

Business Plan 2012–2015

Ministry of Defence

31 May 2012

Annexes

The 2012 Business Plan, and its reporting through the No.10 website, have been streamlined to focus on the Government’s structural reforms. These annexes contain information on cross–Government priorities, additional reform actions and actions from the 2011 business plan that are now complete. The Government will not report systematically on the No.10 website against the activities listed in these annexes, although overall progress will be reported through other publications, such as the Annual Report and Accounts, the Budget and a progress report on sustainable development.

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Annex A) Cross-government priorities

The Government is committed to driving progress of a number of shared priorities across different departments. MOD is contributing to these priorities through the commitments listed below.

Where set out, numbers in brackets refer to the position of actions in the Structural Reform Plan section of the Business Plan.

1. Social mobility

The MOD and the Armed Forces support social mobility with opportunities provided through recruitment, in-Service education and development, and resettlement back to civilian life. Recruitment policies are particularly important for those in the transition years between 16–24, a critical transition period from education to adult life.

The MOD will:

- Take forward work with the Department for Education on the aspiration to establish new cadet units
- Align tri-Service resettlement policies with the Deputy PM's social mobility policy

2. Civil Society Compact

Ensure compliance with the Civil Society Compact, including collaborative working with the civil society sector on the following SRP actions:

The MOD will:

- Develop a strategy, reflecting the Civil Society Compact, for working with Charities (2.3.i)

3. Sustainable development

Global environmental, social and economic pressures are potential catalysts for increased unrest or armed conflict, and can affect Defence's ability to meet its strategic objectives. They also present fresh demands on our people, infrastructure and equipment. Embracing sustainable development throughout Defence will ensure that we are prepared for these challenges and that we play our part in reducing the severity of these pressures.

The MOD will:

- Assess and manage environmental social and economic impacts and opportunities in its policy development and decision making by mainstreaming SD principles within Defence strategies, policies, decision-making processes and associated programmes, projects and activities (4.3.i);
- Implement the Department's plan to deliver on the Greening Government Commitments, supplying quarterly information and contributing to an annual report on progress (4.3.x); and
- Procure from small businesses, contributing to the aspiration that 25% of contracts should be awarded to SMEs, either directly or in the supply chain.

4. Efficiency

Ensure support for Efficiency and Reform, including efficiency measures to delivery savings and broader reforms to public services, including:

- Conduct work-stream analysis to review effectiveness and efficiency (3.1);
- Implement the Defence Reform review endorsed outcomes (3.2);
- Review existing transformation initiatives against major areas of functional and commodity spend to ensure that effort is targeted at areas that will yield greatest efficiencies (3.3);
- Reduce the number of MOD civilians in the core Department by around 20,000 (3.4);
- Take forward activities to achieve efficiencies, including as part of the Defence Reform agenda, and to reduce non-front line costs by £2bn per annum by 2014/15 (4.1)

The Departmental Efficiency part of the Business Plan (in Section C) sets out operational spending, by category, as well as specific actions to improve operational efficiency in 2012/13.

Annex B) Additional departmental actions

This section contains additional significant actions that will be taken forward but which are not considered to be major structural reforms for the purpose of the 2012 Business Plan. It also includes some actions previously included in the 2011–12 Structural Reform Plan¹

The Department's objectives are in bold; the actions the Department will undertake are shown by the bullet points under each objective.

A2. Deliver the Armed Forces Covenant and develop the New Employment Model

A2.1 Adjust the pay and allowances provision afforded Service Personnel, ensuring a balanced and fair remuneration package while maintaining affordability

- | | |
|--|--------------------|
| i. Support the Armed Forces' Pay Review Body (AFPRB) | Ongoing |
| ii. Submit evidence to inform AFPRB 2013 report | Started / Dec 2012 |

A2.2 Maintain and further improve the health and social care provided to serving and ex-Service personnel

- | | |
|--|--------------------|
| i. Implement the in-service recommendations from the Murrison report on mental health services for Service Personnel | Ongoing |
| ii. Conduct post-deployment mental health project | Started / Sep 2014 |
| iii. Take forward work to implement endorsed outcomes from the report on post-deployment mental health | Jan 2015 / TBC |
| iv. Incorporate enhanced mental health assessments (EMHA) into routine Service and discharge medical examinations | Ongoing |
| (a) Deliver report on effectiveness (in first Army Primary Health care Region (APHC)) | Jul 2012 |
| (b) Deliver plan to implement report's endorsed outcomes | Sep 2012 |

Notes.

