Civil Service
Capability Reviews

Ministry of Defence
Capability Action Plan
Foreword

Ursula Brennan, Permanent Under Secretary

Over the past two years, what we do in Defence and how we do it has been subject to extensive review. First through the Government’s Strategic Defence and Security Review (SDSR), which was published in October 2010 and set the direction for the Ministry of Defence and the Armed Forces over the next ten years. And subsequently through Defence Reform, ‘a fundamental review of how the MoD is structured and managed’ by a team chaired by Lord Levene and including the Ministry’s lead non-executive director, Gerry Grimstone. This review reported in June last year, making over 50 recommendations for change that were agreed by Ministers, the Chiefs of Staff and myself.

Since then the Department has been working hard at planning and implementing the changes required to deliver the Government’s objectives as expressed in the SDSR and the modernised organisation, processes and behaviours recommended by the Defence Reform Review. This is all being coordinated under a Transformation Portfolio, which is second only to current operations on the Department’s list of priorities.

This capability action plan is based on the assessments made by these reviews and subsequent progress on planning and implementing the resultant changes, as well as other evidence such as the results of the most recent staff surveys and the views of external members of the Secretary of State’s Transformation Steering Group and the Institute for Government. The actions contained within it are part of the overall Transformation implementation plan.

Measuring ourselves against the model of capability has provided reassurance that we are moving in the right direction. We have already delivered some improvements, but there is still a lot more to do over the next two years to create the reformed Department we need, as reflected in the assessments and actions in this plan.

Defence Transformation is the biggest enterprise of its kind for three decades and can help us deliver real and sustainable change. It gives us the chance to show that we can translate success on the battlefield into success across all aspects of our business. It will involve everyone in Defence in one way or another. Although this will be extremely challenging, I am confident that we have the top-level commitment and people to drive the programme through.
Foreword

Gerry Grimstone, Lead Non Executive Member

Although I was intimately involved in the work underpinning Lord Levene’s report (Defence Reform) and will return with him annually to review progress, this is the first time that I have been involved in the Department’s Capability Review since my appointment as the Lead Non-Executive Member for Defence in September 2011.

I would echo Ursula Brennan’s comments in her foreword. Defence has been subject to extensive review. More importantly however, I am confident that the Defence Board and the Department has recognised the need for change and the scale of the challenge that it poses. This Capability Review is an integral part of this work.

It confirms that work is being taken forward at pace whilst recognising the Department operates in the complex space between the Prime Minister’s National Security Council, which oversees the UK’s strategic defence posture, and the operations ably conducted by our military forces. Importantly, it recognises that the Defence Board has been considerably overhauled during the period covered by this review. It is now smaller and much better focussed unifying the Ministerial, civilian and military aspects of the Department’s activities with a strong independent voice. It is monitoring the progress of transformation at each of its meetings and it doesn’t hesitate to intervene to unblock obstacles to progress and to make sure that everyone in Defence is exhibiting the right behaviours. In short, it has recognised that there are some hard decisions to be taken and takes them providing a sensible basis on which the Department can properly plan for the future.

In addition, it has provided reassurance that we are moving in the right direction and demonstrates that we have made a reasonable start. The assessment and the Action Plan highlight the scale of the challenge and that there is a lot more to do over the next two years to transform the Department. The Defence Board is determined to drive this transformation and knows that this involves changes in organisational structure and drawing more closely and more effectively on private sector skills. The Action Plan will help us deliver this work. I will report back on progress in next year’s Review.
Foreword

1. Challenges for the Department

2. Assessment of Capability

3. Action Plan

Annex A: The model of capability

Annex B: Assessment criteria
1. Challenges for the Department

For the UK, with its responsibilities, interests and legacy, security and defence will always be challenging. Now, however, we have to deal with an additional factor: an unprecedented budget deficit which obliges MOD and the rest of Government to make major savings in order to live within the country’s means.

Second only to the challenge of current operations (which is not covered in this capability action plan), therefore, is the challenge of transforming MOD and the way it works. In order to deliver Transformation the Department needs to establish priorities quickly, make and communicate difficult decisions, engage the workforce, and fundamentally alter its ways of working, including greater empowerment of delivery organisations and joined-up working among different elements within the Department.

