



To: all MOD TLB members

08 July 2021

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## Prospect Pay Claim

Prospect's MOD pay claim stressed at the outset of our formal engagement that the Chancellor's attempted justification for the pay freeze for this year, that the public sector has seen a 4% growth in salaries against a 1% decrease in the private sector in the 6 months until September 2020, has not been supported by evidence and as such has no legitimacy or credibility. Similarly, his assertion "If we (the government) carried on with blanket, across the board pay rises, the existing gap between public sector reward and the private sector would widen significantly" simply looked to promulgate that myth and is an assertion that Prospect does not accept. The government contradicts itself by, in relation to the proposals for the National Living Wage asserting that "the 2.2% increase will mean incomes rising broadly in line with predicted wage growth and modestly ahead of projected increases in prices". A pay pause is a significant pay cut in real terms and given the way MOD staff have performed during the pandemic; their reward should not be a reduction in the value of their take home pay.

Given the above current negotiating background the MOD Group Council felt that a simple approach would be best and, therefore, Prospect's claim sought a 2021 MOD pay award which:

- Produced a consolidated cost of living increase for all staff, based on the UK RPI as at 1st April of 2.9%, in recognition of MOD staff going above and beyond both in meeting Defence outputs and supporting the country's response to the pandemic;
- Funded accelerated and graduated progression towards the maxima;
- Met the National Living Wage in full, funded separate from the main pay award;
- Distributed all of the available non-consolidated monies equally to all staff as a lump sum to recognise the collective MOD effort in the face of the pandemic but also to mitigate the inherent discrimination demonstrated by the outcomes from the current in-year reward mechanism.

### Pay Offer

It was clear at the start of our engagement that the MOD had taken the decision to adhere to the Government's pay freeze, and no business case would be submitted to enable pay increases beyond the parameters set out in the Cabinet Office pay guidance. This set out that any business case presented would only consider cases that would realise cashable and sustainable savings and/or productivity and efficiencies early on within the business case lifecycle through changes to terms and conditions of employment. Members will be aware of the MOD Group Council position which remains, that we will not accept members funding pay increases by selling hard fought for terms and conditions.

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On this basis the pay offer received from MOD very simply sets out:

- A one-year consolidated award from 1 August 2021 to 31 July 2022 of £250 for all eligible staff earning a full-time equivalent salary of less than £24,000 and a tapering of the award up to £24,250 for those earning between £24,000 and £24,250.

Other elements include:

Non-consolidated Payments - The In-year Award scheme will continue to operate as usual during 2021-22. However, no additional non-consolidated awards can be made under the terms of the Cabinet Office pay guidance.

Future workplace – Contractual Home-based Working – In line with the MOD policy on future workplace, a review will take place and a new home-base working contract will be introduced. This is intended for new roles that cannot be undertaken in a workplace, or on the basis of reasonable adjustments. We were assured at the meeting that consultation will take place with the MOD Civil Service Unions (MCSU) on the content of this new contract, however it is clear that homeworkers will not be entitled to the relevant locational allowance. No changes will be made to current locational allowances.

Allowances – Changes will be made to a number of current MOD pay allowances as below:

Clyde Submarine Base Allowance

MOD will merge the two existing 'Clyde Submarine Base' allowances into a single allowance. The payment values and allowance criteria will remain the same. **There will be no detriment for MOD employees.**

Existing Locational Allowance	Current value	Comments
Clyde Submarine Base All RRA for staff with Reserved Rights 1994	£1,545 p.a.	Already closed to new entrants – move those eligible to the below Clyde Submarine Allowance below
Clyde Submarine Base Allowance	£1,545 p.a.	Remains open to new joiners continuously employed in the Civil Service since 30 Sept 1994 and are appointed to a permanent post at Clyde.

*Northern Ireland Environmental Allowances (NIEA) – underpinning and claimable elements*  
 MOD will move all staff in receipt of the Northern Ireland Environmental Allowance - Underpinning Element (£250 per annum pensionable allowance) and the associated claimable Northern Ireland Attendance Allowance (£1.14 daily non-pensionable attendance element) onto the higher value 'Northern Ireland RRA' (£750 per annum pensionable allowance) from 1 August 2021, closing and removing the NIEA allowances.

Existing Locational Allowance	Current value	Comments
Northern Ireland Environmental All - Underpinning Element	£250	Employees to be moved to the below Northern Ireland RRA. This allowance will be closed and made obsolete
Northern Ireland Allowance Attendance Element	£1.14 per visit – capped at £250p/a	Due to the Pandemic employees are not being able to claim this in addition to the above Underpinning Allowance, on a regular basis. This allowance will be closed and made obsolete
Northern Ireland RRA	£750	Unchanged

### *Closure of historic allowances*

It is proposed to close and make obsolete the following location allowances, which are still live on CHIPS, though they have been closed to staff, for some time.

Existing Locational Allowance
Northolt RAF Air Cadet Reg HQs Lndn & SE Bnd D & above RRA
High Wycombe - Skill Zone Staff (ex-Ind All code = 130) RRA

In addition, it is proposed to close and make obsolete 11 further functional allowances which have not been claimed in a number of years and for which no staff remain eligible under their criteria. The allowances are to be closed on CHIPS and moved to the obsolete tab on the Pay Allowance reference table. **There will be no detriment for MOD employees.**

The MCSU has requested that a thorough check is made to ensure no current staff are in receipt of the deleted allowances. If you are impacted by this, please let Julie Flanagan know urgently.

The full pay offer can be viewed on DefenceNet.

### **Prospect Views**

Our engagement with MOD on the 2021 pay review cannot, in any sense of the word, be called negotiation. Having taken the decision to adhere to the Government's pay guidance there has been no element of negotiation in our discussions.

Members will be aware that the government's decision to freeze the pay of all public sector workers outside the NHS is something that Prospect and other unions have strongly opposed. The pay freeze, and indication in the Government's pay guidance that non-consolidated monies cannot be used to reward all staff equally is an insult to members who have continued to make a colossal effort to maintain operational capability during the pandemic, and the pay freeze will continue to exacerbate the differentials between the public and private sector.

Prospect has asked that members take two actions:

[Sign the petition opposing the pay freeze](#)

[Write to your MP expressing your opposition to the pay freeze](#)

Members are encouraged to write personalised hand-written letters to MPs if possible as we have found these are the most effective. Alternatively, you can click on the link above to generate a pre-written email to your MP.

We also remain deeply disappointed that our concerns on the discriminatory In-Year Reward system continue to be disregarded, and encourage members with protected characteristics who feel that they may have been discriminated against in how In-Year Rewards have been applied to get in touch with their local TLB representatives.

Members will note that the 2021 pay offer has failed to meet our aspirations set out in our pay claim. We cannot accept a grossly unfair pay freeze and the failure to address the numerous issues in the MOD pay system, which continues to fail to deliver cost of living increases to all staff and progression to the maxima, the rate for the job.

As such, the MOD Group Council has taken the decision to **reject** this offer without a ballot of members. However, please do get in contact with Julie Flanagan to express your views and feedback and take part in Prospect's campaign activity to register your protest.

Please also pass on this circular to non-member colleagues and use this opportunity to encourage any colleagues who are non-members to join. Colleagues can join on-line here:

<https://prospect.org.uk/join>

Yours sincerely

**Julie Flanagan**

Assistant Secretary