



MINISTRY OF DEFENCE

Ministry of Defence

Defence Plan 2010 - 2014





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Foreword

from the Permanent Under Secretary of State for Defence

Sir Bill Jeffrey

This is the MOD's top level management plan for the period 2010 – 2014, setting out the Defence objectives and continuing, for the first year of the plan, to reflect the outcome of the 2007 Comprehensive Spending Review.

This plan is written with the aim of delivering the Strategy for Defence, which we published for the first time in October last year. The Strategy reflects the current priorities for Defence, and this plan explains how we will deliver the most important objectives in the Strategy, which are termed Defence Board Strategic Objectives. The Plan has been developed in parallel with a new performance framework which replaces the Defence Balanced Scorecard as the method by which the Defence Board evaluate performance in-year every quarter and annually, better enabling strategic direction to be set.

Within this Plan our priority is clear. The success of the ISAF mission in Afghanistan is of critical importance for the security of British citizens and the UK's national interests. For this reason, Afghanistan is our Main Effort; where there are judgements to be made about priorities, we give precedence to supporting the operation. But it is not our only effort. There are vital standing tasks to be delivered, we must ensure we are able to respond to the most likely contingent demands and we must make real improvements in the balance between the cost of the Department's forward programme and the size of the likely budget.

Following the General Election, we will also have the task of supporting the Government in a Strategic Defence Review. In February 2010 the Secretary of State published a Green Paper which identifies key strategic questions that the Strategic Defence Review will need to address. Many parts of the Department were engaged in developing the Paper. Many staff are involved in preparations for the Review, with a particular emphasis on the follow-on work set out in the Green Paper and on ensuring we have the detailed data and necessary processes to support decisions. The Review itself will set the direction for Defence for the medium and longer term.

There are a number of other high priorities. The MOD will continue to implement the recommendations of Mr Charles Haddon-Cave QC, which he made in his report on the tragic 2006 Nimrod accident. A Military Aviation Authority is being created to provide the leadership needed

to deliver the highest safety standards. In addition, the principles and proposals Mr Haddon-Cave raised regarding safety culture have a resonance beyond aviation and their applicability across MOD is under active consideration.

In November 2009 the first anniversary report was produced on progress on the cross-governmental Service Personnel Command Paper¹. The Command Paper recognised the unique demands placed upon Service personnel and their families as a result of Service life, and actions were designed to end any disadvantage that armed service imposes on our people, seeking to counter difficulties and identify where special treatment is needed. This first annual report – produced by the independent External Reference Group – recognised the improvements that have already been made including doubling of compensation payments for those with the most serious injuries, better access to affordable housing schemes and free access to further education for those leaving the Service. Since then the Government has also accepted the recommendations of the independent Review of the Armed Forces Compensation Scheme. Over the next year implementation of this and the Command Paper actions will be of great importance.

Another priority will be implementation of the actions set out in the Strategy for Acquisition Reform, published alongside the Green Paper in February 2010. The Strategy lays out what we intend to do to further reform our acquisition system so that our Armed Forces get the equipment they need at the best value for money for the taxpayer.

And finally over the coming year we can expect the economic picture to continue to be challenging across government. Everyone in Defence needs to focus on maximising resource for the Front Line. This is at the heart of several of the Defence Board Strategic Objectives.

¹ 'The Nation's Commitment: Cross Government Support to our Armed Forces, their Families and Veterans'

Introduction

The Defence Vision², which simply stated is Defending the United Kingdom and its interests, strengthening international peace and stability and being a Force for Good in the world, sets out the key principles that lie behind the Defence Aim:

- To deliver security for the people of the UK and the Overseas Territories by defending them, including against terrorism, and to act as a force for good by strengthening international peace and stability.

Purpose of this Plan

The purpose of this plan is to outline how the Defence Aim – through the Strategy for Defence - will be delivered for the period 2010-2014, but focussing on 2010-11. It will drive activity within the Department, and focus staff attention on the main priorities in delivering Defence over this period. The Plan will be substantially revised following the Strategic Defence Review³.

Delivery of the Plan is managed by the Defence Board, the senior non-Ministerial decision-taking body in the MOD.

² <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/PolicyStrategyandPlanning/DefenceFramework.htm> provides more information about the Defence Aim and Vision, and about how the Department is managed.

³ See page 6

National Context

National Security Strategy

In March 2008 the Government published, for the first time, a National Security Strategy setting out how Government will address and manage a diverse range of threats; this was updated⁴ in 2009. The MOD has a defined role in delivering the Government's aims within the integrated approach which is outlined in the Strategy and will continue to work with other Government Departments to strengthen our national security. Defence's contribution covers not only military operations overseas, but also support to the civil Departments in the UK in dealing with natural disasters or terrorist incidents as well as engagement in the Government's response to the other threats and challenges set out in the National Security Strategy.

Economic Outlook

The economic slowdown has potential global security implications. Short term economic shocks can have a direct effect on insecurity because they reduce work opportunities and hence can foster unrest. Low income countries are the most vulnerable to insecurity and conflict but they are often less integrated with the global economy, particularly financial markets. However, poor countries that rely on aid, remittances and commodity exports have been most severely affected as their income falls.