The Department

The Ministry of Defence (MOD) provides essential support to delivery of the Government’s national security objectives. It derives its strategic and political priorities, requirements and direction from the Secretary of State, and from the Prime Minister and the National Security Council, including the National Security Strategy and the Strategic Defence and Security Review (SDSR).

MOD itself is a large and complex organisation, which fulfils the role of a department of state and a strategic military headquarters delivering military capability through the Armed Forces. Its purpose is to defend the UK and its overseas territories, citizens and interests. Under the Secretary of State for Defence it is led by the Permanent Under Secretary and the Chief of the Defence Staff, who are supported by the Head Office in London (which also acts as the strategic military headquarters). Delivery of the Department’s outputs is through seven top-level budget organisations: Navy, Army, Air and Joint Forces Commands, Defence Equipment and Support (DE&S), Defence Infrastructure Organisation (DIO) and Head Office and Corporate Services. It also owns three trading fund agencies (Defence Science and Technology Laboratory, Defence Support Group and UK Hydrographic Office); and sponsors a number of non-departmental public bodies.

At 1st April 2011 MOD employed 276,000 people (193,000 Service personnel and 83,000 civilians) based across the UK and overseas. In 2010/11 it spent £39.5Bn (including £3.9Bn on operations and peacekeeping) and placed nearly 6,400 contracts.

Key challenges

To achieve its purpose, the MOD must:

- work across Government and with key allies and partners to ensure a secure and resilient UK and to shape a stable world;
1. Challenges for the Department

- maintain flexible, agile, battle-winning Armed Forces with the right equipment, the right people, the right training and the right support;
- support Service personnel and their families, Reserves, veterans and civilian staff; and
- transform itself to meet the challenges of the future through a simpler, more effective organisation that lives within its means.

All whilst delivering success on current operations and being prepared and ready to react to the unexpected.

The Department’s priorities over the period 2011-15 are to:

- succeed in Afghanistan;
- continue to fulfil standing commitments (including strategic intelligence, the strategic nuclear deterrent, defence against direct threats to the UK and its overseas territories, and military aid to the civil authorities);
- succeed in other operations we are required to undertake (the Department’s successful involvement in Libya being but one example); and
- transform Defence by restructuring our Armed Forces and their capabilities, implementing a new Defence operating model and maintaining the long-term affordability of the Defence programme.

For the UK, with its responsibilities, interests and legacy, security and defence will always be challenging. Now, however, we have to deal with an additional factor: an unprecedented budget deficit which obliges MOD and the rest of Government to make major savings in order to live within the country’s means. The SDSR and the Comprehensive Spending Review require MOD not only to sustain the Afghanistan commitment, mount operations such as Libya when the need arises, maintain core tasks such as deterrence and conflict prevention and build a credible force structure for 2020 and beyond, but also to save money. This means reducing the workforce by over 50,000 by 2015 and reducing expenditure by 8% at the same time as bringing back into balance a historically unaffordable equipment programme.
2. Assessment of Capability

*Defence Reform*, published last June, set out the Ministry’s key strengths and problems¹. The review team concluded that ‘while sustaining the highest level of operational activity since the Second World War, the MoD has delivered at least £5bn of efficiencies since 2004, reducing the civilian workforce by 45,000 and the Armed Forces by 22,000.’ The key problems identified included ‘an inability to take tough, timely decisions’, ‘delivery arms which are disempowered’ and ‘concerns over the profile and priority given to joint enabling military capabilities’. We have taken significant action since then to address these problems, as set out in the detailed Operating Model Blueprint in December, including new governance which has enabled the MoD to balance its equipment programme out to 2020, a radical plan to delegate resources to Front Line Commands, and the launch of the new Joint Forces Command. These are early days in the transformation journey, so the assessment below shows that we still have much to do. But we are confident that we will succeed.

