



MINISTRY OF DEFENCE

MOD Public Service Agreement

# Performance Report

Quarter 1 2008-09



## Introduction

This report shows current performance against the Departmental Strategic Objectives agreed in the 2007 Comprehensive Spending Review. Performance Indicators (PIs) 1.1 and 2.1 contribute to performance against the Foreign Office-led Public Service Agreement on Conflict. PI 1.1 contributes to the Home Office-led Public Service Agreement on Counter Terrorism.

### MOD Departmental Strategic Objectives 2008-09 to 2010-11

#### **Objective 1: Achieve success in the military tasks we undertake at home and abroad.**

PI 1.1: **Success on operations**, assessed against the military strategic objectives for each operation or military task we are conducting, including Counter Terrorism.

**Overall Assessment: *Some progress – Security in Iraq improved. Operations in Afghanistan remained challenging. Operational Reserve Force battalion successfully deployed to Kosovo.***

#### **Objective 2: Be ready to respond to the tasks that might arise.**

PI 2.1: **UK Defence Contingent Capability and delivery of Force Elements at Readiness:** Our ability to maintain forces at the readiness we deem necessary to respond to possible threats, assessed against the requirement set out in Strategic Guidance and the Defence Plan  
**Performance: Readiness for contingent operations declined.**

PI 2.2: **Manning Balance:** Our ability to attract, recruit and retain the military personnel we need to deliver the capability to succeed on current operations and support our future readiness, assessed against what we deem to be the appropriate size and structure of the Armed Forces.

**Performance: Slight improvement in Royal Navy and Army, but fall in Royal Air Force.**

**Overall Assessment: *No progress – Readiness for contingent operations declined; all 3 Services outside Manning Balance.***

#### **Objective 3: Build for the future.**

PI 3.1: **Procuring and supporting military equipment capability, through life**, assessed against achievement of targets for Key User Requirements; Full Operational Capability Date; and in year variation of forecast costs for design, manufacture and support.

**Performance: All 3 indicators forecasting meeting targets**

PI 3.2: **Procuring and supporting military non-equipment capability, through life**, assessed against achievement of targets for Key User Requirement, Full Operations Capability Date, and in year variation of forecast costs.

**Performance: Not yet assessed**

PI 3.3: **Sustainable Development**, assessed against achievement of objectives for sustainable consumption and production, climate change and energy, natural resource protection and environmental enhancement, and sustainable communities.

**Performance: Not yet assessed**

**Overall Assessment: *Not yet assessed***

## Value for money

Under the Comprehensive Spending Review, the MOD is committed to value for money reforms generating annual net cash-releasing savings of £2.7 billion by 2010-2011, building on savings of £2.8 billion during the 2004 Spending Review period.

**Assessment: *Not yet assessed***

**DEFENCE STRATEGIC OBJECTIVE 1: Achieve success in the military tasks we undertake at home and abroad.**

**Overall DSO Assessment**

**Some progress – Security in Iraq improved. Operations in Afghanistan remained challenging. The Operational Reserve Force battalion was successfully deployed to Kosovo.**

**PI 1.1: Success on operations, assessed against the military strategic objectives for each operation or military task we are conducting, including Counter Terrorism.**

We continued to make progress towards achievement of the military strategic objectives underpinning the UK's current operations and military tasks:

- The security situation in Iraq improved and Iraqi Security Forces continued to perform well;
- Operations in Afghanistan remained challenging, but the general security situation was stable taking account of regional and season variations, and the Afghan National Army continued to make progress; and
- We successfully deployed the NATO Operational Reserve Force battalion to Kosovo during June 2008.

Continuing delivery of operational success has only been possible through continuing to operate above the level of concurrent operations, set out in the December 2003 White Paper, which our force structures assume. In prioritising objectives our overriding concern is operational success. Achieving this can only be done at deliberate cost to other lower priority defence objectives, in particular readiness for contingent operations and achievement of single Service harmony guidelines.