1. Actions listed in this Annex are subject to an internal reporting regime that enables performance and risk to be considered and informs wider reporting.

A2.3 Work with the Department of Health to implement ex–Service personnel (veterans’) element of the Murrison Report	Ongoing
A2.4 Seek to improve education provision to Service Personnel and their dependants	Ongoing
i. Implement support fund for State Schools with Service Children (to mitigate effects of mobility and deployment)	Started / Apr 2015
A2.5 Take forward work to implement the endorsed outcomes of the Youth Engagement Review	Started / Apr 2020
i. Take forward work with DfE on the aspiration to establish new cadet units	Started / Apr 2015
A2.6 Publish Armed Forces Continuous Attitude Survey 2012 (AFCAS12)	Sep 2012
A2.7 Ensure recruitment policies guarantee that recruits from any background or ethnicity are equally able to enter the Armed Forces.	Ongoing
A2.8 Ensure training and education policies include the opportunity, where appropriate, to gain nationally recognised civilian qualifications through the accreditation of education, training and experience.	Ongoing
A2.9 Align tri–Service resettlement policies with the Deputy PM’s social mobility policy.	Ongoing
i. Outline requirement for a new contract	Started / Jun 2012
ii. Issue Invitation To Tender (ITT) for new contract	Aug 2014
A2.10 Continue to participate in the Civil Service Whitehall Internship Programme.	Ongoing
 A3. Transform Defence	
A3.1 Define future programmes for further efficiencies, including work under the Transforming Defence programme, throughout Spending Review 2010 period, building on the Defence Reform Unit’s review	Ongoing
A3.2 Conduct monthly review of the Defence Transformation Portfolio	Ongoing

A4. Deliver Defence in the most effective, efficient and sustainable way

A4.1 Take forward activities to achieve efficiencies, including as part of the Defence Reform agenda, and to reduce non-front line costs by £2bn per annum by 2014/15 through:	Started / Apr 2015
i. Annual review of Efficiency Programme	Jul 2012
ii. Implement changes to Service allowances	Apr 2015
iii. Implement changes to Civilian allowances	Apr 2015
iv. Estate rationalisation (both sales and running cost savings):	Ongoing
(a) Future estate planning work to support the delivery of Army 2020 (including the return of personnel from Germany)	Started / Jan 2013
(b) Bring together the MOD wide programme of work and funding to support basing optimisation and optimisation projects and programmes	Started / Apr 2020
v. Equipment Support (ES) savings	Ongoing
(a) Work with nuclear defence programme suppliers to improve commercial arrangements and efficiency, and through the Submarine Enterprise Performance Programme (SEPP) deliver savings of at least £900m over 10 years:	Started / Apr 2022
(1) Establish Foundation Contracts with BAES, Rolls-Royce and Babcock	Started / Mar 2013
(2) Conduct Major Project Review Group (MPRG) review	May 2012
(3) Deliver annual mid-year review	Jun 2012
(4) Joint MOD / Industry SEPP Programme Office at Full Operating Capability (FOC)	Sep 2012
(5) Deliver annual review	Dec 2012
vi. Training Efficiencies	Started / Apr 2015
vii. Administrative cost savings	Started / Apr 2015
viii.Reduction in commodity spend	Started / Apr 2015
ix. Contract renegotiation to support the SDSR cost reductions, and make savings across contracts	Started / Apr 2015
x. Implement endorsed outcomes from the review of Single Source Pricing Regulations (The	Jan 2013 / Dec 2013

Yellow Book)

A4.2 Enhance Information Management

Ongoing

- i. Report annually on progress to embed and maintain level 3 Information Assurance Maturity Model (IAMM).