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<th>Leadership</th>
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<tr>
<td>L1 Set Direction</td>
<td>Amber / Green</td>
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<td>L2 Ignite passion, pace and drive</td>
<td>Amber / Red</td>
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<td>L3 Develop people</td>
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<th>Strategy</th>
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<td>S1 Set strategy and focus on outcomes</td>
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<td>S2 Base choices on evidence and customer insight</td>
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<td>S3 Collaborate and build common purpose</td>
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<th>Delivery</th>
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<td>D1 Innovate and improve delivery</td>
<td>Amber/Red</td>
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<td>D2 Plan, resource and prioritise</td>
<td>Amber/Green</td>
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<td>D3 Develop, clear roles, responsibilities and delivery models</td>
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<td>D4 Manage performance and value for money</td>
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2. Assessment of Capability

As set out in the assessment above, our key capability challenges relate to leadership and delivery. Strategic capability has been significantly improved since the last capability review, as exemplified by Ministry’s contribution to the National Security Strategy and the SDSR, the Strategy for Defence 2011, the classified Defence Strategic Direction, and the balancing of the Defence programme out to 2020. Securing the effective implementation of this strategy will require the Ministry to up its delivery game, and demonstrate top quality leadership capability.

Leadership

In line with recommendations made in Defence Reform, a new, smaller Defence Board, chaired by the Secretary of State has been established with a renewed strategic focus on driving and managing delivery of Defence objectives and change. The Board is now established as the senior corporate decision-making body in Defence, meeting 9 times, as well as holding an away day, since September 2011. A review of board effectiveness, led by the lead non-executive, has provided evidence of a good start in tackling difficult issues; the twin challenges now are to sustain this progress, not just in the board but also in the supporting sub-committee and other governance structures; and critically to communicate the board’s work across the Ministry.

Now that the Defence programme is genuinely balanced out to 2020, we will shortly publish an updated Strategy for Defence, setting out a clear vision for our staff and partners of the Future Force 2020 and transformed Ministry of Defence that we are aiming for. As part of this transformation, the Head Office will be much smaller and more strategic, setting clear direction to the Commands and other Top Level Budget holders as to the outputs required of them, but providing much greater flexibility as to how these outputs are to be achieved, incentivising innovation and productivity improvements.

The Department monitors levels of engagement through the annual Civil Service People Survey (MOD Your Say for civilians) and the Armed Forces Continuous Attitude Survey (for Service Personnel). Both surveys indicated a drop in overall engagement levels between 2010 and 2011, driven by low levels of confidence in senior leadership and effective management of change, though most respondents are satisfied with their work and line management. So leadership development is a key priority for the Ministry in the coming year, promoting the three key behaviours which will be crucial to the success of Transforming Defence: (i) open, honest and accountable leadership; (ii) working for Defence as a whole, not sectional interests; and (iii) a relentless focus on improving efficiency. This is encapsulated in the ‘Be – Think – Do’ behaviours campaign we are launching with the Defence Academy: ‘Be a leader’, ‘Think Defence’, ‘Do it Better’.

A Behaviours and Business Improvement programme, centred on ‘Be – Think – Do’, is focussing on what it is about our environment (structure, processes and ways of working) that drives particular behaviours, and developing a programme of interventions to deliver real change. Its programme is taking a top down and bottom up approach focusing on developing business leadership and ensuring that business acumen though both military and civilian career structures; that performance and reward focus on the what as well as the how; and that a culture of innovation and business process improvement become common place throughout the Department. The Be Think Do campaign is also focussed under ‘Do’ on doing things more effectively and efficiently. Work has started on re-invigorating the GEMS innovation scheme and the Continuous Improvement working group has been re-launched and simplification of key business processes such as civilian HR are now underway.
2. Assessment of Capability

Work is also underway to improve the management of both Service and civilian personnel, including strengthening civilian talent management, the Levene-recommended ‘Joint Assured Model’ for the management of senior Service officers, and increased levels of financial skills and awareness across the Department. The Department is introducing a Workforce and Skills Planning process across the Department, to help ensure we have the right people with the right skills and leadership in the right roles. Defence Analytical Services and Advice is developing a civilian manpower model which will be a key tool to support workforce planning in the future. In the meantime, initial Top Level Budget Workforce Plans have been completed, containing information about and forecasts of workforce requirements in each TLB, broken down by grade and job family. The level of maturity of these plans varies between TLBs as key decisions on restructuring are considered. We look to these plans to help inform decisions on workforce reductions, and they will be progressively developed to support workforce and skills planning across the Department.