From April to June 2008 UK Armed Forces:

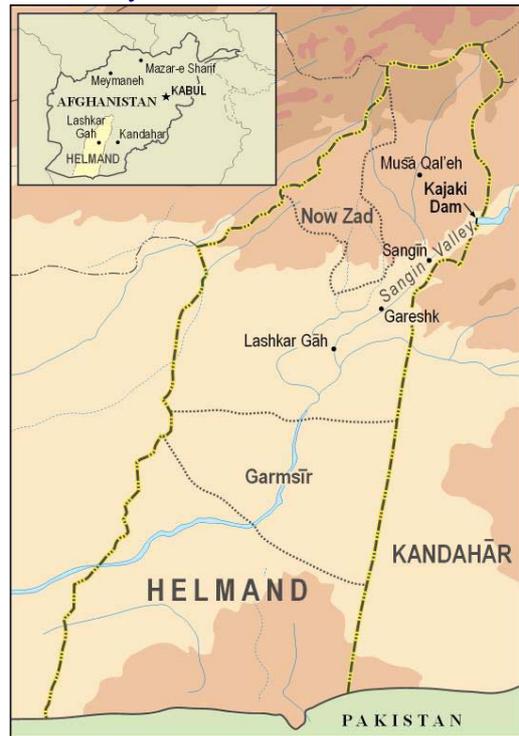
- have been embedded within Iraqi Units on operations in Basra City. The initiative forms part of the military's on-going support to 14 Infantry Division, having conducted extensive urban training with them, both at the individual and collective level. As part of Operation Charge of the Knights, Iraqi Security Forces personnel, supported by UK troops, continued their efforts to target rogue militias in Basra City, uncovering a large quantity of weapons and explosives in the process. We also continued to



police the waters and Iraqi oil platforms in the Northern Arabian Gulf which is vital to Iraq's future economic success. Royal Marines, with a Lynx helicopter from CAMPBELTOWN conducted their first ever fast-rope exercise onto one of the terminals, demonstrating that the platform defences can be rapidly augmented. However, thanks to mentoring and training from Coalition Forces, Iraqi Forces now have responsibility themselves for the defence of some aspects of the oil terminals. Force levels in support of Operation TELIC remained at around 6,500, with around 4,100 troops based in southern Iraq.

- continued to support the NATO-led International Security Assistance Force (ISAF) in Afghanistan in its efforts to extend the elected Afghan Government's authority within the

country and establish the security conditions for improved governance, reconstruction and development. UK Troops working as part of the International Security Assistance Force in Southern Afghanistan took part in a joint operation with US Marines aimed at disrupting Taliban activity in the Garmsir area of Helmand province. – the purpose of which was to extend security authority further south towards the Pakistan border. The Afghan National Army and Police, mentored by British Forces, seized more than 100,000 rounds of ammunition and nearly 50 rocket propelled grenades in a planned operation in Gereshk, Helmand province, southern Afghanistan. Hundreds of British soldiers also took part in Operation Eagle’s Eye, which involved a night-time helicopter raid to disrupt the Taliban south of Musa Qaleh. The stealth, speed and strength of the operation surprised the enemy, whose response was limited. The operations also strengthened the security of the Musa Qaleh district centre, held by the Afghan National Army and Police since it was taken from the Taliban in November 2007. As part of the same operation, members of 2 Para and 3 Para along with soldiers from the Afghan and Danish Armies advanced into the “green zone” of the Upper Gareshk Valley, between the towns of Gareshk and Sangin. The troops advanced gradually through the valley with the aim of disrupting the Taliban and creating freedom of movement. At each stage they stopped to hold shurahs (meetings) with local elders to explain their mission, which will help development, receiving a positive reception from the local people. Also in this quarter, Royal Irish TA troops took on the responsibility of force protection duties at the British Army’s Herrick base. The number of UK personnel in theatre contributing to these goals remained stable at 7,800 personnel over the period;



