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ANNUAL PERFORMANCE REPORT

2004-05



Summary of Performance against SR2002 Public Service Agreement Objectives and Targets

Aim: to deliver security for the people of the United Kingdom and the Overseas Territories by defending them, including against terrorism, and act as a force for good by strengthening international peace and security.

Table 1: Performance Against Public Service Agreement Targets for 2003-04 to 2005-06			
PSA Target	Supporting Performance Indicator (where relevant)	Assessment at 1 April 2005	Report Paragraph
Objective I: Achieve success in the military tasks that we undertake at home and abroad.			
<p>1. Achieve the objectives established by Ministers for Operations and Military Tasks in which the UK's Armed Forces are involved, including those providing support to our civil communities.</p> <p>Overall Assessment: Met</p>		<p>Met</p> <p>The Armed Forces continued to achieve a high degree of success against the policy and military objectives set for all Operations overseas in 2004-05, including in Iraq, Afghanistan and the Balkans, in response to the crisis in Cote D'Ivoire, and on Tsunami relief around the Indian Ocean.</p> <p>They contributed to six United Nations peacekeeping missions; in Cyprus, the Democratic Republic of Congo, Georgia, Liberia, Sierra Leone, and Sudan. A minimum nuclear deterrent capability was maintained throughout the year. The security of the UK's Overseas Territories, including the Sovereign Base Areas in Cyprus, the Falkland Islands, and Gibraltar, was maintained. Continuing support was provided to the civil authorities at home, including in Northern Ireland, in responding to civil emergencies, in the routine provision of Search and Rescue and of Fisheries Protection services, and in the investigation and disposal of suspected explosive devices.</p>	7-28
<p>2. Improve effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict, where the UK can make a significant contribution.</p> <p>JOINT TARGET WITH DFID AND FCO.</p> <p>Overall Assessment: Not yet assessed</p>		<p>Data on performance against the PSA target is not yet available.</p> <p>Defence continued to contribute in 2004-05 to the Government's conflict prevention work under the Defence Diplomacy Programme and through the Joint Africa and Global Conflict Prevention Pools by providing support to a number of conflict prevention initiatives across Africa, the Middle East, Central America and Asia including widespread support to Security Sector Reform, provision of training to the Iraqi Security Forces and new Afghan National Army and provision of international training in Europe and Africa in military peace support operations.</p>	57-61

Performance Against Public Service Agreement Targets for 2003-04 to 2005-06			
PSA Target	Supporting Performance Indicator (where relevant)	Assessment at 1 April 2005	Report Paragraph
Objective II: Be ready to respond to the tasks that might arise.			
<p>3. By 2006 ensure that a minimum of 90% of high-readiness forces are at their required states of readiness with no critical weakness.</p> <p>Overall Assessment: Met</p>	<p>(Reporting against this target covers all forces, not just those at high readiness.)</p>	<p>Met Despite the continuing pressure of operations the proportion of Force Elements with no critical weaknesses reported by their military commanders increased from 93% in the last quarter of 2003-04 to 100% in the last quarter of 2004-05.</p>	35-47
<p>4. Recruit, retain and motivate the personnel needed to meet the manning requirement of the Armed Forces, so that by the end of 2004, the Royal Navy and RAF achieve, and thereafter maintain, manning balance, and that by the end of 2005, the Army achieves, and thereafter maintains, manning balance.</p> <p>Overall Assessment: Partly Met</p>	<p>Achieve manning balance.</p> <p>(Manning balance is defined as between -2% and +1% of the requirement, and is measured against the target prevailing at the time. Since the total manning requirement of whole Service manning is dynamic, this target will itself fluctuate over the PSA period.)</p>	<p>Partly Met As at 1 April 2005: RN/RM trained strength of 36,320, or 95.1% of overall requirement (compared to 96.8% on 1 April 2004); Army trained strength of 102,440 or 98.3% of overall requirement (compared to 97.0% on 1 April 2004); RAF trained strength of 49,210, or 101% of overall requirement (compared to 98.5% on 1 April 2004);</p>	112-114
	<p>Achieve single Service guidelines for deployed separated service.</p> <p>Royal Navy/Royal Marines: No more than 660 days separated service over rolling 3 year period.</p> <p>Army: No more than 415 days separated service over rolling 30 months period and no more than 6 months on operations in every 30 months.</p> <p>Royal Air Force: no more than 2.5% of personnel to exceed 140 days separated service over a rolling 12 month period and no more than 4 months on operations in every 20 months.</p>	<p>Partly Met</p> <p>RN: Breaches of Harmony in the RN are judged to be isolated.</p> <p>Army: Some breaches of Harmony in the Army have been unavoidable owing to the level of operational tempo. Breaches of recommended tour intervals have been unavoidable for some Force Elements due to the current level of operational tempo, with Infantry averaging 21 months (18 months in 2003-04) and Royal Artillery 19 months (18 months in 2003-04).</p> <p>RAF: 3.9% of personnel more than 140 days detached duty over 12 months.</p>	176-179
	<p>Improve the living conditions of Service personnel and their families.</p>	<p>Met 5,816 new-build Single Living Accommodation bed spaces delivered and 2,610 Service family houses upgraded in 2004-05</p>	149-153

