

Manpower changes

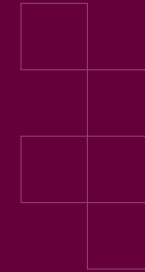
Clearly both the Defence Change Programme and the Force Structure changes will have an impact on the manpower of the Armed Forces and the civilians who support them. As described above, some manpower freed up will be reinvested to strengthen key enabling capabilities. Overall, we expect by April 2008:

- the Royal Navy's manpower to have fallen from some 37,500 to around 36,000;
- the Army's manpower to be around 102,000;
- the RAF's manpower to have reduced from 48,500 to around 41,000;
- civilian staff numbers to have reduced by more than 10,000, primarily as a consequence of the Defence Change programme.
- The total reduction in administrative and support functions within the MOD will be over 15,000, both civilian and military.

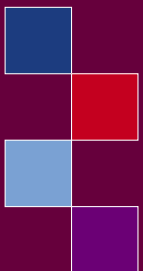
These reductions will in part be achieved by the natural turnover of personnel. However, some redundancies will unfortunately be necessary. The Department is fully aware of the impact that these changes could have on individuals, and will do everything possible to ease difficulties.



Future Capabilities : Factsheet 3 Organisation and Efficiency



The new Defence Command Paper: 'Delivering Security in a Changing World: Future Capabilities' sets out a modernised force structure for the UK Armed Forces. This fact sheet is one of a set summarising these changes and the background to them.



Organisation and efficiency

The changes detailed in the White Paper will result in reductions in both military and civilian numbers – some 20,000 in all by 2007/8, equally split between the Armed Services and the Civil Service.

These are a consequence of two factors:

- the shift toward 'effects based' warfare – by which is meant concentrating on the impact our Armed Forces can deliver, rather than the number of systems involved. If fewer ships, tanks and aircraft can deliver the effects we require, we will need fewer people – Service and civilian – to man and support them, and fewer bases – see Factsheet 4.
- The continuing drive to modernise our business systems, processes and working practices.

Modernisation

The Defence Change Programme, together with other savings measures identified during the recent exercise, form the Department's response to the cross government efficiency review, with overall efficiency gains of £2.8 billion by 2007/8. All savings will be retained and reinvested by the MOD, allowing us to develop the more agile and deployable Armed Forces we need, better prepared and equipped to face the security challenges of the future.

In the main these will come from reforms in our procurement and logistics processes, and through the streamlining of our corporate support.

The Defence Logistics Transformation Programme will revolutionise the operational effectiveness, efficiency and flexibility of logistics support to all three Services, saving over £1 billion per annum by 2008.

Elsewhere, we will generate significant savings in our other support functions through rationalisation and information-enabled business change. This will include:

- The modernisation of military and civilian human resources management delivering over £100M worth of efficiency savings by 2007/8, and saving some 2,400 military and civilian posts.
- The Defence Information Infrastructure (DII) programme replacing over 300 separate information systems in 2,000 locations worldwide.
- Internal financial modernisation driving out 10% efficiencies from the cost of our finance function.
- Defence estate modernisation progressively operating from fewer, larger sites over the next few years and beyond, for example by:
 - Examining our future requirement for airfields, with a view to making substantial reductions;
 - Rationalising military headquarters; and
 - reducing still further MOD head office numbers and headquarters buildings in central London.

