

# Ministry of Defence Improvement Plan

# Contents

---

Foreword by Jon Thompson, PUS .....	3
1. What do we do? .....	4
1.1. Where we are we going .....	5
1.2. How we are adapting .....	5
2. Assessment.....	6
2.1. Overall Position .....	6
2.2. Assessment of Performance .....	6
2.3. Efficiency and Innovation .....	10
2.4. Strategic Risk and Leadership of Change.....	12
2.5. Assessment of Departmental Capability .....	14
2.6. Perceptions of Defence .....	17
3. Scope of Improvements .....	18
3.1. Summary .....	18
3.2. Securing the benefits of the new Operating Model .....	18
3.3. Acquisition and Enablers Reform .....	18
3.4. Whole Force Concept and Force Restructuring.....	19
3.5. Building Skills and Capabilities .....	20
3.6. Management Information .....	20
3.7. Efficiency .....	21
4. Metrics.....	22

# Foreword

---



## Foreword by Jon Thompson, PUS

At the beginning of 2013/14 we set six overall priorities, covering operations, departmental reform, getting the best from our people, information, leading and managing change, and resources.

Internationally, there has been the draw down from Afghanistan, fixing our initial policy for the end of combat operations as well as playing a vital role in the UK's disaster relief operations in the Philippines.

Lord Levene's opinion on Defence Reform, two years on, could not have been more supportive: "this year there is clear evidence that much of this early promise has come to fruition, and that substantial progress has been achieved in implementing both the letter and, more importantly, the spirit of my original recommendations".

We have made good progress on both policy and practice for our people: the new performance management system, new arrangements for managing talent, a new leadership offer, and significant new funds for learning and development.

We set up the new Information Board and have a reasonable first assessment of the information landscape. Challenging is an understatement, but we now have real clarity on the strategic issues we face and a new CIO to drive the work forward.

We have made progress on leading and managing change, but there is more to be done in the year ahead. Internally, we all need to be more visible as leaders and engage with our staff in ways that we know will have a real and positive impact.

Following good progress on balancing the Defence programme and delivering major efficiency savings, we are also beginning to plan ahead for the SDSR 2015 and the inevitable Spending Review 2015. Getting together all the research, options and information we need to engage with the National Security Council is sensible planning so we have the time ahead of May 2015 to engage fully with OGDs.

Work led by the Cabinet Office on the future of the Civil Service and the potential to organise some services on a more pan-government basis have also started in earnest. Whilst we are in the midst of significant and widespread change across defence it is still right to begin to think ahead for how we can work best with our colleagues across Whitehall and more widely as well as preparing for a new Government post the General Election.

# Context

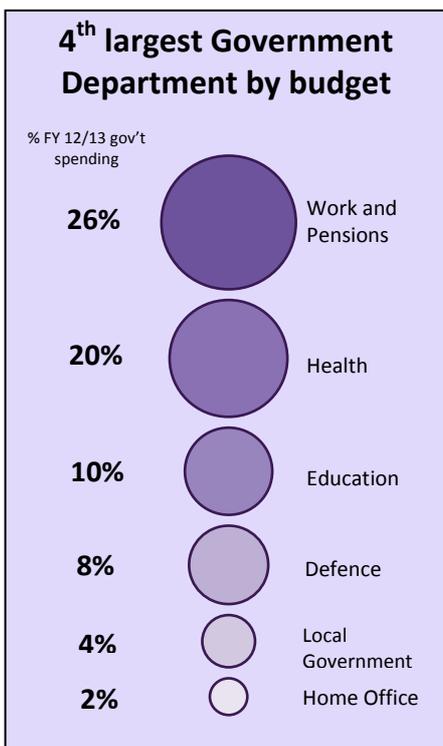
## 1. What do we do?

The Ministry of Defence (MOD) and the Armed Forces protect the security, independence and interests of our country at home and abroad. We work with allies and partners whenever possible.

As well as being a Department of State, with the associated responsibility of acting for ministers and the government in a cost-effective manner, the Ministry of Defence is also the United Kingdom's Strategic Military Headquarters responsible for the delivery of specific military tasks:

- providing strategic intelligence
- providing nuclear deterrence
- defending the UK and its overseas territories
- supporting civil emergency organisations in times of crisis
- providing a defence contribution to UK influence
- defending our interests by projecting power strategically and through expeditionary interventions
- providing security for stabilisation

<p><b>Provides a variety of essential services</b></p> <p><b>Operations</b> 9,000 personnel deployed on operations in Afghanistan at end of 2012.</p> 	<p><b>But also in FY 12/13...</b></p> <p>1,932 Search and Rescue callouts in the UK, coming to the aid of 1,623 people.</p>  <p>898 vessels boarded while providing fisheries protection.</p> 	<p><b>Provided military aid to civilian power on over 90 different occasions.</b></p>  <p><b>Disrupted thousands of kilograms of drugs</b> in the course of operations, including <b>one seizure of 1,800 kg</b> which would have had an <b>estimated value of about £14M</b> on UK streets.</p>
---	--	--



**Level of revenue and assets similar to a FTSE 100 company**

**£538** is spent per person on defence, the third highest in whole of NATO

**£2.8Bn** was spent on operations during 2012/13.

**£7.8Bn** is spent on new equipment and infrastructure each year, the largest in UK government.

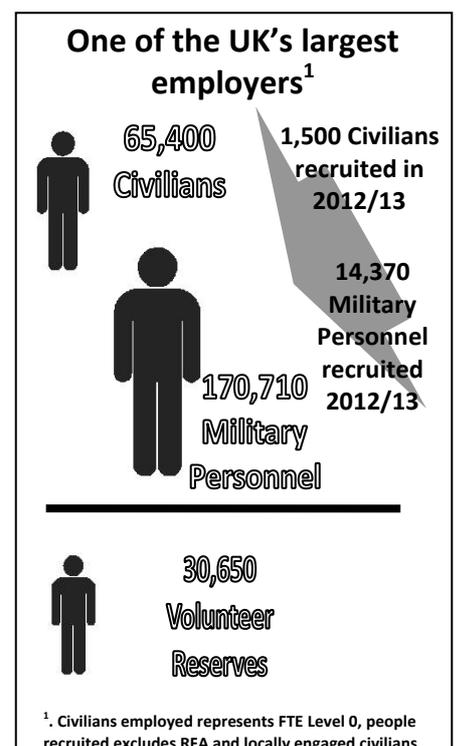
The total Net Book Value of the MOD assets is **£120.4Bn**.

The Net Book Value of Defence owned land and buildings is **£25.7Bn**.

Defence owns over **1% of the UK land mass**.

There are approximately **4,000 defence sites** (of various sizes).

Training areas and ranges occupy **68% of total holdings**.



# Context

## 1.1. Where we are we going

The Defence Vision, set out in the 2013/14 MOD Business Plan, says:

*“we will continue to protect our country and help to project its values and interests abroad by delivering versatile, agile and battle-winning Armed Forces, working effectively with each other, directed and supported by a professional Ministry of Defence, with people ready to lead, accept responsibility and spend wisely, protecting our security in a changing world”*

## 1.2. How we are adapting

Defence is always evolving to reflect the security and political environment. Our aim is to provide modern agile and adaptable armed forces fit for the challenges of the twenty-first century. The long-term elements associated with defence (political and military strategic direction as well as very large equipment projects with significant lead times and wide industrial implications) need regular, focussed reassessment. In 2010 the government introduced a formal review five-yearly Strategic Defence & Security Review (SDSR) process, and the 2010 SDSR set out the planned force structures for 2020 (Future Force 2020).

We have made good progress against the SDSR targets from 2010 and we are making preparations for the next review. The Prime Minister updated Parliament on SDSR 2010 implementation progress in December 2013<sup>1</sup> with a third annual report.

Alongside the SDSR, Lord Levene of Portsoken, the former Chief of Defence Procurement, conducted the Defence Reform review. Its aim was to conduct a fundamental, independent evaluation of how the MOD is structured and managed to design a new, simpler and more cost-effective, model for departmental management. Lord Levene’s review made 53 recommendations and set a longer term direction for continuing change. Two years on, in his latest update<sup>2</sup>, he said: *“there is clear evidence ... that substantial progress has been achieved in implementing both the letter and, more importantly, the spirit of my original recommendations”*.

We are reforming defence as an integral part of the Civil Service Reform and wider government modernisation programme. The MOD is working with Other Government Departments to share our own experience and learn from others actions to date as part of a smaller, more cohesive Civil Service.