Apr 2013

A5. Succeed in Afghanistan

The Main Effort for the MOD. Work with the FCO and DfID to protect the UK by creating security and stability in Afghanistan and training members of the Afghan National Security Forces (ANSF) to help the Afghans to provide their own security in the future

A5.1 Work alongside the Afghanistan Government and the Afghan National Security Forces to provide a sustainable security framework up to and after 2014. Something on sustaining commitment **Ongoing**

A5.2 Work with the FCO to agree with the Afghan Government and international partners at the NATO Summit in Chicago the size, shape and funding of the Afghan National Security Forces and on NATO's future relationship with Afghanistan after 2014 **Started / Dec 2012**

A5.3 To develop and deliver a plan, in conjunction with Coalition partners and the Government of Afghanistan, for the development of Afghan National Security Forces capability and the progressive transition of security responsibility within Afghanistan to the Afghan National Security Forces. **Started / Dec 2015**

A5.4 To plan for the redeployment of UK forces from Afghanistan in good order. This will be conducted in an efficient and effective manner whilst maintaining the UK's contribution to a sustainable Afghan National Security Force and the orderly transition of security responsibility to the Afghan Government. This will include the timely, cost effective reconstitution of forces for other contingent tasks. **Started / Dec 2015**

A6. Fulfil our standing commitments

The MOD will continue to fulfil its standing commitments, including strategic intelligence, the strategic nuclear deterrent, defence against direct threats to the UK and its overseas territories, counter-terrorism and military aid to the civil authorities. Carrying out these roles is essential to our security and supports key British interests around the world

A6.1 Maintain an effective, independent, nuclear deterrent **Ongoing**

A6.2 Support work by the FCO to develop and implement a new cross-Government strategy for the **Started / Dec 2012**

Overseas Territories to ensure their security and development

A6.3 Maintain the UK network of Permanent Joint Operating Bases and provide for the maintenance of their territorial integrity. These bases include; Gibraltar, the Sovereign Base areas of Cyprus, British Forces South Atlantic Islands (Falkland Is, Ascension) and maintaining a regular UK presence in South Georgia, South Sandwich Islands and on Diego Garcia in British Indian Ocean Territories. Ongoing

A6.4 Maintain Defence commitment to the Falkland Islands. Ongoing

A6.5 Maintain the UK overseas training areas in Canada, Kenya and Brunei to support the preparation of UK forces for operations and as part of the valued defence relationships with the host countries. Ongoing

A6.6 Meet UK's treaty obligations to NATO and the EU in partnership with Allies to enhance UK's collective security and to be able to provide a robust and credible response to existing and new security threats, and emerging crises. Ongoing

i. Prepare and deliver agreed UK contribution to NATO Operational Command and Force Structures. Contribute, at agreed force levels, to NATO operations, the NATO Reaction Force (NRF), and NATO Standing Naval Groups. Ongoing

ii. Prepare and deliver agreed UK contribution to EU Operations, the EU Battlegroup Concept and the Air and Maritime Rapid Response Concepts under the terms of the Common Security and Defence Policy (CSDP). Ongoing

A6.7 Plan, and if necessary, conduct / support operations within the UK Ongoing

i. Be prepared to respond, in an appropriate and timely manner to requests for Military Assistance from Civil Authorities (MACA). Ongoing

ii. Provide for the defence of UK territorial waters. Ongoing

iii. Provide for the defence of UK air space. Ongoing

iv. Support Home Office through provision of specialist Explosive Ordnance Disposal (EOD). Ongoing

v. Counter Terrorism. Provide those military capabilities that help protect the UK from major terrorist attack. Ongoing

A6.8 Cyber Security. Develop and deliver the Defence contribution to the cross government Cyber Security programme Ongoing

A6.9 OLYMPICS (London 2012). Working with the Home Office:

- i. Contribute to the preparation and delivery of plans to protect Olympic and Paralympic venues, infrastructure, events and those attending them. Started / Sep 2012
- ii. Prepare for events that may disrupt the safety and security of the Games and provide the Defence contribution to the mitigation of any impact. Started / Sep 2012

A7. Succeed in other operations we are required to undertake

Succeed in other operations the MOD is required to undertake at home and overseas, by providing a defence contribution to UK influence (including working with the Department of Business, Innovation and Skills (BIS) to promote defence exports), by defending our interests by projecting power strategically and through expeditionary operations, by providing security for stabilisation, and by providing a defence contribution in support of other government departments.