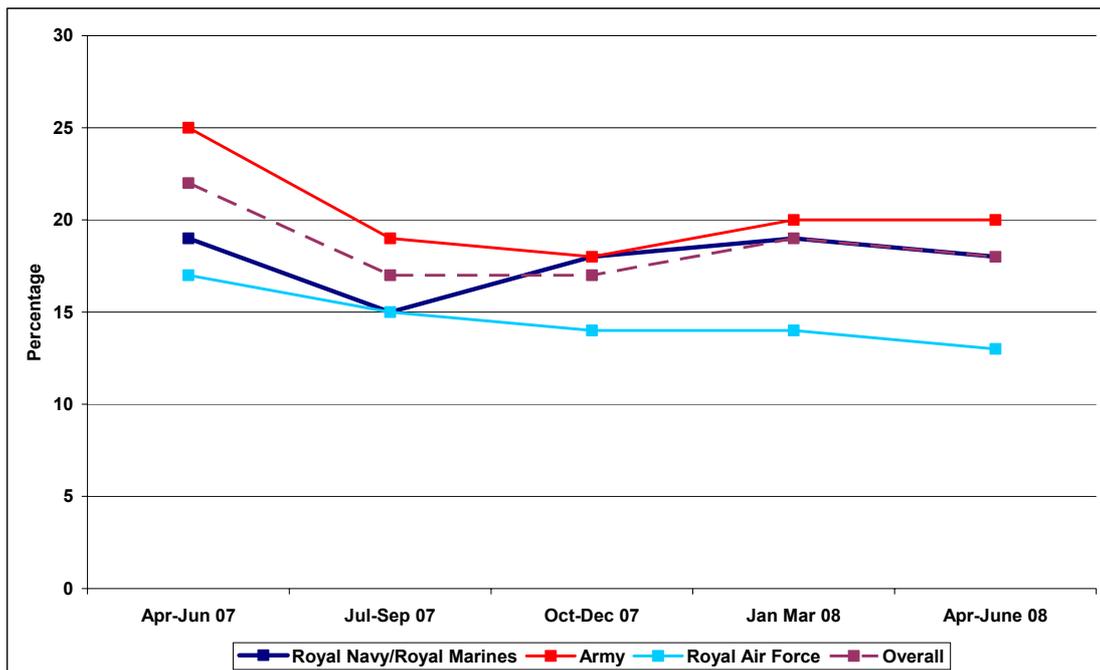
Data map derived from Ordnance Survey Geographical Centre series 2002/2006 Helmand Province Edition 11. Map produced solely for the use of the UK Government on boundaries or political status. © Crown Copyright 2007. © Collins Bartholomew Limited 2007.

- continued to deploy around 180 Service personnel in support of peace in the Balkans (160 in Kosovo, plus some 60 Ministry of Defence Police, and 20 personnel in Sarajevo in the Headquarters and the Peace Support Operations Training Centre). In the latter part of the reporting period the 2 Rifles Battle Group, comprising around 600 personnel deployed to Kosovo in order to provide both reassurance and deterrence over the period of the Kosovo Declaration of Independence
- provided some 300 personnel for UN operations in Cyprus (some 288 personnel), the Democratic Republic of Congo, Georgia, Liberia, Sierra Leone, Sudan and Nepal;
- met continuing standing commitments, with forces based in Cyprus (some 2,658 personnel), the Falkland Islands and Ascension Island (some 1,110 personnel), Gibraltar (some 537 personnel) and Diego Garcia (some 36 personnel);
- contributed to the NATO standing naval presence in the Atlantic and Mediterranean;
- maintained the UK’s independent nuclear deterrent; and continued to protect UK airspace and waters and provide support to the civil authorities for search and rescue, fishery protection, bomb disposal and counter-drugs activities.
- contributed to HMG’s Counter-Terrorism strategy by delivering military advice and assistance to 7 priority countries in capabilities such as Land and Maritime Border Security, Counter-Terrorist Detention, Public Order, and Aviation Security.

**Activity Levels**

Between 1 April and 30 June 2008, 18% of the Royal Navy (19% in the previous quarter), 20% of the Army (20% in the previous quarter) and 13% of the RAF (14% in the previous quarter) were deployed on Operations and undertaking Military Tasks. In total, some 18% of regular forces (measured as man-day equivalents for each service) were deployed on Operations and undertaking Military Task (18% in the previous quarter).

**Percentage of the Armed Forces deployed on Operations and undertaking Military Tasks since April 2007**



A detailed breakdown of the proportion of the Armed Force deployed on contingent operations and undertaking military tasks is below.