Defence is also playing its part within the broader efficiency agenda in Government. In particular, we are working with the Efficiency Reform Group in the Cabinet Office to develop shared contracts for IT and common goods and services, leveraging the purchasing power of Government as a whole. We are taking forward an extensive agenda of asset and estate sales. We have shrunk our back-office and administrative overheads since 2010 and are working with the private sector to improve how we manage our estate holdings and also how we undertake complex project management in support of our Equipment Programme.

<sup>1</sup> NSS and SDSR Implementation: Third Annual Report

<sup>2</sup> Defence Reform, Second Annual Review 13 November 2013

# Assessment

## 2. Assessment

### 2.1. Overall Position

The Department has assessed where it is, and what it has achieved, in these areas:

- performance
- efficiency and innovation
- strategic risk and leadership of change
- departmental capability

We have also considered feedback from the MOD staff survey and the Armed Forces Continuous Attitude Survey as well as external perspectives and we have reviewed progress against the 2012 Capability Review and the Civil Service Reform Plan.

### 2.2. Assessment of Performance

As set out in the MOD 2013/14 Business Plan, the Government has six defence priorities:

- a Restructure the Armed Forces and their capabilities
- b Deliver the Armed Forces Covenant and develop the New Employment Model
- c Transform Defence
- d Deliver Defence in the most effective, efficient and sustainable way
- e Safeguard Britain's national security
- f Promote UK growth

We set out current status of the detailed actions underpinning each of these priorities at Annex A, alongside the last published data on the impact indicators.

#### 2.2.1. **Armed Forces Restructuring**

As set out in the Prime Minister's report to Parliament<sup>3</sup>, we remain on track to achieve the structure necessary to deliver Future Force 2020. We are aligning the Reserves more closely with the Regulars in all areas – the reserves of 2020 are critical in providing the government with the options it needs to address the scale and range of future national security requirements. This involves significant change and effort in the approach for all three services but numbers have been increasing and we will need to continue this year-on-year to 2020. We made, and will continue to highlight, changes to terms and conditions to emphasise the attractiveness of reserve service. We recognise supportive employers are crucial to our ability to deliver this and will need to be reassured about impact to their own businesses. We engage closely with employers and we will now have to ensure detail of the support available is widely understood.

<sup>3</sup> Report on the National Security Strategy and Strategic Defence and Security Review. published 19 Dec 2013 : Column 132WS

# Assessment

Planning, including manpower planning, has been delegated to the Top Level Budgets (TLBs) empowering them to manage their resources to deliver outputs leaving the head office to give strategic direction. This is a key activity to delivering the Whole Force Concept (WFC); this is used to describe an approach to delivering a balanced, resilient and fully integrated force structure, comprising Service Personnel (Regular and Reserve) and civilians (MOD Civil Servants and contractors), optimised to deliver the people component of Defence's Operational Capability, at declared readiness and defined risk, in the most cost-effective and affordable manner.

## **2.2.2. Covenant & New Employment Model**

We continue to take forward work to rebuild the Armed Forces Covenant. The Covenant defines the principles for ensuring that our Armed Forces personnel are not disadvantaged in any way as a result of their service. The delivery of the Covenant with development and delivery of the New Employment Model (NEM) will provide a promise of fair treatment, on behalf of the nation, to ensure our Armed Forces and their families are valued and respected.

Our work on a NEM provides updated Terms and Conditions of Service for Service Personnel. Consultation with Service Personnel started in June 2013. Detailed policy design will be endorsed by the Defence Board in early 2014. The programme is on track to begin phased implementation from April 2015 onwards.

## **2.2.3. Transform Defence**

We are also working to deliver the smaller, more professional MOD as set out in Lord Levene's 2011 Defence review; this includes a new Defence Operating model, the conclusion of the Defence Infrastructure Transformation Programme, the Corporate Services Transformation programme and the Materiel Strategy. Together these will deliver a simpler and more effective organisation and reductions in running costs

The budget excess has been eliminated and the Defence budget has been balanced. New mechanisms are in place to hold Top Level Budget holders and other senior responsible officers formally to account against their plans.

The new Joint Force Command achieved full operating capability in April 2013. Rollout of the Defence Infrastructure Organisation's new Operating Model began in April 2013, including roll out of 'Capability release one' of its new Information Management Solution. More phased capability releases are due throughout 2013/14.

The MOD Head Office has reduced in size by some 500 posts (over 20%). The changes needed to delegate capability planning and financial responsibility to the Commands are in place, with further reforms scheduled by April 2014. More widely, the organisational building blocks we have now put in place have enabled us to reduce the defence civilian workforce by over 20,000 so far.

The second annual Defence Reform progress report from Lord Levene was published in December 2013 and recognised our good progress to date. This latest report is the second of three which take stock of how the Ministry of Defence has embraced the vision set out in his original Defence Reform report of 2011. His final report is expected in late 2014; all 53 recommendations are either complete or on track to be finished shortly so Lord Levene's last report should help us confirm we have embedded the reforms into the way the department works. In the interim, we will produce a formal graduation report for Defence Reform in the Spring and the new Defence Authority for Corporate Design will report on the implementation of reforms and associated processes to the Defence Board on a six monthly basis.

# Assessment

Lord Levene said; “*There is clear evidence that MOD has become more business-like and finance-focussed over the last two years. A projected £38 billion budget excess has been eliminated: this is a remarkable achievement and shows how effective the management of the Department can be, especially when it has strong political leadership*”. The statement is encouraging, and reflects the wide-ranging organisational and process changes we have put in place under Defence Reform since balancing the MOD budget in 2012. The implementation of the delegated finance and capability operating model in April 2013, fulfilling one of Lord Levene’s key recommendations, has increased empowerment of the Service Chiefs and greatly improved accountability.

Defence Business Services (DBS) was created in 2011 to provide a range of corporate services covering civilian human resources, finance, information and security vetting. The strategic management partnership with DBS has succeeded in delivering against its 23 key performance indicators, beaten its cost savings targets, and integrated well with MOD staff, including a move of the DBS headquarters from two sites in Bath to Bristol, which was accomplished with minimal customer impact

The Materiel Strategy is designed to deliver options for the future delivery of defence equipment acquisition and support. After exploring the current market appetite, we are now establishing the Defence Equipment and Support (DE&S) as a bespoke central government trading entity from April 2014. The new organisation will be an arm’s length body to the rest of the MOD, with significant freedoms and flexibilities around how it operates, including the management of its civilian workforce. The new DE&S will also be supported by an injection of expertise from the private sector, through Managed Service Providers, who will focus on Project Delivery, Human Resources and Management Information, finance and Information Technology.

The Department intends to introduce a strategic business partner for the Defence Infrastructure Organisation (DIO) on a ten-year contract as part of wider Defence transformation. We are at the preferred bidder stage and undergoing final negotiations. We plan to award a contract in Spring 2014 and it will include the requirement to prepare the DIO for conversion to a government company in 2016.

## **2.2.4. Efficient and effective delivery**

In May 2012, the Defence Secretary announced that the Defence budget was in balance<sup>4</sup>, with an affordable programme with appropriate levels of contingency against recognised risks built in.

We are working to deliver non-front line savings of at least £4.3 billion by March 2015 and we are on track to deliver these savings. The savings come from rationalisation and restructuring as well as personnel reductions. Spending Round 13 identified £875m of further annual efficiency savings to be made in 2015/16. This includes a pioneering deal with the Cabinet Office for some non-military procurement by the Government Procurement Service.

Senior Responsible Officers have been allocated for each of the savings measures and we track progress to mitigate risks of savings erosion.

Fuller efficiency savings details are given in the Assessment of Efficiency section.

---

<sup>4</sup> Secretary of State Statement to Commons on Defence Budget and Transformation  
14 May 2012 : Column 261

# Assessment

## **2.2.5. Safeguard Britain's national security**

Our main effort continues to be in Afghanistan where we are now transferring security responsibilities to Afghan national forces, whilst continuing to play our part in NATO led operations to provide security until this process is complete.

We also continue to carry out a range of activities: ensuring the national security of the UK directly, including maintaining the deterrent and protecting our airspace; enhancing broader regional and international security through our involvement with international bodies such as NATO, the UN and the EU; and through arms control working closely with OGDs as set out in the House of Commons Committees on Arms Export Controls report<sup>5</sup>.

