



National Audit Office

MINISTRY OF DEFENCE

Recruitment and Retention in the Armed Forces

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Layout and production by
NAO Information Centre
DG Ref: 6849VE

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ISBN 0-10-294356-7



9 780102 943566



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MINISTRY OF DEFENCE
**Recruitment and Retention
in the Armed Forces**

This volume is published alongside a second volume comprising
Case Studies and Detailed Survey Results
Ministry of Defence: Recruitment and Retention in the Armed Forces,
Detailed Survey Results and Case Studies, HC 1633-II Session 2005-06

LONDON: The Stationery Office
£13.50

Ordered by the
House of Commons
to be printed on 31 October 2006

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

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31 October 2006

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EXECUTIVE SUMMARY



1 Each year, the Ministry of Defence (the Department) must recruit, train, motivate and retain sufficient military personnel to provide the military capability needed to meet the Government's strategic objectives. As at July 2006, the trained strength of the Armed Forces stood at around 180,690 personnel, a shortfall of some 5,170 personnel (2.8 per cent) against the Department's estimated requirement.¹ Overall, the Armed Forces were not in manning balance² and the figures mask wider shortages of trained personnel within a range of specific trade groups across all three Services.

2 The Department has developed a set of Defence Planning Assumptions, based on a range of hypothetical potential operational scenarios, to help it plan for future contingencies. The level of activity envisaged within the Defence Planning Assumptions underpins the calculation of the overall manpower requirements for each of the three Services each year. The manning requirements have not been adjusted to reflect the current levels of deployment of the Armed Forces which have since 2001 exceeded the assumptions made about enduring concurrent operations and which seem likely to continue to do so for some time. The Department accepts that operating at this level can result in additional strains on its people.

3 At July 2006, the Army's strength was 100,010 personnel – a shortfall of 1,790 personnel (1.8 per cent), which was within manning balance. The Royal Navy remained below manning balance, its strength was 35,470 personnel – a shortfall of 1,310 personnel (3.6 per cent). The Royal Air Force was also below manning balance – its strength was 45,210 personnel – a shortfall of 2,080 personnel (4.4 per cent)¹, having made a tranche of redundancies in April 2006. All three Services expect to be within manning balance by April 2008, but are experiencing shortfalls in the intervening period. Historically, the Services have consistently run below the full manning requirement. The achievement of manning balance by the Army in July 2006 in part reflects the measures the Department has undertaken to bolster recruitment and retention, but is also a consequence of reductions in the manning requirement.

4 Within the overall manning levels of each of the Services there are a number of discrete areas that are under strength for a variety of reasons; there are 88 operational

“pinch point” trades where there is insufficient trained strength to perform operational tasks while enabling guideline levels on the amount of time away from home to be met for members of these trades. These can relate to either whole trade groups or to problems at specific ranks. Although the Department has worked hard to alleviate manning shortfalls within pinch point trade groups, and has devised and deployed a varied range of measures to improve recruitment and retention, in some cases full manning remains a distant prospect; the Department expects to achieve full manning in our 11 case study trades between 2008 and 2014. Manning shortfalls in the pinch point trades that we examined in detail ranged from 1.6 per cent to 70 per cent.

5 The rates at which personnel are voluntarily leaving before their period of engagement ends differ by Service and by trade. In the last two years, overall exit rates have risen slightly for Officers and Other Ranks. There has been a slight decrease in Other Ranks exits in the Royal Navy and the Army since April 2004. On the whole, current levels of early exits have not yet reached the peaks seen in the last 10 years, and the Department considers that overall the long-term trend is fairly stable. In 2005-06 around 1,010 officers (3.4 per cent) and 8,160 other ranks (5.4 per cent) left the Services early. Higher than average rates of early exits are a problem for some groups and previous high outflow levels have contributed to some of the manning shortfalls in today's pinch point trades. Early exit rates in the case study trades we examined ranged from two per cent to 10 per cent.

6 A variety of factors influence personnel to leave the Services early but many former and serving personnel in the pinch point trades we surveyed cited the impact of Service life on family life and the inability to plan life outside work as key drivers in their decisions to leave. Other important reasons were the availability of civilian employment, feeling that the work of the Services is no longer valued, uncertainty over the future given the current changes in the Forces, and concerns about the quality of equipment. Similar factors were among the top causes of dissatisfaction for all personnel included in our survey, including those who currently intended to stay in the Services. Our survey suggested that further pressures in these aspects of Service life might cause serving personnel in pinch point trades to reconsider their decision to stay.

¹ Due to the introduction of the new Joint Personnel Administration System in the Royal Air Force, all Royal Air Force data from 1st April 2006, as provided by the Department, are provisional and subject to review.

² Manning balance is the prevailing trained strength requirement within a tolerance band of plus one per cent and minus two per cent to reflect routine structural and organisational change within the Services.

7 Each Service has set “harmony” guidelines on the amount of time that personnel should spend away, which aim to ensure that Service personnel and their families have a sustainable balance between time away and time at home. We found that guidelines were being exceeded by significant numbers of personnel, particularly in the Army, where 14.5 per cent of those on the trained strength as at January 2006 had breached the target at some point in the last 30 months.

8 For all Services, the overall figures mask the impact on operational pinch points, which are particularly affected by the high level of operational commitments given the shortages of personnel in these groups. For example, more than one-third of Vehicle Mechanics, Armourers and Recovery Mechanics (twice the Army average) have exceeded harmony guidelines.

9 Amongst our survey respondents, 28 per cent of those personnel who had recently left pinch point trades and 38 per cent of those still serving, but intending to leave, rated “too many deployments” as an important reason for leaving. And 32 per cent of serving personnel intending to leave and 21 per cent of recent leavers said that operational deployments had been too long and were a reason for leaving. Set against this finding, however, nine per cent of our survey respondents said that they had left or intended to leave because they had not been deployed enough. Our survey also showed that the recent increased operational tempo impacted throughout the Services, including on personnel not currently deployed. A significant proportion of current and former pinch point personnel considered that pressures on their time when not on operations had increased in recent years. The Department’s own survey of working patterns showed that, although average hours worked had fallen slightly in 2005-06 for the Army and the Royal Air Force, they had increased for the Royal Navy, and that overall nine per cent of those surveyed had worked excessive hours (70 hours or more a week) in 2005-06.

10 In an effort to improve retention the Department has introduced five financial retention incentive schemes, either on a tri-Service basis where there are common problems or to target specific trades in individual Services. Financial incentives are a key tool in tackling retention difficulties, particularly in the shorter-term. The Department recognises, though, that there are several limitations associated with financial incentives and has work in hand to improve its understanding. For example,

our survey of pinch point trade personnel has shown that such incentives were a deciding factor in their decisions to stay for 11 per cent of people who had been offered them while, for a further 53 per cent of people, the incentives had no impact on their decision as they would have stayed anyway. The schemes for Aircrew, Non-Commissioned Aircrew and Submariners have cost a total of £74 million since April 2002 and have secured 12,019 man years return of service from personnel³. In addition to these targeted financial retention incentives, the Department has traditionally paid commitment bonuses to personnel at set points in their career. The timing of the payment of the commitment bonuses is now decided by the single Service Manning Authorities to ensure they are a more flexible and targeted retention tool.

11 The Department has also adopted a range of non-financial measures to improve manning in pinch point areas, aimed at retaining its most experienced personnel and alleviating some of the pressures caused by the combination of undermanning and high commitment levels within these groups. For example, the Department has introduced continuance and long service schemes to retain experienced personnel. And the Department is pursuing a number of schemes to “fast track” the promotion of some personnel to provide additional manpower in shortage areas or to reduce pressures on pinch point trades through initiatives to reassign roles or to restructure trades. Longer-term, one benefit of the Department’s ongoing restructuring of the Army under ‘Future Army Structures’ will be to increase numbers in pinch point areas in the Army.

12 Specific recruitment targets vary each year but, at an overall level, since 2000-01, the Services have recruited 98 per cent of their targets for intake from civilian life. The Royal Navy has consistently achieved over 96 per cent of its intake from civilian life targets, and achieved 100 per cent in 2005-06. The Army exceeded its targets for intake from civilian life between 2001-02 and 2003-04, but has experienced a shortfall of between four and five per cent for the last two years. The Royal Air Force has achieved between 90 and 98 per cent of its intake from civilian life targets over the last five years. The Department achieved 96 per cent of its overall target for intake from civilian life in 2005-06, as recruiting problems persisted in some key areas.

13 The Department successfully achieved its recruiting targets in 51 per cent of the pinch point trades we surveyed during 2005-06, although the long training lead

³ This figure does not include the Financial Retention Incentive for the Royal Signals. The Department did not measure the number of man years secured by this initiative.

times in some trades mean that it will take several years for this influx of recruits to boost the trained strength. There are, on the other hand, several pinch point trades within the Services where recruiting remains more difficult, for example, Non-Commissioned Aircrew and Royal Marine Other Ranks. A number of other areas such as the Infantry and the Royal Artillery which, although not yet classed as operational pinch points, are experiencing recruiting difficulties.

14 As with retention, the Department has used a range of measures to try to improve recruitment into pinch point trades with varying degrees of success. For example, it has offered financial incentives such as golden hellos, rejoining bounties and transfer bonuses in attempts to boost numbers in some trades. In addition, the Department has used a number of non-financial initiatives to improve recruitment. For example, trade-specific personnel have augmented staff at recruitment offices and various outreach activities have been used.

15 The Department is facing current and future challenges to its ability to recruit sufficient numbers of new entrants as a result of demographic changes, changing attitudes to careers, and negative publicity affecting public perceptions of the Armed Forces. The Department is taking steps to respond to each of these challenges.

Overall Value for Money

16 Maintaining sufficient levels of manning and experience in the Armed Forces and, in particular, in many of the pinch point trades which provide critical functions, is vital for operational capability. Decisions to implement particular recruitment and retention measures must therefore be made on the basis of military judgement as well as on the basis of costs.

17 It is difficult to quantify the cost effectiveness of the Department's initiatives to recruit and retain personnel within operational pinch points in the absence of robust data collected by the Department. The Department has carried out some analyses of the success or otherwise of various recruitment and retention initiatives, but these could be developed further to understand better why initiatives are more successful in some trades than in others. It does not collate the through-life costs of Service personnel and cannot, therefore, quantify the financial impact of losing personnel early. While some information on recruitment

and training costs is available, the Services cannot say, on average, how much it costs to train an individual to the point where they are classified as a "Gain to Trained Strength"⁴ as this information is available only for some trades. Where available, we have calculated that the average cost of recruiting and training personnel to the point where they have completed Phase 1 training is around £92,000 for an officer and £25,000 for other ranks. On this basis, the Department would save a minimum of around £24 million each year in recruitment and training costs were the Services able to reduce the rate of voluntary outflow to the level envisaged in their guidelines. The Department has not routinely performed robust cost benefit analyses on the range of financial incentives on offer to recruit or retain personnel, nor until recently has it conducted balance of investment appraisals to assess whether it is better to introduce measures to retain experienced personnel in pinch point trades or to increase recruitment.

18 On the basis of the limited information available to us and the analysis that we have undertaken it would appear that retention measures represent better value for money than the steps taken to recruit and train replacement personnel. For the cases that we examined, we calculated that the Department spent £74 million to retain 2,500 trained people compared to an estimated cost of £189 million to recruit and train the equivalent number of replacement personnel to the end of Phase 1 training.⁵ In reality, the true costs of achieving equivalent replacement personnel will be significantly greater since individuals that have left the trained strength will have received higher levels of training and investment in their careers than those that have been recruited to the basic standard of capability on which we have based our calculations. In addition, the level of experience possessed by departing personnel cannot be replaced easily or quickly.

19 The Department has achieved notable success in retaining personnel in particular areas through the use of short-term, mainly financial incentives, but it is likely that the Services will face even greater challenges in the future, particularly given the strain placed on personnel by the current tempo of operations. It will be important for the Department to maintain its focus on structural issues such as reducing pressures on pinch point trade personnel by restructuring trades, as well as longer-term issues such as lack of stability for personnel; these may be more complex and costly to address but should prove more effective in the longer-term in addressing the key factors that cause personnel to leave.

⁴ Referred to as "Into Productive Service" in the Royal Air Force.

⁵ Phase 1 training is the initial training in basic military skills required by all personnel. Recruits will need to have completed further specialist training in their chosen trade or discipline (Phase 2 training) before they are considered to have joined the trained strength.



CONCLUSIONS AND RECOMMENDATIONS

1 The causes of operational pinch points are complex and there is no common single factor that causes a particular trade or specialist group to become a pinch point. Some trade groups which may otherwise be at or near full strength are classified as pinch points because the number and frequency of operational commitments places excessive demands on existing personnel.

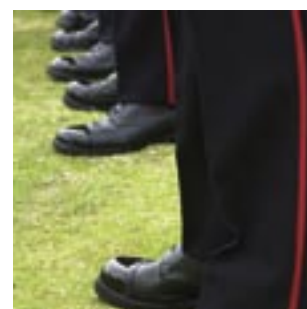
Recommendation 1: The Department should review the overall manning requirements within individual operational pinch point trade groups to determine whether they are set at sufficient levels to support enduring operational commitments.

2 The Department does not set targets each year for the maximum numbers of people that give notice to leave early. It does, however, make assumptions about these rates in order to effectively model recruitment and promotion requirements. It then monitors the rate of applications to leave early against assumptions about exits and against historical trends. The delay between notice giving and departure gives the Department the opportunity to take pre-emptive action where necessary. Higher than average outflow rates can pose problems for some trades and previous high levels of outflow have contributed to some of the shortfalls in today's pinch point trades.

Recommendation 2: The Department should develop guidelines on the expected levels of voluntary outflow for individual operational pinch point trades, to ensure that retention is managed as actively as recruitment.

3 The Department has a good general understanding of the main factors that drive personnel to leave at an overall level through a series of surveys it conducts each year. Continuous Attitude Surveys seek data on a wide range of factors, from a broad cross section of personnel, but these are not sufficiently focused on the drivers of retention. Each of the Services conducts surveys of personnel who have given notice to leave but these are not always carried out consistently or rigorously enough and suffer from low response rates in the Army. Responses to our surveys of pinch point trade personnel showed that the number, frequency and duration of operational deployments had influenced the decisions to leave of a sizeable proportion of both former and serving personnel within pinch point trades, but the Department cannot say whether the current position as revealed by our surveys is any better or worse than previously.

Recommendation 3: The Department should conduct regular surveys of personnel, along the lines of that devised by the National Audit Office for this study, which are designed to draw out detailed attitudes towards factors influencing retention. These should have a greater focus than the existing Continuous Attitude Surveys on the specific factors that reduce retention and be carried out on a regular basis to aid the early identification of emerging trends. They should enable analysis by specific trades or cohorts of personnel which are of particular concern at any moment in time, and generate data specifically on views on operational deployments.



4 Whilst a degree of separation from home/family life is an expected part of Service life, significant numbers of personnel have exceeded “harmony guidelines” within their respective Services on the maximum time personnel should spend away so as to achieve a sustainable balance between time away and time at home. Operational pinch point trades are particularly affected by the high level of commitments.

5 The true extent of time spent away from home is greater than that captured by the harmony measures since personnel will not always record short absences and the position is further confused since each Service differs in its definition of the activities that are classed as separated service. Under the Joint Personnel Administration System, the Department expects that the recording of data will be standardised and that the quality of separated service data will improve over time. Meaningful trend analysis will not be available until 2008, however.

Recommendation 4: The Department should assess the extent to which breaches of individual harmony may be understated, including through potential under-reporting and the demands of high readiness. In addition, the Department should review harmony levels across the three Services.

6 The impact of Service life on family life, the inability to plan life outside work and the desire for family stability were top dissatisfaction factors among respondents to our surveys and key drivers in their decisions to leave the Services early. In addition, a significant proportion of those personnel who were not currently intending to leave said that further deterioration in these aspects of Service life might lead them to reconsider their decision to stay.

Recommendation 5: The Department is constrained in its ability to reduce the operational tempo, which is impacting on personnel, but should look to investigate measures to provide greater stability and certainty of work patterns for personnel between operational deployments. Whilst recognising the limitations in how much workload can be reduced, the Department should look to improve its ability to let serving personnel know their work patterns over a longer time horizon.

7 The Department has introduced a range of financial retention incentives which have, based on the evidence available, provided an effective short-term fix. The Department does not know the extent to which the offer of a financial incentive, as opposed to other factors, influences personnel to stay in the Services. The Department’s evaluations do not compare the costs of the schemes with the consequential savings in recruitment and training costs secured by improved retention.

Recommendation 6: The Department should commission research into the effect that the payment of financial retention incentives has on personnel’s decisions to continue serving in the Armed Forces. The results of this research would aid the Department’s current work in this area and assist it to identify the likely cost effectiveness of individual schemes.

CONCLUSIONS AND RECOMMENDATIONS (CONTINUED)

Recommendation 7: The Department should ensure that post implementation evaluations are completed on all financial retention incentive schemes introduced across the three Services and that these include full cost benefit analyses to quantify the benefits achieved in each case.

8 The fact that pay is often tied to rank can limit the ability to offer financial rewards for personnel with certain skills. The Department has decoupled pay from rank for certain medic and aircrew trades, but has not looked to introduce similar schemes more widely, for example in technical trades, even though some trades have clear equivalents in civilian life, for example the telecommunications industry.

9 The Services have directly recruited suitably qualified personnel to some medical trades but generally make limited use of direct entry of personnel with specialist skills (“lateral recruitment”) to ease manning shortfalls since the Department considers that there would be a risk to operational capability. Lateral recruitment is used more extensively, for example, by the Australian Armed Forces to staff trades such as engineering, legal and health.

Recommendation 8: The Department should review the scope to introduce further schemes which provide the opportunity to offer competitive salaries without the attendant military rank as a means of improving the manning position of particular trades with acute recruitment or retention difficulties or where it can take some time to gain the necessary experience.

Recommendation 9: The Department should give careful consideration to the scope for lateral recruitment to a wider range of trades than is currently the practice, particularly as a means of easing pressures within operational pinch point trades.

10 The Services have made some use of “fast tracking” personnel to provide additional manpower in shortage areas, for example through relaxing the need for some trade qualifications or by accelerating the promotion of selected personnel. While fast tracking personnel to fill manning gaps may have some benefits, such schemes need to be carefully managed to avoid any potential risk to operational capability that may arise from inexperienced personnel being asked to perform roles beyond their abilities.

Recommendation 10: The Department should closely monitor the impact of its fast tracking initiatives on its delivery of operational capability. Nonetheless, where such initiatives are deemed to be successful, the Department should consider whether the previous requirements for specific training qualifications or serving lead times can be permanently reduced and replicated more widely in other trades.

11 Among respondents to our surveys, a higher proportion of currently serving personnel who intended to leave cited the impact of Service life on family life, and the inability to plan life, as being important than did those who had left the Services within the last two years. And the majority of serving personnel in pinch point trades felt that pressures on their time when not deployed had increased in the last few years. It is difficult to know to what extent these findings are indicative of a rising level of dissatisfaction with Service life or Service conditions worsening, and whether the Department may be about to face a further rise in the numbers of personnel leaving early.

12 Within an overarching Service Personnel Plan, the Department is considering 25 separate projects, grouped under seven strategic programmes, to address longer-term recruitment and retention issues. Timescales for the projects vary, some do not have a definite timescale agreed or have yet to be allocated funding. One programme includes work on the impact of operational tempo on personnel.

