



Ministry
of Defence

Sustainable MOD Strategy

Act & Evolve

2015-2025



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Foreword

Jonathan Slater

Sustainability, as a concept, has been around for over 40 years and has played a role in our Department for almost as long. This Strategy sets out a new way of thinking about 'Sustainability' in MOD, embedding the concept more firmly within Departmental planning and decision-making, and the future operating model. In a time where we must deliver more with less, we must challenge the way that we work and make decisions to ensure the best for Defence.

This strategy sets out how key elements of sustainability will actively support and enable efficient and effective Defence business. This shift in direction for the sustainability agenda within our business highlights both the tangible benefits and clear opportunities for Defence, rather than another layer of reporting or bureaucracy.

My challenge in Head Office is to ensure that we enable the best Defence outputs and Defence Capability, and that our processes provide the long term value. This Strategy acknowledges and provides clear objectives that address both. We must act on our key issues such as climate resilience, to lessen risk to our business; and we must evolve our business to be ready for the future by challenging and improving our working environments and systems. I am confident that by acting to make our resource use sustainable, and evolving our business to be resilient, we can better support a modern military.



Jonathan Slater

Director General of Head Office and Commissioning Services and Defence Authority for Acquisition Systems and MOD Sustainability Champion

September 2015

Air Marshal Sir Stephen Hillier

I am ever more aware of the changing context that we exist and operate within. Transforming environments, economic shifts and new social stresses mean that we must be more flexible and resilient than ever before. These new pressures on our assets and resources and the environments within which we operate, mean we must think ahead and adapt. This is why I believe logical, forward leaning strategy is so important to our resilience and ability to operate effectively. It is critical that we look at risks to and opportunities for the future of our Capabilities and outputs, and act to mitigate and manage them now. The priority areas identified in this strategy are important to sustaining defence capability as well as contributing to the wider government sustainability agenda. I am particularly interested in our dependency on energy and fossil fuels and how we manage our energy demands in the future.



I consider this Strategy to be a key component to our approach to address these risks and opportunities. A pan-Department approach is vitally important to our success, maximising the unique benefits of our Department's diverse mix of Military and Civilian experience and expertise, and making the most of our estate and equipment assets, so we can continue to meet the demands asked of Defence capability.

Air Marshal Sir Stephen Hillier KCB CBE DFC MA RAF

Deputy Chief of Defence Staff (Military Capability) and Defence Authority for Capability Coherence and co-chair of the Sustainable MOD and Energy Steering Group

September 2015

Introduction

The Sustainable MOD Strategy provides the direction to address risks to our business and capabilities during 2015-2025, which if made more sustainable, will enable us to be more efficient, resilient and adaptable to the future.

This second edition represents an evolution of the Department's approach to sustainability, bringing increased focus on the contribution sustainability can make to supporting Defence capability and outputs.

This strategy sets out the overarching framework for the Department, including governance and strategic objectives, and supersedes the previous 'MOD sustainable development strategy 2011-2030'. It will be supported by a Delivery Plan which sets out in more detail, the actions to support the achievement of the objectives and monitoring arrangements to measure our success.

Why it matters to Defence

The importance of sustainability to the Ministry of Defence is not purely for its own sake, but because managing socio-economic and environmental effects at an organisational level supports a modern military and achievement of the Department's strategic objectives. This was recognised within the National Security Strategy, and the inclusion of sustainability as one of the Defence Priorities in the Defence Strategic Direction 2011. This committed to **"Deliver Defence in the most effective, efficient and sustainable way[...]"**.

At its most simplistic, sustainability is being efficient in the use of assets and resources, our material security and supply chain, and planning for the long term. By understanding the possible socio-economic and environmental opportunities for the department, as well as the risks and impacts, we can improve the evidence we use to inform our decisions and actions.

The Government has set out its commitment to actively contribute to a sustainable global society both domestically and internationally, and Defence plays an instrumental role in the ability to deliver this. The interconnected nature of our business means it is important, as a Department, that we prepare for the future by adapting our actions and ensuring our decisions are sustainable; ensuring that we play our part in reducing the severity of any social, economic or environmental threats to Defence capability in the first place.