This includes:

- **Counter-Narcotics.** Defence supports Home Office and National Crime Agency-led efforts to mitigate the risks to UK from organised crime and illicit trafficking. For example, the Royal Navy, working in concert with international partners, conducts counter-narcotics patrols in the Caribbean and Atlantic. In the period from July to November 2013 they have seized or disrupted over four metric tonnes of illicit drugs.
- **Security Sector Reform.** In April 2013, following the third successful elections in Sierra Leone since the civil war, the International Military Assistance Training Team was replaced by a smaller International Security Assistance Team which has a broader and more strategic security sector reform remit, including civil policing, and a regional role. This effort is to overcome the fragility of security governance structures in conflict-affected countries and provide sustainable reform processes, to underpin poverty reduction through enhanced service delivery, and to help develop effective and accountable systems of security and justice.
- **Continuing to support Civilian Authorities in emergencies:** most recently assisting with action on the winter flooding and storm damage at short notice in many locations.

## **2.2.6. Promote UK growth**

We continue to exploit Defence's research and development programme, invest in defence infrastructure and equipment and work with UKTI / BIS to support promotion of Defence and Security Equipment International (DSEI) campaigns.

We have worked closely with defence industry in line with the new vision for the defence sector to support growing defence exports, including supporting the major DSEI exhibition in London in September 2013. Defence exports totalled £8.8 billion in 2012, a rise of 62% from 2011 in a global market that grew by 45%: the largest increase for 5 years.

---

<sup>5</sup> First Joint Report of the Business, Innovation and Skills, Defence, Foreign Affairs and International Development Committees of Session 2013–14.

# Assessment

## 2.3. Efficiency and Innovation

Our assessment on efficiency and innovation looked at how we managed the longer term spend profile and how we will adapt to the future bringing in fresh ideas.

### 2.3.1. *Efficiency Targets*

In CSR10, the Ministry of Defence committed to make £4.3 billion of non-front line savings in total by March 2015. Of these savings, £3.2 billion are efficiency savings so do not affect Defence outputs.

We expect to meet this target.

The savings include:

- £1200M from personnel reductions (civilian and military)
- £550M through estates rationalisation
- £250M from restructuring training organisations.
- £150M from changes to civilian terms and conditions
- £150M from restructuring and rationalisation of the regional command structure, and defence provision of manning, legal, police and guarding, and chaplaincy services.

Spending Round 2013 identified approximately £875 million of further efficiency savings in 2015-16:

- £135M including extension of civilian and military pay restraint to 2015-16 and reduced charges for the MOD's use of the electromagnetic spectrum;
- Around £90M from further reductions in the civilian pay bill and other operating costs;
- £300M through a ground-breaking deal with the Cabinet Office to hand responsibility for procurement of a range of non-military goods and services, including office supplies, vehicles, training and some IT, to the Government Procurement Service. We have agreed with the Cabinet Office and the Treasury that the Cabinet Office is responsible for delivering the savings; and
- £350M from efficiencies in the equipment support budget, including the renegotiation of contracts.

Our projected future personnel numbers are:

**Table 1 – Planned Personnel Reductions**

<b>Service</b>	<b>April 2010 Baseline</b>	<b>Reduction</b>	<b>2015</b>
Navy	35,500	5,500	30,000
Army	102,500	12,500	90,000
RAF	40,000	7,000	33,000
Total Service	178,000	25,000	153,000
Civilian	86,000	27,400	58,600
Total people	264,000	52,400	211,600

*Source: Defence Statistics(Tri Service) and Defence Statistics (Civilian)*

# Assessment

## 2.3.2. Innovation

As well as adapting and finding new ways of operating militarily as the operating environment changes (i.e. new threats, new technologies), we are working to unlock the potential of our people and tackle excess bureaucracy by finding new ways to do business, including new web-services and digital-by-default services and developing our people's skills and capabilities. Our goal is a defence culture that embraces innovation, generates the ideas (whether in-house or through exploiting others' ideas) and drives through the associated change.

We have a successful track record in innovating new equipment and solutions to military capability issues and in developing new ideas through our ideas scheme – GEMS - which has been assessed as meeting best practice.

Defence's GEMS Ideas scheme has been moved from a paper process to an online-based service called GEMS online. GEMS online provides a service for 270,000 MOD employees, and finds circa £12-20M savings per annum. The next phase of GEMS online development will see the introduction of capabilities to host local campaign challenges, recycle ideas, and collaboration. GEMS also successfully hosted the new Red Tape Challenge in MOD gathering over 200 suggestions to tackle bureaucracy.

We are exploiting digital technology to support innovation by:

- Aligning other Defence Reform digital tools such as
  - a Best Practice wiki,
  - GEMS Online,
  - lessons learning tools and
  - business social media
- Developing the Defence Interactive Operating Model

The Defence Interactive Operating Model (DIOM) provides a web-based service to explore the operating model and how it works. The DIOM was implemented in under 6-weeks using an agile approach and demonstrates the utility of short, sharp projects. The DIOM is an innovative model that will develop further as the operating model beds in.

- Providing digital by default access to Defence's operating rules

Further detail of progress on our Digital strategy is given at Annex D.

# Assessment

## **2.4. Strategic Risk and Leadership of Change**

### ***2.4.1. Leadership of Change***

Our smaller, more professional Head Office is making steady progress supporting the board take the difficult but vital decisions on strategy and money and co-ordinates the outputs of the empowered Top Level Budget holders to decide how best to deliver the resources.

The 2012 MOD employee survey told us we needed to improve how we lead and manage change. During early 2013, all our members of the SCS participated in one of eight leadership workshops which explored the Department's leadership opportunities and barriers and set the scene for the follow-up discussions at the SCS Conference in March. Further to this, the SCS Conference established seven key leadership themes that the SCS committed to take forward collectively over the course of the year. This is an important first step on wider leadership development but we recognise we have further to go. We are making leadership and managing change our key priority again in the 2014 Corporate Action Plan following on from the MOD Your Say survey results. Those results show that the work we started in 2013 is having a positive impact, but we recognise that we need to continue our focus in this key area and accelerate the pace of improvements.

We have:

- a Developed a leadership offer, which included a range of learning and development initiatives and programmes for both the SCS and Band Bs (G6/7) to enable them to better engage, support and lead staff in the challenges they face across Defence. It included investing in the development of their leadership skills, through the use of structured leadership development programmes, informal learning through others such as action learning groups, coaching and mentoring, working collaboratively with peers/colleagues across Defence on corporate actions, and participating in leadership networking events to share learning;
- b Specifically for the SCS community provided more opportunities for them to work collaboratively, share ideas and forge commitments to corporate actions by running bi-annual SCS conferences, regular "virtual SCS gatherings" via teleconferences to share best practice and ideas, and the establishment of an online zone for SCS members to further promote this work;
- c Focussed our next SCS conference on leadership and managing change;
- d Specifically for our Band B leaders, who were identified as the least engaged group from the 2012 employee survey, facilitated a continuing programme of Band B conferences – designed and run by the Band Bs. These have had an strong positive response and more planned through 2014;
- e Developed a leadership improvement offering for staff below Band B to be made available in 2014.

These and other steps to improve employee engagement have seen an increase in survey response rates across MOD with a 50% response rate compared to 37% last year, a 4 percentage point increase in leadership & managing change, and a 2 percentage point increase in engagement overall, albeit that our absolute level is very low compared with other Whitehall departments. Our improvements are encouraging but are only the beginning and we recognise the challenge will continue.

# Assessment

---

## **2.4.2. Strategic Risk**

Our key strategic risks relate to operations, military capability, manpower, finance and information. The Department has re-examined the way we manage risk. The Defence Risk Framework has been re-assessed and an improvement plan (Better Risk Management +) was developed with advice from PricewaterhouseCoopers (PwC) and is now in place. We specify risk owners for all of our identified risks. The risk owners produce action plans to address their risks, which are signed off by the audit committee, and monitor the progress of their relevant mitigations.

The key features of our new risk framework are:

- a the appointment of a Chief Risk Officer for MOD (DG Finance) and the reconfiguration of the Defence Risk Group to support him, plus the appointment of Chief Risk Officers in each of the Top Level Budget areas
- b a standard risk definition, based on cause/event/consequence, to be used in all risk reporting to the corporate level
- c a standard matrix of risk types, with designated thresholds of severity, and an initial assumption that only risks with a high inherent exposure would be reported to the corporate level
- d assessment based on distinguishing between inherent exposure (the untreated position), residual exposure (after current mitigation action), and target exposure (if the residual risk is unacceptable); and
- e comprehensive monthly reporting to the Board, leading to more in-depth assessments of current, emerging and potential future risks and also supporting greater agenda setting by the Board.