Recommendation 11: The Department should develop a clear order of priority for the wide range of long-term projects it has planned and commit to firm timescales and funding programmes for the most important. Assessment of the impact on personnel of the current operational tempo, and workloads when not deployed, warrants early attention and the Department should model the impact on future retention. Overall, the Department should look to further shift the focus of its retention measures from short-term, predominantly financial retention incentives, to those structural changes needed to provide personnel with greater certainty and, for those affected most, reduced workloads.

13 The Department has, in the past, reduced its recruitment activity due to force restructuring measures or to make short-term financial savings. Such action has had far reaching effects, with shortages in terms of a “black hole” in the experience profile of a particular group or trade persisting for many years. It has taken years for recruiting performance to recover to levels experienced before cutbacks were introduced and more effort and resources were required to raise awareness in the target population for recruits.

Recommendation 12: At times of force restructuring, the Department should ensure that it maintains sufficient recruitment activity to guard against the creation of manpower shortages within specific trade groups in the future.

Recommendation 13: Where the need to make short-term financial savings is the driver to reducing recruitment or marketing activity, the Department should first analyse whether such action represents value for money against the likely longer-term impacts, including the amount of expenditure needed to restore interest to previous levels.

Recommendation 14: The Department should look at the scope to over-recruit in specific areas where there have been more serious recent shortfalls. Although flexibility may be limited by the need to maintain the right profile of experience and rank, and by the physical capacity of the training system, the Department should put in place arrangements for assessing the desirability of increasing recruitment targets for particular groups.

14 The Department maintains a number of different sets of manpower data, and there are differences between data used by the Services for managing manpower and data reported centrally and externally, particularly in recruitment data. Overall, the broad trends between different data sets remain similar but different baselines, definitions and reporting timelines as well as retrospective changes to historic data lead to a lack of clarity in the Department’s manning data and create the potential for confusion in their interpretation.

Recommendation 15: The Department should review the relationship between its differing data sets for both managing and reporting targets and outturn in personnel data, including recruitment, manning strength and retention. Wherever possible, it should generate and use data on a timely basis, and which allows analysis by different cadres of personnel, including by trade, and trend analysis over time.

15 There is some sharing of information, research and good practice on recruitment initiatives within and between the Services. However, there is little attempt to conduct systematic evaluations or cost benefit analyses. The Department cannot, therefore, say how much of any improvement in recruitment may be attributed to the offer of financial incentives as opposed to any other recruitment initiative.

Recommendation 16: The Department should look to further its understanding of the relative merits of the various recruitment initiatives offered by the Services through conducting cost benefit analyses of each scheme and look to use the information gained to inform its future actions.

16 The Department’s ability to undertake cost benefit analyses is undermined by the inaccessibility of meaningful data on the costs of recruitment and training its personnel. Such data as is available is patchy and inconsistent. Without reliable information the Department is unable to determine the true cost of personnel leaving the Services early, compare the through-life costs of personnel by Service or to make informed decisions about the relative value for money of investing in recruitment or retention measures.

Recommendation 17: The Department should collect full data on the full through-life costs of personnel, including recruitment and training, by trade. The Department should use the data collected to underpin the various cost benefit analyses recommended above.

PART ONE

Overall manning in the Services



1.1 As a general principle, the Ministry of Defence (the Department) must maintain sufficient manpower within each of the three Services to be able to undertake a range of military operations, some of which may occur simultaneously, and other supporting activities. Each operation is likely to be different in terms of its location, scale, duration and intensity of effort and, therefore, in terms of the numbers of personnel and skills required. This Part of the Report examines the process for setting manning requirements and looks at whether the Services have achieved full manning at all levels. We found that while the Department is able to define clearly its military manpower requirement it only partly met its Public Service Agreement target to achieve manning balance⁶ by 2005, as previously reported to Parliament. Overall manning numbers mask shortages in particular trade groups or areas of expertise and achieving full manning in these may take some time.

The military manpower requirement is clear and drives the setting of recruitment targets

1.2 To assist its planning for future contingencies the Department has developed a set of Defence Planning Assumptions based on a range of hypothetical potential operational scenarios, which reflect the more recent pattern of operations undertaken by the United Kingdom. The most demanding concurrency combination modelled by the Assumptions is one enduring medium-scale deployment, one enduring small-scale and one one-off small-scale operation⁷ without breaking guidelines on the amount of time personnel should spend away from home. The Department plans that some force elements could operate at the combination of two medium-scale and one small-scale operation, but accepts that operating at this level will result in additional strains on its personnel. Each Service has set “harmony guidelines” on the amount of time personnel should spend away which aim to ensure that Service personnel and their families have a sustainable balance between time away and time at home (paragraph 2.14).

1.3 The level of concurrent operations envisaged within the Defence Planning Assumptions underpins the calculation of the overall manpower requirements for each of the three Services. In calculating its overall manpower requirements the Department also takes into account that personnel need to have sufficient time to recuperate from operations, to complete unit, formation and personal training and development, and to spend time at home with their families.

1.4 Within each Service, manpower planning staff work within overall manpower requirements to forecast personnel requirements by trade or specialisation and by rank for future years. The planners identify the ideal structure by rank and length of service within individual trades to establish a sustainable experience profile for each. In establishing the profiles, planning staff make assumptions about the numbers of personnel within each trade or specialisation that will leave the Services each year. The Services base their assumptions about retention rates on historical norms since the Department has not established any specific targets for retaining personnel. Using detailed modelling tools, planning staff then establish the number of trained recruits required by each Service each year within individual trades and, after allowing for training wastage, the number of new recruits that will need to be enrolled by the single Service recruitment and training establishments.

⁶ Manning balance is the prevailing trained strength requirement within a tolerance band of plus one per cent and minus two per cent to reflect routine structural and organisational change within the Services.

⁷ Depending upon the nature of the operation, for the Land component a small-scale operation is defined as approximately battalion-sized (500 – 1,000 personnel); brigade-sized (3,500 – 5,000 personnel) for a medium-scale operation; and roughly division-sized (10,000 – 20,000 personnel) for a large-scale operation.

Manning requirements have not been adjusted to reflect the current levels of activity faced by the Forces

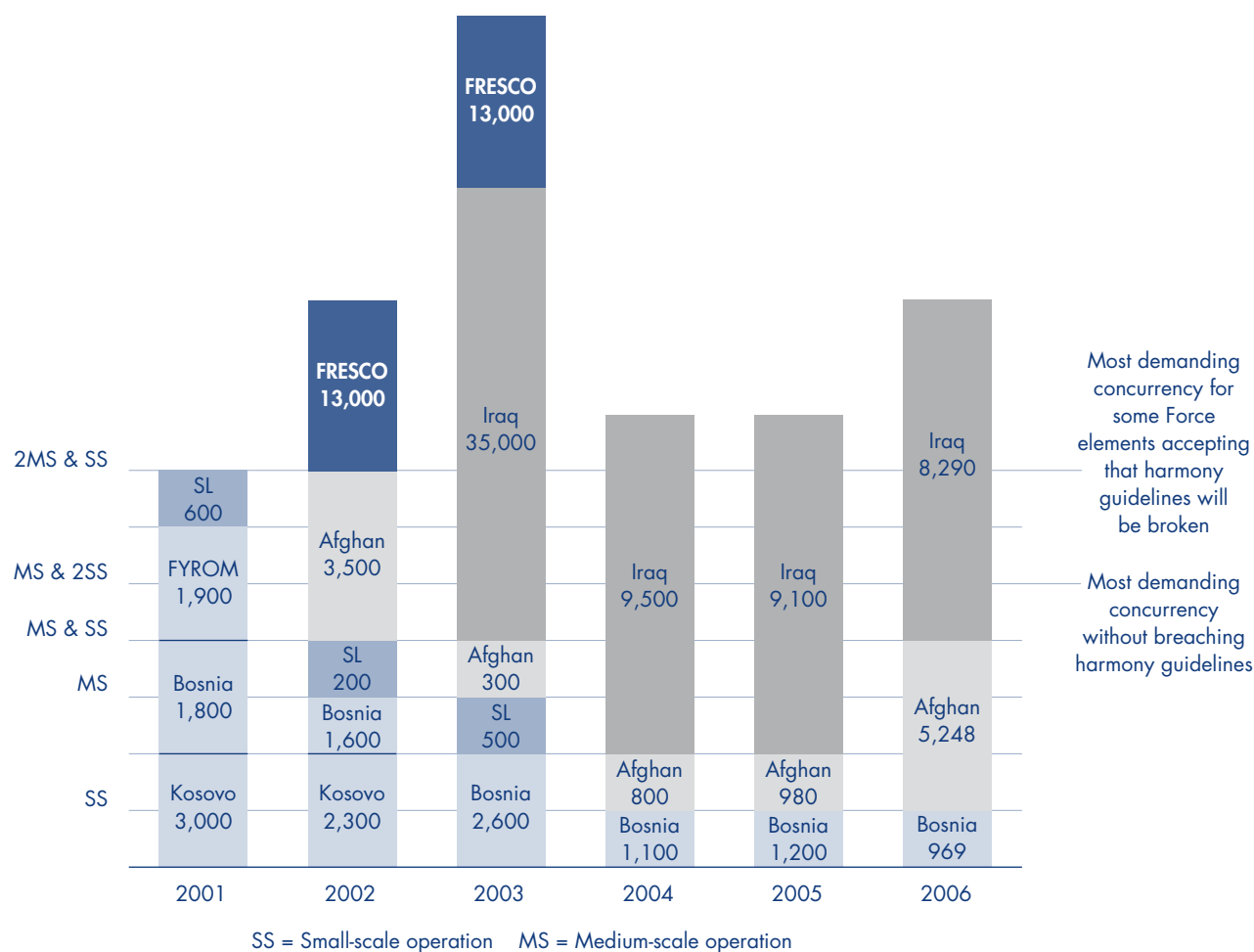
1.5 Since 2001, the Armed Forces have consistently operated at or above the most demanding combination of operations envisaged by the Defence Planning Assumptions (paragraph 1.2 and **Figure 1**). The Department expects that this will continue to be the case for some time. Manning requirements have not been adjusted to reflect the current levels of activity.

The Department reviews the Defence Planning Assumptions as part of its wider spending reviews and adjusts them as it considers necessary. The Defence Planning Assumptions were last adjusted in 2004.

1.6 While the Department accepts that operating at this level can result in it placing additional strains on its people, the Assumptions are guidelines only and are not intended to constrain decisions taken on the employment of the Armed Forces.

1 Numbers of personnel deployed on operations 2001-2006

The Department continues to operate above Defence Planning Assumptions



Source: Ministry of Defence

NOTE

FYROM = Former Yugoslav Republic of Macedonia

Afghan = Afghanistan

SL = Sierra Leone

Operation FRESCO was a United Kingdom based commitment that involved significant numbers of troops on notice to move to cover over 40 days industrial action by the Fire Brigade Unions between October 2002 - June 2003. The major strikes and deployments were mainly between October - December 2002 and late January 2003.

The Department narrowly failed to achieve manning balance by 2005 in line with its Public Service Agreement target but expects to do so in all three Services by 2008

1.7 Under its Public Service Agreement set as part of Spending Review 2002, the Department had a target to “recruit, retain and motivate the personnel needed to meet the manning requirement of the Armed Forces, so that by the end of 2004, the Royal Navy and the Royal Air Force were to achieve, and thereafter maintain, manning balance”. The Army was required to achieve, and thereafter maintain, manning balance by the end of 2005.

1.8 **Figure 2 overleaf** shows the manning position for each of the three Services as at July 2006. Only the Army was in manning balance. Successive reductions in the Army’s manning requirements since October 2004 contributed to it being in manning balance with a deficit of 1.8 per cent, representing a strength of 100,010 personnel. Despite its manning requirement falling in recent years, the Royal Navy remained below strength at 35,470 personnel – a deficit of 3.6 per cent. The Royal Air Force was also below manning balance with a deficit of 4.4 per cent, representing a strength of 45,210 personnel. The fall in strength of the Royal Air Force reflects a programme of redundancies as part of the restructuring of the Royal Air Force in April 2006.

All three Services expect to be in manning balance by 2008

1.9 Following the Spending Review 2004, the Department has a revised Public Service Agreement manning target covering the period 2005-06 to 2007-08 to ‘recruit, train, motivate and retain sufficient military personnel to provide the military capability necessary to meet the Government’s strategic objectives’. While the target does not refer explicitly to achieving manning balance, the Department, nevertheless, intends to assess its performance against the new target by measuring the achievement of manning balance in each of the three Services, considered separately, by 1 April 2008.

1.10 The Department aims to achieve overall manning balance during a period of transformation for the Armed Forces, following announcements made in the 2004 Defence White Paper.⁸ This will involve a period of restructuring, including reductions in manpower across the Royal Navy, Army and Royal Air Force. The Army’s programme of restructuring is known as Future Army Structures (paragraph 2.39). Manpower reductions are being achieved through a combination of reduced recruitment targets and managed outflow, including voluntary redundancy or early retirement packages, and shorter notice periods for those who decide to leave early without this support. The Department forecasts that it will spend £132 million on early departure packages over the period 2005 to 2008, approximately 93 per cent of which is to support the reduction in the Royal Air Force.⁹

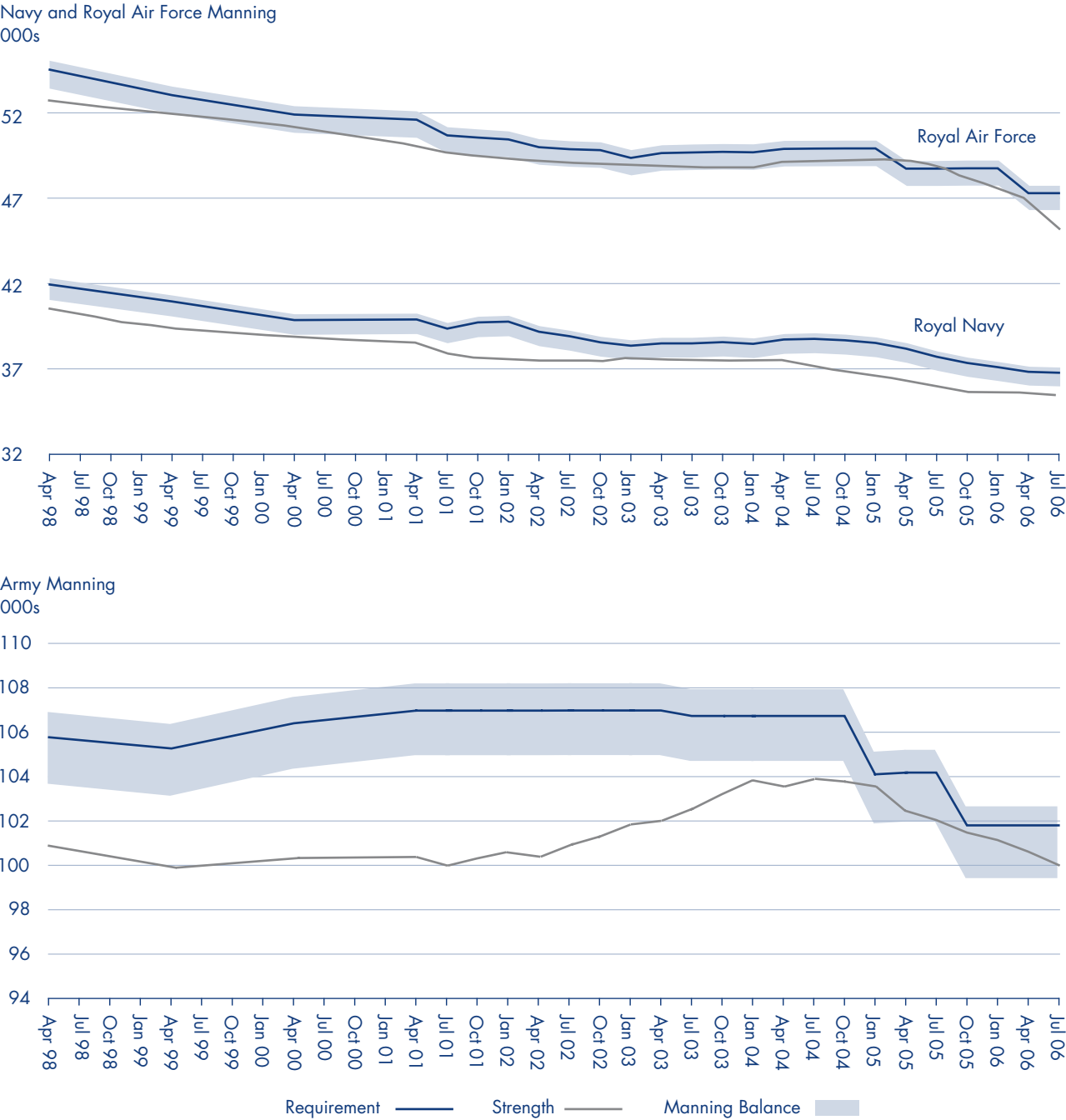
1.11 As at July 2006, the Royal Air Force expected to achieve manning balance by 2008. However, the Department forecast that manning levels may continue to fall below manning balance between July 2006 and April 2008 while the Royal Air Force reduces in size by 8,000 personnel as part of its restructuring programme, as it is likely that the strength will fall more quickly than the requirement. The Royal Navy predicted that a forecast reduction in its requirement should mean the deficit between its strength and requirement reducing to within the Manning Balance tolerance by April 2008. There had been some doubts about the Army’s expected ability to achieve its revised requirement, following restructuring, of 101,800 personnel by April 2008 given existing difficulties in recruitment (paragraphs 3.2 to 3.4). However, as at July 2006 the Army forecast that it would achieve Manning Balance by 2008.

⁸ *Delivering Security in a Changing World*, Future Capabilities: July 2004, Cm 6269.

⁹ This figure does not include the costs incurred on redundancies, resettlement and ex-gratia payments associated with the drawdown from Northern Ireland, as this is not part of Defence restructuring.

2 Service manpower requirement versus strength and manning balance

Manning Balance has not yet been achieved in all three Services



Source: Ministry of Defence

Historically, the Services run below full manning

1.12 As Figure 2 shows, the three Services' manning strengths have consistently run below the full manning requirement in each case. There are two principal reasons for this. First, it is not enough for the Services to achieve full manning in pure manpower numbers. Each Service must also achieve structural balance in terms of having the right numbers of suitably experienced personnel within the various trades and specialisations of the Armed Forces. This has often been difficult to achieve. Thus, as the Services get closer to their manpower targets they inevitably face the problem of achieving structural balance within a number of difficult areas. For example, in the Royal Navy, ongoing shortages of personnel at Leading Hand and Petty Officer ranks will not be overcome by recruiting activity although steps are being taken to alleviate the problem. Second, the Services are only funded to achieve a given level of recruits each year. There is little scope under the current funding mechanism to exceed recruitment targets and little scope, therefore, to recover previous shortfalls.

Overall manning numbers mask shortages in particular areas and achieving full manning in these may take some time

1.13 Within the overall manning levels of each of the Services there are a number of discrete areas that are under strength for a variety of reasons. Those areas of shortage that are most operationally significant are known as "pinch points". They are kept under regular review by the Department and are subject to a variety of initiatives to improve the manning position. We found, however, that in several areas, despite significant effort directed to manning these trades in particular, full manning may not be achieved by 2008.