Over the next 30 years the global population is expected to increase by two billion, placing new demands and stresses on resources including energy demand; and climate change and weather extremes are expected to cause instability or increase vulnerability to other pressures. In the shorter term, the current austerity measures will continue, demanding further action to change the way we work and maximise the value we gain from the resources we employ.

The need to manage the risks to activity and capability of these issues creates an overwhelming business case for sustainability in Defence. We must evolve to be resilient and adaptable to respond to future conflict risks and address the implications for defence capability, and manage the risks and maximise the opportunities for our business, whilst also minimising any negative impacts of our activities on resources and the environment.

What We Must Do

Our Department is going through a period of significant change and tough decisions. We are expected to deliver more, for longer, with fewer resources. This means working collaboratively as a Department, and with industry to deliver sustainable decisions and actions is increasingly critical for the resilience of our business.

As a Department, we do not exist in a steady state, and continue to evolve the size, shape and organisation of our business. With significant changes to many aspects of our Department, including our Armed Forces, our estate, and our infrastructure and equipment assets, we must focus our efforts into areas which will have the most beneficial impact. In areas where successes have already been achieved, such as with our land stewardship, effort must be sustained to support the wider sustainability of the Department.

In addition to tough internal decisions, we have to manage and mitigate increasing risks to our capability and resource availability resulting from changes to our future environment, to increase the overall resilience of departmental business.

To do this, there are two principles that will guide us. We must:

- **Act** to make our resource use and assets sustainable. The Ministry of Defence must work towards a sustainable level of resource use; this means that what we use and how we use it must reduce the negative impacts and the risks to business and capability, and maximise the benefits.
- **Evolve** to make our business resilient to the current and future, social, economic and environmental threats. The Ministry of Defence must evolve as a business to be resilient to the future domestic and foreign issues or international conflicts in which it may have to act.

By embedding these principles into defence business, defence capability can become more resilient, effective, efficient and responsible. These principles apply to everyone and all organisations within the Defence enterprise.¹

How can we accomplish this?

To most effectively accomplish a better level of sustainability in the Department, we must focus on what is material to the successful functioning of our business and key aspects which form the foundations of our business and capabilities.

To align the Department's sustainability strategy to defence priorities, a materiality analysis was undertaken, based on the Global Reporting Initiative (GRI).² In the case of Defence, a material aspect is something that is important, influential and high priority to the delivery of our outputs and the continuity of our business. Materiality analysis undertaken with the Top Level Budget Holders (TLBs) and Arms Length Bodies (ALBs) identified 17 prioritised aspects.

¹ Many defence activities are conducted by Arms Length Bodies, contractors or industry partner organisations. The term 'Defence' encompasses these, as well as organisations within the Ministry of Defence.

² www.globalreporting.org/reporting/reporting-framework-overview/Pages/default.aspx

High Priority	Second Priority	Third Priority
<ul style="list-style-type: none"> • Equipment Longevity • Personnel Health and Safety • Energy Security 	<ul style="list-style-type: none"> • Resource Management • Supply Chain • Personnel Resilience 	<ul style="list-style-type: none"> • Disposal Costs • Defence Learning/Training • Defence Research/Technology
<ul style="list-style-type: none"> • Capital Costs • Maintenance Costs • Department Reputation 	<ul style="list-style-type: none"> • Estate Longevity • Estate Security • Working environments and practices 	<ul style="list-style-type: none"> • Land Stewardship • Domestic Economic Impact

Of these priority areas, many already have mature strategies and programmes which contribute to the successful and sustainable functioning of the Department. In particular:

People

Defence People are of critical importance to the MOD, from the Armed Forces, their families, civilian members of the Department; and the communities within which we live, work and train. Demographic changes will affect where Defence is called on to operate, and will place increasing challenge on the conduct of Defence activity in particular. Our People will always form the critical resource in achieving a culture of sustainability within MOD.