Performance Against Public Service Agreement Targets for 2003-04 to 2005-06

PSA Target	Supporting Performance Indicator (where relevant)	Assessment at 1 April 2005	Report Paragraph
<p>5. Strengthen European security through an enlarged and modernised NATO, an effective EU military crisis management capacity and enhanced European defence capabilities. JOINT TARGET WITH FCO.</p> <p>Overall Assessment: Met</p>	<p>(Reporting against this target covers all forces, not just those at high readiness.)</p>	<p>Met NATO Response Force achieved Initial Operating Capability. Expanded NATO commitment to Afghanistan, including deployment of NATO Response force in support of Presidential elections. Establishment of NATO training mission for Iraq. EUFOR mission to Bosnia launched under UK command. European Defence Agency established. Agreement of EU rapid response battlegroup concept complementary to NATO Response Force. EU civil / military planning cell established.</p>	48-56
Objective III: Build for the future.			
<p>6. Develop and deliver to time and cost targets military capability for the future, including battle-winning technology, equipment and systems, matched to the changing strategic environment.</p> <p>Overall Assessment: Partly Met</p>	<p>On average, in-year slippage of equipment in-service dates of fewer than 10 days for new major projects, to be attained during 2003-04 and maintained throughout the PSA period.</p>	<p>Not met 1.6 months average slippage for new major projects in 2004-05 2.2 months average slippage for new major projects in 2003-04</p>	224
	<p>On average, in-year slippage of equipment in-service dates of fewer than 4 weeks for existing major projects, to be attained during 2003-04 and maintained throughout the PSA period.</p>	<p>Not met 3.0 months average slippage for existing major projects in 2004-05 2.8 months average slippage for existing major projects in 2003-04</p>	224
	<p>97% of customers' key requirements attained during 2003-04 and maintained throughout the PSA period.</p>	<p>Met 99% of customers' key requirements met in 2004-05 98.8% of customers' key requirements met in 2003-04</p>	224
	<p>On average, no real terms increase in major project costs, to be attained during 2003-04 and maintained throughout the PSA period.</p>	<p>Partly Met 3.2% average reduction in major project costs in 2004-05. 2.7% average increase in major project costs in 2003-04.</p>	224
Value for Money			
<p>7. Increase value for money by making improvements in the efficiency and effectiveness of the key processes for delivering military capability. Year-on-year output efficiency gains of 2.5% will be made each year from 2002-03 to 2005-06, including through a 20% output efficiency gain in the DLO.</p> <p>Overall Assessment: On Course</p>	<p>Reduce the per capita cost of successfully training a military recruit by an average of 6% by April 2006.</p>	<p>Not met Owing to organisational changes it is no longer possible to measure per capita cost of successfully training a military recruit on the basis used in the PSA target. It is unlikely that this target would have been achieved.</p>	193
	<p>Achieve 0% average annual cost growth (or better) against the Major Equipment Procurement Projects.</p>	<p>Slippage 4.6% average decrease in costs measured against estimated cost at beginning of year, but cost increases in earlier years.</p>	224

Performance Against Public Service Agreement Targets for 2003-04 to 2005-06			
PSA Target	Supporting Performance Indicator (where relevant)	Assessment at 1 April 2005	Report Paragraph
	Reduce by 14% (relative to planned expenditure in 2002-03) the output costs of the Defence Logistics Organisation by April 2006, while maintaining support to the Front Line.	Ahead DLO costs reduced by 4.2% ¹ in 2004-05. As at 31 March 2005 11.1% ¹ cumulative savings achieved against target of 10% cumulative savings towards 14% reduction in output costs by April 2006	209
	Reduce MoD Head Office and other management costs by 13% by April 2006.	On Course MoD Main Building modernised and reoccupied by September 2004, to cost and ahead of time. As at 31 March 2005 12% cumulative reduction in Head Office and other management costs.	243
	Identify for disposal land and buildings with a Net Book Value of over £300M by April 2006.	Ahead Assets with Net Book Value of £165M transferred to Defence Estates for disposal in 2004-05, bringing cumulative total at 31 March 2005 to £395M.	156

¹ Subject to validation