The Department has identified, and monitors, a number of "pinch points"

1.14 The Department defines pinch points as trades or areas of expertise where there is insufficient trained strength to perform operational tasks without curtailing the time provided between deployments for recuperation, training and leave. Pinch points can often present significant risks to operational capability and can relate to either whole trade groups or to problems at specific ranks.

Some pinch points, such as medical trades, are common to all three Services and some have existed within specific trades for several years. As at September 2005, the three Services, together, had identified a total of 88 separate pinch point trades. The pinch point status of some of these trades reflects the potential requirement for future, rather than current, operations.

1.15 We surveyed both serving and former personnel from within the most significant 34 pinch point trades at September 2005 to discover why they had decided to continue to serve with, or to leave, the Services and to gain insights into the problems that have affected these particular groups. Of these, we selected 11 pinch point trades from across the three Services to examine in more detail.

Figure 3 overleaf shows that, as at April 2006, manning shortfalls in these case study groups ranged between 1.6 per cent and 70 per cent. Detailed findings for each case study group are provided in Volume 2, pages 24 to 59.

Causes of pinch points are complex

1.16 Individual trade groups can become classified as pinch points due to shortages of personnel arising for one or more of the following reasons:

- Failure to recruit sufficient numbers of personnel;
- Poor retention, leading to personnel leaving the Service before the scheduled end of their engagement period;
- The number and frequency of operational commitments places excessive demands on existing personnel whose trade group may otherwise be at or near full strength; and
- The nature of modern warfare has led to an increased requirement for particular specialisations and manning strengths have not kept pace with that growth in demand.

1.17 Many of the pinch point trade groups comprise relatively few personnel. Such groups may be disproportionately affected by the loss of small numbers of people since the problems caused by undermanning will be quickly exacerbated and greater demands will be placed on those personnel who remain. In addition, it is difficult to replace quickly those who have left, due to the time taken to train them, the limits on the capacity for training places, and the need to gain "on the job training". These factors, in turn, may then lead to further retention difficulties.

3 Manning requirement, strength and shortfall for each case study group as at April 2006

Shortfalls in case study pinch point trades range from 1.6 per cent to 70 per cent.

Pinch point	Requirement	Strength	Shortfall (%)	Case Study
Royal Navy				
Nuclear Watchkeepers	309	220	29.0	1
Leading Hands (General Service) Warfare Branch	1,770	1,400	21.0	2
Royal Marines Other Ranks (General Duties)	5,960	5,390	9.6	3
Army				
Ammunition Technicians	367	275	25.0	5
Information Systems Engineer	378	301	20.3	6
Recovery Mechanics	595	485	18.5	4
Explosive Ordnance Disposal	644	558	13.4	7
Royal Air Force				
Weapons System Operators (Linguists)	70	35	50.0	8
General Technician (Electrical)	615	605	1.6	9
Medical				
Accident and Emergency Nurse	210	67	68.0	10
Intensive Therapy Unit Nurse	223	68	70.0	11
General Practitioner	314	260	17.0	11

Source: Ministry of Defence

Full manning in pinch point trades will not be possible by 2008

1.18 The Department devotes considerable efforts to managing pinch point trade groups in its attempts to alleviate manning shortfalls. In some cases, however, despite these efforts, full manning remains a distant prospect. For example, the Department does not expect to achieve full manning in any of our case study trades before 2007 and, in the case of Nuclear Watchkeepers until 2014. The programme of managed outflow, undertaken as part of the current downsizing of the Armed Forces, involving restructuring and reductions in manpower (paragraph 1.10), will not directly impact on pinch point trades, as no staff in these trades have been offered financial packages for early departure.

The Department looks to identify emerging pinch points at an early stage so that appropriate mitigating action can be taken

1.19 The Department recognises that it is important to monitor the manning position across all trade groups since the loss of too many experienced personnel from certain groups may present risks to operational capability, particularly during the, sometimes lengthy, time that it can take to recruit and train replacements. The Department is aware, for example, that current shortages of manpower within the Infantry and the Royal Artillery will require careful management if they are to avoid becoming pinch point areas in the future (paragraph 3.4).

Manning shortfalls and operational commitments have led to greater use of Reserve Forces

1.20 The Department plans that the three Services will be able to deliver the required operational capability under its Defence Planning Assumptions largely without the support of Reserve Forces.¹⁰ Overall, Reserve Forces could not substitute for the capability provided by large parts of the Regular Armed Forces, given the inherent limitations in training time and that they are not able to deploy as quickly as high readiness forces.

1.21 In line with the intention to develop more relevant and deployable Reserve Forces, described in the 1998 Strategic Defence Review, Reserve Forces have been used to an hitherto unprecedented degree over the last 10 years. This reflects in part the scale of operations such as the first phase of Operation TELIC in Iraq, during which over 5,200 Reservists from all three Services were deployed (12 per cent of total United Kingdom Forces) as well as changed expectations within the Reserves about the extent to which they will be deployed. The continued high operational tempo has meant that Reserve Forces have continued to be used in significant numbers on enduring operations, and in many cases this has helped to relieve the pressure on key pinch point groups such as medics. It also reflects the scale of continuing operations. Our earlier Report on Reserve Forces¹¹ examines the changing use of Reserves, their capability, the future requirement for Reserves, and their sustainability.

¹⁰ The three primary roles for Reserve Forces are to provide the Armed Forces with additional capability for large-scale operations; to augment or reinforce Regular Forces on small- or medium-scale enduring operations where Defence Planning Assumptions have been exceeded, or to provide specialist capabilities not available in the Regular Forces.

¹¹ Report by the Comptroller and Auditor General, *Ministry of Defence: Reserve Forces* (HC 964 Session 2005-2006).

PART TWO

Retention



2.1 The Department expects that a certain number of personnel will leave the Armed Forces early each year, and indeed requires sufficient turnover of personnel to maintain promotion opportunities. This Part of the Report looks at whether the Armed Forces are retaining sufficient personnel to deliver the required military capability. We found that early departures were starting to increase for some key groups. Although a variety of factors influence personnel in decisions to stay or leave, workload, separation, and the impact on family life are key drivers. Increased operational tempo has led to heavier workloads and more separation from families than expected, particularly in many pinch point trades. The Department is using a range of short-term measures to retain personnel in pinch point groups, including financial incentives, which have met with some success. Initiatives to address longer-term retention issues are being developed.

There are signs that the numbers of personnel choosing to leave the Armed Forces early are beginning to increase for some key groups

2.2 A degree of “churn” in personnel is healthy for any organisation. Each year, the Services expect that a number of people will leave when they come to the end of their defined career structures or set periods of engagement, or when they reach defined pension points. This natural turnover of personnel enables the Services to maintain promotion prospects for those progressing through the system. Personnel can also choose to leave before the end of their engagement period by applying for voluntary outflow.

2.3 Too many personnel leaving early may detract from the Armed Forces’ ability to achieve full manning. It also means that the Department may not be getting the best return for its investment in an individual’s training and development. Experienced personnel who leave early can be difficult to replace as it can take many years for a replacement to be recruited, trained and to gain the relevant experience for the role.

The Department considers that current levels of early exits are fairly stable

2.4 The Department does not set targets each year for the maximum numbers of people that give notice to leave early. It does, however, monitor the rate of applications to leave early against assumptions about exit rates and against guideline figures based on historical trends. In the last two years, overall exit rates have risen slightly for Officers and Other Ranks, but have not yet reached the peaks seen in the last 10 years, and the Department believes that overall the long-term trend is fairly stable ([Figure 4 overleaf](#)).

The rate of early departure varies between pinch point trades

2.5 Some trades have higher than average exit rates, and previous high outflow levels have contributed to some of the manning shortfalls in today’s pinch point trades (Volume 2, pages 24 to 59). [Figure 5 on page 19](#) shows current early exit rates for our case study pinch point trades.

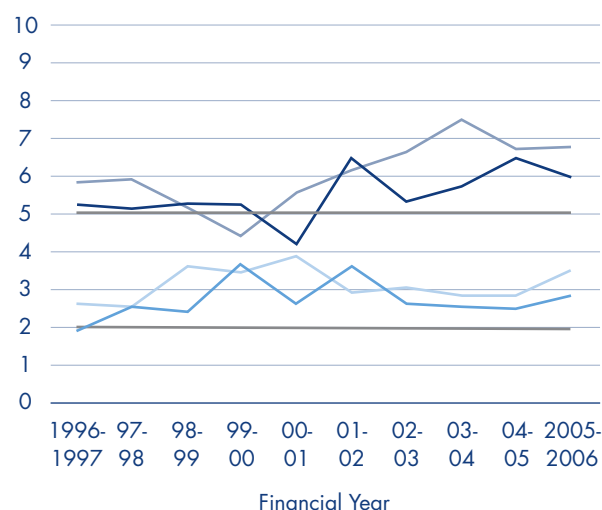
A variety of factors influence personnel in their decisions to stay in, or leave, the Services, but workload, separation, and the impact on family life are key factors

2.6 It is difficult to identify any one factor that leads people to leave the Services. Often, it is a combination of factors and these vary by individual depending on their personal circumstances. However, evidence from our survey of pinch point trades, as well as from the Department’s own surveys and the Armed Forces’ Pay Review Body’s findings, suggests that there are several common factors which persuade Service personnel to leave. These are mainly related to the impact of Service life on family life, including the ability to plan ahead and work-life balance.

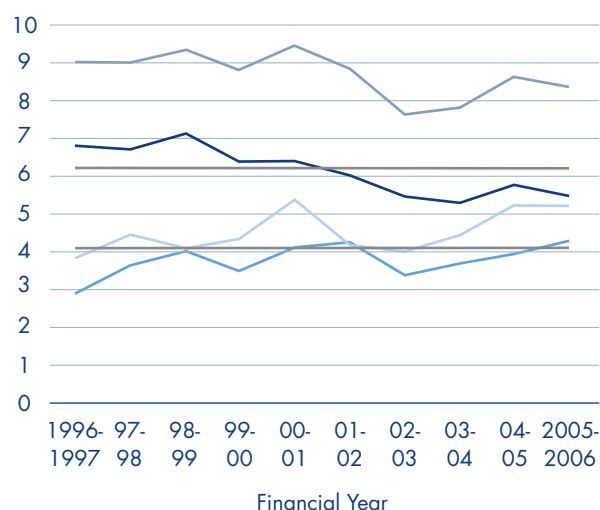
4 Voluntary Outflow¹

Overall there has been a slight increase in the numbers of people leaving early in the last two years, but not to the peaks seen earlier in the 10 year period.

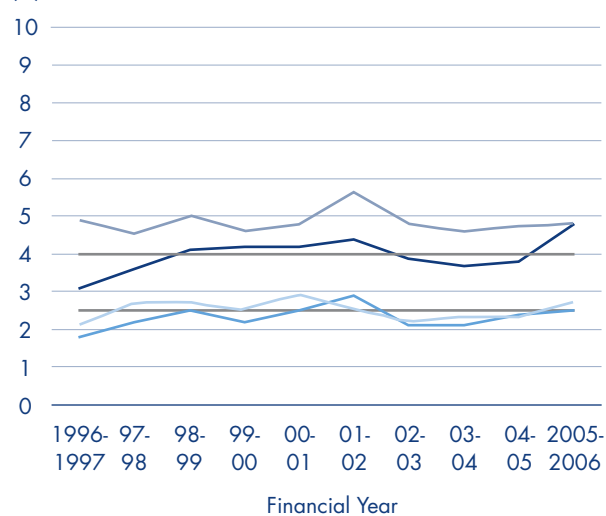
Navy Voluntary Outflow (%)



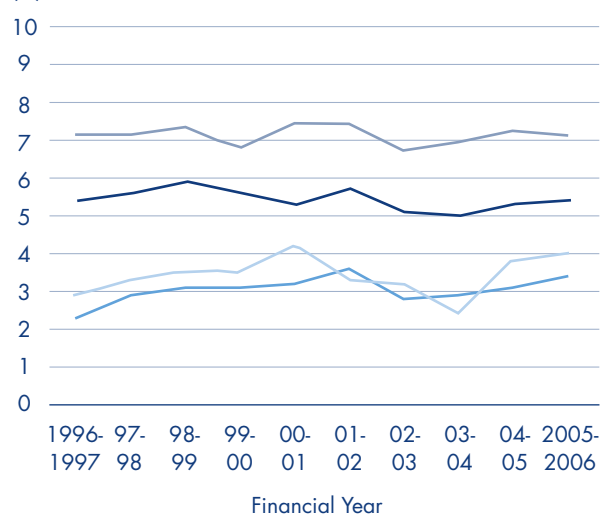
Army Voluntary Outflow (%)



Royal Air Force Voluntary Outflow (%)



All Service Voluntary Outflow (%)



— Officer Exits — Officer Applications — Officer Guideline
 — Other Ranks Exits — Other Ranks Applications — Other Ranks Guideline

Source: Ministry of Defence

NOTE

¹ The graph shows both applications and exits. Applications for early release do not all translate into early exits. Personnel are required to serve a set period of notice (up to 18 months for some trades), during which time they are able to change their mind and withdraw their application if they wish.

5 Voluntary outflow rates for case study pinch point trades as at April 2006

Early exit rates in case study trades ranged from two per cent to 10 per cent

Case Study	Voluntary Outflow Exits 2005-06 ¹		Guideline %
	Trade Average %	Branch Average %	
Royal Navy: Royal Marines Other Ranks	7.2		5
Royal Navy: Warfare Branch (General Service) Leading Hands		6.6	5
Royal Navy: Medical (Ratings)		5.2	5
Royal Navy: Marine Engineering Artificer (Nuclear Watchkeepers)	3.2		5
Army: Explosive Ordnance Disposal		8.2	6.2
Army: Nurses (Soldier)	8.6		6.2
Army: General Practitioner	10		4.1
Army: Recovery Mechanics	4.5		6.2
Army: Information Systems Engineer	3.1		6.2
Army: Ammunition Technician	4.0		6.2
Royal Air Force: Weapons System Operator (Linguist)	5.4		2.5
Royal Air Force: General Technician Electrical	2		4
Royal Air Force: Medical	6		4 (Other Ranks) 2.5 (Officers)

Source: Ministry of Defence

NOTE

¹ Where Voluntary Outflow data is not available at trade level, the average Voluntary Outflow rate for the relevant Branch has been included.

Pinch point trade personnel are broadly satisfied with their careers to date, but a small number are intending to leave early

2.7 Our survey looked, in particular, at what factors have influenced a selection of pinch point trade personnel, as these are some of the most critical shortage groups. Overall, 72 per cent of those we surveyed were broadly satisfied with their Service career to date¹², while 27 per cent said that their career had been “worse than expected”.¹³ The areas of Service life with which personnel were most satisfied overall, and which personnel said kept them in the Services¹⁴ included the interesting and challenging nature of the job and work, job security, pension, comradeship, the active lifestyle and travel opportunities.

2.8 Two-thirds of serving personnel we surveyed said that they currently intended to stay in the Services, either for their full career, or at least until the end of their current engagement. Four per cent had already given notice to leave, which is broadly in line with the current voluntary outflow application rate for Other Ranks. A further 11 per cent of serving personnel intended to leave before the end of their current engagement, or whenever another job became available.

¹² Rated their Service career to date “as expected”, “better than expected”, or “significantly better than expected”. Source: National Audit Office Survey of serving personnel in pinch point trades (4,695 personnel).

¹³ One per cent of respondents said “don’t know”.

¹⁴ Base - those who intended to stay in the Services.

Ability to plan ahead in life outside work and the impact on family life of separation and workload are key drivers in people's decisions to leave

2.9 The impact of Service life on family life and the inability to plan life outside work featured strongly in the most important reasons for leaving both for those serving personnel who intended to leave and among those who had left our sample of pinch point trades since 2004. Other important reasons were the availability of employment in civilian life, feeling that the work of the Services is no longer valued, uncertainty over the future given the current changes in the Forces and concerns over the quality of equipment (Figure 6).

Ability to plan ahead in life outside work and the impact on family life of separation and workload are also key dissatisfaction factors for all personnel

2.10 Similar dissatisfaction factors were quoted by the survey population as a whole (including those who intended to stay in the Forces). Our survey also showed that further deterioration in the aspects of Service life with which personnel were most dissatisfied might also cause serving personnel in pinch point trades to reconsider their decision to stay (Volume 2, page 12). Our survey findings were specific to groups of pinch point trade personnel, however they are in line with findings from the Department's own Continuous Attitude Surveys of a wider cross-section of Service personnel.

The Department has a good general understanding of the main factors that drive personnel to leave at an overall level, and is working to improve its detailed evidence base

2.11 The Department has a general understanding of why people leave the Services through evidence it collects from a series of surveys it conducts each year. Continuous Attitude Surveys target a broad cross-section of personnel in each of the three Services, and provide information on a wide range of satisfaction and dissatisfaction factors. The Department is working to strengthen the focus on retention factors within these surveys, and is also developing a tri-Service Continuous Attitude Survey, which will enable

better comparison of information between the three Services. The Services also undertake separate surveys of those who have given notice to leave, but there have been problems with low response rates in the Army (as low as three per cent), and these surveys have not always been carried out consistently or rigorously enough. In addition to its regular surveys, the Department has instigated a programme of work to provide more detailed information on what motivates groups of people at different points in their Service careers. The Valuing and Investing In Service Personnel Project, which is essentially a longitudinal research project, is aimed at understanding the factors that make people either stay or leave the Services.

2.12 The Department will make use of the improved management information available from the Joint Personnel Administration system to link attitudinal data to information about the individual circumstances of particular groups, including, for example, family status and groups with particular deployment patterns, although it will take time for enough data to be accumulated in the new system from which to draw meaningful results and trends.