In addition to potential risks within the MOD's current areas of operation, the economic crisis will have increased the risk worldwide of humanitarian crises or failing states developing, to which MOD assets might need to be committed, or of popular unrest necessitating an evacuation of MOD personnel or British nationals.

The world economic downturn has also seen the value of sterling fall. For MOD, movements against the dollar and euro have the greatest effect, though in the short term these are mitigated by the existence of the forward buy programme (where the department contracts for delivery of currency in the future at agreed rates). However, there is currency risk in our supply chain, and we need to be aware, where possible, of the financial exposure of the companies we are dealing with. In respect of our capital projects, the change in the capital markets affects Private Finance Initiative projects going to market soon, because of their ability to raise funds and the cost of such funds.

⁴ www.cabinetoffice.gov.uk/reports/national_security.aspx.

Comprehensive Spending Review

We are in the last year of the Comprehensive Spending Review 2007 settlement which provides £36,890 million to MOD in 2010-11.

Under the Comprehensive Spending Review, the MOD is committed to value for money reforms generating annual net cash-releasing savings of £3.15 billion by 2010-1, including £450 million agreed at Budget 2009, building on savings of some £3 billion during the 2004 Spending Review period.

Departmental expenditure plans for Financial Year 2011/12 have not been agreed; however we will continue to prioritise finite resources on the most critical areas. There are a number of initiatives already in train to examine possible efficiencies in the Department that ensure we maximise the funding available for the Front Line.

Public Service Agreements

The two main Public Service Agreements (PSAs) to which the MOD contributes, with other Government Departments, over the period 2008-2011 are:

PSA 26: To reduce the risk to the UK and its interests overseas from international terrorism.

PSA 30: A global and regional reduction in conflict and its impact through improved UK and international efforts to prevent, manage and resolve conflict, and to create the conditions required for effective state-building and economic development.

In addition, the MOD contributes to achievement of PSAs 27 and 28.

PSA 27: Lead the global effort to avoid dangerous climate change

PSA 28: Secure a healthy natural environment for today and the future.

In the normal course of business, the MOD also contributes to delivery of a number of other cross-cutting PSAs: PSA 4 (*Promote world class science and innovation in the UK*), PSA 29 (*Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals*), and PSA 2 (*Improve the skills of the population on the way to ensuring a world-class skills base by 2020*).

Strategic Defence Review

A Defence Green Paper⁵, "Adaptability and Partnership: Issues for the Strategic Defence Review", was published on 3 Feb 10 as a precursor to a Defence Review to be held early in the next Parliament. The Department expects a review to be conducted regardless of the outcome of the General Election, and so a number of strands of work, linked to the Green Paper and to other efficiency work, have been initiated to inform the review. These workstrands do not anticipate the outcome of the review; they are rather intended to provide information to assist the review team

⁵ <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/ConsultationsandCommunications/PublicConsultations/TheDefenceGreenPaper2010Discussion.htm>

Strategic Management

Departmental Strategic Objectives

The Comprehensive Spending Review 2007 confirmed three Departmental Strategic Objectives which cover the range of Departmental activity:

DSO 1: Achieve success in the military tasks we undertake, at home and abroad.

DSO 2: Be ready to respond to tasks that might arise.

DSO 3: Build for the Future.

By delivering the Departmental Strategic Objectives, Defence also delivers against the Government's Public Service Agreements.

The forthcoming Strategic Defence Review and associated Comprehensive Spending Review may adjust DSOs and associated cross-Departmental PSAs.

Strategy for Defence

The Strategy for Defence articulates the way in which we will deliver Departmental Strategic Objectives, the requirements of the National Security Strategy and the priorities for the Department.

The first Strategy for Defence was published in Oct 09⁶. It defines the path the Department will be taking ahead of the post-election Strategic Defence Review, and details our priorities focusing on the period out to 2014. The Cabinet Office's two Capability Reviews of the Department saw the need for such a Strategy – and so do we, to ensure all the activities across the Department are coherent and that we all have greater awareness of resource priorities. This Defence Plan supports achievement of the Strategy.

The first iteration of the Strategy gives the direction which will ensure that our Armed Forces continue to get the support they need during these challenging times, that we spend the taxpayers'

⁶ <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/PolicyStrategyandPlanning/StrategyForDefence.htm>

money wisely, that continuous improvement is instilled in our business practices, so that greater efficiency is achieved across Defence to give the Front Line the resources it needs. Our main goal is to succeed in Afghanistan. Alongside that, though, we will wish to succeed in any other contingent operations we are required to undertake and to continue to fulfil our standing tasks – including the strategic nuclear deterrent and defence against direct threats to the UK and its overseas territories.

Sub-Strategies

Delivery of the Strategy for Defence will be managed through 23 sub-strategies and through this Plan. The framework of sub-strategies will be developed in a coherent way under the auspices of DG Strategy so that each sub-strategy is to be compliant with the Strategy for Defence and also coherent with the other sub-strategies. The key sub-strategies are: Navy, Army, Air Force, Capability, Logistics, Acquisition, Service Personnel, Civilian Workforce, Security Policy and Operations and Defence Estate. The other sub-strategies cover departmental processes eg financial management, commercial, safety and security.