# Assessment

## **2.5. Assessment of Departmental Capability**

The Civil Service Capabilities Plan was launched in MOD in April, alongside publication of the MOD's Business & Management Skills Strategy, to provide greater impetus and focus for investment in learning & development, particularly in priority skills areas. The Skills Strategy highlighted the priority areas from the Capabilities Plan, together with additional MOD priority skills areas, and highlighted recommended training in these areas.

Publication was followed by a communications campaign to raise awareness of learning & development opportunities and promoting the offer of 5 days learning & development to all civilian staff. Communications on the mid-year review process in the new performance management arrangements stressed the importance of reviewing development needs. A Guide to Development Opportunities in MOD has also been published. Overall investment in civilian learning & development was £33M in FY12/13, and additional funding for training has been made available in this FY.

MOD conducted the Annual Skills Review during the summer, together with a review of TLB Workforce and Skills Plans. The findings suggested that appropriate training interventions are in place, and skills gaps were forecast to reduce in the next twelve months. Difficulties were still being experienced filling certain specialist posts, in some cases requiring external recruitment campaigns, and a number of existing staff required upskilling in certain areas.

A range of initiatives are in hand to address skills gaps within the Department, led by our network of Skills Champions. In our Business Management Skills Strategy, priority areas include leading change; commercial; programme & project delivery; policy, strategy & parliamentary; information; and science & engineering. All of these have been a challenge particularly for specialists in our acquisition and support area.

### **2.5.1. Commercial**

MOD Commercial is the largest in central government spending c. £20 billion per annum and slightly less than all central government spend and commercial staff. As such it is a developed function with considerable career and succession planning.

Skills development to date has been directed by a Commercial Skills Strategy to improve professionalism, including an increase in the proportion of professionally qualified personnel at CIPS Levels 4-6 to 75%. We are revising our current strategy to improve skills breadth as well as depth by increasing finance, portfolio management and business skills in addition to better professional ability.

To reduce vacancies and drive up capability by injecting external expertise, we are recruiting externally across all commercial grades as well as running a Defence Commercial Graduate Programme, and launching a commercial apprenticeship programme with a first intake of 15 in January 2014. We also operate a "conversion programme" to cross-train staff from other functions and move them into the commercial function.

As part of the pan-Government skills agenda and Civil Service Reform, we adopted the Government Procurement Competence Framework and supporting curriculum. We are also updating our Commercial MI data fields so as better to align with the Cabinet Office Skills database and Civil Service Capability Planning activities.

# Assessment

## **2.5.2. Project Delivery**

Defence Reform required our business areas to establish a portfolio of programmes and projects, and this has generated increased demand for learning & development. Portfolio management training, contextualised for defence, has been developed by the Defence Academy. The MOD Skills Champion for P3M is driving improvement to professionalism in this area, making use of the Association for Project Management (APM) professional qualifications, now available through Civil Service Learning.

Some areas of MOD have P3M vacancies which are being addressed by targeted external recruitment. As with the commercial area, the development of the new DE&S will provide the opportunity to address skills shortages within our acquisition and support system. Progress on introducing and sustaining these skills will be monitored closely over the coming years.

## **2.5.3. Policy, Strategy & Parliamentary**

MOD aims to give people the knowledge and skills to ensure that they develop robust evidence-based policy advice and options, turn policy decisions into strategies that are creative, realistic and affordable, and provide effective support to Ministers. Military operations will continue to require a number of civilian roles in support, including policy advice from civil servants either based in the UK or deployed forward. The Department will develop individuals with the right skills and understanding of operational policy to advise military decision-makers

## **2.5.4. Information**

We have just appointed a new 3\* CIO who will be reviewing our skills in this area. We know we must improve Information Management (IM) and Cyber awareness for all staff in Defence, in particular through the Defence IM Passport, and to support the development of information specialist and professional skills. We recognise we also need to develop Digital literacy across Defence and to develop appreciation amongst policy makers and leaders of the potential benefits of digital platforms, and support professional development of specialist staff.

Management information (MI) is an area that we haven't made the progress we would have liked in the last year and so rationalisation and improvement will be a key focus for further progress. To provide the right information at the right time will need a cross-functional approach with agreed sources and accredited information; we need a reduction of duplication and an increase in coherence via common processes.

Improvements in the wider management information systems across Defence are being taken forward through a variety of programmes, projects and initiatives including aspects of the Corporate Services Systems Convergence Programme (CSSCP), the DIO Integrated Management System and the DBS MI Centre of Excellence. Coherence of the solutions and the approach to delivering management information between projects and initiatives is being managed through a cross-departmental working group. We have identified that the coherence of management information in the department as a whole is dependent upon the use of consistent Master Data and its consistent application in systems and tools. We have begun the early stages of work to identify the MOD's Master Data. Further work will then need to be undertaken to develop a Defence-wide architecture and tool set that will provide a consistent and cost-effective way of providing management information across our wide range of business users.

# Assessment

## **2.5.5. Science & Engineering**

The MOD needs to ensure that scientists and engineers have the right professional skills to support delivery of defence business and capability. This is about understanding and setting the right requirements for qualifications and experience, recruiting suitable people and encouraging and enabling continued professional development (CPD). Safety-critical roles are a particularly important area. We are driving forward skills development for science and engineering on several fronts; meanwhile, we have implemented the cross-Government competence framework to reflect generic technical skills that support science policy and other areas.

Within our trading fund agency Dstl (with some 3,000 scientists), we use a career framework across the range of professions as well as specifying professional and competency requirements by individual job or role and including any particular qualifications and experience. Individuals have development plans and specific objectives linked to CPD. We actively encourage obtaining Chartership and higher professional memberships is actively encouraged. Our main issue is the ability to attract suitable staff in the current market, at any career stage, in several key but scarce disciplines such as software engineering, rather than skill development.

Our most pressing shortfall in specialised engineering knowledge and expertise is in the DE&S, where some 5,000 engineers are employed. This situation is exacerbated by an adverse demographic profile indicating a significant loss of skills over the next 10 years as experienced staff retire. The DE&S has initiated a step-change in the level of professionalism for its engineers, including a new competency framework, target-setting for levels of knowledge and expertise and an increase in recruitment of graduates and apprentices. External recruitment of engineers remains challenging in a highly-competitive market. We will address this by the new trading-entity freedoms and, for nuclear specialists at least, the recently introduced pay supplement.

## **2.5.6. Other Reporting**

We have provided quarterly Civil Service Reform Plan returns. The latest shows the Department is on track (green) against eight of the action areas. MOD is red against one (common access pass) and amber in two areas (Digital and MPLA training).

The current percentage of staff with the new common access pass is below 25%. The small group of MOD staff that are considered part of the Top 200 (Ministers, Senior Officials and key support staff – approximately 40 individuals) were all issued with their new common access passes prior to Christmas 2013 – in-line with the agreed timescales. For the remainder, we have brought our plan forward by a year and all our Whitehall staff who need it will have the new pass by October 2014.

The commitment to begin training of all leaders of major projects through the MPLA by the end of 2014 is still challenging given the sheer number people who need to attend as the defence projects portfolios are the largest in government. Following a period of churn related to implementation of MOD's new Operating Model, Senior Responsible Officer (SRO) turnover has stabilised but longer term turnover remains a challenge, in particular with respect to military career structures. A plan is in place for reducing SRO turnover and, more broadly, to improve leadership of major projects.

On Digital progress, our recruitment of a new digital transformation team has started with 36 applications for the team leader post (at grade 6). Once the team leader is in post, we expect planned activity to accelerate, including with the recruitment of additional members of the digital team.

Previous assessments of ten areas of capability as covered in the 2012 Capability Review are given at Annex B; the fifteen associated actions are all complete.

# Assessment

## 2.6. Perceptions of Defence

We work hard to ensure that Parliament, the public, the media and other stakeholders understand our role, what we do, and why we do it. The results of independent public opinion polling conducted on our behalf show that the British population continues to be highly favourable towards the UK Armed Forces. The reputation of the MOD has continued to improve steadily evidenced by the surveys of public opinion which we have conducted on an annual or bi-annual basis since 1999.