A7.1 Provide military contribution to the FCO led work to deliver the overseas aspects of the cross-government counter-terrorism strategy (CONTEST) to reduce the risk to the UK and UK interests overseas from terrorism Ongoing

A7.2 Support the UK Government's contribution to conflict prevention and support conflict resolution in fragile states, focussing on Somalia and threats emanating from South Asia and the Horn of Africa Ongoing

i. Work bilaterally and with partners to counter the threat from piracy, including achieving a reduction in the number of pirate attacks on UK vessels, and a UK contribution to the capture and arrest of pirates Ongoing

ii. Support work to develop metrics on Conflict Pool spend to measure results Ongoing

A7.3 Support work for peace in the Middle East, with a secure and universally recognised Israel living alongside a sovereign and viable Palestinian state, and implement actions vital for long term security and stability in the Middle East and North Africa region Ongoing

A7.4 Support work to improve the high quality Consular response which the FCO consistently provides across its network and improve our consular crisis response Ongoing

A7.5 Work in support of BIS to promote defence exports consistent with export control criteria; as part of a Defence Diplomacy programme to strengthen British influence and help support British Ongoing

industry and jobs

- i. Review the Department's policy for how it provides support to export campaigns
- ii. Deliver International Armed Forces Training solution

Started / Apr 2013
Apr 2013

A8. Prepare for success in any other operations that we are required to undertake

Ensure that we can respond to external threats (intervention operations) and natural disasters; provide support to conflict prevention and stabilisation operations; carry out defence diplomacy, engagement and capability building activities; and build constructive bilateral relationships including with the US and France; and multilateral relationships in particular NATO (including the new Strategic Concept); facilitated by defence attachés and advisers and including activities such as international training and joint exercises

A8.1 Take forward work to deliver versatile, agile and battle-winning Armed Forces, working Ongoing

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

A8.2 Meet UK's treaty obligations to NATO and the EU in partnership with Allies to enhance UK's Ongoing

collective security, be able to provide a robust and credible response to existing and new security threats ,and emerging crises

i. Prepare and deliver agreed UK contribution to NATO Operational Command and Force Structures. Contribute, at agreed force levels, to NATO operations, the NATO Reaction Force (NRF), and NATO Standing Naval Groups. Ongoing

ii. Prepare and deliver agreed UK contribution to EU Operations, the EU Battlegroup Concept and the Air and Maritime Rapid Response Concepts under the terms of the Common Security and Defence Policy (CSDP). Ongoing

A8.3 Meet the UK's treaty commitments with France to enhance both nation's conventional and nuclear capabilities. Ongoing

i. Develop equipment cooperation to maximise interoperability and capability in context of a declining equipment budget. Ongoing

ii. Collaborate in the area of nuclear warheads research to provide assurance of deterrence. Ongoing

Annex C) Completed structural reform actions

Completed actions from the 2011 Business Plan are shown below against each Coalition priority.