	Deployed on Contingent Operations				Undertaking Military Tasks			
	Jul-Sept 07	Oct-Dec 07	Jan-Mar 08	Apr-Jun 08	Jul-Sept 07	Oct-Dec 07	Jan-Mar 08	Apr-Jun 08
<b>Royal Navy</b>	4%	6%	6%	5%	11%	12%	13%	13%
<b>Army</b>	12%	11%	12%	13%	7%	7%	8%	7%
<b>Royal Air Force</b>	7%	7%	6%	7%	8%	7%	8%	6%
<b>Overall</b>	9%	9%	9%	9%	8%	8%	10%	9%

**DEFENCE STRATEGIC OBJECTIVE 2: Be ready to respond to the tasks that might arise:**

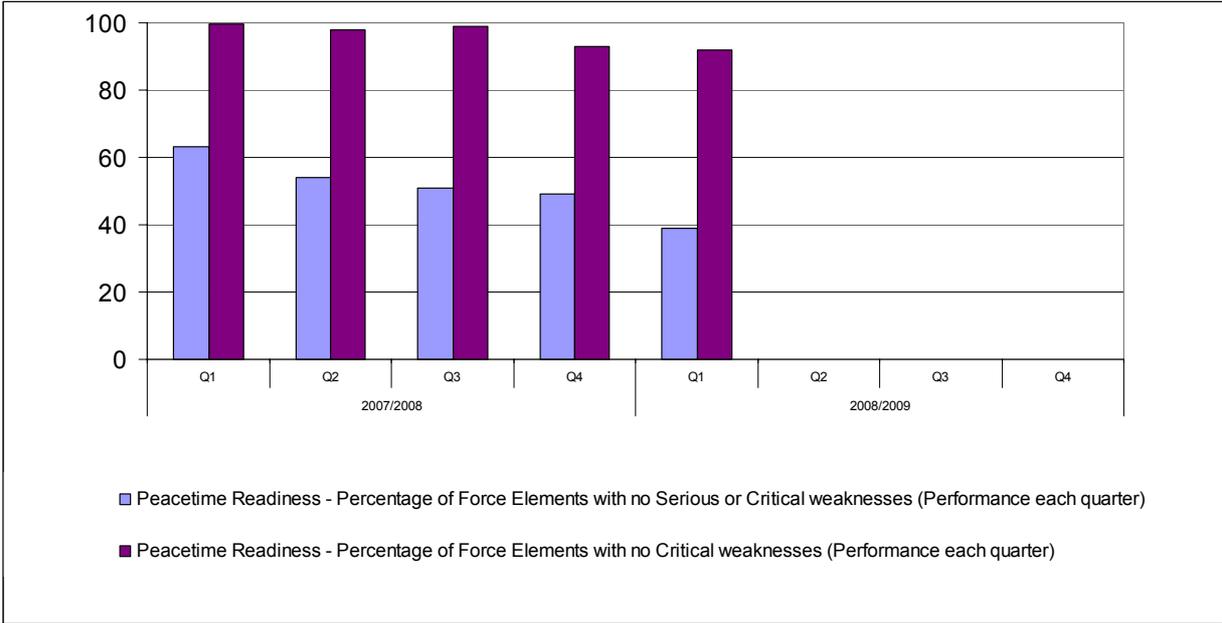
Overall DSO Assessment  
**No progress – Readiness for contingent operations declined. All 3 Services outside Manning Balance.**

**PI 2.1: UK Contingent Capability and delivery of Force Elements at Readiness:** Our ability to maintain forces at the readiness we deem necessary to respond to possible threats, assessed against the requirement set out in the Strategic Guidance and the Defence Plan.

PI Assessment  
**Readiness for contingent operations declined**

The Armed Forces’ overriding priority is achieving operational success. They have been operating at or above the level of concurrent operations they are resourced and structured to deliver since 2002. In such circumstances the Armed Forces cannot simultaneously be ready for the full range of potential contingent operations provided for in planning assumptions.

As part of the transition from reporting against the 2004 Spending Review readiness target to the 2007 Comprehensive Spending Review objective we have reviewed the detailed methodology and detailed targets underpinning our readiness assessment to ensure that they reflect current operational priorities rather than those of four years ago. Some longer term readiness targets for forces not required for current operations have been relaxed in order to focus resources on operational priorities. We have also changed the weightings attached to certain force elements to reflect the requirements of current operations. This means that readiness totals from 1 April 2008 are not fully comparable with those from previous years, and has had the net effect of reducing the overall reported readiness level by about 2%. 39% of force elements reported no serious or critical weaknesses against their peacetime readiness levels from April to June 2008, with 92% reporting no critical weaknesses. The further reduction reflects in part the deployment of the NATO Operation Reserve Force battalion to Kosovo during the quarter.