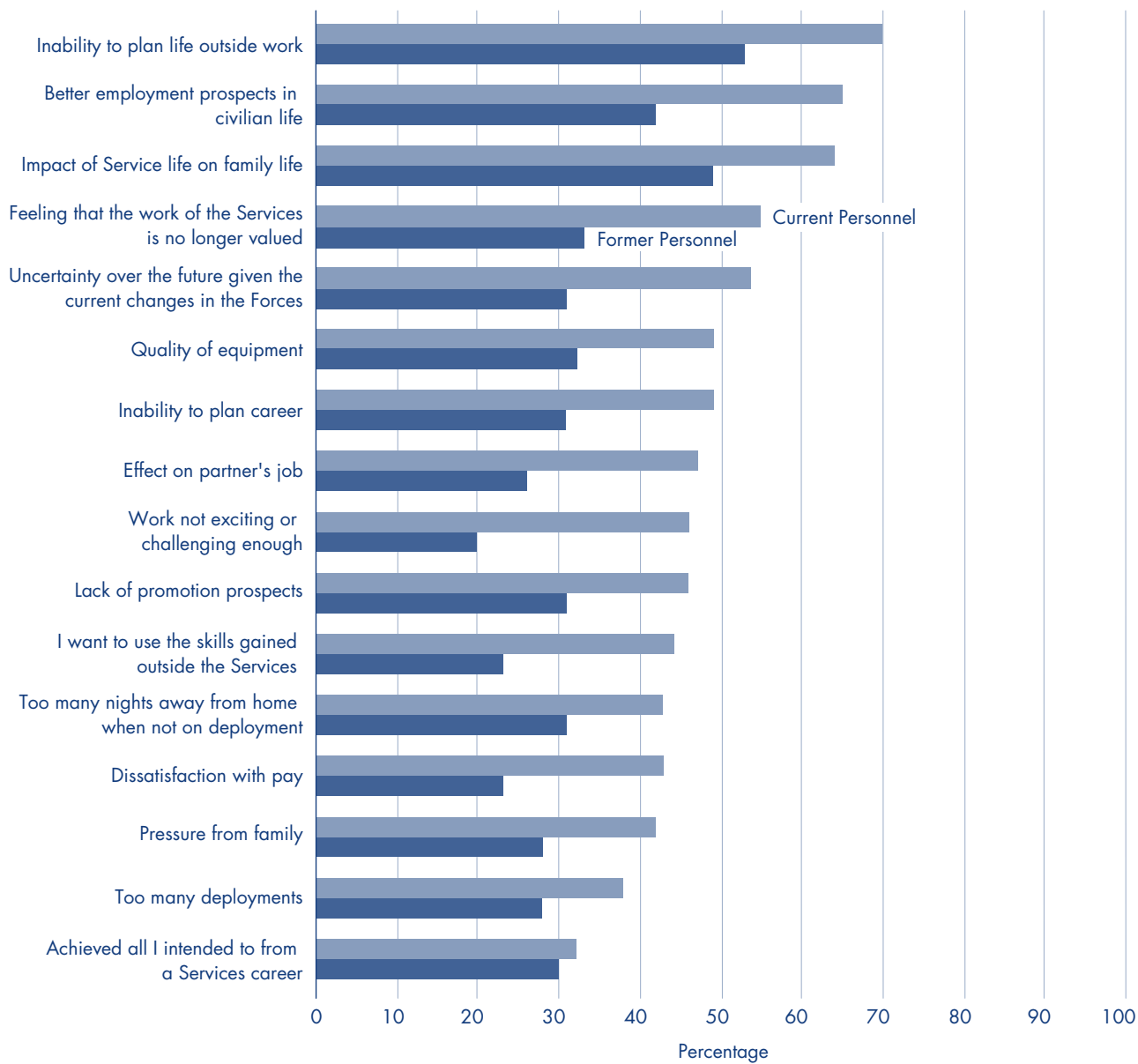
Personnel consider that increased operational tempo has led to heavier workloads and more separation from families

2.13 As noted at paragraph 1.5, the Armed Forces have been operating in excess of Defence Planning Assumptions for several years. We found that this has led to increased demands on personnel in terms of increased time away from home and also in heavier work pressures when serving in Units when not deployed on operations. We examined specifically the impact of deployment on decisions to leave. "Too many deployments" was one of the 15 most important reasons for leaving given by our survey respondents and contributes significantly to two of the top three factors: the "impact of Service life on family life" and the "inability to plan life outside work". The current level of operational commitments contributes to the overall workload of the Services and there is a high level of Parliamentary and public interest in this area.

6 Reasons for leaving

Inability to plan life outside work was the most important reason for leaving for both current and former personnel

Most important reasons for leaving



Source: National Audit Office Survey of pinch point trade personnel. (Base: 789 current personnel who had given notice to leave, or intended to leave before end of engagement, 761 former personnel). Percentage rating each factor as important or very important in their decision to leave.

The Department's guidelines on separated service are being exceeded by some personnel

2.14 A degree of separation from home/family is an expected part of Service life. Each Service has set guidelines on the amount of time personnel should spend away which aim to ensure that Service personnel and their families have a sustainable balance between time away and time at home. These “harmony guidelines” are based on routine levels of activity as set out in the Defence Planning Assumptions (paragraph 1.2).

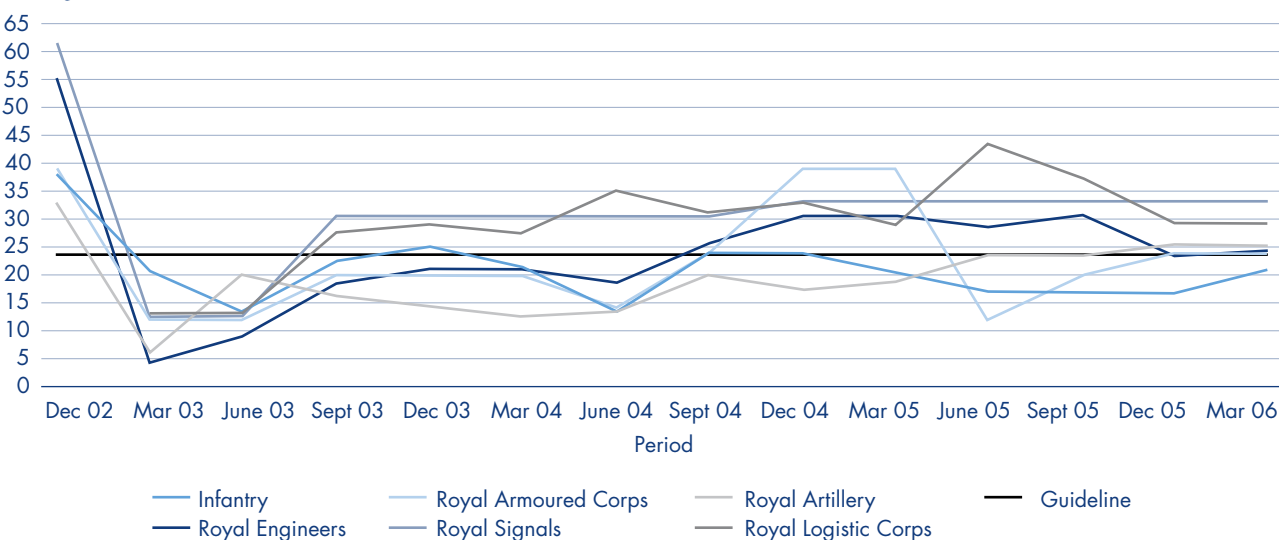
2.15 Each Service reports performance against two guidelines – an individual harmony guideline which stipulates the maximum amount of separated service that individual personnel should serve within any given period, and defined tour intervals to determine the frequency with which formed units (an Infantry Battalion, for example) should deploy on operations. Both measures are important because, at times, personnel deploy with units other than their own to fill gaps or bring the unit up to “augmented” strength for large-scale operations. This is common in the Army, particularly for specialist pinch point personnel. The Royal Navy and Royal Air Force also provide augmentees for operations. Augmentation adds to pressures on personnel across all three Services.

2.16 Comparisons between the Services are not easy because historical data is patchy and each of the Services uses different metrics to measure harmony.¹⁵ However, we found that guidelines were being exceeded by a significant number of personnel. Overall, the Army estimated that, as at January 2006, 14.5 per cent of those on the trained strength had breached the individual separated service guideline at some point in the previous 30 months. And the impact of operational tempo has been significant at unit level in the Army, with the Infantry experiencing tour intervals of 17 months in 2005 compared to the guideline of 24 months (Figure 7). In the Royal Air Force, the guideline is for no more than 2.5 per cent of individual personnel to serve more than the specified time on detached duty (over a 12 month period), and four to six per cent of Royal Air Force personnel have exceeded guidelines in every year since 1998. The Royal Navy has largely met its targets for harmony. However, ships have sailed with an average level of “gapped” frontline posts of 12 per cent and the need to meet harmony targets is one of a number of factors that have contributed to this situation.

7 Average Army Unit tour intervals 2002-2006

Some Army Units continue to break guidelines on average tour intervals

Army Unit Tour Intervals
Average Tour Interval – months



Source: Ministry of Defence

¹⁵ Royal Navy: no individual should exceed 660 days of separated service in any three year period while, over a similar time span, fleet units should not be deployed for more than 60 per cent of their time. Army: individuals should not exceed 415 days of separated service in any period of 30 months. At unit level, tour intervals should be no less than 24 months. Royal Air Force: no more than 2.5 per cent of individual personnel should serve more than 140 days of detached duty in any period of 12 months, while unit tour intervals should not be less than 16 months.

2.17 For all Services the overall figures mask the impact on operational pinch points, which are particularly affected by the high level of commitments given the shortages of personnel in these groups. In many trades within all three Services, individual harmony is routinely broken to meet manpower requirements. For example,

Figure 8 shows the extent to which personnel in Army pinch point trades have breached individual harmony guidelines. In the Royal Air Force, areas which are particularly affected include personnel serving with Harrier Squadrons, Nimrods and Royal Air Force Regiment Field Squadrons.

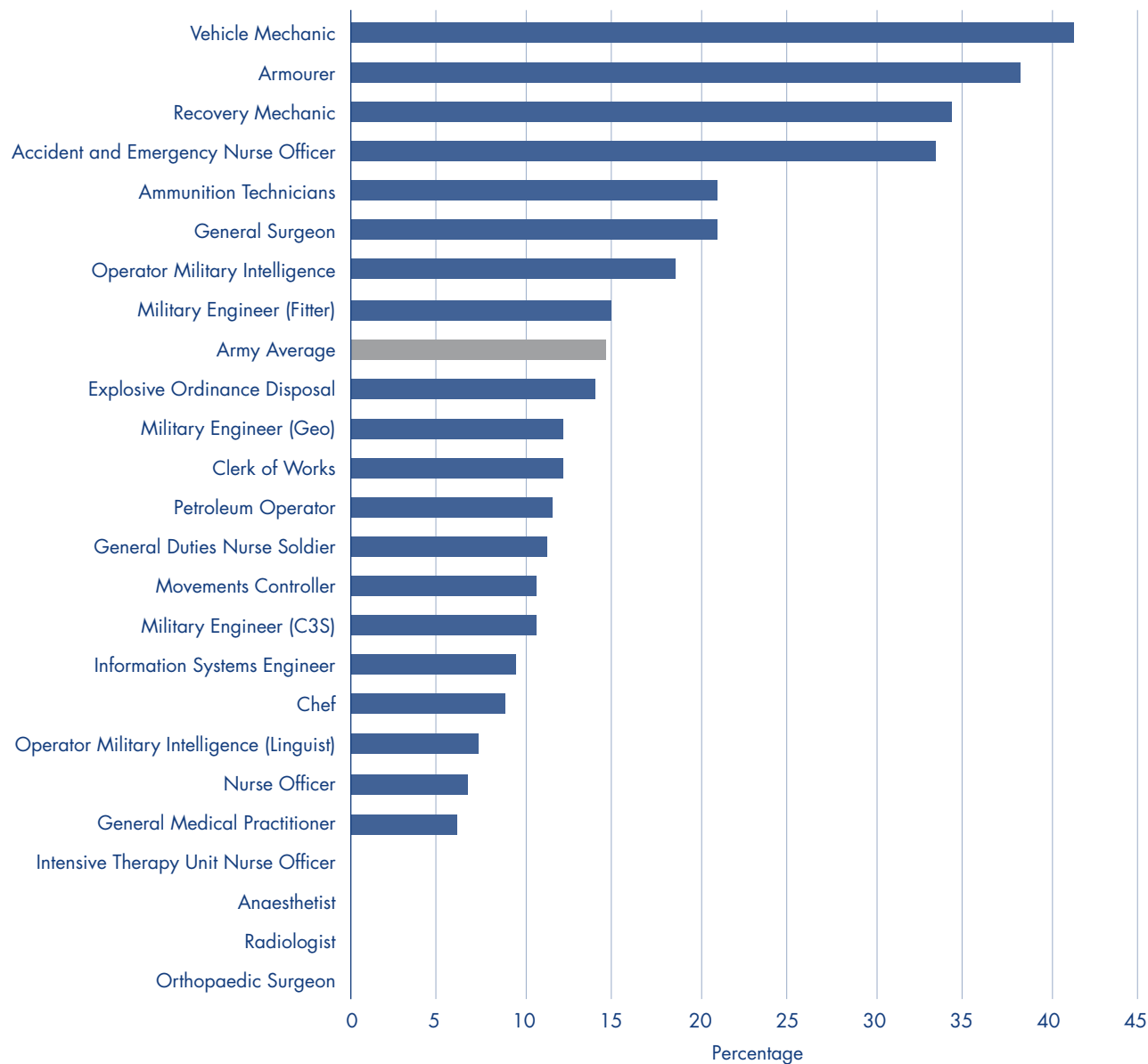
8

Percentage of personnel exceeding individual harmony target for Army pinch point trades

Individual harmony targets are being exceeded in the majority of Army pinch point trades

Percentage of Trained Personnel exceeding individual harmony guidelines in Pinch Point Trades

Trade



Source: Ministry of Defence. Figures correct as at January 2006.

2.18 The true extent of time spent by personnel away from home will be greater than that captured by the harmony measures, however, since personnel may not always record short absences such as those for which they are not paid a financial allowance, or other disruptions to home life, such as being on high readiness status and needing either to be on base or to stay close to base on short notice to move. The position is further confused since each Service differs in its definition of the activities that are classed as separated service. The Joint Personnel Administration system (paragraph 2.12) will standardise the recording of data between the Services and improve the quality of separated service data available. This, in turn, will assist the Department in its management of individual separation. Owing to the lack of historical data, however, meaningful trend analyses will not be possible until 2008.

Deployments are retention positive for some, but for others they have contributed to their decisions to leave

2.19 Deployments have played a role in some decisions to leave amongst the pinch point trade personnel we surveyed; 28 per cent of former personnel and 38 per cent of those still serving who planned to leave¹⁶ rated “too many deployments” as important as a reason for their decision or intention to leave. And 32 per cent of serving personnel who planned to leave and 21 per cent of former personnel said that the fact that operational deployments were too long was an important contributory reason (Volume 2, page 13).

2.20 Even amongst those who are currently intending to serve a full Service career or re-engage, 36 per cent of those who had been deployed¹⁷ felt that the number and frequency of operational deployments (Figure 9), and to a lesser extent (28 per cent), that the length of deployments would be an important factor in any future decision to leave (Volume 2, page 19). For the majority, this was because they felt there were too many deployments, rather than too few, or because they felt deployments were too long, rather than too short.

2.21 Our survey respondents had mixed views on whether deployment in particular theatres had had any impact on their decisions to stay or leave (Volume 2, page 20). The most significant operation in terms of numbers deployed was Iraq, with over half of the pinch point trade personnel who responded to our survey having been deployed there. Seventy per cent of former pinch point trade personnel who responded to our survey who had deployed to Iraq said that their deployment had no impact on their decision to leave. Of current personnel in pinch point trades who responded to our survey, 16 per cent said deployment to Iraq made them more likely to stay, 56 per cent said it had no impact on their decision to stay or leave, and 27 per cent said it made them more likely to leave.

2.22 Deployments are retention positive for some. Nine per cent overall of former personnel surveyed, or those who intended to leave before the end of their engagement, said that not enough deployments was an important reason in their decision. This view was expressed more strongly by the Royal Marines that we surveyed – 14 per cent of currently serving personnel and 28 per cent of recent leavers cited too few deployments as a reason for leaving.

The impact of increased operational tempo is felt throughout the Services, including by personnel not currently on deployment

2.23 Operations are manned as a priority, but this can mean individuals being moved around in order to man the priority posts, and can lead to some lower priority posts being left unfilled, or “gapped”, in lower readiness units. Pinch points suffer the most from gapping and short-notice tactical deployment. Those personnel who are not deployed, and those who are in lower readiness units or ships will have a heavier workload in order to cover the duties of the gapped posts, adding to the pressures that they are experiencing. Of those that we surveyed, 71 per cent of current serving personnel in pinch point trades in all three Services, and 54 per cent of those who had recently left the Services felt that pressures on their time when not on operations had increased in the last few years. These views were stronger among those serving personnel who had been in the Forces longer.

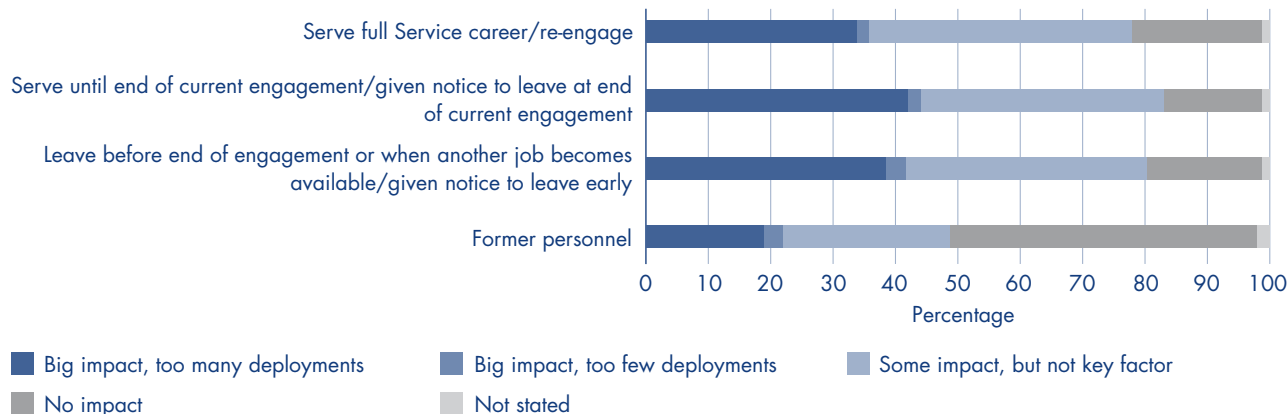
¹⁶ Those who had either given their notice to leave, or intended to leave before the end of their engagement (789).

¹⁷ 96 per cent of recent leavers, and 92 per cent of serving personnel surveyed had been deployed.

9 Impact of number and frequency of deployments on decisions to leave

Deployments have influenced decisions to leave for many personnel, and would be an important factor in future decisions to leave for many of those currently intending to stay

Career intentions



Source: National Audit Office survey of pinch point trade personnel

2.24 The Department's survey of working patterns showed that the average hours worked each week by Armed Forces personnel had fallen slightly in 2005-06 for the Army and the Royal Air Force (to 46.9 hours and 42.2 hours respectively), although it had increased for the Royal Navy (to 51.4 hours). The proportion of personnel working excessive hours (defined as 70 hours or more a week) also fell slightly in the Army and Royal Air Force, although it had increased slightly over the same period for the Royal Navy (eight per cent of Army personnel, two per cent of Royal Air Force personnel and 20 per cent of Royal Navy personnel surveyed reported working excessive hours, giving a Service average figure of nine per cent).¹⁸ In its 2006 Report, the Armed Forces' Pay Review Body raised concerns about the impact of workload, working hours and an inability to take leave when planned on pinch point trade personnel. These issues were also of concern to Families Federations that we interviewed.

The Department is using a range of short-term measures (including financial incentives) to improve retention and alleviate undermanning

2.25 The Department is using both financial and non-financial measures to improve retention and the manning position in pinch point trades, with varying degrees of success. For some longer-term initiatives, it is too early to say whether they are delivering the planned improvements in retention.

Based on the evidence available, financial retention incentives have been successful, but they are not a long-term solution

2.26 Financial retention incentives have been offered both on a tri-Service basis where there are common problems, and to target specific trades in individual Services. Financial retention incentives involve offering a fixed sum of money to eligible personnel, in return for them committing to a defined "Return of Service" period. The use of these incentives enables the Department to secure a number of guaranteed "man-years" of service from personnel whose skills and experience are highly valued and difficult to replace.

18 Source: Defence Analytical Services Agency Survey of Continuous Working Patterns 2005-06 (survey of 10,149 personnel).