Restructure the Armed Forces and their capabilities

Conduct the Strategic Defence and Security Review (SDSR) including Armed Forces capability reviews

Publish the National Security Strategy (NSS)/SDSR White Paper

Build constructive bilateral relationships including with the US and France; and multilateral relationships in particular with NATO

- Implement US/UK Defence Trade Co-operation Treaty
- Establish A400M Joint User Group (JUG) with France
- Identify potential to use Future Strategic Transport Aircraft (FSTA) spare capacity to meet French requirement for Air to Air Refuelling (AAR) and Air Transport (AT)
- New NATO Command Structure agreed by the Alliance

Take forward work to develop the Queen Elizabeth Class Carriers

- Interim report presented to the MOD's Investment Approvals Board

Take forward restructuring activities as set out in the SDSR

- Implement key restructuring activities in the Royal Navy, including:
 - Remove the RN component of the Joint Harrier Force
 - Decommission HMS ARK ROYAL
 - Reduce by 4 the number of frigates
 - Place at extended readiness a landing and command ship
 - Decommission one Bay-class amphibious Support Ship
- Implement key restructuring activities in the Army, including:
 - Reduce our holdings of Challenger 2 (CR2) Main Battle Tanks by 40%
 - Reduce our heavy artillery armoured vehicles (AS90) by around 35%

- Implement key restructuring activities in the Royal Air Force (RAF), including:
 - Remove the RAF component of the Joint Harrier Force from service
 - Reduce the role of the VC-10 transport / tanker aircraft to undertake AAR only

Deliver the Armed Forces Covenant and develop the New Employment Model

Introduce Armed Forces Bill

Publish the Interim Armed Forces Covenant Annual Report

Issue a revised Service Personnel sub-Strategy to include New Employment Model (NEM) principles

- NEM Estimate Team Study to confirm NEM programme scope, feasibility and resourcing
- Conduct Future Accommodation Project
 - Deliver Future Accommodation Project (FAP) Interim Report
 - Deliver initial FAFPS proposals

Adjust the pay and allowances provision afforded Service Personnel, ensuring a balanced and fair remuneration package while maintaining affordability

- Double operational allowance for Service Personnel
- Include Service pay in the Fair Pay review
 - Review interim report
 - Fair Pay Review Final Report Published
- Submit evidence to inform AFPRB 2012 report

Develop rest and recuperation (R&R) arrangements to ensure a balanced use of resources, provide value for money and minimise disruption to Service Personnel and their families

- Compensate Service Personnel who have lost days from their R&R with extra days during their post operational leave
- Ensure short tours are no longer than 119 days to minimise disruption to Service Personnel and their families

Consider changing the rules so that Service Personnel only have to register once on the Service register to be able to vote

- Agree data sharing arrangements between MOD and Electoral Registration Officers

Conduct Future Reserves 2020 Study

- Conduct Phase 1: Establish the Defence requirement for Reserves and define the strategic principles around which the balance between Regular and non-Regular manpower should be designed

- Conduct Phase 2: Design a range of single Service Reserve Force structures and force generation options which meet the operational requirement
- Conduct Phase 3: Develop a detailed concept and outline plan for implementation of the new Reserves' structure
- Deliver Future Reserves Study

Maintain and further improve the health and social care provided to serving and ex-Service personnel

- Develop plan to implement the in-service elements of the Murrison Report
- Implement the in-service recommendations from the Murrison Report on mental health services for Service personnel:
 - Research developing a post-deployment mental health / post traumatic stress disorder screening tool
 - Incorporate enhanced mental health assessments (EMHA) into routine Service and discharge medical examinations:
 - Run a tri-Service trial
 - Deliver EMHA Report
 - Implement endorsed EMHA findings
- Work with the Department of Health to implement ex-Service personnel elements of the Murrison Report
 - Launch a dedicated 24-hour support line for ex-Service personnel
 - Commission a national service to improve access to mental health services for veterans, including the introduction of 30 mental health nurses (or equivalents) in Mental Health Trusts
 - In co-operation with 'Big White Wall', or similar network, design a mental wellbeing website
 - Implement mental wellbeing website
- Include the ability for veterans to use Defence Departments of Community Mental Health (DCMH) for 6 months after their release from service in medical policy

Seek to improve education provision to Service Personnel and their dependants

- Provide university and further education scholarships for the children of Service Personnel killed on active service
 - Secure stakeholder agreement to implementation process
 - Design process to administer scholarships
- Work with the Department for Education (DfE) to scope the Troops for Teachers programme
 - Publish DfE Schools White Paper including the Troops for Teachers intent