**Table 2 – External opinion of the MOD<sup>6</sup>**

Favourable ratings for MOD				
March 2013*	March 2012*	March 2011	March 2010	March 2009
69%	68%	57%	56%	55%
Unfavourable ratings for MOD				
12%	13%	15%	11%	9%

### 2.6.1. *Reputation among Service and Civilian Personnel*

We also carry out an annual survey to determine the views of our own people – both Service and civilian - on Defence issues and the Armed Forces. Our most recent poll conducted in Spring 2013 showed that the majority of our people agree that both the Armed Forces and the MOD are a force for good at 91% and 76% respectively. There has been a 5% increase in the proportion of our people who agree that the UK Armed Forces make a positive contribution to the UK through their activities at home, from 89% in 2012 to 94% in 2013.

---

<sup>6</sup> Up until Spring 2011, qualitative research was conducted in face-to-face interviews; to achieve cost savings, we switched to a more flexible and cost-effective telephone-based methodology in Spring 2012. Comparison between recent survey results and previous waves undertaken in face-to-face interviews is not fully valid statistically. For continuity, we show historical data and indicate clearly (asterisked heading) when we changed method.

# Improvement Plans

## 3. Scope of Improvements

### 3.1. Summary

From this assessment, we have concluded that the Department should focus on the six themes below:

- Securing the benefits of the new Operating Model
- Acquisition/Enablers Reform
- Whole Force Concept and Force Restructuring
- Building Skills and Capabilities
- Management Information
- Efficiency

We recognise these themes are interdependent; in particular, most are underpinned by the need to develop our people with the right proficiencies and experience.

### 3.2. Securing the benefits of the new Operating Model

The Levene report proposed a new operating model for Defence that clearly aligns responsibility and responsibility; this has now been put in place.

The principle behind the Defence Operating Model is that it is based on: simple structures; fair and transparent delegation of responsibility and accountability to those best able to deliver; strong organisational leadership, coupled with practical business skills; a culture of innovation and efficiency, removing needless process and flushing out bureaucracy; and joined-up corporate thinking and behaviour, placing the best interests of Defence as a whole at the heart of our business.

As set out under his assessment in late 2013, Lord Levene acknowledged that the behavioural changes his new operating model was intended to bring about are starting to happen; the changes are not fully embedded as yet so it is critical that we maintain the momentum on this in the coming years.

We have now constructed a benefits tracking mechanism which captures the extent to which behavioural and other changes are happening within Defence. These benefits are reviewed by the Defence Board on a six monthly basis and will initiate further actions if appropriate.

### 3.3. Acquisition and Enablers Reform

We are developing a new organisational model to deliver acquisition which will reinforce the customer-supplier relationship between the military and the new DE&S, facilitating a more business-like approach. We are establishing the new Defence Equipment and Support organisation as a bespoke central government trading entity from April 2014. This will bring in freedoms and flexibilities around how we recruit, reward, and manage staff along more commercial lines to reflect their work in carrying out some of the most complex procurement activity in the world. We will manage these freedoms under well-trying governance with a strong oversight board in place with an independent chair to which the Chief Executive of DE&S will report.

# Improvement Plans

For 14/15, we need to develop the detailed plan and implementation and then deliver against that during the year. We need to do all that is necessary to ensure the new DE&S, as an arms length body, succeeds. And we will also continue the work we are doing to ensure its customers, both in the Commands and Head Office, improve their capability.

The DBS has now been in operation since April 2012. It is currently running ahead of trajectory on savings targets and against meeting its Key Performance Indicators. Looking ahead, we are intending to merge the DBS with the Service Personnel and Veterans Agency (SPVA) to create a genuinely cross-defence back office operation. We are also about to start a review to agree what arrangement to put in place when the existing DBS contract comes to an end in March 2016.

Since forming in April 2011, the DIO has defined its enhanced operating model and is rolling that out currently along with a new IT system and supporting processes. In addition, we are in the process of choosing a strategic partner to take over and develop the delivery arm of DIO. And we will be reviewing and strengthening the accountability of DIO to the Commands to ensure that the DIO is a truly customer-facing organisation.

## **3.4. Whole Force Concept and Force Restructuring**

The new Chief of Defence Personnel (CDP) role was created on 1 April 13 with one of his priorities focusing on taking forward the WFC. The initial step towards the merger of military and civilian personnel and training policy is set to be achieved for April 14, and a Whole Force Framework is under development setting out the enabling arrangements required to make this approach a reality. This will in turn inform a new Defence People and Training Strategy due to be published by the end of Spring 14.

Work is underway to develop a New Employment Model (NEM) which provides updated Terms and Conditions of Service for Service Personnel. The Defence Board considered proposals on remuneration and home purchase incentives in April 2013. Consultation with Service Personnel commenced in June 2013, and the output will shape policy. Detailed policy design will be endorsed by the Defence Board in early 2014. The programme is on-track to begin phased implementation from April 2015 onwards.

The Regular Army Basing Plan, with Army rebasing from Germany at its core, was announced by the Defence Secretary on 5th March 2013. The Army will restructure and concurrently concentrate in the UK in a series of centres of gravity and specialisation. This will see a third brigade based on Salisbury Plain and the further development of Catterick, Kendrew Barracks, RAF Leuchars and Stafford as major Army bases.

Key platform programmes, such as for the aircraft carrier ASTUTE submarines and Lightning II, are progressing well. Transition plans for Air Transport and refuelling aircraft are on track as is the decommissioning plan for HMS Illustrious.

Policy on Reserve Forces has been developed and the legislation to enable the restructuring envisioned should receive royal assent in early summer. The Defence National Relationship Management Organisation, which launches on 1 April 2014, will act as a single point of contact for our most significant employers, building on already strong links.

# Improvement Plans

## **3.5. Building Skills and Capabilities**

We will launch our Business and Management Skills Priorities for 2014-15 shortly building on this year's plan, the Annual Skills Review and linking to the wider Civil Service Capability agenda. We have launched significant programmes to increase skills levels in: Leadership and management of change, Commercial, Project Delivery, Policy, Strategy and Parliamentary, Information skills (including Digital) and Science and Engineering. These programmes will continue to be enhanced and we will look to provide individuals with increased guidance on the development opportunities available to them. To support this, we will be promoting the new Civil Service Learning Self Assessment tool to provide additional guidance to individuals.

Our network of Skills Champions and Heads of Profession will be at the forefront of efforts to improve the wide range of professional and functional skills which are employed across defence. We will be looking for each Skills Champion to highlight to the staff within their functions their priorities for continuous professional development or areas of concern.

## **3.6. Management Information**

We have made some improvements in our management information over the last twelve months but we have significantly further to go. Lord Levene's second review of progress was positive but noted it "*is absolutely critical for the effective management of Defence that MOD radically improves its MI and MI Systems, and in particular that it achieves a single Department-wide version of the financial truth. This was always going to take time to come to fruition, and some progress has been made over the last year. But much more is needed*". Our newly appointed CIO has a key role in contributing to this.

Over the coming year, there are two new strands to our drive to improve our use of management information in the Department. Firstly, we have a central, working level MI team looking at systems and processes. Their main focus is seeking to drive common systems and wider awareness of best practice. We must link this to the wider Corporate Services Systems Convergence programme which is ongoing and will deliver a fully integrated suite of business applications over the next five years. Secondly, we are revising our high level MI to provide better information to the Board which is aimed at providing a better insight into the ongoing health of the Department. Running through all of the new Board MI will be considerations of risk and planned mitigation.

More widely, we recognise for information to be an asset and not a risk to Defence, we need to handle, manage and use it in the right way. Our specialists within the four Information Professions (Information Technology (IT), Knowledge and Information Management (KIM), Information Assurance (IA), and Cyber) need a particularly high level of professional skills for their specific responsibilities. The Head of Profession for KIM will deliver a KIM workforce development plan and formally professionalise a range of KIM-focused posts in MOD. The certified professional scheme from CESG in GCHQ is building a community of recognised IA professionals across government. We are adopting the government-wide IT career framework and professional profiles underpinned by the SFIA framework, and finally we are also enhancing cyber skills through establishment of functional competences and specialist training as well as broader awareness activities.

# Improvement Plans

## 3.7. Efficiency

Having completed Spending Round 13, which set the Defence budget in 2015/16, our key activity is now centred on achieving the efficiencies in the current Defence programme from SR10 and SR13; in particular on pay, procurement and equipment support efficiencies. In addition, we will continue to look for efficiencies as part of the next SDSR and Spending Review.