Sub-strategy owners are to set their priorities and provide a strategic and resource aware forward look (up to 20 years out depending on the area of business) and a more detailed plan section covering the first 4-5 years. Clear aims and objectives with targets and performance indicators should be included which will be clearly linked to the Strategy for Defence; significant objectives will be reflected in this Defence Plan.

Defence Plan

The aim of Defence Plan 10 is to support delivery of the Strategy for Defence through specifying objectives drawn from the Strategy for Defence Technical Instruction (TI)⁷ and matched firmly to the outcome of Planning Round 10. As such, Defence Plan 10 is of a different form to previous plans and is primarily intended to be a document that staff within the Department use.

The most significant objectives set within this Plan flow directly from the Strategy for Defence and are termed Defence Board Strategic Objectives (DBSOs). Deliberately, the DBSOs are a small set and will not cover every aspect of Departmental performance; they are focussed on what is central to delivery of the Strategy. DBSOs should be, as far as reasonably practicable, SMART⁸, and funded.

TLB Objectives

Top Level Budget (TLB) holders are responsible to the Permanent Secretary (PUS) for managing the resources of their organisation to achieve their objectives and key targets as effectively, efficiently and economically as possible. TLB holders will articulate their objectives in their management plan and where they are additionally a sub-strategy owner that plan should conform to the requirements of a sub-strategy plan⁹.

The Annex to the Defence Plan, distributed internally direct to TLB Holders, contains the significant objectives placed on TLBs for the coming year - drawn from a breakdown of DBSOs and from cross-Departmental objectives set by sub-strategy owners¹⁰. The Annex does not cover all objectives within Sub-strategies; TLBs and Sub-Strategy Owners are expected to hold an ongoing and substantive dialogue to ensure objectives are resourced, achievable and delivered. The cascade of cross-Departmental objectives to TLBs is essential for delivery as Defence resource is allocated to TLBs to deliver outputs.

⁷ This is an internal classified document. Post SDR, the TI will mature to become Defence Strategic Direction (DSD).

⁸ Specific, Measurable, Achievable, Responsible, Time-base

⁹ Refer to Strategy Development for further advice

¹⁰ For DP10, these objectives are predominantly from Process Owners. As the overall sub-strategy framework develops, TLB Plans will begin to reflect the full suite of sub-strategies.

Figure 1 shows the relationship between the Strategy for Defence, sub-strategies, this Defence Plan and TLB Plans.

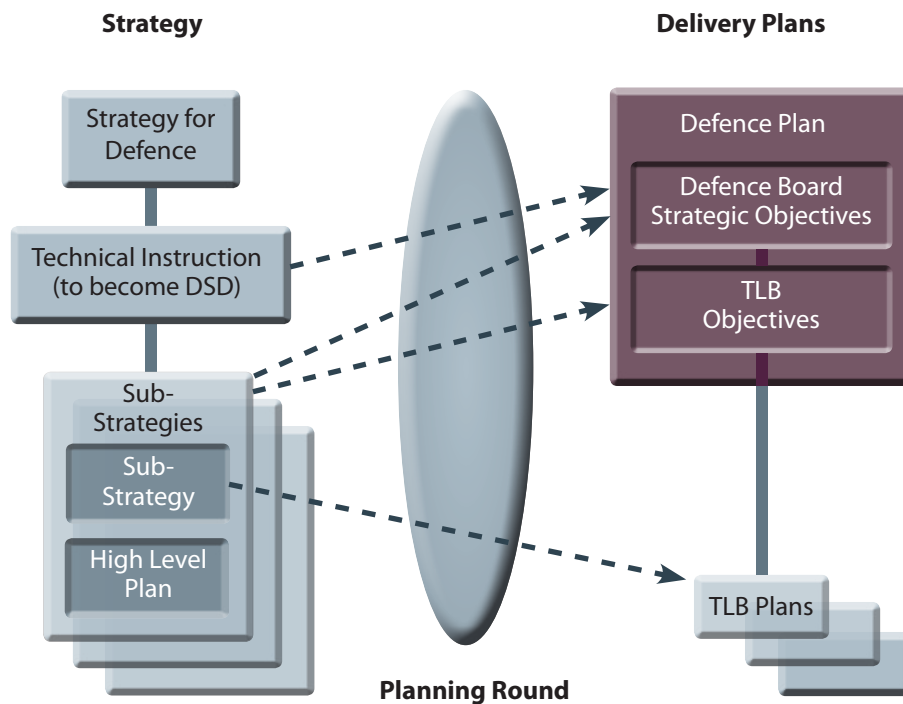


Fig 1: Relationship between Strategy and Plans

Performance Management

Performance will be managed through the new Defence Performance Framework, which comprises three elements as illustrated below in Figure 2.

Quarterly, a Performance and Risk Report (QPRR) will be produced showing progress in implementing the DBSOs from this Plan.