2.27 The Department operates two systems of approval for financial retention incentives, depending on their size. Those incentives which are high value or tri-Service in nature are agreed by the Secretary of State, approved by the Treasury and then endorsed by the Armed Forces' Pay Review Body. In addition, since April 2005, the Services have each had delegated authority, on a trial basis, to spend up to £2 million each year on lower value, single Service schemes. The Royal Navy has used the funding provided to target emerging problems in the Medical Assistant (Submariner) trade. The Army and Royal Air Force have not yet made use of these delegations.

2.28 Financial retention incentives have been an effective short-term fix to stabilise outflow and improve manning in some trades, particularly pinch point trades, while giving the Department time to address the underlying causes of low morale or poor retention. All retention incentives that are approved complement a programme of non-remunerative measures against which the Services will also report progress. These may include those measures discussed in paragraphs 2.34 to 2.40, as well as increased efforts to improve recruiting, training and career management.

2.29 Appendix Three details the financial retention incentives that have been used by the Department to date. The schemes for Aircrew, Non-Commissioned Aircrew and Submariners have secured 12,019 man-years at a total cost of £74 million since April 2002 although the Department has not estimated how many of these are additional and how many personnel would have stayed without the incentives.¹⁹

2.30 The Department recognises that there are several limitations associated with financial retention incentives and has work in hand to further understand them and their potential impacts. The main limitations are:

- **Financial retention incentives may be paid to some individuals who do not intend to leave.** The Department is prepared to accept the risk that money may be paid to some personnel who would have stayed anyway. Whilst this may be cost-effective in some cases, the Department has not identified the extent to which the offer of a financial retention incentive, as opposed to other factors, influences

individuals to stay in the Services. Our survey of pinch point trade personnel who had been offered a financial incentive to stay in the Services found that this had been the deciding factor in their decision to stay for 11 per cent of people while, for 27 per cent, it had some influence but was not the deciding factor and for a further 53 per cent of personnel, it had no impact since they would have stayed anyway;

- **Financial retention incentives can be divisive.** Financial retention incentives are targeted at defined groups of people with specific eligibility criteria. There is a risk that personnel who are ineligible for the scheme may become resentful. Careful communication is also needed about the terms for implementing and withdrawing any incentive scheme to avoid any potential negative impact on morale; and
- **If the Services cannot address some of the underlying issues in the limited time that schemes are in place, there is a risk that retention problems may recur when incentives are withdrawn.** For example, the Nuclear Watchkeepers' incentive scheme has stabilised the manning position while the Royal Navy tries to tackle some of the underlying reasons for early exits in that trade (Volume 2, pages 24 to 27). The Department has extended the scheme by two years to 2008 while the manning position improves, to allow it more time to resolve some of the fundamental issues involved.

2.31 Aside from targeted financial incentives, commitment bonuses are paid to other ranks in all three Services to encourage service to the six and nine year points. Commitment bonuses may be paid as a single lump sum or in two parts at specific reckonable service points. The combined bonuses attract a two year return of service or, if they are paid in two parts, the recipient must undertake to give a one year return of service for each payment. The timing of the payment of the bonuses is decided by the single Service Manning Authorities in order to make them a flexible and targeted retention tool. The value of the bonuses is set by the Armed Forces' Pay Review Body and the Department will be submitting a paper of evidence on commitment bonuses to the Armed Forces' Pay Review Body to inform its deliberations for its 2008 report.

¹⁹ This figure does not include the financial retention incentive for the Royal Signals. The Department did not measure the number of man-years secured by this initiative.

There is scope to improve the evaluation of financial retention incentive schemes

2.32 The centrally approved financial retention incentive schemes are routinely evaluated in terms of the total cost, take-up rate and the return of service secured. As a result of this monitoring some schemes have been withdrawn early, as the relevant groups/cadres had returned to manning surplus.²⁰ However, the evaluations do not include cost benefit analyses comparing the costs of the schemes with recruitment and training costs.

The fact that pay is often tied to rank can limit the ability to offer financial rewards for personnel with certain skills, though the link has been broken for some trades

2.33 Progression up the pay scales is linked to military rank, which means that in order to receive a competitive salary compared to external employers, personnel would need to be at a certain rank, for which they may not have the necessary military experience. This link has been broken for some medical trades to enable the Services to pay these personnel a salary which compares favourably with their equivalents in the National Health Service. There are also schemes in place in all three Services for selected aircrew who elect to remain in flying duties for the remainder of their Service career, whereby pay is effectively decoupled from rank, by consolidating flying pay allowance into pensionable pay. As at April 2005, between 76 per cent and 100 per cent of eligible personnel had taken up the offer to remain in flying duties. Similar schemes have not been used more widely, for example in technical trades. However, as part of the Service Personnel Plan the Department is conducting a Strategic Remuneration Review which will consider among other options the further de-linking of pay from rank.

The Services are using a range of non-financial measures to improve manning in pinch point areas

2.34 The Department has adopted a range of measures to try to retain its most experienced personnel, and to alleviate some of the pressures caused by the combination of undermanning and high commitment levels in pinch point trades.

Keeping experienced people longer, or retaining their experience in a different capacity

2.35 Continuance schemes (offering an individual a one or two year contract to stay on) and Long Service Schemes (offering individuals an extended engagement period, of five or 10 years) are being used successfully to retain experienced personnel in some areas. In addition, the Army is planning changes to its engagement structure from 2008; it is proposed that soldiers will sign on for a shorter initial period of 12 years, during which time they can be offered a full engagement of 24 years service. Soldiers in areas where there is a need to retain personnel longer may later be offered service up to a retirement age of 55.

2.36 Approximately 1,570 personnel who have left the Services are employed on Full Time Reserve Service short-term contracts to fill specific posts as at July 2006. Of these, 580 personnel are limited to "Home Commitment" and therefore cannot be deployed overseas.

Getting more people into shortage areas more quickly

2.37 Transfers within an individual Service, or from one Service to another, are one way to improve numbers in pinch point trades. For example, the Royal Navy has 164 Royal Air Force personnel working in the Air Engineering Mechanic pinch point for two years until the end of 2007. The Army holds 'transfer fairs' on a regular basis, and paid 66 transfer bonuses between August 2004 and March 2006, at a total cost of £99,000 to those moving into operational pinch point trades.

²⁰ Royal Air Force ceased payment of Financial Retention Incentive 1 on 1 April 2005 (two years early) and payment of Financial Retention Incentive 2 to those cadres in manning surplus from 1 April 2005 also. The Army has ceased payment of Financial Retention Incentives 1 and 2 from 1 April 2006 (one year early).

2.38 The Services have ‘fast tracked’ personnel to provide additional manpower in shortage areas. For example, the Royal Air Force has relaxed the requirement for General Technician Electrical personnel to hold a particular qualification before they can be deployed and also now deploys personnel in certain cadres with acting rank. The Royal Navy is trying to speed up the promotion process for Able Seamen to Leading Hands in the Warfare Branch (Volume 2, pages 28 to 30) and is trialling a Fast Track Petty Officer scheme.

Reducing pressures on pinch point trade personnel

2.39 The Services are working to reduce the pressures on pinch point trade personnel through initiatives to reassign roles or to restructure trades. The Royal Signals, for example, are taking steps to relieve Information Systems Engineers of some of their non-specialist duties while the Royal Air Force has reduced the supervisory burden on General Technician Electrical engineers. The Royal Navy, on the other hand, is restructuring some of its Manning Branches. For example, seamen within the Warfare Branch now specialise in chosen areas rather than train in every facet of their trade, while training for personnel within the Engineering Branch will be interspersed with periods at sea rather than being largely completed before recruits join the trained strength. The Royal Navy expects that these changes will improve retention and facilitate quicker promotion. Longer term, the Department is working to reconfigure the Army under ‘Future Army Structures’. The overall aim of Future Army Structures is the shift to a more balanced force structure, with a greater emphasis on enabling capabilities such as engineering, logistics and intelligence. This will mean the Army is able to conduct operations more efficiently, with a structure that improves deployability and that provides the right capabilities for the current and future strategic environment. One benefit will be to increase the numbers in those trades for which there is an increased operational requirement by 2008.

2.40 Within the Services, those responsible for managing individual trades and branches are able to select which measures they feel will be the most appropriate options to use for each trade. This is overseen by the Service Manning Branches, who monitor what is working well and what is not having an impact, spread good practice, and consider what other measures may need to be introduced to tackle manning shortfalls.

The Department has a number of initiatives to address longer-term retention issues under consideration

2.41 The Department’s Service Personnel Plan provides the strategic framework for long-term work on manning and retention across the Services and contains 25 individual projects under seven main strategic programmes. The Service Personnel Board, reporting to the Defence Management Board, has overall responsibility for the Service Personnel Plan, with delegated responsibility to the Service Personnel Executive Group to ensure coherence. Timescales for the projects vary. Some do not have a definite timescale agreed, or have yet to be allocated funding (Appendix Four).

2.42 The single Services also have their own programmes of work which look to address some of the longer-term retention issues, such as the need for greater stability and certainty for personnel. Examples include the Army’s work on Super Garrisons, where one of the expected benefits will be more domestic stability for personnel, and work underway in all three Services on more flexible career structures and flexible working. This is mainly still development work, and implementation of projects would be dependent on funding available, therefore the expected benefits may not be seen for several years.



PART THREE

Recruitment



3.1 The Department needs to recruit around 20,000 people to the Armed Forces each year in order to maintain the required strength and turnover of personnel, replacing those who have been promoted, and ultimately those who have left, and the Services spent some £145 million on recruitment activity in 2004-05. This Part of the Report looks at whether the Armed Forces are recruiting sufficient personnel to deliver the required capability. We found that the Department are operating in an increasingly challenging recruitment environment, and that recruitment targets have not always been met, with the Services experiencing ongoing problems recruiting to some areas. The Department has successfully invested resources to improve recruitment, and has had some success in improving recruitment to pinch point trades. However, the existence of better costing analysis information would assist the Department in making decisions as to where best to target resources in terms of the balance of investment between recruitment and retention.

Recruiting performance has been mixed, as recruiting problems persist in some key areas

3.2 Since 2002-03 all three Services have recruited against reduced overall targets, reflecting the reduction in the size of the future Armed Forces announced in the Defence White Paper (paragraph 1.10). These have not always been met (**Figure 10**). Taken together, although targets have varied each year, the Services have recruited 98 per cent of their target for intake from civilian life since 2000-01. The Royal Navy has consistently achieved over 96 per cent of its intake from civilian life targets, and achieved 100 per cent in 2005-06. The Army exceeded its targets for intake from civilian life between 2001-02 and 2003-04, but has experienced a shortfall of between four and five per cent for the last two years. The Royal Air Force has achieved between 90 and 98 per cent of its intake from civilian life targets over the last five years. The Department's central data is compiled on a different basis²¹ to that used by the individual Services to manage their recruitment businesses. The Services' data shows a different performance over the five year period, having achieved 93 per cent of their targets for enlistments between 2000-01 to 2005-06.

3.3 At individual trade level, the Department has had varying degrees of success, achieving its recruitment targets in 51 per cent of the pinch point trades included in our survey during 2005-06. However, there are several areas where recruiting remains difficult. Of the 34 trades we surveyed, those where the targets were not met include Non-Commissioned Aircrew and Royal Marine Other Ranks (five per cent shortfalls in each) and, in the Army, in Information Systems Engineer (25 per cent shortfall) and Doctors (13 per cent).

3.4 There are also areas in all three Services which have recruitment difficulties, which are not classed as operational pinch points. The Army monitors these areas in parallel to the operational pinch point trades as "difficult to recruit" trades. The Army's main areas of underachievement in 2005-06 were the Infantry and Royal Artillery (17 per cent and 27 per cent shortfalls respectively at October 2005 which equates to shortfalls of 706 and 279 recruits).

The Department has a good understanding of what leads individuals to join the Services, and of the increasingly challenging recruiting environment in which it operates

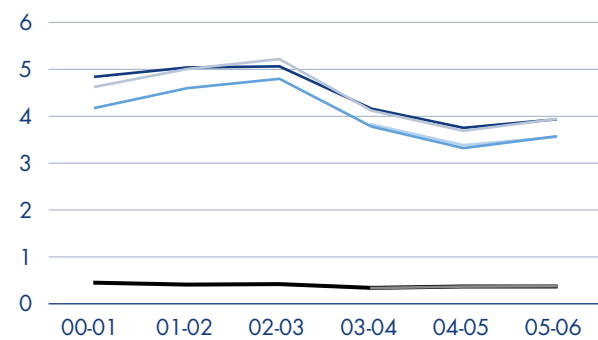
3.5 The Services have performed extensive research into the key factors which motivate potential recruits and have a sound understanding of the motivations of their target audience. Whilst findings differ slightly by Service or trade, the top reasons for joining the Armed Forces are the opportunities for travel, sport/active life, challenging job, job security, skills and training. These findings are broadly consistent with our survey which asked respondents from the operational pinch point trades to give their reasons for joining the Armed Forces. The three most important factors cited were interesting work (94 per cent of current personnel and 92 per cent of former personnel rated this as either 'important' or 'very important'), opportunities to travel (86 per cent and 90 per cent respectively), and challenging work (85 per cent and 84 per cent respectively).

²¹ Intake from civilian life is measured at the point at which a recruit starts at the Initial Training Establishment. Enlistments are measured at the point at which a recruit attests at the Armed Forces Careers Office.

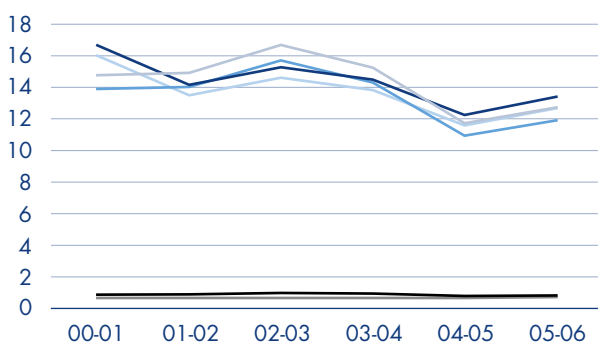
10 Intake from Civilian Life 2000-01 to 2005-06 by Service

Recruitment performance over the last five years has been mixed

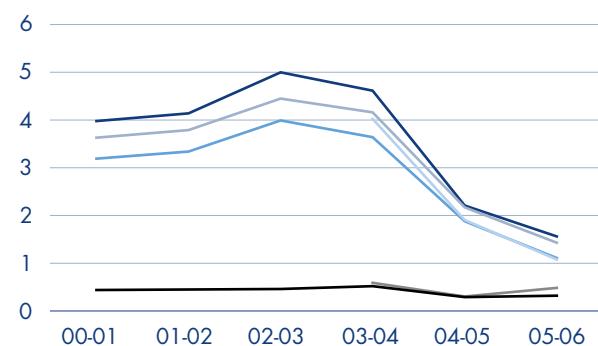
Royal Navy Intake from Civilian Life 2000-01 to 2005-06 000s



Army Intake from Civilian Life 2000-01 to 2005-06 000s



Royal Air Force Intake from Civilian Life 2000-01 to 2005-06 000s



— Overall target — Other Ranks achievement
 — Overall achievement — Other Ranks target
 — Officer target — Officer achievement

3.6 The Services use the findings from this research to target their marketing in the most effective way. Their advertising and marketing campaigns are designed to draw upon the key factors identified as attracting potential recruits to an Armed Forces career and are planned to reach as many of the target audience as possible through a variety of different media.

3.7 The Services also recognise that, in addition to the traditional pool of potential recruits, they need to tailor their marketing activity to influence two groups who can have an influence in the career choices of young people – peer groups and ‘gatekeepers’ (parents, teachers and community leaders). The Services also target marketing activity at young people, before they become eligible to join the Armed Forces at 16 years old. The Royal Air Force is particularly focussing marketing activity on this group during the period of reduced recruitment targets, in anticipation of increased recruiting activity from 2008 onwards.

3.8 The Department is aware that it is facing current and future challenges to its ability to recruit sufficient numbers of new entrants. These come from a range of factors including: the health of the economy; future work place demographics – for example, a decline in the numbers of young people, an increasing proportion of ethnic minorities within the target recruiting pool and an increasing number of women within the workforce; obesity among young people; changing attitudes towards having careers for life; education policies aimed at attracting more young people into higher and further education; and negative publicity affecting public perceptions of the Armed Forces. The Department is taking steps to respond to the main challenges (Appendix Five). Further information on the management and reporting of diversity in the Armed Forces is at Appendix Six.

Historic cuts in recruiting have contributed to some of today’s manning problems and are difficult to recover

3.9 Recruitment activity has been cut back in the past in order to achieve reductions in the size of the force, and, more recently, has been paused or reduced in some areas in order to make short-term financial savings. However, any in-year savings achieved may not represent value for money in the longer-term.

Cuts in recruitment activity due to force restructuring or to stay within funded manpower limits have contributed to some manning shortfalls

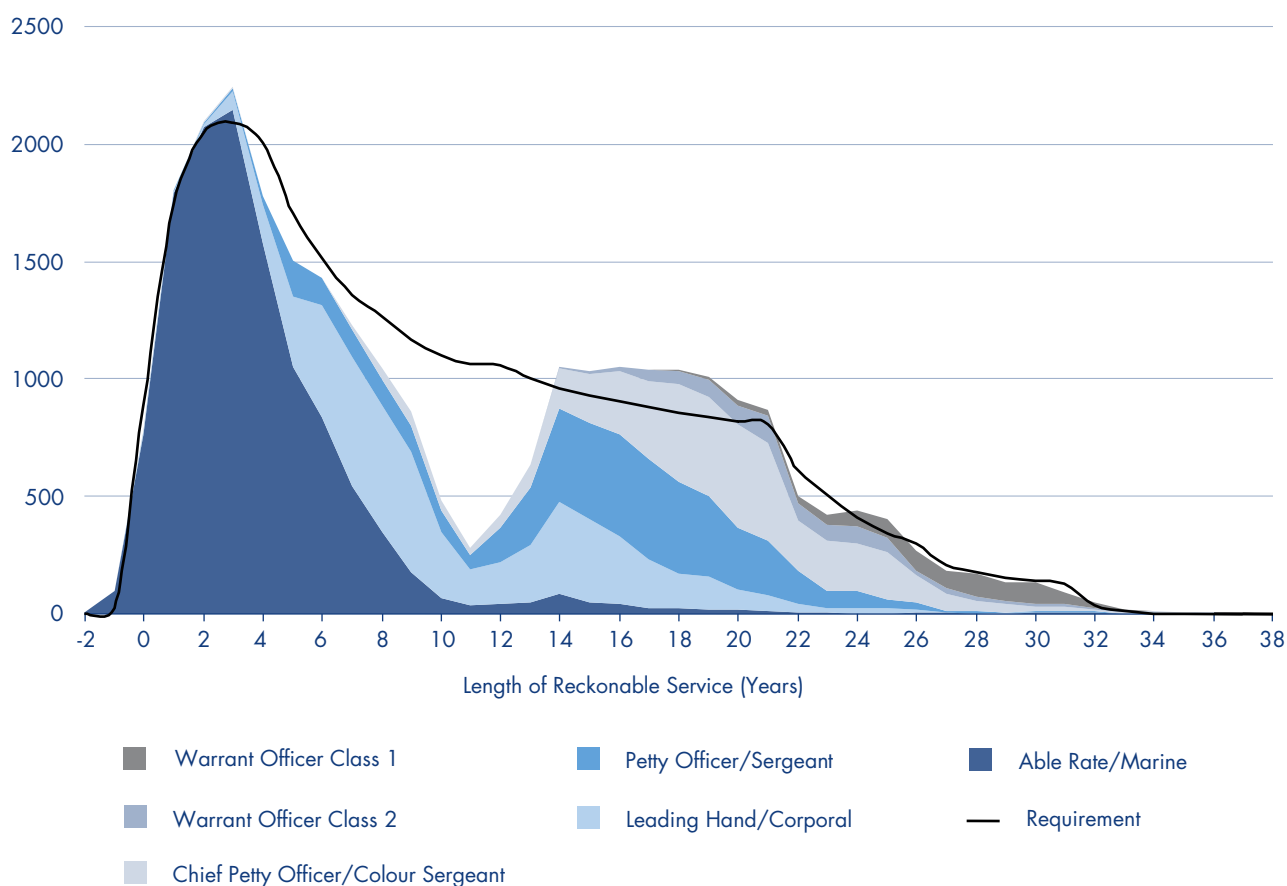
3.10 Difficulties in recruiting the required numbers of personnel in previous years have contributed to some of today's manpower shortages. The publicity generated by the 'Options for Change' defence structure review in 1990 which significantly reduced the size of the Armed Forces created a public perception that the Armed Forces had stopped recruiting. In the Royal Navy, the overall recruitment target fell from 6,000 in 1991-92 to 1,800 between 1992-93 and 1995-96. The reduced intake

during this period created a gap in the required experience profile across the Royal Navy (known colloquially as a "black hole"), the effects of which will be felt for around 20 years as personnel move through the rank structure. Most recently, the effects have been apparent in the Leading Hand rank (**Figure 11**), but they are now beginning to be seen at Petty Officer rank, which is a key deliverer of operational capability. Deficits of 35 per cent to 50 per cent (between 1,200 and 2,100 personnel) are predicted at Petty Officer rank over the next five to 10 years. Recruiting performance took three years to recover following the restoration of targets to previous levels.