**Peacetime Readiness**

We have previously sought to measure our ability to bring Force Elements from their peacetime readiness levels up to the level required to deploy on potential contingent operations at the most demanding scale of effort (known as force generation), and to deploy them on such operations, sustain them there and recover them to their home base thereafter. This system has been predicated on the assumption that most of the time the Armed Forces will be operating below the concurrency level envisaged in Defence Planning Assumptions and that they should therefore be working to maintain their capacity to deploy on potential contingent operations. The longer we have been operating above that concurrency level, the more theoretical this has become. By definition we have consistently for several years been successfully generating, deploying, sustaining and recovering Force Elements above the long term concurrency levels assumed in our long term planning. The metrics we have been using to measure and report our hypothetical capability have consequently provided little or no meaningful management information. We are therefore working to develop a more useful way of measuring and reporting performance in this area for the time when the operational tempo has reduced and the forces structure is recuperated to the point where it is appropriate once more to seek to measure our contingent as opposed to our current capability. In the meantime, as announced in the *Annual Report and Accounts 2007-2008*, we will conduct a six-monthly qualitative review of our performance generating, deploying, sustaining and recovering Force Elements on our current operations, and publish narrative assessments in our Autumn Performance Report and the Annual Report and Accounts.

PI 2.2: **Manning Balance:** Our ability to attract, recruit and retain the military personnel we need to deliver the capability to succeed on current operations and support our future readiness, assessed against what we deem to be the appropriate size and structure of the Armed Forces.

PI Assessment  
**Slight improvement in Royal Navy and Army, but fall in Royal Air Force.  
 All 3 Services outside Manning Balance.**

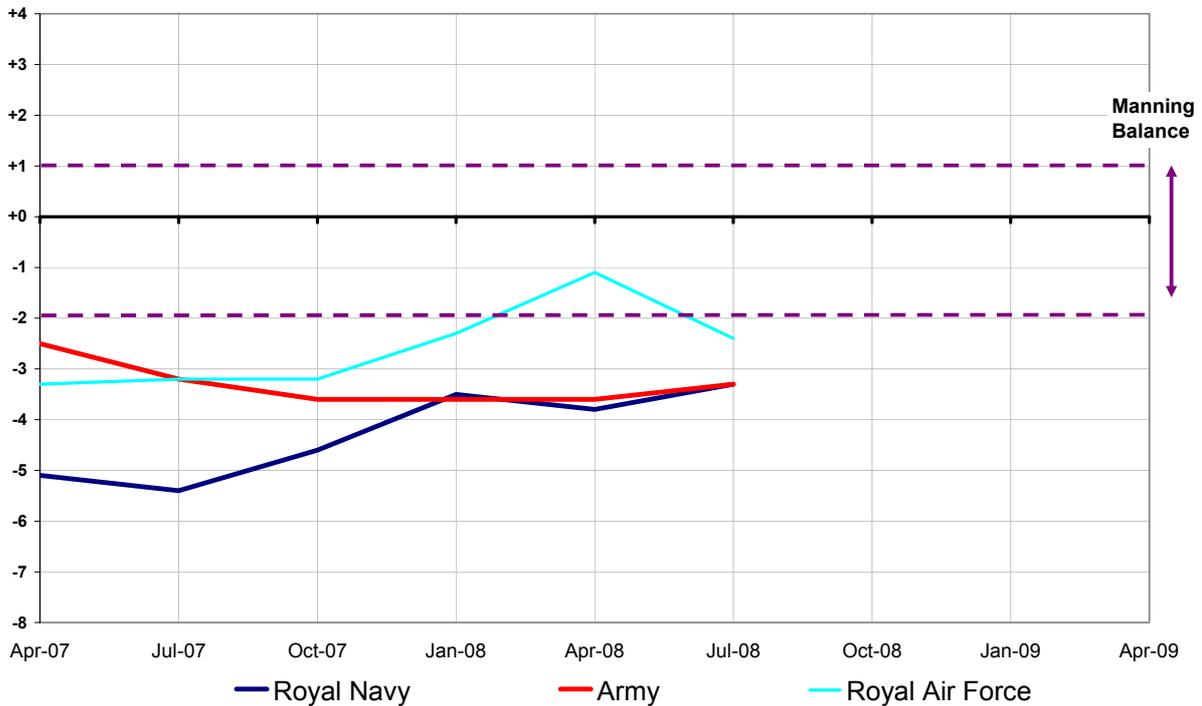
Sustaining operational effort significantly beyond Defence Planning Assumption levels and the challenge of implementing the changes in Service personnel numbers announced in the July 2004 White Paper is making recovery of Manning Balance extremely difficult. Manning balance in the Royal Navy and Army has slightly improved over the quarter, but, as forecast in the *Annual Report and Accounts 2007-08*, the Royal Air Force has also fallen below the manning balance range. The high continuing level of operations is also preventing achievement of personal and unit harmony guidelines in parts of the Army and the Royal Air Force.