Annually, on a rolling basis, Sub-Strategy owners and TLB Holders will report on and be Held to Account for delivery of their Sub-Strategies / the performance of their TLB.

Annually, a Strategic Performance & Risk Report (SPRR) will be produced to enable the Defence Board to evaluate and adjust Strategy between major Reviews, principally through adjustment of Defence Strategic Direction and timed to inform the Planning Round. This activity lies beyond the scope of this Plan.

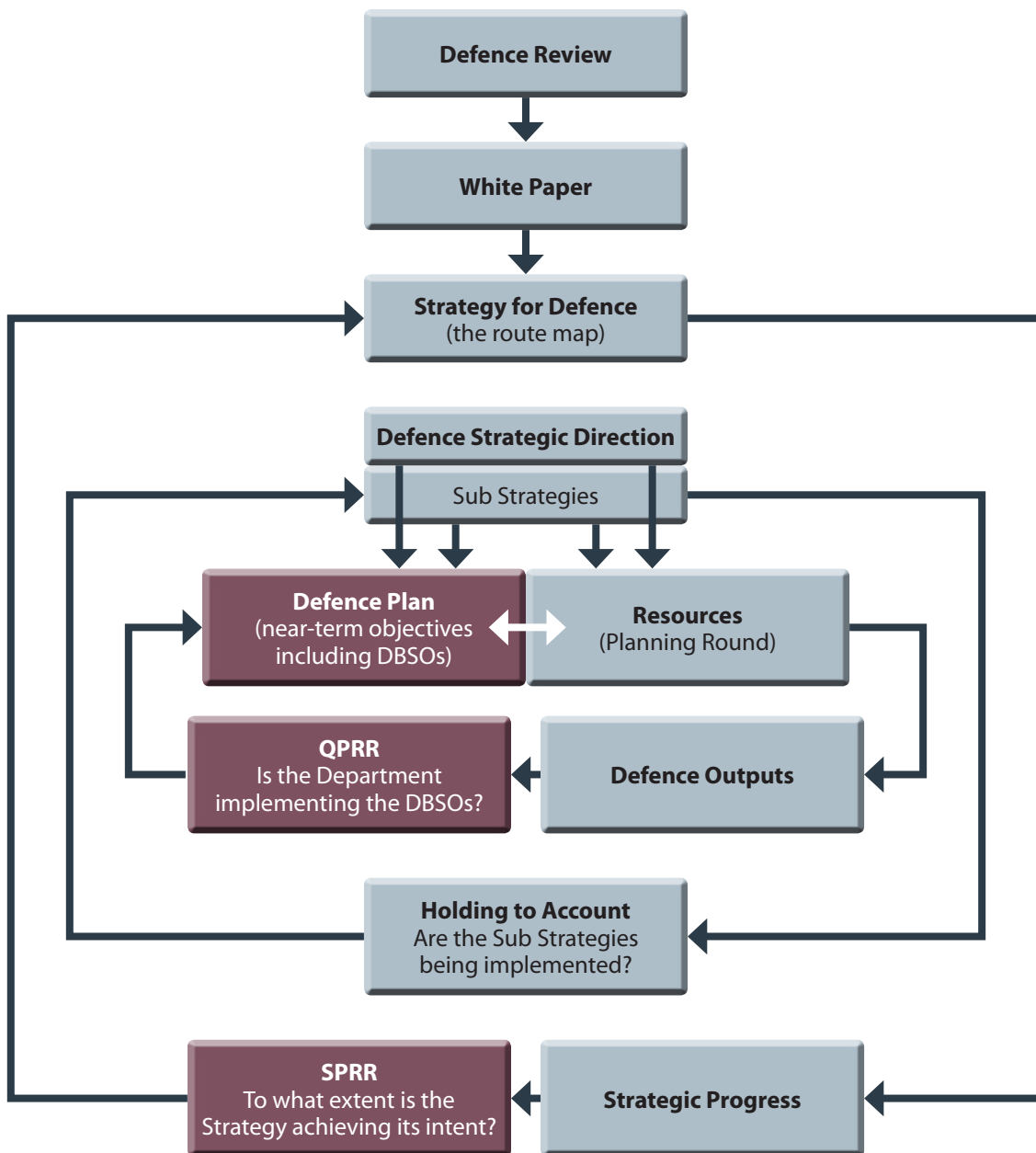


Fig 2: Performance Management

External Reporting

External reporting will remain against the three extant Departmental Strategic Objectives. External reports draw on the data from with the internal Defence Performance Framework but are formatted in accordance with the requirements of the Comprehensive Spending Review agreement.

Activity for the Period 2010-11 – 2013-14

Assumptions

For the first year of this plan we will be within the period of financial planning set out in the Comprehensive Spending Review 2007 and we remain committed to the objectives set out as part of that process.

This plan was written in a climate of economic restraint for public services. The Strategy for Defence stated that resource allocation should focus on supporting current operations and providing the minimum contingent capability we need and that we should aim for a solid long-term legacy for Defence.