Looking ahead for further progress:

- we continue to work more widely with the Efficiency and Reform Group (ERG) on streamlining procurement particularly on common goods & services and IT
- we carry on towards our elements on Greening Government Commitments
- the MOD remains on track to reduce the numbers of military and civilian personnel by 2015 and beyond
- we have already rationalised civilian terms and conditions but will monitor the scope for further work on this, in particular on wider government alignment
- in 2014, MOD staff will move out of the Old War Office and all operations will transfer into MOD's Main Building. This is part of the MOD-led drive to operate a more efficient estate
- we are taking forward plans to deliver savings of £900 million by 2020/21 under the Submarine Enterprise Performance Programme (SEPP). Two of the three bilateral Foundation Contracts have been signed with Industry Partners. These Foundation Contracts commit each of the Submarine Enterprise Industry Partners to the delivery of their proportion of the SEPP benefits; and
- we will continue to examine the Equipment Support Programme for the opportunity for any further savings

We have actively refined our financial planning and now have a balanced budget with appropriate levels of risk and headroom allocated to provide against future shocks and cost growth. In Lord Levene's most recent review, he said that due to "*a new readiness at the very top of Defence to take tough financial decisions and embrace radical change from within or from the centre of government, MOD is viewed as a more professional and responsible organisation*".

# Measurement

## 4. Metrics

Improvement being made	Metric used to measure progress	Date to review metric and details of who undertakes the review	Trigger that will signal mitigating action needs to be taken
<b>Securing the benefits of the new Operating Model</b>			
Full implementation of the Defence Operating Model	Lord Levene's third (and final) progress report.	Late 2014 DG T&CS	Any problems identified in the report and any additional recommendations
Benefits realisation from Defence Reform programme	Six monthly benefits tracking reports to the Board	From October 2014 onwards DG T&CS	Lack of expected progress
Successful application of the new Holding to Account (H2A) process to improve performance and accountability	Holding to Account reviews between PUS and TLB leads  Completion of any Holding to Account action plans	Six monthly  Reporting to the Defence Board as appropriate  DG Fin	Significant divergence from Command (and other TLB) plans  Key milestones slippage and/or key indicators not met
<b>Pursue Acquisition and Defence Enabler reforms</b>			
Reform of acquisition	DE&S launched as a bespoke central Government trading entity	April 2014 CDM	Milestone slippage
	New DE&S transition milestones met	Through to end 2015 CDM	Milestone slippage
	Customer Design mandate agreed	April 2014 DG T&CS	Milestone slippage
	Customer Design FOC achieved	April 2015 DG T&CS	Milestone slippage
Strategic business partner for DIO	Completion of competition  Transition of work	Spring 2014  As laid out in contract  DIO CE	Milestone slippage

# Measurement

Improvement being made	Metric used to measure progress	Date to review metric and details of who undertakes the review	Trigger that will signal mitigating action needs to be taken
DIO development	Development of Footprint II strategy	End 2014 DIO CE	Milestone slippage
DBS Transformation programme completed	Closure reports for all constituent projects	CSTP Programme Board July 2014  CSTP SRO	Milestone slippage
Digital in Defence progress	Digital Transformation scoping study agreed	August 2014  D Strategy	Milestone slippage
Integration of SPVA into DBS to give single MOD delivery point for people	Criteria for merged organisation initial operating capability (IOC)	CSTP Programme Board May 2014  CSTP SRO	Go – No Go decision
<b>Develop and Implement the Whole Force Concept and Force Restructuring</b>			
Transition to Future Force 2020 and the supporting equipments and infrastructure	Direct and deliver Stage 2 (Design) of NEM  Begin Stage 3 (Implementation and Delivery)	Spring 2014  CDP	Milestone slippage
	Army Basing Plan on track  50% personnel returned from Germany	Quarterly  2015	Milestone slippage
<b>Improving our Capability</b>			
Engagement of leadership at all levels	Elements within the annual “Your Say” staff survey	After survey results  From December 2014 CDP	Result below objectives
<b>Improved management information</b>			
Improved evidence-based advice to Ministers and Board	Review coherence of MI across the Department  Develop transition plan  Ensure 100% QDS returns for MOD	Spring 2014 DG Finance   Quarterly DG Finance	Periodic review of submission quality

# Measurement

Improvement being made	Metric used to measure progress	Date to review metric and details of who undertakes the review	Trigger that will signal mitigating action needs to be taken
SDSR preparation	Supporting data, evidence and tools, and preliminary analysis developed	April 2015 DSP Head	Assessment of state of preparedness
<b>Drive year-on-year efficiencies across the organisation</b>			
Deliver actions set out in the single savings plan for government once agreed between Departments, HM Treasury and Efficiency and Reform Group, including all existing Public Expenditure Committee: sub committee on Efficiency and Reform (PEX(ER)) mandates	Deliver further efficiency plan for the Ministry of Defence 2015-2020 for the Spending Round 13  Agreement of a further efficiency plan with HM Treasury for the Spending Round 2013	At closing financial position against the budget  DG Fin	Deviation from implementation of that plan, once agreed
To deliver fiscal consolidation by ensuring spending outturns are consistent with plans; and by putting in place credible and sustainable plans to deliver spending totals agreed for 2014-15 and 2015-16	Direct personnel costs, per service person and per MOD civilian	Annual DG Fin	Significant variation cf. previous rates
	Cost of major force elements (per ship, brigade, aircraft, helicopter)	Annual DG Fin	Significant variation cf. previous rates
	Percentage of non-front line costs versus front line costs, split by Service	Annual DG Fin	Significant variation cf. previous rates
Improve the management of defence assets	Delivery of public land sales commitment	April 2016 DIO CE	Underperform against agreed land sales target sufficient to deliver 7,000 new houses

As well as the specific measures noted above, the Department will publish a full range of datasets and our full Departmental organogram on the government website under the Transparency Section.

Within this area, the other key data sets that will be provided include:

- UK Defence Statistics
- MOD Annual Reports and Accounts
- UK Armed Forces Quarterly Manpower Statistics (requirements, strengths, intake & outflow)
- Civilian Personnel Statistics

# Annexes

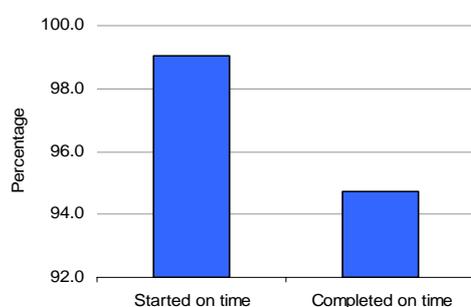
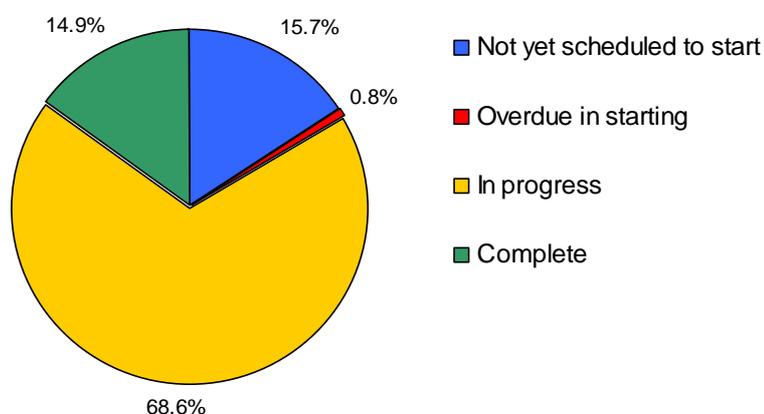
---

- A. Business Plan Indicators
- B. Capability Action Plan update
- C. Future Force 2020
- D. Digital in Defence progress

## A. MOD Business Plan Data

<b>MOD impact indicators</b>	<b>Data 2011-12</b>	<b>Q1 Data 2012-13 <sup>7</sup></b>
Progress toward a stable and secure Afghanistan	88	105
Number of Service and MOD civilian personnel deployed on all operations in a year	15,582	15,582
Percentage of Service personnel that are deployable	92	92
Number of Force Elements (FE) (typically ships, ground force sub-units and aircraft) showing critical or serious weakness against the total number of FE for Strategy for Defence (SfD) priorities	30%	10% <sup>8</sup>
Percentage of Service personnel (split by Officers and Other Ranks (OR)) who are satisfied with Service life in general	62/56	62/56
Overall public favourability of the UK Armed Forces	88	85

### Current Status of Actions



<sup>7</sup> As at end of financial year. Subject to audit.