11 The Royal Navy 'black hole'

The gap in the Royal Navy's sustainable experience profile is moving from Leading Hand into Petty Officer rank.

Number of Personnel



Source: Ministry of Defence (May 2006)

3.11 While the Army and Royal Air Force continued to recruit during this period, they witnessed a significant downturn in recruiting from 1992 to 1995. The effects of the downturn are still being felt in the Army's Recovery Mechanic trade, although recruitment to this pinch point group is now healthy (Volume 2, pages 34 to 36). And the Royal Air Force found that it needed to spend four times as much on advertising to raise awareness levels to where they were before the pause in marketing activity.

3.12 The Department stopped recruitment to the Ammunition Technician trade in 1997-98 and 1998-99 to stay within its funded manpower limit. This has led directly to current manning shortfalls within the rank structure of this trade group and has contributed to it being classified as a pinch point trade (Volume 2, pages 37 to 39). Recruitment took approximately four years to recover to previous levels.

3.13 More recently, in order to keep within its funded manpower limit for 2004-05, the Army cancelled some training courses, so that some individuals who had enlisted in 2004-05 would not complete their training and count against the trained strength until the following year. This particularly affected the shorter courses such as those delivered to the Infantry, and the Army estimates that 840 potential recruits to the Infantry were delayed at a time when recruiting interest was high. The Army also reduced its marketing activity, since it could not have enlisted any further potential recruits at that time. Together, these factors created a perception that the Army was not recruiting at a time when other pressures were adding to the recruiting challenge. The Department does not know how many candidates may have been lost as a result of this action, but the recruiting pauses are one of the factors which have contributed to the current recruiting problems in the Infantry. Before action was taken to defer initial training, courses were near to full, as were those courses staged immediately after normal recruiting resumed in September 2004 due to those recruits who had waited. Later courses, however, have averaged 70 per cent of capacity, equating to a shortfall of 42 recruits in each course of 140 soldiers. We calculated that the opportunity

cost of running the course at reduced capacity was an additional £6,700 per trainee.²² The in-year financial savings achieved by this recruitment "pause" may not, therefore, represent value for money in the longer-term.

3.14 While the Royal Air Force has not introduced a pause in its recruiting in response to the most recent cutbacks in requirements, in order to manage the reduced inflow, it was necessary to close trades to new applications throughout 2004-05. This resulted in over 2,000 new recruits being unable to start basic training until there were places available.

The Services have limited ability to recruit in excess of their targets, making it difficult to recover any past cuts to recruitment numbers

3.15 The Services set targets for the number of recruits each year, which reflect the planned size of the Armed Forces and the need to maintain sustainable experience profiles within each of the trade groups (paragraph 1.4). The Services are constrained by both the capacity of the training establishments and the level of funding allocated internally by the Department, and are limited in their ability to recruit in excess of their targets in times of high demand, or to make up for past shortfalls.

A range of measures have been used to improve recruitment into pinch point areas, with varying degrees of success

3.16 The Department has introduced a range of financial incentives to attract new recruits and former Service personnel where there are particular manning difficulties. Financial incentives have been offered both on a tri-Service basis to tackle common problems, and to specific trades in the single Services. In total, the Services have spent £6.8 million on the various initiatives since 2001 which have been taken up by 1,539 recruits. Appendix Seven provides further details of the individual schemes while **Figure 12** shows which initiatives have been used in our case study pinch point trades.

²² This represents the additional cost per recruit of running Infantry courses at reduced capacity. Although savings are made on recruits salaries, many costs involved in training are fixed costs, for example accommodation and instructors' salaries and will be incurred regardless of the number of recruits, therefore the cost per recruit will be increased.

12 Recruitment incentives used for case study pinch point trades

A range of incentives have been used in our case study trades

		Golden Hello	Bursary/ Cadetship	Transfer bonus	Re-join Bounty	Recruit a friend
Army	Information Systems Engineer	×	×	×	✓	×
	Ammunition Technician	✓	✓	✓	✓	×
	Recovery Mechanic	✓	×	✓	✓	×
Royal Navy	Royal Marine	×	×	×	✓	✓
	Nuclear Watchkeeper	✓	×	×	✓	×
Royal Air Force	Weapons System Operator (Linguist)	×	×	×	×	×
	General Technician Electrical	×	×	×	×	×
Medics	Accident & Emergency Nurse	✓	✓	×	×	×
	Intensive Therapy Unit Nurse	✓	✓	×	×	×
	General Practitioner	✓	✓	×	×	×

Source: Ministry of Defence

3.17 In addition to financial incentives, the Services have used a range of specific marketing and targeted recruitment initiatives to try to improve recruitment in pinch point trades and other areas of shortage. For example, they have:

- provided dedicated personnel from within trades to Armed Forces Careers Offices to raise awareness of specific trades or areas and to assist with recruiting;
- undertaken outreach activities to raise the profile of the Services and of specific trades amongst the general public such as the 'Meet the Marines' campaign and the 'Satisfied Soldier Scheme' under which soldiers visit schools to talk to pupils about their experiences in the Army so as to raise awareness within young people; and
- advertised in specialist publications to best target limited pools of recruits with the required skills for specific trades (such as engineers and medical personnel).

3.18 The Services make limited use of direct entry of personnel with specialist skills ("lateral recruitment"), as the Department believes that there would be a risk to operational capability. In addition, most of the pinch point areas require substantial experience, and there may be a lack of comparability of military roles with outside jobs. The Services have, however, directly recruited suitably qualified personnel to some medical trades. These personnel join the trained strength after undergoing the appropriate military training. Lateral recruitment is used in the Australian Armed Forces for engineering trades, legal and health personnel. Limited use has also been made of fast tracking individuals from outside with appropriate skills. In some trades personnel with civilian qualifications are exempted from some parts of trade training (for example Chefs) which reduces the amount of time it takes for them to be taken onto the trained strength. The flexibility of lateral recruitment, including further fast tracking, are principles of ongoing work as part of the Service Personnel Plan.

3.19 There is some sharing of information, research and good practice on recruitment initiatives within and between the Services, both informally and formally, through the Army Operational Pinch Point Working Group and tri-Service committees. However, there is little attempt to conduct systematic evaluation or cost benefit analyses. For example, the Department cannot say how much of any improvement in recruiting can be attributed to the offer of Golden Hellos and bursaries rather than other recruitment activity.

Better cost analysis information would underpin trade-offs in investment between recruitment and retention

3.20 The Department does not collate information on the through-life costs of Service personnel and cannot, therefore, quantify the financial impact of losing personnel early. While all three Services have some information on the costs of recruiting and training personnel, the data held is incomplete and is not consistent across the three Services. Although the Services are able to calculate the average cost of recruiting an individual, they cannot say, on average, how much it costs to train an individual to the point where they are classified as a 'Gain to Trained Strength' as this information is available for only some trades. Unlike Phase 1 training which is common to all recruits within their chosen Service, Phase 2 training varies in length and cost depending on the specialist trade or discipline in which the recruit will work. In evidence to the Defence Select Committee in January 2006 the Department explained that while it could give a cost per head to train all Service personnel, it could not give a cost per soldier/sailor/airman in the individual Services, due to the creation of joint Service establishments for training which made it difficult to attribute costs to individual Services.²³

3.21 Figure 13 draws together such data as was available to us about the costs of recruitment and training personnel within each Service. While, because of the shortcomings discussed above, the information provided should be treated with some caution it does, nevertheless, indicate the broad order of costs involved and the scale of investment made.

3.22 There are differences between the Services in the costs of recruiting and training personnel. Where available, the information collected suggests that the average cost of recruiting and training individuals to the point where they complete Phase 1 training is around £92,000 for an officer and £25,000 for other ranks. The

cost to the point when they join the trained strength will be more than this, as personnel will also need to complete Phase 2 and specialist training. On this basis, were the Services able to reduce the rate at which personnel leave the Services before the end of their agreed period of engagement to their guideline levels noted at Figure 4, the Department would save a minimum of around £24 million each year in recruitment and training costs, albeit offset by spending on relevant retention measures.

3.23 The Department has not routinely performed robust cost benefit analyses on the range of financial incentives on offer, nor has it conducted until recently balance of investment appraisals assessing where best to focus efforts in terms of recruitment or retention. Such costing information as is available is neither readily accessible nor disseminated to those people who are responsible for managing recruitment and retention initiatives. In making the case for any new recruitment or retention scheme, therefore, the Department does not always justify the investment proposed by comparison with the financial savings available from the reduced need for recruitment and training. In considering the proposal for a financial retention incentive for the Infantry in 2006 the Department took into account the consequent savings in recruitment and training and intends to carry out similar analyses in the future.

3.24 While the Department carries out some analyses of the recruitment and retention initiatives that have been tried and whether these have been successful, the analyses could be developed further to obtain a better understanding of the reasons why initiatives are successful in some trades and not in others. For the larger financial retention incentives, which are subject to Armed Forces' Pay Review Body review (paragraph 2.27), the Department produces annual reports which measure the success of each scheme in terms of the additional man-years service secured. While it recognises that a proportion of personnel who receive a financial incentive to stay in the Armed Forces would have stayed regardless, the Department does not routinely measure the success of each initiative in terms of the financial savings that have accrued through not having had to recruit and train individuals to similar levels of rank and experience as those personnel who have left. There is evidence that this was done in respect of the Royal Signals financial retention incentive introduced in 2000, which compared the cost of the financial incentive for Systems Engineering Technician and Foreman of Signals trades to a replacement cost figure based on recruiting and training costs.²⁴ However, the Department

²³ HC 822 Oral Evidence given to the Defence Select Committee on Ministry of Defence Annual Report and Accounts, 24 January 2006

²⁴ Armed Forces' Pay Review Body 2001 Pay Review (paper by the Ministry of Defence). Update on Financial Retention Incentives for Royal Signals. June 2001.

13 Costs of recruitment and training per individual

The average cost to recruit and provide basic training for personnel is £92,000 for Officers and £25,000 for Other Ranks.

Service	Rank	Recruitment	Phase 1 training	Total cost up to end of Phase 1 training
Royal Navy	Rating	£7,600	£10,300	£17,900
	Officer	£17,500	£64,000	£81,500
Royal Marines	Marine	£7,500	£40,400	£47,900
	Officer	£15,000	£164,100	£179,100
Army	Soldier	£7,600	£20,400	£28,000
	Officer	£16,000	£83,300	£99,300
Royal Air Force	Airman	£27,100	£12,800	£39,900
	Officer	£35,100	£65,600	£100,700
	Non-Commissioned Aircrew	£34,100	£32,000	£66,100
Weighted Average Cost	Soldier/Rating/Airman			£24,800
	Officer			£92,100

Source: Ministry of Defence

NOTE

1 Royal Navy and Royal Marine costs are 2004-05 figures, as information was not available for 2005-06. Army and Royal Air Force costs are 2005-06 figures.

2 Costings have been prepared on a comparable basis as far as possible. The Royal Air Force does not have the same output costing system as the Army or Royal Navy, therefore there may be some differences in which activities have and have not been included. For example, the Army's figures do not include the costs of Land Command's Regimental Recruiting Teams, the Army Youth Teams, or their transport (these teams equate to several hundred personnel). Royal Air Force costs per head were also abnormally high in 2005-06 because of over £1 million of extra Officer training costs (due to improvements in the Officer training course), and because Officer and Airmen numbers were abnormally low in 2005-06.

no longer includes potential savings on recruitment as evidence within its business cases to support the introduction of specific incentive schemes. We found little or no evidence of post project evaluations or robust cost effectiveness analyses being performed for smaller financial recruitment and retention incentives.

3.25 Without such information the Department cannot say whether it has achieved the correct balance of investment between recruiting individuals to operational pinch point trades and retaining experienced personnel who were willing to stay. For the cases that we have examined, we have calculated that it cost the Department around £74 million in financial incentives to retain approximately 2,500 people (excluding Royal Signals financial retention incentive). Based on the average costs noted at paragraph 3.22 it would have cost around £189 million to recruit

and train the equivalent number of personnel to the point where they have completed Phase 1 training. They would, however, lack the experience of those that would have left, and indeed would need to undergo some Phase 2 and specialist training before they were considered a gain to the trained strength.

3.26 As part of its long-term work programme under the Service Personnel Plan (Appendix Four), the Department is planning to collect information on through-life costs including pay, allowances, training, accommodation, pensions, recruitment and welfare costs. It recognises that collating this information would lead to better informed investment and savings decisions and improved manpower planning. The Department expects to begin gathering this information in 2008.

APPENDIX ONE

Glossary

Armed Forces' Pay Review Body	The Armed Forces' Pay Review Body provides independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration and charges for members of the Naval, Military and Air Forces of the Crown.
Augment	The temporary movement of individuals or formed bodies between units to meet specific operational requirements that are beyond a unit's endorsed establishment/requirement i.e. to bring a Unit Establishment up to War Fighting Establishment.
Backfill	The temporary movement of individuals or formed bodies between units to bring a unit to its endorsed establishment/requirement.
Bursary	Financial support offered to potential recruits to gain specific qualifications needed for particular trades/specialisations. Payment is received whilst studying.
Cadetship	Financial support offered during the last three years of medical school for a return of service commitment of seven years following General Medical Council registration.
Defence Planning Assumptions	<p>These are assumptions that the Department has made in order to plan for future contingencies. Underpinning the Defence Planning Assumptions are various potential scenarios, such as amphibious operations, global counter terrorism, peacekeeping or humanitarian evacuation. Each of these can involve different environmental and operational challenges, against which more detailed potential force structure and readiness requirements can be developed.</p> <p>Depending upon the nature of the operation, for the Land component a small-scale operation is defined as approximately battalion-sized (500-1,000 personnel); brigade sized (3,500-5,000 personnel) for a medium-scale operation; and roughly division-sized (10,000-20,000 personnel) for a large-scale operation.</p>
Deployment	The process through which the Armed Forces are moved from their home base to the location where the operation will take place.
Engagement period	The length of career of an enlisted individual. This will vary according to the individual's Service, Unit, rank and trade.
Financial Retention Incentive	A fixed sum of money given to eligible personnel in return for them committing to a defined period of service ('Return of Service').
Future Army Structures	A reorganisation of the Army, announced in December 2004, to create a more agile, deployable and flexible force which provides the most powerful capability from the resources available.

Gain to Trained Strength	Personnel are counted as Gains to Trained Strength on completion of Phase 2 training. On enlistment, all new recruits undergo Phase 1 training which is designed to provide the initial training in basic military skills and the inculcation of single-Service ethos required by all personnel. Phase 2 training normally follows directly from Phase 1 and provides initial specialist training such that, on completion, Service personnel have the necessary skills for their first employment in their chosen trade or specialisation and join the trained strength of their Service. In the Royal Air Force the equivalent term is "Into Productive Service".
Golden Hello	A financial incentive offered to individuals holding specific qualifications as an incentive to join a particular trade/specialisation within the Armed Forces.
Harmony Guidelines	The maximum amount of separated service that individual personnel should serve within any given period.
Joint Personnel Administration system	A new tri-Service IT-based administration system to harmonise and simplify personnel and pay administration across the Services. Due to be fully implemented in all three Services by 2008.
Manning balance	Manning balance is the prevailing trained strength requirement within a tolerance band of plus one per cent and minus two per cent to reflect routine structural and organisational change within the Services.
Notice to Move	The length of time given to personnel in readiness to move on operations or to be in support roles for those already on operations.
Operational pinch point	Trades or areas of expertise where there is insufficient trained strength to perform operational tasks without curtailing the time provided between deployments for recuperation, training and leave.
Operation TELIC	The name given to United Kingdom military operations in Iraq.
Operational tempo	The frequency and scale of military activity levels.
Pre-Deployment Training	This typically involves training in skills, equipment and tactics that are specific to an operation, for example due to the terrain or prevailing weather conditions, and is therefore not routinely practised.
Readiness	The term used to describe the means by which the Department holds its military forces at varying levels of preparedness to respond to emerging operations.
Recruit a friend bonus	Financial incentive offered to Armed Forces' personnel who successfully recruit someone to specific areas of the Armed Forces.
Re-join bounty	Financial incentive offered to individuals who have left the Services and who have a Regular Reserve liability who return to the Services for a period of at least three years.
Requirement	The number of people necessary to support Defence Planning Assumptions.
Reserve Forces	These include the Volunteer Reserves (civilians who train in their spare time) and Regular Reserves (ex-members of the three Services who have a liability to be called back).

Return of Service commitment	The length of time which Armed Forces' personnel commit to serving, having received either a financial recruitment or retention incentive, or having received extensive additional training. The return of service enables the Department to secure a number of guaranteed years of service from personnel whose skills and experience are highly valued and difficult to replace.
Separated Service	The tri-Service definition is "Absence from normal place of duty or lack of freedom to enjoy leisure at the normal place of duty/residence at place of duty". Each Service has slightly different rules on exactly what counts as separated service, but this will typically include, in addition to time spent on deployments, pre-deployment and other training, exercises, public duties, recruitment, other routine activities and tasks that involve not being able to sleep in normal accommodation.
Service Personnel Plan	The Department's personnel strategic change programme which sets the framework and strategic direction within which to deliver the people contribution to operational capability to 2015 and beyond. The overarching plan comprises the Department's Strategic Intent for People, Service Personnel Plan Campaign Directive, and a constituent set of programmes and projects.
Strength	The number of personnel in service, as opposed to the number of personnel required. The numbers who are actually deployable will be different to the trained strength – some may not be deployable for medical reasons, or because they are not fully trained or do not have up to date clinical skills (medical personnel), or are in their last year of Service and completing the resettlement process.
Theatre	The location or area in which a military operation takes place.
Trade Group	A generic term used to describe a skill or specialisation within the Armed Forces.
Transfer Bonus	A payment of £1,500 to individuals who transfer into operational pinch point trades.
Tour interval	The frequency with which formed units (an Infantry Battalion, for example) should deploy on operations.
Voluntary Outflow rate	The rate at which serving personnel are choosing to leave the Armed Forces early i.e. excluding those who have reached the end of engagement or those who the Services have asked to leave.