For much of the period of this plan we expect to be active in Afghanistan. Additionally, for the purposes of this plan, the Defence Planning Assumptions¹¹, amended by the requirements of the Strategy for Defence¹², are the basis of planning. However, the Strategic Defence Review which we expect to take place after the General Election may change these assumptions within the period of this plan.

'Making Afghanistan our Main Effort'¹³

With a significant reduction in UK operations in Iraq, support to operations in Afghanistan is now the main effort for Defence. Afghanistan is not a war in the traditional sense. But the challenges it poses for Defence are at least as demanding as any military operation since 1945. The success of the ISAF mission is of critical importance to the security of British citizens and the UK's national interest, including the credibility of NATO, and to the reputation and long term future of the Armed Forces.

Making Afghanistan our main effort in no way implies that other activity has no value or should stop. Defence is a complex business with a range of outputs of vital importance to the nation. But in today's circumstances, success in Afghanistan has a particular priority which matters to everyone in Defence.

¹¹ Classified detail in DSG 08; For public view see Hansard 11 Feb 09 Cols 59WS-62WS

¹² <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/PolicyStrategyandPlanning/StrategyForDefence.htm>

¹³ 'MAKING AFGHANISTAN THE MAIN EFFORT OF DEFENCE' – 5 Oct 09, Statement by SofS, CDS & PUS

To put the principle that Afghanistan is our main effort into effect and make the best possible use of resources, planning within Defence should be based on the assumption of a rolling three-year military commitment to Afghanistan, reviewed annually. Within that envelope, the starting point should be that where choices have to be made between competing requirements, support to Afghanistan (including complementary activity in Pakistan) will be given priority.

At the same time, supporting operations in Afghanistan should be placed on a sustainable campaign basis across Defence. We should all be responsive to the theatre's needs and operational rhythm. Support should therefore be delivered with pace and urgency, processes should be applied flexibly, and priority should be given to generating the people and other resources necessary to facilitate this complex, intense and enduring commitment.

Soft power

It is a Defence objective to contribute to the government's commitment to strengthen international peace and stability and support wider British interests through security cooperation, recognising that this will assist current and future operations. Our activity is to apply security co-operation and UK influence both bi-laterally and with international organisations to achieve our aims. We contribute to UN missions and peace support operations. We also aim to increase the capacity of other international organisations to respond to conflict. We ensure that UK military and civilian capacity applied together in conflict interventions are increasingly complementary and well matched and we adopt a comprehensive approach, working with other Departments and organisations.

We place considerable importance on countering threats to international peace and regional stability from proliferation of conventional arms and especially weapons and technologies of mass destruction and their means of delivery, and maintain a credible and effective UK and NATO nuclear deterrence policy. Defence also helps build the resilience of priority countries' capabilities to resist violent extremism; and continues to intervene to pursue terrorists and disrupt their organisations.

Defence Board Strategic Objectives

1. Achieve success in Afghanistan by improving security in Helmand in order to stabilise the region.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
The detail of this objective is in a classified annex to this plan.			
Benefits: Reduction in Afghan instability and threats to the UK's interests. Improvement in Afghan Government's ability to assure wider security which will lead to reduction to UK commitment in the area without a detrimental effect on stability.			
Responsibility: DG Sec Pol and DCDS Ops			

2. Achieve success in Standing Military Tasks in accordance with Defence Board priorities and Strategy for Defence Technical Instruction.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
The detail of this objective is in a classified annex to this plan			
Benefits: Reduction in global instability and threats to the UK's security.			
Responsibility: DG Sec Pol and DCDS Ops			

3. Work with other Government Departments to strengthen International peace, stability and support to wider British Interests through soft power.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
The detail of this objective is in a classified annex to this plan			
Benefits: Reduction in global instability and threats to the UK's security. Increased UK influence. Reduction in the level of UK commitment to future operations.			
Responsibility: DG Sec Pol and DCDS Ops.			

4. Improving affordability while reorienting the balance of defence expenditure.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
1. Using efficiency generating programmes (such as the Value for Money (VFM) programme and Operational Efficiency Programme (OEP)), re-balance expenditure towards front line & direct support functions.	Audit of VFM initiatives to demonstrate delivery of efficiencies.	£3.15Bn of recyclable Value for Money savings by end of FY10/11.	<ul style="list-style-type: none"> ● Study of cost base & cost drivers (Def Res) ● Implementation of Operational Efficiency Programme recommendations and identification of associated VFM savings [recommendations due to be delivered by end of FY10/11].
2. Establish the required workforce, in terms of numbers, grades and skills mix, and manage towards this mix.	<p>Comparison of actual numbers employed against overall affordable requirement.</p> <p>Assessment of shortfalls in specific skills and competences.</p>	<p>Year 1 - Establish a trend between the employed civilian workforce and an affordable workforce. (DCP)</p> <p>Establish a trend for gaps in skills and competences of the civilian workforce. (DCP)</p>	<ul style="list-style-type: none"> ● Independent Review of Civilians in Defence (DG Sec LF) ● Making Best use of Service Personnel vfm study (ACDS S&P) ● Smarter Government (SCS cost reductions) (DGHRCS) ● Review of how we organise and manage Defence (DG Strategy)
<p>Benefits: Expenditure is controlled, which improves planning and has a positive impact on reputation. Greater proportion of money available for Front Line</p>			
<p>Resource consideration: Objectives should lead to savings, but until the workstreams, and indeed the Strategic Defence Review, have completed the level of those savings cannot be identified.</p>			
<p>Responsibility: DGHRCS (Smarter Government); DG Sec LF (Independent Review of Civilians in Defence); ACDS S&P (Making Best Use of Service Personnel VFM Study); DG Strategy (Review of organisation); Defence Resources</p>			