As signposted in the SDSR, we are taking action to promote the Whole Force Concept, designed to ensure the right balance between civilians, regulars, reserves and contractors. This is a key component of Transforming Defence, as part of the move to delegate to Commands and other TLBs the authority to ‘trade’ between each of these types of labour and other resources.

Each of these reforms will be overseen by the new People Committee, a sub-committee of the Defence Board, chaired by one of our non-executives.

Strategy

The creation by the Coalition Government of the National Security Council has significantly strengthened Whitehall’s architecture for the development and direction of strategy. The National Security Council has provided Ministerial oversight of the UK’s involvement in operations in Afghanistan and Libya, while also considering a broad range of other issues relevant to national security. The National Security Council is routinely attended by the Secretary of State and the Chief of the Defence Staff. It is supported by the National Security Council (Officials), which is routinely attended by the Permanent Under Secretary and the Chief of the Defence Staff.

The Government’s 2010 National Security Strategy and Strategic Defence and Security Review, the development of which was overseen by the National Security Council and to which the MOD contributed substantially, have set a clear direction for the Department in terms of the tasks it can be expected to undertake and the force structures it must have in place by 2020. This direction will be renewed in 2015. The Department has developed its own, more detailed, internal strategic direction in line with the National Security Strategy and Strategic Defence and Security Review, while also reflecting the outcomes of the Comprehensive Spending Review and subsequent assumptions about longer term funding levels. The classified Defence Strategic Direction and Defence Plan – which was established in response to the recommendations of earlier Capability Reviews – drive all lower level strategies, plans and resource allocations. Defence Strategic Direction also provides top-level direction on non-operational activities, including Defence reform.
2. Assessment of Capability

Within the Ministry of Defence, the development of strategy and policy in an integrated manner and involving all levels of the Department has strengthened considerably. The Defence Strategy Group (DSG), jointly chaired by the Permanent Under Secretary and the Chief of the Defence Staff, has enhanced the Head Office strategy function and supports decision-making on Defence’s contribution to national strategy. The work programme for 2012-13 is based upon a series of strategic studies that examine policy options deriving from long-term defence and security issues and challenges. These are being conducted in close conjunction with the cross-Whitehall, official-level National Security Strategy Network as well as with other departments, academia and international partners and allies. In sum, cross-departmental relations, particularly with the Cabinet Office, FCO and DfID, are strong and provide a very effective foundation for collaboration as work is taken forward on strategy and policy cross Government. This will continue to be developed as work for the next SDSR gets underway.

Following the publication of Lord Levene’s Defence Reform report, the MOD is implementing change to deliver a new operating model for Defence. The Defence Reform Blueprint for the Future Department published in December 2011 outlines how the MOD intends to transform the Department to enable the provision of the military capability the nation needs, to prevent the Department from getting into a poor financial position in future, and to put it into a position to make real savings.

The Department already generates a broad range of evidence and has strong procedures and processes in place to use this to inform its business and examples of efforts being made to address existing weaknesses are already evident. The management information and evidence-based analysis that supports decision-making has however been criticised in the past and Levene identified weaknesses in the information and evidence-based analysis that supports decision-making. In order to tackle this the Department’s Chief Information Officer has been appointed as the Senior Responsible Owner for ensuring improvements are made, while improving the use of analysis to support decision making is being led by the Defence Science and Technology Laboratory (Dstl) in conjunction with representatives from Department’s community of professional analysts (e.g. DASA).

The Defence Board is leading by example within the Department, by taking steps to improve the access and awareness of the evidence available to support their decision making process. The Department has evaluated the degree to which evidence is being provided, targeted additional direct analytical support and in conjunction with the Boards’ Secretariat, taken steps to embed evidence into board meetings. The Department is also working to provide the leaders across Defence with improved access to decision support staff. To this end, analytical teams are now based in all functions of the new operating model. Their aim is to ensure decision makers get the maximum benefit from the breadth of science, technology and analysis undertaken throughout Defence. Work has also begun to evaluate and improve where necessary Department’s training and processes, to ensure behavioural changes are implemented and allowing Evidence Based Decision Making to become standard within the Department as a whole.