APPENDIX TWO

Study scope and methodology

1 This Appendix sets out the scope of our examination of Recruitment and Retention in the Armed Forces and the methodologies we used in the course of our study.

Scope of the study

2 The focus of our examinations was to determine whether the Armed Forces were recruiting and retaining sufficient uniformed personnel to meet the required military capability.

3 Our study covered Regular Service Personnel in all three Services, and did not cover the Reserve Forces. The National Audit Office published a separate study on this area in March 2006.²⁵ We focussed particularly on those areas the Department considers of most risk to operational capability, known as ‘pinch point trades’.

4 We devised questionnaires for pinch point trade personnel in all three Services, asking about their experiences of their Service career, why they had decided to continue to serve with, or leave, the Services, the impact of operational deployments on their views, and about any financial and non-financial retention

incentives they had been offered. We surveyed both serving personnel, and those who had left the Services within the last two years, according to the Department’s records, from 34 of the most significant pinch point trades as at September 2005. The Department advised us that these trade groups were the most critical in terms of delivery of operational capability. For each trade where the population was less than 800 personnel, we sampled 100 per cent of the population (subject to address data being available). Where the total population of a particular trade was greater than 800, a random sample of 800 personnel was selected. We commissioned Ipsos MORI to dispatch the surveys and to collate and analyse the responses. Postal surveys were sent to 12,173 current personnel, representing 59 per cent of the total population of our chosen trades, and to 2,424 former personnel, which represented 75 per cent of the total population.²⁶ Overall, we achieved response rates of 39 per cent for serving personnel and 31 per cent for former personnel. Further information about the response rates for our survey, broken down by trade group, is shown in **Figure 14** and a detailed breakdown of the survey results is contained in Volume 2 to this report.

²⁵ Ministry of Defence Reserve Forces, HC 964 Session 2005-06.

²⁶ The Department provided data for personnel in a selection of 34 pinch point trades.

14 Survey of current and former personnel in pinch point trades

Ipsos MORI administered a survey of personnel in 34 of the most significant pinch point trades. Results of the survey are detailed in Volume 2 to this Report.

	Serving Personnel			
	Total population ¹	Total surveys sent	Responses received	Response rate (%)
Royal Navy	5,392	3,323	1,164	35
Marine Engineering Artificer (Category A2 and Category B)	477	477	240	50
Warfare Branch Leading Hands	1,409	800	181	23
Leading Aircrewman	30	30	9	30
Medical Assistant (Submariner)	59	59	20	34
Leading Air Engineering Mechanic Electrical	88	88	43	49
Leading Air Engineering Mechanic Mechanical	194	194	80	41
Leading Air Engineering Mechanic Radio	75	75	48	64
Air Engineering Mechanic	1,887	800	168	21
Petty Officer Warfare Branch	1,173	800	329	41
Trade not stated/don't know			46	
Royal Marines	6,554	800	217	27
Royal Marines Other Ranks	6,554	800	217	27
Army	4,326	4,202	1,414	34
Operator Military Intelligence (including Human Intelligence Operator)	924	800	344	43
Operator Military Intelligence (Linguistics)	230	230	75	33
Ammunition Technician	379	379	30	8
Information Systems Engineer	350	350	120	34
Recovery Mechanic	511	511	149	29
Explosive Ordnance Disposal	71	71	31	44
General Duties Registered Nurse	272	272	94	35
Clerk of Works (construction)	420	420	81	19
Clerk of Works (electrical)	137	137	9	7
Clerk of Works (mechanical)	190	190	49	26
Armourer	566	566	218	39
Military Engineer (Geo)	276	276	159	58
Trade not stated/don't know			55	

Total population ¹	Recent leavers (within last 2 years)		
	Total surveys sent	Responses received	Response rate (%)
723	584	227	39
81	79	36	46
153	81	45	56
5	3	1	33
0	0	2	n/a
14	14	13	93
14	10	9	90
9	8	8	100
314	262	53	20
133	127	50	39
		10	
1,025	724	193	27
1,025	724	193	27
908	578	162	28
185	83	21	25
29	19	5	26
47	37	10	27
34	25	10	40
162	86	20	23
19	15	10	67
73	37	6	16
86	69	11	16
33	24	6	25
60	47	4	9
126	92	28	30
54	44	21	48
		10	

14 Survey of current and former personnel in pinch point trades (continued)

	Serving Personnel			
	Total population ¹	Total surveys sent	Responses received	Response rate (%)
Royal Air Force	4,413	3,848	1,785	46
Medical	270	270	155	57
Operations Support (Intelligence)	285	285	185	65
Operations Support (RAF Regiment)	342	342	218	64
Weapons System Operator (Linguists)	51	51	26	51
Weapons System Operator (other)			3	
Staff Nurse	27	27	14	52
Motor Transport Technician	103	103	48	47
Movements Controller/Operator	913	800	301	38
General Technician Electrical Specialists	568	568	297	52
Mechanical Transport Drivers	1,252	800	309	39
Firefighter	602	602	259	43
Trade stated but not Service			(30)	
Trade not stated/don't know				
No Service or trade stated			115	1
TOTAL RESPONSES	20,685	12,173	4,695	39

Source: National Audit Office

NOTE

¹ Data supplied by Ministry of Defence in October 2005.

Total population ¹	Recent leavers (within last 2 years)		
	Total surveys sent	Responses received	Response rate (%)
557	538	177	33
12	14	8	67
31	32	16	52
39	40	21	52
3	3	0	0
1	1	1	100
12	12	5	42
80	77	26	34
30	29	13	45
225	210	52	25
124	120	31	26
		4	
		2	0
3,213	2,424	761	31

Case study trades

5 We selected 11 pinch point trades to examine in more detail as case studies (Figure 15). We looked at the manning problems experienced by each trade, the reasons for the trade becoming an operational pinch point, the impact of operational deployments, and the recruitment and/or retention initiatives used to improve the manning position. We collected information through semi-structured interviews with those responsible for managing the trades, and we sought data on manning requirement and strength, recruitment performance, and retention rates for the last five years. The selected case examples cover a range of trades from all three Services, and range from small specialist trades, which are nevertheless key to operational capability, to larger cohorts that have also experienced recruitment and retention problems.

15 Case study trades	
Service	Case Study Trade
Royal Navy	Royal Marines Other Ranks General Duties
Royal Navy	Marine Engineering Artificer (Submariner) – Nuclear Watchkeepers Category A and Category B
Royal Navy	Leading Hands Warfare Branch (General Service)
Army	Ammunition Technicians (Royal Logistic Corps)
Army	Explosive Ordnance Disposal (Royal Engineers)
Army	Information Systems Engineer (Royal Signals)
Army	Recovery Mechanic (Royal Electrical and Mechanical Engineers)
Royal Air Force	Weapons System Operator (Linguist)
Royal Air Force	General Technician Electrical
Defence Medical Services (tri-Service)	General Medical Practitioners
Defence Medical Services (tri-Service)	Specialist Nurses – Accident and Emergency
Defence Medical Services (tri-Service)	Specialist Nurses – Intensive Therapy Unit
Source: National Audit Office	

Meetings and interviews with key personnel

6 During the fieldwork for this study, we carried out semi-structured interviews, consulting key individuals and organisations within the Department involved with manning, recruitment and retention, including those responsible for managing our case study trades. We carried out around 40 interviews and consulted around 100 individuals. We also interviewed relevant third parties with an interest in recruitment and retention issues (Figure 16).

Expert Panel

7 We consulted with two experts to discuss our interim findings, to identify good practice in recruitment and retention decision making, and to gain their advice and comments (Figure 17).

Review of Departmental papers

8 We undertook a review of the Department’s documentation. This included policy and planning papers relating to manning, recruitment and retention, performance reports, Manning Papers of Evidence produced by the Department for the Armed Forces Pay Review Body, results of Continuous Attitude Surveys conducted by the Department, and other information produced by the Department and by the three Services, including recruitment research and promotional material.

9 We collected a range of financial and non-financial information from the Department, on recruitment and training costs, costs and take up of recruitment and retention initiatives, manning statistics, recruitment performance and exit rates, and performance against the Department’s guidelines on the amount of time personnel should spend away from home. Non-financial information was obtained from a number of sources including data maintained by the Department and the Services, and data collected by the Defence Analytical Services Agency.

16 Key Individuals and Organisations

Ministry of Defence Central Staffs

Directorate of Service Personnel Policy
 Defence Medical Services Department
 Permanent Joint Headquarters, Northwood

Royal Navy/Royal Marines

Directorate Naval Life Management, Second Sea Lord and Naval Home Command, Portsmouth
 Directorate of Naval Recruiting
 Directorate Naval Personnel Strategy
 Fleet Headquarters, Portsmouth

Army

Headquarters Land Command, Salisbury
 Directorate of Manning Army, Headquarters Adjutant General, Upavon
 Directorate Army Personnel Strategy, Upavon
 Headquarters Infantry, Warminster
 Headquarters Royal Logistic Corps, Deepcut
 Headquarters Royal Signals, Blandford
 Headquarters Royal Engineers, Minley
 Headquarters Royal Electrical and Mechanical Engineers, Arborfield, Reading
 Army Recruiting Group
 Army Medical Directorate, Camberley

Source: National Audit Office

Royal Air Force

Headquarters Strike Command, RAF High Wycombe
 Personnel Management Agency, Headquarters Personnel and Training Command, RAF Innsworth
 Inspectorate of Recruitment, Royal Air Force College, Cranwell

Defence Agencies

Defence Analytical Services Agency
 Defence Medical Education and Training Agency, Gosport
 Army Training and Recruiting Agency
 Naval Recruiting and Training Agency
 Armed Forces Personnel Administration Agency, Worthy Down

Other

Chairman, Armed Forces Pay Review Body
 Army Families Federation
 Naval Families Federation
 Airwaves (Association of RAF Families)

17 Experts consulted

Name	Organisation	Specialism
Professor Christopher Dandeker	Department of War Studies, King's College London	Professor of Military Sociology
Rebecca Clarke	Chartered Institute of Personnel Development	Adviser, Organisation and Resourcing

Source: National Audit Office

APPENDIX THREE

Financial retention incentives

Armed Forces' Pay Review Body Approved Financial Retention Incentives		
Financial Retention Incentive Details	Take-up, Return of Service and Impact	Total Cost
Army Royal Signals		
<p>1. £10,000 to soldiers completing either Class 1 Systems Engineering Technician (three years time bar) or Foreman of Signals (five years time bar) courses commencing on or after 1 April 1999 to 1 April 2003 (later extended).</p> <p>2. £2,500 for Class 3 qualifiers, £5,000 for Class 1, and £10,000 for Supervisors in Operator and Technician trade groups (includes predecessor trade to Information Systems Engineer) introduced in 2002-03.</p> <p>All Royal Signals financial retention incentives ceased from June 2004 (as part of in-year financial savings measures).</p>	<ul style="list-style-type: none"> Course enrolment rates and exam take-up improved for these trades. Since the withdrawal of the financial retention incentives the numbers attempting the Foreman of Signals course have fallen again. Voluntary outflow rate for Royal Signals Corps in April 2002 was one of the highest in the Army at eight per cent. By 2004, rate had fallen to be in line with the Army average for the first time in 10 years. Systems Engineering Technician Class 1 manning improved from 392 in 2002 to 638 in 2004, Foreman of Signals from 135 in 2002 to 149 in 2004. Manning has since fallen slightly, now 568 and 141. At an overall level the Royal Signals improved from a 10 per cent deficit to a one per cent surplus. Difficult to say how much of the improvement in voluntary outflow rates and manning was due to the financial retention incentive directly, and how much to other factors, such as a depressed external market, and a fall in the overall manning requirement. 	<p>1. £490,000 for 2000-01, £980,000 for 2001-02, £780,000 per annum 2002-03 and 2003-04.</p> <p>2. Estimated to cost an extra £3.94 million each year from 2002-03 onwards.</p>
Tri-service Aircrew (Officers)		
<p>Introduced from 1 April 2002 for five years, following Aircrew Retention Review.</p> <p>Financial Retention Incentive 1: £30,000 offered five years before Initial Pension Point to pilots in all three Services, Royal Air Force Weapons System Operators, Royal Navy Observers and Officer Rearcrew. Five year Return of Service.</p>	<ul style="list-style-type: none"> High take-up, guaranteeing a total of 8,707 man-years. Royal Navy 92 per cent of 359 eligible²⁷ – 1,411 man-years. Army Officers 84 per cent of 177 eligible – 629 man-years. Army Non-Commissioned Officers 99 per cent of 173 eligible – 728 man-years. Royal Air Force Officers 92 per cent of 1,756 eligible – 5,939 man-years. 	Royal Navy: £8.1 million

27 Figures from 2006 Armed Forces' Pay Review Body Manning Papers of Evidence and are total to date up to 1 April 2005.

Armed Forces' Pay Review Body Approved Financial Retention Incentives *continued*

Financial Retention Incentive Details

Tri-service Aircrew (Officers) *continued*

Financial Retention Incentive 2: £50,000 offered at Initial Pension Point for selected pilots, Weapons System Operators and Royal Navy Observers and £30,000 for Officer Rearcrew and Army Non-Commissioned Officer pilots. Five year Return of Service.

- Financial Retention Incentive 1 withdrawn from 1 April 2005 for Royal Air Force recipients, and Financial Retention Incentive 2 from some Royal Air Force cadres in manning surplus. The Army also ceased payment of Financial Incentives 1 and 2 from April 2006.
- There has also been a Professional Aviator Pay Spine (separate pay spine with pay decoupled from rank) for Aircrew in place since 1 April 2003.

Take-up, Return of Service and Impact

- Voluntary outflow rates for Royal Air Force Aircrew fell from three per cent in 1999 to 1.2 per cent by the end of March 2004 and in the Royal Navy steadied at two per cent for Officers, 0.75 per cent for Observers for two years to March 2004. Armed Forces' Pay Review Body paper on Flying Pay reported Royal Air Force and Royal Navy pilot voluntary outflow rates were at their lowest since 1998 and there had been a drop in exits at the Initial Pension Point across the Services (these have since risen in some areas).
- 2005 Flying Pay paper also reported that manning had stabilised. Difficult to say how much of this was due to the financial retention incentives or to external factors, particularly the depressed civilian airline market after 9/11.
- Despite the successes, achieving manning balance in the longer term remains a challenge.

Total Cost

Army: Officers and Non-Commissioned Officers £10.5 million.

Royal Air Force: £45.4 million (combined figure with Non-Commissioned Aircrew Financial Retention Incentive).

Royal Air Force Non-Commissioned Aircrew

- £20,000 paid to eligible Non-Commissioned Aircrew for three years from 1 April 2003, as recommended by the Airmen Aircrew Sustainability Study. Five year Return of Service.
- Payable after 17 years service, taking personnel up to Initial Pension Point, at which point selected groups may be eligible for the Professional Aviator Pay Spine (see above), also recommended by the report and commencing from 1 April 2004.

- High take-up – 96 per cent of 293 eligible to date (1 April 2005), guaranteeing 1,049 man-years.
- Non-Commissioned Aircrew manning stabilised, and has remained at the same level for the last two to three years. (1,128 at 1 April 2003, 1,133 at 1 April 2005). However some trades, such as linguists, remain in deficit.
- Difficult to say how much of a direct role was played by the financial retention incentive, as compared to other factors. Professional Aviator Spine and non-remunerative measures may also have encouraged people to stay.
- The Royal Air Force intend to discontinue the Financial Retention Incentive from April 2006 as planned. Improved recruitment, the benefits of the Professional Aviator Spine, and reduced requirement should all help to reduce any manning deficits.

£45.4 million (combined Royal Air Force figure with Aircrew Financial Retention Incentive).

Armed Forces' Pay Review Body Approved Financial Retention Incentives *continued*

Financial Retention Incentive Details	Take-up, Return of Service and Impact	Total Cost
Royal Navy Submariners		
Four separate financial retention incentives recommended by 2002 Submarine Manning and Retention Review. Specialist pay and Golden Hellos were also introduced.	<ul style="list-style-type: none"> ■ High take-up, guaranteeing a total of 2,152 man-years to date, and 3,016 projected. ■ 1. Stage 1 – 81 per cent take-up, 172 man-years to date, 392 projected. ■ 2. Stage 2 – 87 per cent take-up, 156 man-years to date, 276 projected. ■ 3. Nuclear Watchkeepers – 87 per cent, 804 man-years to date, 1,160 projected. ■ 4. Weapon Engineering Artificers – 95 per cent, 1,020 man-years to date, 1,188 projected. ■ Voluntary outflow rates fell in all the targeted trades by around one to two per cent. ■ 2005 paper for Armed Forces' Pay Review Body reported that manning in Petty Officer/Chief Petty Officer Weapon Engineering Artificer had stabilised and should be in manning balance by 2011, Junior Submarine Warfare Officers by 2009. Nuclear Watchkeeper Category B manning had stabilised, but was still fragile, and unlikely to be in manning balance before 2014 (Volume 2). ■ Other impacts of the Submarine Manning and Retention Review measures included an increase in requests to withdraw voluntary outflow applications, and an improvement in the numbers of volunteers joining the Submarine Service. 	Costs of financial retention incentives up to October 2003: Warfare Officers £700,000 and £750,000. Nuclear Watchkeepers £3 million. Chief Petty Officer Weapon Engineering Artificer (Submariner) £5.425 million. Total £9.875 million.
All introduced from 1 April 2003 for three year period and all with a four year Return of Service.		
1/2. £25,000 staged payment to Junior Submarine Warfare Officers on completion of relevant training courses.		
3. £25,000 for Nuclear Watchkeepers on achieving Category B Double Qualification. Extended in 2003 to run for five years to allow Category C Watchkeepers to achieve Category B qualification and improve pull-through to Category B from Category C.		
4. £25,000 for Weapon Engineering Artificer (Submarines) on promotion to Chief Petty Officer.		

Financial Retention Incentives from £2 million Principal Personnel Officer Delegations

Medical Assistant (Submariners)		
Medical Assistant (Submariner) 2 serving in the Submarine Service will receive £10,000 in return for committing to a three year Return of Service. The scheme is expected to run for three years.	Too early to say but the take-up rate of 68 per cent so far, guaranteeing 111 man-years is regarded as a success as the trade is critical for operational capability (submarines cannot go to sea without Medical Assistant Submariner 2 personnel).	Proposed cost £560,000 over three years (£370,000 to date).

Source: National Audit Office analysis of Ministry of Defence information, including Manning Papers of Evidence prepared for Armed Forces' Pay Review Body 2001 to 2006.

