Parliament must remedy this Major betrayal of trust



What they have said...

- “During my time in the army I spent many months instructing young soldiers in the values and standards by which we serve. I now feel those values and standards have been betrayed”
- “Why is the army unable to honour its contract to its own loyal personnel”
- “Given the sacrifices my wife and I made, I did not expect to be let down like this”
- “After serving in N.Ireland, Sierra Leone, Iraq and Afghanistan I feel utterly betrayed and let down”



Examples of those affected – Major B

- Fought in Afghanistan three times
- Unit commander in Helmand fighting
- Lost men in battle in Nad Ali province
- Chief of Staff Rear, dealing with casualties
 - Triple amputees, inform families, attend funerals
- Had to inspire men, trusted Military Covenant



In sensitivity

The Pennant Interview with The Rt Hon Andrew Robathan MP, Minister of State for the Armed Forces

5 September 2012, Osteria Dell'Angolo



The Class of '70 - Oriol and St Catz

Good, we've got a red light, so first of all, congratulations from our President and Chairman, from me, from the Society, from our members and from our readers of Pennant. What are the first impressions?

Because I have worked in the MoD for two and a half years I knew roughly what to expect, but this is a very exciting portfolio, training and operations, particularly at a time when we are deployed in Afghanistan, with all the issues surrounding that, some of them tragic, and some of them of course involving future pensions, but it's a challenge and something I'm looking forward to.

How did you find out?

Well a reshuffle is a pretty brutal affair; the Prime Minister summoned me and asked me to do the job, and I was delighted to accept.

And what did you do, did you jump up and down in the air?

November 2012

Not exactly, I was certainly very pleased, the first thing I did was go and talk to the Secretary of State.

And what did your wife say?

She did jump up and down.

Now we have quite a lot of parallel experiences, we went to Merchant Taylors' and Skinner's Schools, I am wearing the sixes and sevens tie common to Skinners and Merchant Taylors, we were at Oxford at the same time we fired the .50 Browning from a Ferret on Otmoor ranges; and we were both in theatre for the First Gulf War.

What was the best experience of those early years in the Army?

I am not sure that there is a best experience but I know that my 18 years in the Army, which included the years as a Royal Marine University Cadet, my whole experience in the Armed Forces, was one which was extraordinarily valuable, which I would recommend to anybody now,

although times have changed, and that includes my son, who has expressed an interest in joining the Army.

And your daughter?

She's only 13. Less likely.

The experience has left a huge impression on my character, mostly good, possibly not always, I think it has given me an understanding, not just of Army matters but of human nature and the value of people.

Why not stay a soldier?

I never intended to, I enjoyed it while I was young, I don't think I would have enjoyed it so much as a staff officer but I did do a couple of staff jobs and I was single, I had always wanted to go into politics. In a good year I might have made brigadier but I wouldn't have done nearly as well as you, John.

Did the Immediate Pension Point influence you?

I didn't want to miss out on it and I left almost to the day I qualified, not in that I wanted a pension, I just didn't want to lose it and it would have been foolish to leave a month or two before I qualified for it. I made my intentions clear when I was a company commander and it would have been foolish to miss out on it. I understand the concerns of those who have been made redundant just before their pension point but we have done a lot of work to compensate for that.

What inspired you to go into politics, did it take long to get a seat? How did you go about it?