Delivery

The Ministry’s new Operating Model will empower each of the Commands and other TLBs to determine how best to deliver the outputs required of them by the Defence Board within the resource envelope allocated to them. Service Chiefs’ efforts will be focused on managing their Service, including the development and generation of forces within their allocated budget and the necessary delegated authorities. The Head Office will concentrate on policy, strategic balance-of-investment decisions, and
2. Assessment of Capability

holding the TLB Holders to account for delivery of their Command Plans. The plans will set out how TLB holders will drive increased efficiency and resource awareness.

The TLBs will work within a common delivery system, drawing on Portfolio, Programme and Project Management (P3M) principles. This will enable the Department to make better, evidence-based balance of investment decisions clearly linked to objectives, priorities and available resources. Simpler and clearer management of Human Resources processes and more flexible working arrangements will help the department to achieve its objectives with a future workforce that will be considerably smaller than at present.

Alongside the empowerment of the three Services, the Ministry’s new Operating Model will drive improvements in delivery capability on a cross-departmental basis where appropriate.

The new Joint Forces Command, whose headquarters achieved initial operating capability in April 2012, will drive improved capability in respect of a number of key joint enablers, including intelligence, health services, and joint warfare development.

Defence Business Services, the Ministry’s new shared services provider, has just partnered with Serco, through an innovative contractual arrangement which strongly incentivises the driving down of costs whilst maintaining and improving performance standards. Buying in a private sector management team in this way is ground-breaking, and as well as offering benefits in its own right, will be a move from which other parts of the MoD and wider government will be able to learn. It has the support of the Cabinet Office as part of the government’s Next Generation Shared Services programme, with which the Ministry is actively engaged.

The Defence infrastructure Organisation (DIO), created last year, and Defence Equipment & Support (DE&S) are also exploring the potential for bringing in strategic partners to inject new expertise, tools and processes. Both organisations have recently completed soft market testing exercise to test different organisational models and the interest and ability of the private sector to enter into such arrangements. Decisions on the best way forward for each organisation are due to be made later this year.
## 3. Action Plan

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<tr>
<th>Area for development</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>Setting direction</td>
<td><strong>Implement recommendations of the Defence Board’s effectiveness review</strong></td>
<td>From May 2012</td>
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<td></td>
<td>Enhance communication and engagement and to demonstrate the Board’s role, responsibilities and commitment as the 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.</td>
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<tr>
<td>Leadership</td>
<td><strong>Publish Strategy for Defence 2012</strong></td>
<td>June 2012</td>
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<td></td>
<td>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.</td>
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<td><strong>Launch Behaviours &amp; Business Improvement programme</strong></td>
<td>From June 2012</td>
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<td>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.</td>
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<td>People management</td>
<td><strong>Development of enhanced Civilian Workforce Plans</strong></td>
<td>From September 2012</td>
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<td>Initial civilian workforce plans were prepared in March 2012. We expect more detailed plans to be prepared by September 2012 which reflect major restructuring plans currently under consideration. A workforce modelling tool is expected to be introduced from October 2012.</td>
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<td></td>
<td><strong>Implementation of delegated Whole Force Concept model</strong></td>
<td>From April 2013</td>
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<td>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.</td>
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<td><strong>Strategy</strong></td>
<td><strong>Refresh Defence Strategic Direction</strong>&lt;br&gt;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.</td>
<td>Autumn 2012</td>
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<td><strong>Direction</strong></td>
<td><strong>Publish Defence Plan 13</strong>&lt;br&gt;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.</td>
<td>April 2013</td>
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<td></td>
<td><strong>Publish Command Plans</strong>&lt;br&gt;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.</td>
<td>April 2013</td>
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<td></td>
<td><strong>Implement New Head Office</strong></td>
<td>April 2013</td>
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<td>The Head Office at April 13 will remain an integrated civilian-military organisation working in support of PUS, CDS and Ministers, but will be smaller, stronger, and more strategic. A new senior structure has been proposed, based on four critical posts 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.</td>
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<td><strong>Implement new Commands’ HQ structures</strong></td>
<td>April 2013</td>
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<td>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 their effectiveness and efficiency in working within the new operating model. There will be some differences between the Command HQs structures, reflecting differing organisational needs of the three services and Joint Forces Command.</td>
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<td></td>
<td><strong>Introduce Financial delegations</strong></td>
<td>April 2103</td>
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<td>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 FY 2012/13 - the Head Office will play a more strategic role, and responsibility for detailed capability planning and delivery, along with the budgets for equipment and all support, will pass to the Commands (except for a small number of programmes / projects retained by the Head Office).</td>
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<td><strong>Joint Forces Command at Full Operating Capability</strong></td>
<td>April 2013</td>
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<td>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, with 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.</td>
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<td>Accountability &amp; Responsibility</td>
<td>Implement formal Holding to Account</td>
<td>July 2013</td>
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<td>Delivery</td>
<td>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: › To provide support and challenge to the TLB Holder in the execution of their delegations; and › For the TLB Holder expose key concerns, issues, risks and opportunities. It is not about micro-management. It is about honesty, transparency, clear responsibility and ownership, and active accountability.</td>
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<td></td>
<td>Defence Infrastructure Organisation new operating model introduced</td>
<td>April 2013</td>
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<td>Enabling services</td>
<td>As part of a 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.</td>
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<td>Defence Equipment &amp; Support preferred operating model identified</td>
<td>Autumn 2012</td>
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<td></td>
<td>Improve the business capabilities and operation of DE&amp;S, including through an increased role of the private sector. Subsequent milestones are dependent upon the option selected.</td>
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Annex A. The model of capability