There are a number of strategies and initiatives that focus on our people and the communities within which we live, our Service Personnel and their families, defence training and learning, equality and diversity in defence, and the health and resilience of personnel (both military and civilian).

These include:

- Commitments to ensure a fair deal for the Armed Forces through the Armed Forces Covenant;³
- The Defence People and Training Strategy outlines our approach to deliver a Whole Force that better represents society; that can ensure that we meet our standing commitments; that can deliver success on future contingency operations; and that we can fulfil the MOD's responsibilities;
- The Secretary of State's Health and Safety Policy Statement which sets out the Department's approach to addressing the priority of the Health and resilience of our people.⁴

Budget & Resource Management

The costs of Defence and the contribution Defence makes to local economies are critical considerations. Defence expenditure must be managed to ensure we have an affordable department to deliver the outputs that the UK requires of us in the long term. Many core functions are also dependent on the consumption of finite resources.

³ <https://www.gov.uk/government/policies/fulfilling-the-commitments-of-the-armed-forces-covenant>

⁴ www.gov.uk/government/uploads/system/uploads/attachment_data/file/353935/201408_SofS_Policy_Statement_Fallon.pdf

To ensure we make prudent use of our resources and assets and plan for the long term, our focus is on the decision-making processes and systems within the Department. This includes the ability of those systems to focus on the through life costs of our equipment and infrastructure and other support solutions. This will improve the efficiency and effectiveness of our capability, the impacts of the supply chain, and reduce our reliance on finite resources.

Environment

The infrastructure, training estate and wider environments within which we live, work, train and operate (UK and overseas), are critical assets to enabling Defence outputs. We are also responsible for managing these assets for the future demands placed on them, and for future generations.

The infrastructure of the Department must be affordable long term, be able to support current Defence requirements, and be resilient and adaptable to future Defence needs and changes in climate. We must demonstrate we are good stewards of the estate and the natural environment to ensure our ability to operate, both in the UK and overseas. Recent changes in how infrastructure and equipment is managed will continue to evolve to ensure we can improve the efficiency and utility of our estate and equipment assets, and reduce our environmental footprint.

Our Priorities

We cannot do all we would like at once. This strategy selects priority areas that are either not already a focus for other Departmental strategy and programmes, or are where an additional focus of activity can provide further benefits to reducing operating costs to the Department, address wider Departmental risks, or support existing commitments.⁵ These are split into short term actions (Act) and areas where we must set about a long term evolution in our systems and processes (Evolve).

⁵ Future iterations of the strategy may change this focus depending on departmental needs.

Energy Efficiency & Security

Defence capability is underpinned by the need for a stable and reliable supply of energy. Whilst reductions in fuel and energy use have been achieved, new and changing equipment capability are expected to increase energy demand. Therefore it is critical that we act to reduce our dependency on energy sources which have risks to their abundance or security, and where appropriate, increase the efficiency of our equipment capability.

Strategic Objective: We will increase our energy efficiency and reduce our dependency on fossil fuels to lower their associated risks to business and capability.

Climate Resilience

The climate is changing, with extreme climatic events already being experienced. The Global Strategic Trends out to 2040 and NATO 2020 have identified climate change as a factor that can exacerbate threats to national defence and security. It is important for operational delivery that we act to ensure that our people, equipment and infrastructure capabilities are able to adapt to become more resilient to the effects.

Strategic Objective: We will adapt and prepare our activities, infrastructure and equipment assets, to become resilient to the impacts of current and future climates.

Utilities

How we source, use and dispose of the energy, waste and water used on the estate has a cost to the Department, and potential environmental impacts. It is important for us to act to use our utilities effectively. This will be through driving more efficient use as well as better disposal practices, and considering utilities use in key decision-making.

Strategic Objective: We will manage how we source and use utilities on the estate, and manage the waste to reduce cost and wider negative impacts.