APPENDIX FOUR

Service Personnel Plan

Overall Programme Aims	Details of Key Projects	Maturity And Timescale For Delivery
'Develop a more holistic and flexible manpower accounting, planning and admin system'.	Projects aimed at improving manpower planning, so that strength will be closer to target for both number and quality.	Implementation 2007-08.
'Exploit all sources of personnel provision'.	Maximising the manpower pool from which the Armed Forces draw their resources and being more flexible in sourcing personnel. Developing a strategy for securing future supply in the changing societal context. Developing a strategy for the future use of the Reserve to maximise their utility. Implementing the Department's Youth Policy to positively influence young people and gatekeepers.	Future Supply strategy to be developed by Summer 2007. Future Reserve Strategy Paper currently being worked on at senior level in the Department. This encompasses a fundamental change in military structures. Implementation of the Youth Policy is an ongoing objective.
'Deliver the Strategic Training and Education change programme'.	More efficient training delivery system is one of the desired aims. Key projects include Defence training rationalisation and the implementation of actions resulting from the Blake review and the Adult Learning Inspectorate report.	Priority has been given to these projects which the Department considers are the most important and are delivering key benefits. Some other projects have slipped due to resource constraints.
'Deliver the Defence Health Programme'.	Project 12 is looking at Deployed Medical Operational Capability, and one aim is better recruitment and retention in Medical Health Service.	Defence Medical Capability Paper was published in June 2006 and the implementation plan was due to be agreed in September 2006.
'Develop the overall military "personnel package" appropriate for the future context'.	A major programme of work, including a fundamental review of Terms and Conditions of Service, accommodation and a strategic review of remuneration arrangements. The Terms and Conditions of Service review includes work on the potential for alternative work-life balance arrangements, and more flexibility to move between engagement types.	Tri-Service Welfare Review was completed in March 2006. Dedicated teams now in place for the Remuneration and Terms and Condition of Service review work. The Living Accommodation Strategy and enabling remuneration proposals to address mobility/stability concerns will be presented to the Defence Management Board in December 2006.
'Coherent development of the Defence Estate'.	Programme addresses the personnel input to Defence Estates. Includes longer-term work on stability/mobility of personnel through a modern Defence Living Accommodation Strategy and the issue of guidelines to Defence Estates to take account of personnel factors in estate development.	Defence Living Accommodation Strategy to be presented to the Defence Management Board in December 2006. The Personnel Estate guidelines have been issued to Defence Estates.
'Develop a better understanding of people to inform future policies and resource decisions'.	Includes delivering a coherent people research programme Value and Investing in People project, and putting in place mechanisms to understand and manage operational tempo. Project 29 is looking at the through-life costs of personnel. The aim is that understanding through-life costs would lead to better informed, proactive, evidence-based investment and manpower planning decisions.	Initial research is due April 2007. Research on the impact of operational tempo is due in July 2007. Work by the Doctrine Concept and Doctrine Centre on strategic trends (external factors influencing recruitment and retention) due by the end of 2006. Pilot collection of through-life costs has been scoped, focussing on 11 pinch point trades and initial outputs expected December 2006.

APPENDIX FIVE

Recruiting challenges

Challenge, Issue and Departmental Response

Health of the economy

Issue

Recruitment has, historically, been influenced by the performance of the economy, with the Services finding recruiting easier in times of higher unemployment. The current economic situation, with a reasonably healthy economy and relatively low unemployment, adds to the current recruiting challenge.

Response

Future macro economic predictions are not taken into account when setting budgets for marketing and recruitment. Budgets are adjusted within the short-term planning process tailoring resources to recruiting priorities.

Future work place demographics

Issue

Current forecasts predict that the long-term trend is for an ageing population, with a decline in numbers of individuals of prime working age. The population of 16-24 year olds is predicted to peak at 7.4 million in 2009 and then decline to around 6.7 million in 2025 before increasing slightly again by around 2040.

Response

The Services are developing their youth strategies in order to raise awareness at an earlier age to secure similar levels of recruitment from a smaller target population.

Issue

There will be an increasing proportion of ethnic minorities amongst the target age group for recruits in future since the ethnic minority population continues to grow at a rate faster than the target population as a whole (four to five per cent a year compared to one per cent).

Response

The Department has developed outreach activities and diversity awareness teams to raise awareness in ethnic minority communities. The Department has a target to achieve eight per cent ethnic minority personnel within the Armed Forces by 2013. As at 1 January 2006 ethnic minorities accounted for 5.5 per cent of Regular Forces, an increase of 0.4 per cent since 1 October 2004.

Issue

Women within the Armed Forces currently account for 11 per cent of Officers and 8.7 per cent of Other Ranks. The proportion of women within the United Kingdom workforce is predicted to be around 50 per cent by 2030, with women's careers expected to play an increasingly important role.

Response

The Department does not have any specific targets for recruiting women but it is considering more flexible terms of working to align with changing societal trends.

Obesity among young people

Issue

Increasing levels of obesity and resultant health problems amongst young people reduces the number of young people able to join the Services. The Army's research highlighted that only 33 per cent of all 16 year olds would pass the Body Mass Index test set for all recruits, as at August 2005.

Response

While recognising the potential risk posed by this changing social trend, the Department has retained current basic fitness standards since minimum fitness requirements for operations have not altered. However, in January 2006, the Army relaxed Body Mass Index targets for male recruits from 28 to 32 in recognition that men may have a higher than average Index but still be physically fit. (The target Body Mass Index for women of 28 has remained unchanged.) All other elements of the fitness tests remain unchanged. The Army also plans to extend Phase 1 training for soldiers from 12 weeks to 14 weeks, partly to improve fitness levels. The extra cost of training is likely to be around £3,000 per recruit.

Changing attitudes

Issue

There is some evidence that the attitudes and expectations of young people towards work and their careers are changing, and that some young people may be less interested in a career for life. The Department expects that work patterns are likely to become more fluid with job changes, multiple jobs, mid-career breaks, and more flexible working arrangements being expected by both women and men in the Armed Forces, with spouses' careers becoming increasingly important.

Response

The Department is considering introducing more flexible terms of working to ensure it adapts to the changing attitudes amongst the workforce.

Education policy

Issue

The Government is encouraging more young people to enter further and higher education. The Department for Education and Skills is seeking to achieve its Public Service Agreement target of increasing participation in higher education towards 50 per cent of those aged 18 to 30 by 2010. This is likely to reduce the numbers available in the traditional school leaver recruiting pool.

Response

The Department has identified changes within the current education system as a risk area to future recruitment performance and is aware that it needs to be able to respond to any changes within the current education system and to be open to the possible opportunities that may arise. It is aware that it needs to emphasise the many accredited qualifications, education and training opportunities available in its recruiting activity, particularly when targeting parents and gatekeepers, in order to benefit from this wider societal development.

Armed Forces' reputation

Issue

A number of recent events have attracted negative publicity and have impacted on the wider public perception of the Armed Forces and their ability to recruit sufficient numbers. These events include the Iraq war, events at Deepcut Barracks and allegations about the treatment of prisoners in Iraq. Research conducted by the Services indicates that these events have adversely affected the views of potential recruits and, more especially, of parents and gatekeepers. The Army's research found that 42 per cent of parents would be less likely to encourage their children towards a career in the Army because of operations in Iraq²⁸ while 27 per cent said they were put off by events at Deepcut.²⁹ Other research found that 33 per cent of parents were likely to discourage their children from joining the Royal Air Force due to the 'Iraq factor'.³⁰

Response

The Department is currently developing plans to better communicate the support it provides to its people. The Department is keen to inform serving personnel and their families in particular of the efforts being made to reduce overstretch, improve medical and family support and Service accommodation. The Department also aims to increase understanding among the public of the positive contribution that the Armed Forces make at home and abroad.

28 Jigsaw tracking, Wave 33, July 2006, sample of 410 young people and 286 parents.

29 Jigsaw tracking, October 2005, sample of 452 young people and 127 parents.

30 Royal Air Force Brand and Advertising Tracking Research 2005-06, March 2006.

APPENDIX SIX

Diversity in the Armed Forces

1 This Appendix provides further information on diversity in the Armed Forces.

Diversity policy

2 The Department's Diversity Vision is: "a workforce, uniformed and civilian, that is drawn from the breadth of the society we defend, that gains strength from that society's range of knowledge, experience and talent and that welcomes, respects and values the unique contribution of every individual"³¹.

3 The Department's overarching Equality and Diversity Scheme and the Unified Diversity Strategy "Diversity for Defence" set out the Department's approach to meeting its general and specific legal obligations relating to Race, Disability and Gender. The Scheme also sets out the Department's approach to other diversity strands, namely age, sexuality, and religion/belief.

4 Overall responsibility for promoting and ensuring equality and diversity rests with the Defence Management Board. Under the Strategy, however, all personnel are expected to fulfil certain personal responsibilities, and managers and leaders are responsible for ensuring that there are no barriers to promotion and that everyone has equal opportunity. The Strategy is communicated internally, and diversity training is given when personnel join the Armed Forces or Civil Service, or when they move into a new post.

5 Under the Unified Diversity Strategy, the Department has developed discrete equality and diversity action plans for the Armed Forces, civilian staff, and Ministry of Defence Police. The Department will report on progress against its 2006-07 action plans in 2007. The Armed Forces are exempt from some areas of diversity legislation for reasons of operational effectiveness, however.

Race

6 The Department currently has a target to achieve eight per cent ethnic minority representation in the Armed Forces as a whole by 2013. The Department is required to report progress against this target, and monitors areas such as the numbers of ethnic minority applicants, promotions and overall numbers of staff in post. **Figure 18** shows that the Department is making some progress to achieving this target, with the proportion of ethnic minority personnel having increased over the last four years.

18 Ethnic Minorities as a percentage of the Trained Strength 2002-2006

	1 April 2003 %	1 April 2004 %	1 April 2005 %	1 April 2006 %
All Services	4.3	4.9	5.3	5.5
Officers	2.5	2.4	2.4	2.4
Other Ranks	4.7	5.3	5.8	6.2
Royal Navy				
Officers	1.6	1.5	1.6	1.6
Other Ranks	2.4	2.6	2.7	2.8
Army				
Officers	2.7	2.7	2.8	2.8
Other Ranks	6.4	7.5	8.4	8.8
Royal Air Force				
Officers	2.8	2.7	2.6	2.5
Other Ranks	2.5	2.5	2.4	2.3

Source: Ministry of Defence. Ethnic Minorities calculated as a percentage of those personnel for whom the Department holds a record of ethnic origin and excludes those of unspecified ethnic origin.

³¹ Source: Ministry of Defence 'Equality and Diversity Scheme 2006-09'.

7 Recruiters have devoted considerable efforts to increasing the number of ethnic minority recruits. However, **Figure 19** shows that ethnic minorities as a percentage of Intake from Civilian Life has fallen since 2003-04.

8 Each of the Services has a specific target to increase the proportion of ethnic minority applicants. Prior to 2003, ethnicity goals covered all ethnic minority recruits (United Kingdom and Commonwealth). Since April 2003, the targets relate to United Kingdom ethnic minorities only. In 2005-06 the Services did not achieve their targets for ethnic minority applicants: the Royal Navy achieved two per cent applicants against a target of 3.5 per cent; the Army achieved 3.6 per cent against a target of 3.9 per cent; and the Royal Air Force achieved 1.5 per cent against a target of 3.6 per cent. From April 2006 targets will increase incrementally at 0.5 per cent above the previous year's achievement figure, as the Department considers this more realistic and achievable than increasing the target figure each year despite not having met the goal.

Disability

9 The Armed Forces are exempt from the employment provisions of the Disability Discrimination Act 1995 since Service personnel need to be combat effective in order to meet a worldwide liability to deploy. The Department has a voluntary code for those personnel disabled during service. It aims to treat and rehabilitate those injured in service and to find alternative posts for those not able to return to full fitness to pursue their military career, although this will depend on the nature of the disability and the availability of posts suited to their experience and capabilities. If an individual has to be medically discharged the Department has a range of welfare and support services to help them to re-enter civilian life.

Gender

10 Seventy-one per cent of posts in the Royal Navy and Army and 96 per cent of posts in the Royal Air Force are open to women. Women are not permitted to serve in the Royal Marines (General Service), front-line combat units in the Army or the Royal Air Force Regiment for reasons of combat effectiveness. Due to medical and health restrictions women are also not permitted to serve as Royal Navy Submariners or as Mine Clearance Divers. The Department does not set specific targets on female representation in the Armed Forces; however recruitment, retention and progression of women is monitored.

Figure 20 shows that the proportion of women in the Armed Forces has increased over the last five years.

19 Ethnic Minorities as a percentage of Intake from Civilian Life 2002-2006

	2002-03 %	2003-04 %	2004-05 %	2005-06 %
All Services	6.7	7.3	6.7	5.5
Officers	3.5	2.8	2.7	2.1
Other Ranks	6.9	7.6	7.0	5.8
Royal Navy				
Officers	2.0	0.4	1.0	1.6
Other Ranks	3.3	3.6	3.5	3.8
Army				
Officers	3.4	3.4	3.2	2.4
Other Ranks	9.1	10.1	8.8	6.6
Royal Air Force				
Officers	5.3	3.1	3.1	1.6
Other Ranks	2.2	1.6	2.3	1.8

Source: Ministry of Defence. Ethnic minority percentages are calculated from the number of personnel with known ethnicity and includes both United Kingdom and Commonwealth recruits. Figures exclude ethnic minorities recruited en bloc (Royal Navy: 145 recruits 2002-03, Army: Fijians, St.Lucians and Vincencians excluded from 2002-03 and 2003-04, from 2004 only Fijians excluded).

20 Number of females as a percentage of the Trained Strength 2002-2006

	1 April 2002 %	1 April 2003 %	1 April 2004 %	1 April 2005 %	1 April 2006 %
Royal Navy					
Officers	7.6	7.9	8.2	8.6	8.8
Other Ranks	8.6	9.1	9.3	9.4	9.4
Army					
Officers	9.8	10.2	10.3	10.6	10.8
Other Ranks	6.8	7.0	7.0	7.0	7.1
Royal Air Force					
Officers	11.1	11.6	12.4	13.1	13.7
Other Ranks	10.5	11.0	11.5	11.8	12.0

Source: Ministry of Defence.

Other Diversity Strands

11 Age: The Armed Forces are also exempt from the provisions of Employment Equality (Act) Regulations 2006 relating to age discrimination. This is in order to safeguard operational capability and effectiveness. There are minimum and maximum age criteria for recruits joining each of the three Services.

12 Sexuality: There are no exemptions from legislation in this area. The Armed Forces are compliant with the recent Civil Partnerships Act 2004. The Department does not ask for, or record, information on the sexuality of Armed Forces personnel.

13 Religion/Belief: The Department is required to comply with Employment Equality (Religion and Belief) Regulations 2003 which makes it illegal to discriminate on the grounds of religion or belief. The Armed Forces are committed to providing all personnel with the opportunity to practise their faith as far as possible without compromising operational effectiveness. For example, every effort is made to allow personnel to celebrate religious holidays and festivals and to comply with specific religious dress codes, although personnel may have to be flexible for operational reasons. Facilities are provided in most military establishments for prayers, and special dietary requirements are catered for. The Armed Forces now have Chaplains and equivalent representatives from the Buddhist, Christian, Hindu, Jewish, Muslim and Sikh faiths.

Socio-economic status

14 The Department does not collect data on the socio-economic status of its personnel since this does not relate to any of its key performance targets. The Armed Forces aim to target all sufficiently capable and motivated young people within the target age group regardless of gender, race, religion, sexual orientation, or socio-economic background. The entrance criteria for the Services include requirements related to nationality and residency, height and weight, health (certain medical conditions are excluded) and fitness levels. Applicants with criminal convictions will be considered on a case by case basis, although some convictions automatically render a candidate ineligible. Each Service requires recruits to obtain certain academic standards, either by passing selection tests, or by setting minimum educational standards (these vary by Service and trade).

15 There are no entry criteria relating to socio-economic status of recruits and the Department's policy is not to discriminate on the grounds of social or educational background. With the exception of limited information to manage recruiting activities, the Department does not routinely collect or monitor information on the educational background of its personnel as it considers that this data would be of no practical use and that this follows the Data Protection principle that information gathered should be 'adequate, relevant, and not excessive'. The Department considers that such information could not be gathered subsequently without expending disproportionate time, cost and effort, and that the historical information available would be limited.

16 Similarly, the Department does not routinely collate and analyse information on the socio-economic background of promotees. Statistics on the numbers promoted from the Ranks to the Officer cadre each year are, however, available. In 2005-06, around 460 males and 40 females, including 24 ethnic minority personnel, were promoted from the Ranks. **Figure 21** shows the full breakdown by Service.

21 Other Ranks outflow to Officer 2005-06 by Service¹

	Total	Male	Female	Ethnic Minority
All Services	500	460	40	24
Royal Navy	80	70	10	1
Army	340	320	20	21
Royal Air Force	80	70	20	2

Source: Ministry of Defence.

NOTE

¹ All figures are provisional and are rounded to the nearest 10. Totals do not, therefore, necessarily reflect the sum of their constituent elements.

APPENDIX SEVEN

Recruitment initiatives

	Recruit a Friend	Golden Hello
	Offered to Armed Forces personnel who successfully recruit someone to specific areas of the Armed Forces.	Offered to individuals holding specific qualifications as an incentive to join a particular trade/specialisation.
Royal Navy and Royal Marines Take-Up and Cost	£1,000 or £500 introduced for Royal Marines in 2004-05. 88 paid. Total cost £86,000.	£5,000 Submariner Golden Hello introduced in April 2003, following Submarine Manning and Retention Review. 788 awarded at a cost of £3.9 million.
Army Take-Up and Cost	Infantry "Recruit Bounty scheme". £650 offered on a trial basis December 2005 to January 2006. Two paid, a further 41 applications are pending. Cost to date £1,300. Bonus to be increased to £1,300.	Introduced in September 2003 for a selection of pinch point trades. 471 awarded at a total cost of £344,600.
Royal Air Force Take-Up and Cost	Not used except for medics.	Not used except for medics.
Medics Take-Up and Cost	Not used.	£50,000 for General Practitioners introduced in November 2002. 36 awarded at a cost of £1.8 million. £8,000 for Specialist Nurses introduced January 2004. Eleven awarded at a cost of £88,000.
Total Take-Up and Cost	90 recruits at a cost of £87,300.	1,306 recruits at a cost of £6.2 million.

Re-join Bounty

Offered to individuals who have left the Services and who have a Regular Reserve liability who return to the Services for a period of at least three years.

Introduced Spring 2004. 159 offered in the Royal Navy, eight accepted at a cost of £48,000.

39 fully trained and six part-trained Royal Marines accepted, at a total cost of £244,000.

£6,000, introduced in January 2003 for a selection of pinch point trades.

24 awarded at a cost of £144,000.

Not used except for medics.

Not used.

77 personnel rejoined at a cost of £436,000.

Transfer Bonus

Offered to each individual who transfers trade group to join an operational pinch point.

Not used.

Introduced January 2004.

66 paid at a total cost of £99,000.

Not used except for medics.

Not used.

66 paid at a total cost of £99,000.

Bursary/NVQ Sponsorship/Cadetship

Offered to potential recruits to gain specific qualifications needed for particular trades/specialisations. Payment is received whilst studying.

Not used.

Introduced September 2003.

None paid to date.

Not used except for medics.

Bursaries/Cadetships have been awarded for at least the past 10 years to medical recruits. This is a long established scheme, and is not dependent on these trades being classified as pinch points.

1,539 recruits at a cost of £6.8 million.