Conduct Youth Engagement Review

- Deliver Youth Engagement Review Interim Report
- Deliver Youth Engagement Review Final Report

Publish the Armed Forces Continuous Attitude Survey

Transform Defence

Establish the Defence Reform Unit, led by Lord Levene

Conduct work-stream analysis to review effectiveness and efficiency of:

- Policy, strategy, financial planning and performance management
 - Submit Materiel Strategy
 - Deliver response to Materiel Strategy
- Corporate services and estate
 - Establish Defence Infrastructure Organisation (DIO)
 - Complete detailed DIO organisational design
 - Establish Defence Business Services (DBS)
 - Decide on the future management arrangements for Defence Business Services (DBS)
- Top level governance, and the most senior posts
 - Establish new Defence Board

Complete the Defence Reform Unit's review

- Present Defence Reform Unit findings to the Defence Secretary
- Publish Defence Reform Review Report and Response
- Publish an implementation plan setting out how the Defence Reform Unit's review will be delivered
- Joint Forces Command (JFC) IOC

Reduce the number of MOD civilians in the core Department by around 20,000

- Deliver Tranche 1 profile
- Implement Voluntary Early Release Scheme (VERS) 2011
- Take forward work to identify an holistic approach to strategic manpower planning
- Establish strategic workforce and skills planning process for the Civilian Workforce
- Publish Equality Objectives for the Department (as part of the new General Equality Duty (Equality Act 2010))

Deliver Defence in the most effective, efficient and sustainable way

Define future programmes for further efficiencies, including work under the Transforming Defence programme, throughout Spending Review 2010 period, building on the Defence Reform Unit's review

- Agree the Transforming Defence Portfolio

Take forward activities to achieve efficiencies, including as part of the Defence Reform agenda, and to reduce non-front line costs by £2bn per annum by 2014/15, through:

- Endorse MOD Efficiency Programme, identify a Senior Responsible Officer and agree implementation timetable
- Estate rationalisation (both sales and running cost savings)
 - Interim announcement on planning for the return of personnel from Germany and the associated rationalisation of the Defence Estate
- Equipment support savings
 - Establish Defence Suppliers Forum (DSF)
 - Conduct Major Project Review Group (MRPG) review of Successor Deterrent
 - Implement Submarine Enterprise Performance Programme (SEPP) to deliver at least £900M savings over 10 years
 - SEPP Initial Gate Business Case submission to Investment Approval Board
 - Place BAES Foundation Contract
- Administrative cost savings
 - New administrative cost regime defined

Achieve Annual Savings identified in MOD Efficiency Programme:

- Year 1

Publish a Logistics sub-Strategy

Publish a White Paper: Policy on equipment, support, and technology for UK defence and security

Review of Single Source Pricing Regulations (The Yellow Book)

- Deliver initial independent report
- Respond to public consultation

Define and deliver a long-term sustainable development strategy that supports the delivery of the Department's Greening Government Commitments (GGC)

- Identify sustainable development principles
- Identify sustainable development vision, goals and objectives that are aligned with Government sustainability targets and that produce benefits for Defence
- Identify the key areas of Defence where the application of the principles will produce the greatest improvement in performance
- Identify a supporting behavioural and governance change programme
- Publish Sustainable Development sub-Strategy
- Ensure that key Defence decision making processes include the requirement to assess and manage environmental, social and economic threats, impacts and opportunities
- Establish targets for reducing the Armed Forces reliance on fossil fuels to provide operational energy

Enhance Information Management

- Enable business processes to allow all Top Level Budgets / Agencies / Trading Funds to operate at level 3 against the Communications-Electronic Security Group (CESG) Information Assurance Maturity Model (IAMM)

Work in support of BIS to promote defence exports consistent with export control criteria; as part of a Defence Diplomacy programme to strengthen British influence and help support British industry and jobs

- Appoint a Director with responsibility for export co-ordination across the Department's work to support defence exports