<sup>8</sup> The Strategic Defence and Security Review (SDSR) gave the Government the opportunity to address the balance between our levels of national policy ambition, available resources and real world commitments. As such the policy baseline/metric now encompasses all Force Elements at readiness and sustainability, which are scored on a quarterly basis, as articulated in DSD and the Defence Plan.

## B. Ministry of Defence Capability Action Plan Outcomes

Within the last Capability Review, the following actions were undertaken:

Area for Development		Milestone	Date
Leadership	Setting Direction	<b>Implement recommendations of the Defence Board's effectiveness review</b>	
		Enhance communication and engagement and to demonstrate the Board's role, responsibilities and commitment as a senior decision-making body within the Department. Ensure that the Defence Board focuses on the key issues and that papers supplied to the Board are fit for purpose.	From May 2012
		<b>Publish Strategy for Defence 2012</b>	
		Provide a clear articulation of what the vision for Defence is, what Defence is here to do, how we will transform Defence to get the most we can from the resources we have and how we need to work together to achieve our aims	June 2012
		<b>Launch Behaviours &amp; Business Improvement programme</b>	
		To deliver a broad framework under the "Be – Think – Do" campaign focused on improved business acumen for leaders; joined-up thinking and decision making across Defence; and business improvements and innovation for a new way of working.	From June 2012
	People Management	<b>Development of enhanced Civilian Workforce Plans</b>	
		Initial civilian workforce plans were prepared in March 2012 and more detailed plans developed by September 2012 which reflect the major restructuring plans considered by the Department.	From Sept 2012
		<b>Implementation of delegated Whole Force Concept model</b>	
		Conduct a programme of incremental delegation of responsibility for strategic manpower planning, which seeks to incentivise budget holders to analyse and adjust the mix of people they employ, such that Defence continues to be delivered in the most effective way.	From April 2013

Area for Development		Milestone	Date
Strategy	Direction	<b>Refresh Defence Strategic Direction</b>	
		Provide detailed direction to the Department on priorities and articulate Departmental strategy in a sufficiently detailed manner to allow business areas to plan how they will translate that strategy into delivery plans	Autumn 2012
		<b>Publish Defence Plan 13</b>	
		The Defence Plan provides the detailed direction (and priorities) to the Commands (TLBs) for the Spending Review period enabling them to develop Command Plans and facilitating the Defence Board's active management of performance and risk	April 2013
		<b>Publish Command Plans</b>	
		Command Plans will allow each business area to set out how they will deliver on the priorities set out in Defence Strategic Direction and the Defence Plan for the resources they have available. It will allow the Department to understand how the business is going to deliver and hold them to account for that delivery.	April 2013
Delivery	Accountability & Responsibility	<b>Implement New Head Office</b>	
		The Head Office at April '13 will remain an integrated civilian – military organisation working in support of Ministers, PUS and CDS, but will be smaller, stronger and more strategic. A new senior structure is proposed based on four critical post leading the policy, military strategy, finance and military capability functions. Strengthened top-level decision-making and direction on non-operational matters will be key to the success of the new model and are centred on a new, smaller Defence Board chaired by the Secretary of State.	April 2013
		<b>Implement new Commands' HQ structures</b>	
		The single Service Chiefs' primary focus will shift in the new model to leading and delivering their Service, with a core responsibility for generating and developing their Service in line with strategic direction and within the budget set. The Service Commands will be reorganised to maximise effectiveness and efficiency in working within the new operating model. There will be some differences between Command HQ structures reflecting differing organisational needs of the three services and Joint Forces Command.	April 2013
		<b>Introduce Financial Delegations</b>	
		A new model for capability planning is a key element of Defence Reform and the new Defence operating model. With effect from April 2013, with the transition planned and tested over the course of FY2012/13, the Head Office will play a more strategic role, and responsibility for detailed capability planning and delivery, along with budgets for equipment and all support will pass to the Commands (except for a small number of programmes/projects retained by the Head Office)	April 2013

Area for Development		Milestone	Date
Delivery	Accountability & Responsibility	<b>Joint Forces Command at Full Operating Capability</b>	
		One of the key changes to the operating model is the establishment of the Joint Forces Command (JFC) led at 4* level by COMJFC. The Command achieved Initial Operating Capability on 1 Apr '12 and will achieve Full Operating Capability on 1 Apr '13 will a small headquarters based at Northwood.  JFC's primary purpose will be to ensure the coherence and capability of the joint force, its preparation and the employment of joint enablers to support current, contingent and future capabilities in response to contingencies, the evolving character of conflict and the international context.	April 2013
		<b>Implement formal Holding to Account</b>	
		Holding to Account will enable the Permanent Under Secretary to hold the TLB Holders to account for the delivery of their Command (TLB) Plans. It is an opportunity: <ul style="list-style-type: none"> <li>To provide support and challenge to the TLB Holder in the execution of their delegations, and</li> <li>For the TLB Holder to expose key concerns, issues, risks and opportunities.</li> </ul> It is not about micro-management. It is about honesty, transparency, clear responsibility & ownership and active accountability.	July 2013
	Enabling services	<b>Defence Infrastructure Organisation (DIO) new operating model introduced</b>	
		As part of the two year transformation programme, the DIO has reviewed and is revising its existing operating model, core business processes, management information requirements and organisational design, and will transition to an 'enhanced operating model' by April 2013. In parallel, the DIO is examining its 'strategic business model' and investigating how it might best leverage the use of private sector expertise.	April 2013
		<b>Defence Equipment &amp; Support (DE&amp;S) preferred operating model identified</b>	
		Improve the business capabilities and operation of DE&S, including through consideration of an increased role of the private sector. Subsequent milestones and timing are dependent upon the option selected. [Note: On 10 Dec 2013, the SoS announced the decision to launch DE&S as a bespoke central government trading entity by Apr 2014]	Autumn 2013

All the actions identified above have now been completed.

## Future Force 2020 –Summary of size, shape and structure

### A new set of Defence Planning Assumptions

The new Defence Planning Assumptions envisage that the Armed Forces in the future will be sized and shaped to conduct:

- an enduring stabilisation operation at around brigade level (up to 6,500 personnel) with maritime and air support as required, while also conducting:
- one non-enduring complex intervention (up to 2,000 personnel), and
- one non-enduring simple intervention (up to 1,000 personnel);

OR alternatively:

- three non-enduring operations if we were not already engaged in an enduring operation;

OR:

- for a limited time, and with sufficient warning, committing all our effort to a one-off intervention of up to three brigades, with maritime and air support (around 30,000, two-thirds of the force deployed to Iraq in 2003).

### The Forces available to deliver this include:

- **Royal Navy:** the deterrent; a new carrier strike capability, routinely operating a mix of aircraft including 12 Joint Strike Fighter fast jets; three Commando specialist high readiness brigade and amphibious shipping which can land and sustain up to 1,800 marines from the sea; 19 frigates and destroyers, and maritime helicopters that can operate from them; seven hunter-killer submarines; 14 mine countermeasure vessels; ISTAR and logistic support vessels.
- **Army:** one specialist high readiness brigade; five multi-role brigades (one at high readiness) for intervention and stabilisation operations; a new range of medium weight armoured vehicles including the Scout reconnaissance vehicle and in due course the Future Rapid Effects System Utility Vehicle; Precision Guided Multiple Launch Rocket System; Army helicopters including Apache and Wildcat. A range of ISTAR capabilities including Watchkeeper unmanned aerial vehicles; and a range of capabilities to counter explosive ordnance and Improvised Explosive Devices.
- **Royal Air Force:** a fast jet fleet of the most capable combat aircraft based around Typhoon and Joint Strike Fighters, armed with a range of sophisticated air launched weapons including the Storm Shadow cruise missile; a modernised transport and tanker fleet based on C-17, A400M and A330; support helicopters including Chinook, Merlin and Puma; a range of manned and unmanned aircraft for ISTAR tasks; and RAF Regiment Force Protection squadrons at high readiness to protect deployed aircraft and personnel in hostile areas.
- **Service Manpower:** by 2015, the Royal Navy will have c.30,000 personnel, the Army will have c.90,000 personnel and the Royal Air Force will have c.33,000 personnel.