**Delivery**
- D1 Innovate and improve delivery
- D2 Plan, resource and prioritise
- D3 Develop clear roles, responsibilities and delivery models
- D4 Manage performance and value for money

**Leadership**
- L1 Set direction
- L2 Ignite passion, pace and drive
- L3 Develop people

**Strategy**
- S1 Set strategy and focus on outcomes
- S2 Base choices on evidence and customer insight
- S3 Collaborate and build common purpose

Develop people
Ignite passion, pace and drive
Set direction
Set strategy and focus on outcomes
Base choices on evidence and customer insight
Collaborate and build common purpose
Manage performance and value for money
Plan, resource and prioritise
Innovate and improve delivery
Develop clear roles, responsibilities and delivery models
Annex A. The model of capability

Set direction

- Do you have and communicate a clear, compelling and coherent vision for the future of the organisation?
- Does the Board work effectively in a corporate culture of teamwork, including working across internal boundaries and making effective use of non-executive directors?
- Does the Board take tough decisions, see them through and show commitment to continuous improvement of delivery outcomes?
- Does the Board lead and manage change effectively, addressing and overcoming resistance when it occurs?

Ignite passion, pace and drive

- Do you create and sustain a unifying culture and set of values and behaviours which promote energy, enthusiasm and pride in the organisation and its vision?
- Are the leadership visible, outward looking role models communicating effectively and inspiring the respect, trust, loyalty and confidence of staff and stakeholders?
- Do you display integrity, confidence and self-awareness in your engagement with staff and stakeholders, actively encouraging, listening to and acting on feedback?
- Do you display passion about achieving ambitious results for customers, focusing on impact and outcomes, celebrating achievement and challenging the organisation to improve?

Develop people

- Do you have people with the right skills and leadership across the organisation to deliver your vision and strategy? Do you demonstrate commitment to diversity and equality?
- Do you manage individuals’ performance transparently and consistently, rewarding good performance and tackling poor performance? Are individuals’ performance objectives aligned with those of the organisation?
- Do you identify and nurture leadership and management talent in individuals and teams to get the best from everyone? How do you plan effectively for succession in key posts?
- Do you plan to fill key capability gaps in the organisation and in the delivery system?
Annex A. The model of capability

Set strategy and focus on outcomes

- Do you have a clear, coherent and achievable strategy with a single, overarching set of challenging outcomes, aims, objectives and success measures?
- Is your strategy clear what success looks like and focused on improving the overall quality of life for customers and benefiting the nation?
- Do you keep the strategy up to date, seizing opportunities when circumstances change?
- How do you work with your political leadership to develop strategy and ensure appropriate trade offs between priority outcomes?