**Assessment<sup>1</sup>**

**Manning Balance<sup>2</sup>**

As at 1 July 2008:

- Royal Navy<sup>3</sup> manning was at 96.7%, 1.3% below Manning Balance;
- Army manning was at 96.7%, 1.3% below Manning Balance;
- Royal Air Force manning was at 97.6%, 0.3% below Manning Balance.



<sup>1</sup> Owing to introduction of a new personnel administration system, data from April 2007 are provisional.

<sup>2</sup> Manning Balance is defined as between -2% and +1% of the trained strength requirement, and is measured against the requirement prevailing at the time. Since that requirement is dynamic, the underlying baseline numerical target varies over the PSA period.

<sup>3</sup> Including the Royal Marines

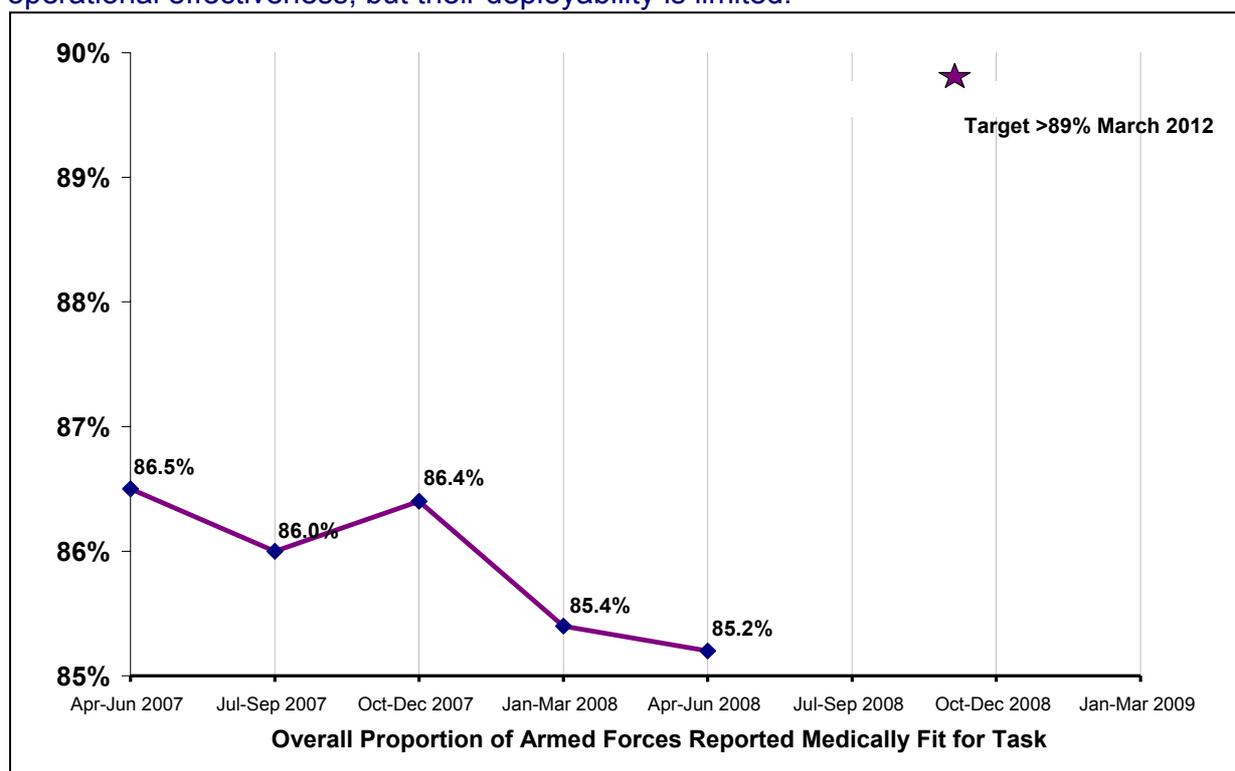
**Gains to Trained Strength (numbers of trained recruits provided to the front line)**