## We will structure our Forces in three broad elements

### 1. The Deployed Force

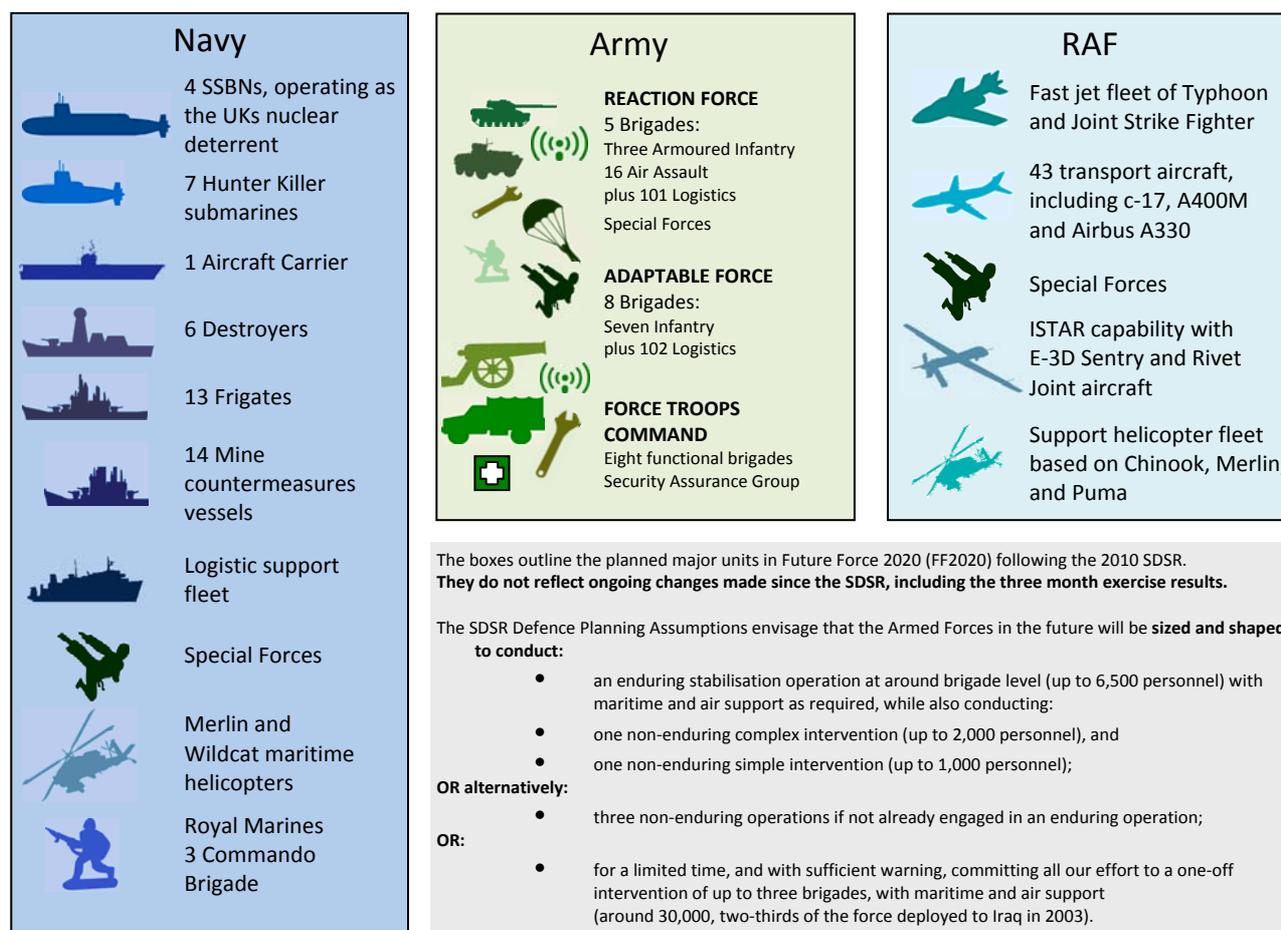
The Deployed Force consists of those forces engaged on operations. Today, this includes the forces deployed in Afghanistan from the High Readiness Force. It also includes those forces which conduct permanent operations essential to our security. These include, for example, the aircraft providing UK air defence, our maritime presence in the South Atlantic and the nuclear deterrent.

### 2. The High Readiness Force

The High Readiness Force allows us to react rapidly to crises. This could include the UK's contribution to a multinational operation. But the forces are held principally to allow us to respond to scenarios in which we act alone to protect our national security interests, for example to conduct hostage rescue or counter-terrorism operations. The force includes a balanced range of highly capable land, air and maritime capabilities able to meet our Defence Planning Assumptions.

### 3. The Lower Readiness Force

The Lower Readiness Force includes those forces recently returned from operations which are focused on recovery and those preparing to enter a period of high readiness. These forces support enduring operations and can provide additional flexibility, including where we have discretion over the scale or duration of our contribution to multinational operations



## Digital Progress

### Implementation of Digital in Defence

Over the past year, the Department has:

- Migrated the vast majority of MOD website content to **gov.uk**, including management of an intensive exemptions process. Poor behaviour (in terms of establishing unauthorised web presences) has been kept to a minimum, and in a number of cases we have been able to assist those requiring a new web presence through the gov.uk medium.
- Developed the **Interactive Operating Model** for Defence, using agile development within a small-to-medium-sized enterprise.
- Trialled **Cloud**-based applications through the modernised GEMS staff suggestion scheme.
- Conducted a trial on the use of **social media** in the workplace, using the Yammer application; and begun trials on Twitter, Facebook and LinkedIn.
- Changed the **terms of the debate on Digital**. We are now working with partners such as Microsoft, Atlas and Atos to ensure that Defence Core Network Services (DCNS) provides better support to the business.

In this first year, these are significant, if still relatively modest steps, achieved in the face of the considerable inertia behind existing programmes and cultures. Nevertheless, there is now a solid foundation on which to build a more cost-effective, user-centred Digital future for Defence.

The Digital vision for Defence is:

*To adopt Digital means to optimise the Department's business performance, broadly in parallel with developments in the private sector and at the leading edge of the public sector.*

This means:

- Changing our approach to **Digital acquisition**, adopting Agile wherever possible, better defining what the business needs and avoiding the past tendency (as perceived by the user) of the ICT community to impose solutions without adequate consultation.
- Taking the opportunity presented by the new **Official band** (which will come into force in April 2014) and the presence of **business drivers** such as London Rationalisation to modernise our Digital performance. The application of modern Digital means in the Secret and Top Secret bands will be more challenging.
- Ensuring that our **security protocols and culture** keep pace with increased implementation of Digital, particularly mobile solutions.
- Drawing on the experience of Other Government Departments, and with the support of the Government Digital Service, recruitment of a small **Digital Transformation team** embedded within Corporate Design under the Digital Lead, which will lead the implementation of *Digital in Defence*, including the delivery of digital services to the public and articulation of the user requirement for both internal and external digital provision. The team will provide the core of a wider virtual team encompassing staff from CIO, ISS, DMC and contractors as necessary.
- Establishing a **Digital steering group** to oversee progress in delivering *Digital in Defence*; and a user group with a diverse membership to ensure that the user voice is better articulated and always heard.
- A programme to develop the **Digital literacy** of both military and civilian staff, drawing on a range of training and education products from the Defence Academy, Civil Service Learning and other providers. This will focus on new business processes, in line with the Cabinet Office's 'The Way We Work' programme.
- Establishment of a close working relationship between the Digital Leader and the newly appointed 3\* CIO to deliver *Digital in Defence*, noting that GDS strongly prefer Digital Leaders to sit within the Transformation function in Departments.

Departmental Improvement Team  
Cabinet Office  
1 Horse Guards Road  
London  
SW1A 2HQ

Telephone: 020 7270 5000

E-mail: [departmentalimprovementplans@cabinet-office.gsi.gov.uk](mailto:departmentalimprovementplans@cabinet-office.gsi.gov.uk)

Web address: <https://www.gov.uk/government/organisations/cabinet-office/series/departmental-improvement-plans>

Publication date: March 2014

© Crown copyright: March 2014

All rights reserved by the Cabinet Office, United Kingdom. No part of this publication may be copied or reproduced or stored or transmitted in any form without the prior written consent of the Cabinet Office.

For permission please contact [departmentalimprovementplans@cabinet-office.gsi.gov.uk](mailto:departmentalimprovementplans@cabinet-office.gsi.gov.uk)

Prepared for the Cabinet Office by the Ministry of Defence.