5. Ensure we are able to provide the most important contingent capabilities.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
The detail of this objective is in a classified annex to this plan.			

6. Implement measures that limit our ambition for contingent operations to doing what we can, whenever we can, to build our capabilities, always ensuring that our forces in Afghanistan have what they need.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
The detail of this objective is in a classified annex to this plan.			

7. Improving Safety Management and Performance

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
1. Improvement in Safety Management Assurance.	Level of assurance provided: (i) by Functional Safety Boards to DESB; and (ii) by DESB to DAC/DOB.	(i) Substantial Assurance reported by all FSBs by 2012. [FSB Chairman] (ii) Substantial Assurance reported by DESB by 2012. [2nd PUS]	<ul style="list-style-type: none"> ● Completion of work flowing from the Nimrod Review ● Wider Aspects Scoping Study. ● Establishment of Air Worthiness Authority
2. Improvement in Safety Performance in all Departmental activities, in the UK and overseas, and including Operational areas (although not encompassing combat fatalities & injuries).	Fatalities Major Injuries Near Misses	Zero fatalities as a result of accidents. 10% reduction in major injuries (as defined under RIDDOR) by 2013/14, from a 2009/10 baseline. Increase in reporting of near misses year-on-year.	<ul style="list-style-type: none"> ● Implementation of DESB Action Plan, as detailed in the new Safety Strategy.

Benefits:

Demonstrates MOD's commitment to our duty of care obligations.
 More people available for work.
 Enhancement of MOD's reputation as an employer.
 Reduced payment of compensation claims.
 Reduced risk of reputational damage & need to tie-up Ministerial and senior staff time in outcomes from accident investigations that attract media/political attention.
 Reduced risk of legal action.

Responsibility:

Delivery – All Top Level Budget Holders and Agencies
 Assurance – Defence and Environment Safety Board through Function Safety Board governance structures

8. Deliver sustainable, resilient, affordable manning of a force structure sufficient to meet current operations and standing tasks, and to recuperate to targets.

Sub Objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
1. Manning sufficient to meet current operations and standing tasks within affordable levels.	<p>Army – Trained strength as % of agreed Liability.</p> <p>RAF/RN – Trained strength as % of agreed Funded Strength.</p> <p>Number of People at each Rank.</p>	<p>98%-100% of agreed Liability.</p> <p>98%-100% of agreed Funded strength.</p> <p>Demonstrate progress towards Matching Rank Liability for each Service. (Service PPOs)</p>	<ul style="list-style-type: none"> ● Manning Graph showing Service liability for all three services and new line funded strength (DASA) ● Narrative on Manning levers used and the effects (DCDS Pers) ● Voluntary Outflow/ Gains to Trained Strength rates (Service PPOs) ● Rank Liability against Rank Strength noting incidence of significant over/ under strength. (Narrative explanation.)
2. A force structure that fulfils and is able to sustain the requirements of current operation and standing tasks.	<p>% of Navy breaching individual harmony.</p> <p>% of Army breaching individual harmony.</p> <p>% of RAF breaching individual harmony.</p> <p>% of Armed Forces Fully Medically Deployable</p>	<p>Target: No more than 660 days of separated service over a rolling 3 year period.</p> <p>Target: No more than 415 days of separated service over a rolling 30 month period.</p> <p>Target: No more than 280 days of separated service over a rolling 24 month period.</p> <p>Target: 89% of Armed forces Fully Medically Deployable</p>	<ul style="list-style-type: none"> ● % of overall force breaking harmony ● Trade breakdown of those breaking harmony ● Number of Operational Pinch Points constraining delivery of success on Current Ops and Contingent Tasks ● Numbers of Armed Forces: Medically Fully Deployable; Medically Limited Deployable; Medically Non Deployable.

Benefits:

Force structure maximises effective capability. Sustainable demands placed on our people.

Responsibility:

Service Principal Personnel Officers (PPOs); DCDS (Pers)\SG\DASA

9. To achieve and maintain a realistic, affordable Equipment Programme, aligned to strategy, through a reformed acquisition process which provides more agile and flexible support to the front line.