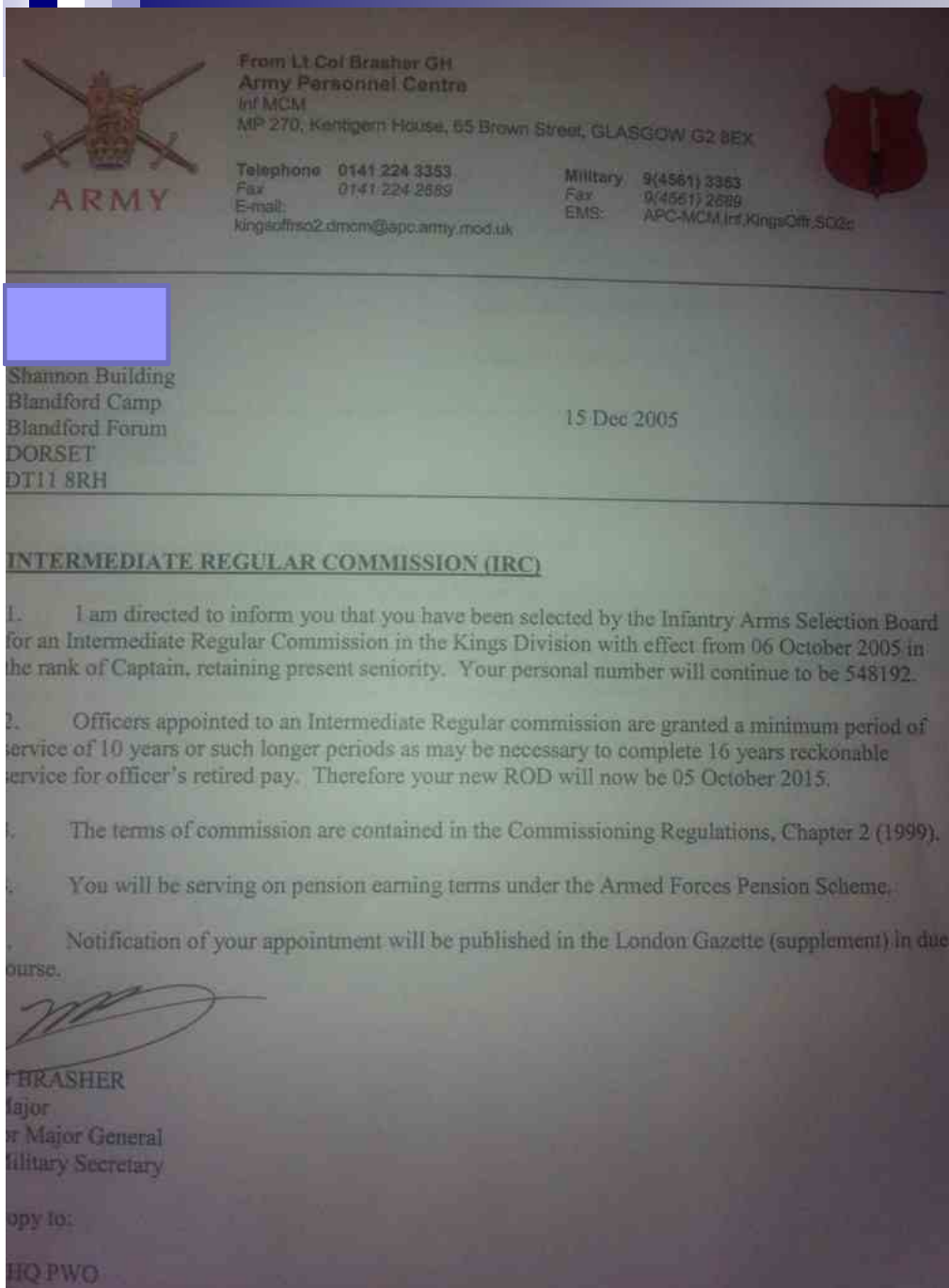
It was a long standing intention from school and university days and always in the back of my mind, but I think if I had stood up in my battalion and said I wanted to be a Conservative MP, I might have survived the bread rolls, but probably not the rocks.

■ *Previous Armed Forces Minister Rt. Hon Andrew Robathan MP explained importance of reaching IPP*

Did Immediate Pension Point influence you?

"I left almost to the day I qualified, not in that I wanted a pension, I just didn't want to lose it and it would have been foolish to leave a month or two before I qualified"

Pennant (Armed Forces Pension Magazine) Interview, November 2012



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