Equipment Acquisition and Defence Infrastructure Systems

Sustainability is not an activity that is achieved separately from the rest of MOD business. Embedding sustainability is about ensuring that socio-economic and environmental threats, impacts and opportunities are taken into account in Defence decisions and the management of Defence activities. To ensure that we have the right equipment or other capability to meet the needs of our Armed Forces now and in the future we must ensure that we set out the right requirements, and consider whole life implications (including longevity and durability), and the implications of material security and the supply chain. This in turn reduces the risk to future capability and ensures that opportunities are maximised and possible problems are avoided or managed at the outset.

Strategic Objective: We will make sure that our acquisition and infrastructure business systems and processes take account of through life value, and have the best evidence to make fully informed decisions.

Modern Working Environments

Our Department is unique in its whole force approach, and our responsibility for the environments for living, working, and training; uniting civil servants, military and the industrial base to provide effective support to defence capabilities. This has been, and will continue to be, managed through reforms in working structures, policy and practice. It is important that we actively enable modern working practices and environments, particularly through the use of technology and innovation, and the Department's Information and Communications Technology (ICT) strategy.

Strategic Objective: We will enable modern working environments and modern working practices through our ICT.

How Will We Achieve These Strategic Objectives?

Delivery of these Strategic Objectives will require Defence-wide effort, with appropriate recognition in planning frameworks and policies. The MOD operating model - "How Defence Works" describes the Departmental arrangements, governance and systems within which this strategy will be delivered.⁶

Governance and Responsibilities

The PUS delegates authority to all the Top Level Budget (TLB) Holders and Arms Length Bodies (ALB) to deliver plans and actions to achieve the Department's objectives, and to Defence Authorities to set out the departmental policy, rules and standards. This allows each Top Level Budget (TLB) to apply activities in a manner that reflects their capability requirements. The delegation includes a requirement to support the delivery of this strategy. Each TLB Holder, ALB Chief Executive and Defence Authority is responsible for addressing the strategy objectives and sustainability principles within their areas of responsibility.

This Strategy is owned by Director General Head Office and Commissioning Services (DG HOCS) as the Department's Sustainability Champion, supported by Deputy Chief of Defence Staff, Military Capability (DCDS Mil Cap) where it relates to capability. It remains at a strategic objective level to allow TLBs, ALBs and Defence Authorities to determine smart metrics sensitive to their business area and to support the Department's 'Holding to Account' systems.

The Sustainable MOD & Energy Steering Group sponsors the Strategy across the business, and oversees its delivery. The Steering Group supports DG HOCS and DCDS Mil Cap in executing responsibilities associated with the Sustainability agenda for the MOD. This includes driving change, setting standards and providing assurance to PUS through the Holding to Account processes.

Membership of the Steering Group is drawn from the sustainability champions within each TLB and ALB, who champion sustainability issues at the TLB/ALB management board. Established in 2007, the Sustainability champions act as leaders and ambassadors for Sustainability within their organisations and, as such, can make a significant contribution to changing behaviours.

The Steering Group is supported by a number of working groups, including the Sustainable MOD Working Group, Energy Programme Board, Sustainable ICT Working Group, Sustainable Procurement Working Group, and Waste Working Group.

⁶ www.gov.uk/government/publications/how-defence-works-the-defence-operating-model

Delivery Plan

We will deliver against these objectives through two 5-year Delivery Plans, 2015-2020 and 2020-2025. These Delivery Plans will be finalised and published following each SDSR to reflect priority activities and future government sustainability commitments.

Key objectives will be set out in the annual Defence Plan and enabled through the TLB Command Plans and the Business Plans of the Arms Length Bodies, and implemented through the relevant management and delivery systems of each organisation.

How will performance against this strategy be monitored?

Measures of success and metrics will be used to monitor progress of the delivery plan initiatives and activity that support the strategic objectives and continuous improvement in the department. Where existing assurance and performance reporting and mechanisms are already in place (including Health and Safety, Defence People and Training Strategy, Commercial Strategy and ICT Strategy) these will continue to be used. These will be developed alongside the Delivery Plan.

Performance and achievements will be reported in the Annual Report and Accounts, the Sustainable MOD Annual Report and the relevant Government sustainability reports.