Sub-Objective	Strategic Performance Indicators	Strategic Targets	Progress Measures
<p>1. To progress towards achieving a realistic, affordable equipment programme aligned to strategy through a reformed acquisition process.</p>	<p>Trend in cost-growth and delay across the Equipment Programme.</p>	<p>Cat A-C equipment procurement projects, post Main Gate / pre In Service Date or Initial Operating Capability, average in year:</p> <ul style="list-style-type: none"> ● ≥ 97% forecast achievement of Key User Requirements. (CDM) ● Cost variance per project not to exceed 0.4% of overall approved outturn cost. (CDM) ● Slippage to eventual ISD not to exceed 0.8 months. (CDM) ● 85% of projects to report either cost reduction or no more than 2.5% cost growth in year. (CDM) ● 80% of projects to report either time recovery or no more than 3 months slippage in year. (CDM) 	<p>A downward trend in IAB Review Notes and re-approvals driven by delays and cost growth each year.¹⁴ [CDM]</p>

¹⁴ Progress Measure will be monitored as an MOD total and this is not intended as a target to be delegated to individual projects

1. continued...	Variance against costed EP over years 1-10 at each stage of the Planning Round.	Demonstrate annually, and underpin with external audit that the EP is affordable across each of the 10 future years. [DCDS (Cap)]	A downward trend across Planning Rounds (and In Year) of the number of options for deferral.14 [DCDS (Cap)] Introduction of improved control mechanism for Project Initiation and entry into the EP. [DCDS (Cap)]
	Evaluate Equipment and Support Programme alignment with Strategy for Defence.	Operational Analysis/ Capability Audits. [DCDS (Cap)]	Establishment of a risk contingency approach. [DCDS (Cap)]
2. Improve our organisational capability in acquisition.	Independent assessment by Human Systems Ltd of international organisations managing complex projects.	Maintain a top-quartile place in the Human Systems Ltd. independent assessment. (CDM)	Increase the skills of costing, finance staff and commercial staff across DE&S and the MUC.

Benefits:

Contribute to an affordable Defence Programme; increased agility to respond to requirements of current operations; avoid cost growth due to deliberate programming action.

Resource consideration:

Investment of £45m over 4 years on improving skills and techniques.

Responsibility:

DCDS(Cap) for realistic, affordable and agile; and for organisational capability improvements within EC. CDM for project delivery targets and organisational capability improvements within DE&S. 2nd PUS – SRO for Acquisition Reform Programme

10. Optimise delivery of Corporate Services.

Sub-objectives	Strategic Performance Indicators	Strategic Targets	Progress Measures
<p>1. Simpler and more standard corporate service requirement.</p> <p>Exploitation of shared services to enable TLBs to focus on core output not corporate administration.</p>	<p>Measurable reduction in TLB transactional effort.</p> <p>Benchmarking corporate functions.</p>	<p>Year 1 – Baseline measurement of TLB transactional effort and identify future improve-ment targets (DGHRCS).</p> <p>Year 1 – Confirm relevant benchmark targets.</p> <p>Years 2-4 - Process Owners demonstrate improved benchmark levels.</p>	<p>First year’s activity will be to determine detail of measurement. (DGHRCS)</p>
<p>2. Cost-effective and cohesive HR, finance and purchasing services.</p>	<p>Systems convergence enabling consistent corporate business information.</p>	<p>Year 1 – Approval of business case for investment and interim milestones. (DGHRCS)</p> <p>Year 4 – complete first phase systems and information convergence; robust requirement to inform future sourcing decisions.</p>	

Benefits:

Reduced corporate governance risk from complexity of corporate framework; improved corporate information to support decision making; efficiency through scale and standardisation of administrative business process; alignment with wider Government agenda under Operational Efficiency Programme.

Resource consideration:

Investment in Systems Convergence programme, TLB support to Process Owners, Centre taking on maturity model and Process Owner oversight/assessment

Responsibility:

DGHRCS/DGFin/DCDS(Pers)/DGDC/CIO

Other Activity

The totality of the activity of the Department is not captured within this plan, but the following captures some of the aspects of the work of the department that are not reflected through the earlier narrative and DBSOs.

Logistics

The main aim of the Logistics Process is to provide assured Logistics which are effective, efficient and sustainable. The TLB Performance Targets outlined in this Plan have been developed in accordance with the Logistics Objectives outlined below. They are also cognisant of the current Defence Logistics Board risk register and the Defence Logistics Board priorities for Planning Round 10 (2010/11).

Logistics - Top 5 Objectives

Provide Assured Logistics which are Effective, Efficient and Sustainable.

1. Develop the Defence Support Chain to support delivery of a Defence Support Network. Our intent is to move from supporting Operational Commanders through a fixed support chain to delivering support on demand through a network of rapidly reconfigurable military and industrial locations.
2. Continue developing an agile partnership with Industry in order to optimise management of End to End risk and Through Life Support.
3. Embrace Collective Responsibility for operational logistic support with Allies and Coalition partners.
4. Exploit Log Information Systems network capability to support current operations and deliver effective End-to-End management of the Defence Inventory.
5. Drive Logistics coherence across Defence.

Business Continuity

Effective Business Continuity Management is of key importance to the protection of defence capability. It will help create a resilient organisation and make it easier to ensure the safe and secure continuation of critical Defence capabilities and outputs in the event of disruption, and provide plans to enable the longer-term recovery of Defence after disruption.