Base choices on evidence & customer insight

- Are your policies and programmes customer focused and developed with customer involvement and insight from the earliest stages? Do you understand and respond to your customers’ needs and opinions?
- Do you ensure that your vision and strategy are informed by sound use of timely evidence and analysis?
- Do you identify future trends, plan for them and choose among the range of options available?
- Do you evaluate and measure outcomes and ensure that lessons learned are fed back through the strategy process?

Collaborate and build common purpose

- Do you work with others in government and beyond to develop strategy and policy collectively to address cross-cutting issues?
- Do you involve partners and stakeholders from the earliest stages of policy development and learn from their experience?
- Do you ensure your department’s strategies and policies are consistent with those of other departments?
- Do you develop and generate common ownership of the strategy with your political leadership, the board, the organisation, delivery partners and customers?
Annex A. The model of capability

Innovate and improve delivery

- Do you have the structures, people capacity and enabling systems required to support appropriate innovation and manage it effectively?
- Do leaders empower and incentivise the organisation and its partners to innovate and learn from each other, and the front line, to improve delivery?
- Is innovation explicitly linked to core business, underpinned by a coherent innovation strategy and an effective approach towards risk management?
- Do you evaluate the success and added value of innovation, using the results to make resource prioritisation decisions and inform future innovation?

Plan, resource and prioritise

- Do your business planning processes effectively prioritise and sequence deliverables to focus on delivery of your strategic outcomes, and do you make tough decisions on trade-offs between priority outcomes when appropriate?
- Are your delivery plans robust, consistent and aligned with the strategy? Taken together will they effectively deliver all of your strategic outcomes?
- Do you maintain effective control of the organisation’s resources? Do your delivery plans include key drivers of cost, with financial implications clearly considered and suitable levels of financial flexibility within the organisation?
- Are your delivery plans and programmes effectively managed and regularly reviewed?

Develop clear roles, responsibilities and delivery models

- Do you have clear and well understood delivery models which will deliver your strategic outcomes across boundaries?
- Do you identify and agree roles, responsibilities and accountabilities for delivery within those models including among arm’s length bodies? Are these well understood and supported by appropriate rewards, incentives and governance arrangements?
- Do you engage, align and enthuse partners in other departments and across the delivery model to work together to deliver? Is there shared commitment among them to remove obstacles to effective joint working?
- Do you ensure the effectiveness and efficiency of your delivery agents?
Annex A. The model of capability

Manage performance and value for money

- Are you delivering on the priorities set out in your strategy and business plans?
- Does the need to ensure efficiency and value for money underpin everything that you do?
- Do you drive performance and strive for excellence across the organisation and delivery system in pursuit of your strategic outcomes?
- Do you have high-quality, timely and well-understood performance information, supported by analytical capability, which allows you to track and manage performance and risk across the delivery system? Do you take action when you are not meeting (or are not on track to meet) all of your key delivery objectives?
## Annex B: Assessment criteria

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| **Green** | Outstanding capability for future delivery in line with the model of capability.  
            | • Clear approach to monitoring and sustaining future capability with supporting evidence and metrics.  
            | • Evidence of learning and benchmarking against peers and other comparators which confirms progress towards world class. |
| **Amber/Green** | Has identified capability gaps, is already making improvements in capability for current and future delivery and is well placed to do so.  
                      | • Is expected to improve further in the short term through practical actions that are planned or already underway and has clear metrics to support progress. |
| **Amber/Red** | Has weaknesses in capability for current and future delivery and/or has not identified all weaknesses and has no clear mechanism for doing so.  
                         | • More action is required to close current capability gaps and deliver improvement over the medium term. |
| **Red** | Significant weaknesses in capability for current and future delivery that require urgent action.  
             | • Not well placed to address weaknesses in the short or medium term and needs additional action and support to secure effective delivery. |