Effective Business Continuity management is recognised as a key enabler to Defence; it is recognised as a Departmental 'Process', with the following strategic Business Continuity objective:

To embed Business Continuity principles into all Departmental activities and behaviours.

Over the forthcoming year, activity in support of this objective will focus on ensuring that:

- Defence Business Continuity Management systems and processes are developed in accordance with JSP 503¹⁵ – MOD Business Continuity Management, which is aligned with the British Standard for Business Continuity Management (BS 25999).

¹⁵ Ministry of Defence | About Defence | Corporate Publications | Defence Management Publications | Business Continuity | JSP 503 - Business Continuity Management

- Our TLBs and Trading Funds and Agencies, and their subordinate organisations, understand the threats, hazards and risks to Defence, and are able to put in place measures that minimise the likelihood and impact of disruptions on our people, processes and resources (including the reputation of the Department and the Armed Forces).
- We continue to make progress on identifying, understanding and managing our dependencies and relationships.
- Effective contingency plans (Business Continuity and Recovery Plans) which manage the consequences of disruption, mitigate the impact on critical activities and outputs, and recover business back to normal levels of operation as soon as possible afterwards, are in place across the Department and are tested regularly.
- The principles of Business Continuity (resilience) are incorporated in all key Departmental enabling processes and activities.
- Lessons identified from our response to Swine Flu are incorporated in the MOD Pandemic Influenza Framework and Guidance Notes.

Sustainable Development

Today's global environmental, social and economic pressures pose a real threat to Defence capability. Problems such as climate change, increased resource depletion and social inequalities have the potential to provide a catalyst for armed conflict and unrest, and present fresh demands on the operation of our equipment, estate and people.

Sustainable development is part of the solution to this situation. It has the potential to save money, improve organisational reputation and increase the motivation of staff. As such, the MOD takes its contribution to sustainable development in the UK and overseas very seriously and is committed to achieving the following strategic sustainable development objective through the Department's process ownership model:

To embed sustainable development principles within all Departmental activities and behaviours

The MOD's *Sustainable Development Strategy*¹⁶ is the single source of strategic direction for all sustainable development work in the MOD. It sets out our objectives in five priority areas: Sustainable Consumption and Production; Climate Change and Energy; Natural Resource Protection and Environmental Enhancement; Creating Sustainable Communities and a Fairer World and Delivery.

The Sustainable Development Action Plan 2009¹⁷ underpins this Strategy by setting out our key sustainable development targets and actions until 2012.

Over the forthcoming year we will be paying particular attention to achieving targets in the following areas:

- Increasing the use of electricity from Combined Heat and Power,
- Reducing CO² from energy, and
- Reducing CO emissions from administrative road vehicles.

¹⁶ <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/HealthandSafetyPublications/SSDCD/SustainableDevelopmentPolicy/SustainableDevelopmentStrategy.htm>

¹⁷ <http://www.mod.uk/NR/rdonlyres/AA3A7D1B-4A1C-46F3-8493-DD8E793FF2FC/0/ActionPlan2009.pdf>

- New car fleet average carbon dioxide emissions of 130g/km
- Reducing total waste arisings
- Improving our performance against the Sustainable Procurement Task Force Flexible Framework.

Information Management

Defence personnel will manage information effectively, exhibit key information exploitation skills and be subject to a robust information assurance regime by the end of 2012; this will build towards excellence in managing and exploiting information by the end of 2015.

Over the next 5 years MOD must improve its Information Management and Information Exploitation to unleash the power of our information and thereby ensure continued success on operations and create efficiencies in support areas. To achieve this all in the Department must comply with extant Information Management policy and exploit current and planned capability, such as that being delivered by Defence Information Infrastructure (DII) and e-procurement. Additionally, Information Assurance remains an important activity within the Department; while it should not in itself dominate the information agenda, it is the method through which we will confirm our improvement in this field.

The investment in the DII Programme, which began in earnest in 2001, is the fundamental information component that will provide a single joined-up information infrastructure and software covering all security domains at fixed sites in the UK and overseas and also includes a deployed capability. DII has already delivered significant advances in interoperability.

Individually and organisationally a significant effort will be required to achieve Information Management and Information Assurance maturity. Business Units are ultimately responsible for achieving Information Management (including Information Assurance) maturity, working through the MOD Information Strategy Executive Group, with progress being reported by the Chief Information Officer to the Defence Operating Board and the Defence Audit Committee.

Reputation

A strong reputation for Defence is important in order to sustain public support for Defence and for current operations, and to recruit and retain the people we need to deliver success. Developing a greater understanding of our activities and achievements amongst our external stakeholders and our own people helps to sustain and enhance our reputation to the benefit of all engaged in Defence.

The Defence Communications Strategy provides the overarching framework for communications activities setting out the outcome the MOD wants to achieve through its communications activities. Our challenge is to present a clear vision of Defence. The next year is likely to be critical to the success of NATO's campaign in Afghanistan. Building and maintaining UK public, parliamentary and Afghan consent for HM Government's mission in Afghanistan is essential if we are to succeed.