	Percentage of end of year target achieved/predicted	
	2006-07	2007-08
Naval Service	110%	105%
Army	95%	84%
Royal Air Force	81%	85%

**Medically Fit For Task**

At least 90% of service personnel to be medically fit for task by 1 April 2012

As of 1 April 2008 85.2% of the Armed Forces were reported as fit for task. The vast majority of those not fit for their primary task are working normally and continue to contribute to operational effectiveness, but their deployability is limited.



**Voluntary Outflow rates**

	Long term sustainable rate	Year ending 1 December 2007
Naval Service Officers	2%	4.3%
Naval Service Other Ranks	5%	6.2%
Army Officers	4.2%	4.3%
Army Other Ranks	5.6%	5.8%
Royal Air Force Officers	2.5%	2.9%
Royal Air Force Other Ranks	4.0%	5.3%

**Levels of Individual Separated Service**

	Guidelines	Performance
<b>Royal Navy / Royal Marines</b>	In any 36 month period, no one to exceed 660 days separated service.	Fewer than 1% of Royal Navy personnel exceeding 660 days separated service.
<b>Army</b>	In any 30 month rolling period no one to exceed 415 days separated service.	10.3% of Army personnel exceeding 415 days separated service.
<b>Royal Air Force</b>	Not greater than 2.5% of personnel exceeding 140 days of detached duty in 12 months.	9.4% of Royal Air Force personnel breached their target this quarter.

**Unit Tour Intervals**

	Guidelines	Performance
<b>Royal Navy</b>	Fleet Units to spend maximum of 60% deployed in a 3 year cycle.	The Royal Navy continues broadly to meet its Unit Tour Interval Harmony guidelines.
<b>Army</b>	24 month average interval between unit tours.	The following front line corps were exceeding unit tour interval guidelines: Infantry 23 months Royal Artillery 18.5 months Royal Signals 19.6 months Royal Logistics Corps 15 months Some specialist units, particularly in the Combat Service Support trades had shorter tour intervals
<b>Royal Air Force</b>	Unit tour intervals to be no less than 16 months.	Worst affected branches include Ops Support and the RAF Regiment.

**Pinch Points**

As advertised in the *Annual Report and Accounts 2007-08*, because of the sustained Parliamentary interest in this information, we will publish an updated Pinch Point list every quarter in the Department's Quarterly Performance Reports.

<b>Royal Navy – Operational Pinch Points</b>			
Lt X SM Advanced Warfare Course Qualified	75	68	7/8%
RN Harrier GR7 Instructors	7	3	4/57%
GR7 Harrier Pilots – Lt	35	18	17/48%
Merlin Pilots	112	68	44/39%
Merlin Observers	116	63	53/46%
Merlin Aircrewmen	102	80	22/22%
Leading Seaman General Warfare	1108	649	459/41%
Strategic Weapons Systems Junior Ranks	110	84	26/24%
Able Rate Warfare Specialist (Sensors Submariner)	173	134	39/22%
Able Rate Warfare Specialist (Tactical Submariner)	121	96	25/21%
Able Rate Diver	136	95	41/30%
Able Rate 1 Seaman	351	297	54/15%
Able Rate 1 Warfare Specialist	754	673	181/24%
Able Rate 1 Communications and Information Systems	375	327	48/13%
Leading Aircraft Controllers	75	42	33/44%
Royal Marines Other Ranks	6525	6003	522/8%
Sea-King & Lynx Avionics Supervisors	348	284	64/18%
Cat A Nuclear Watchkeepers	217	164	53/24%
Petty Officer Mine Warfare	56	41	15/27%
Cat B Nuclear Watchkeepers	417	340	77/18%
<b>Army – Operational Pinch Points</b>			
Infantryman Pte-LCpl	14615	12968	1647/11%
REME Vehicle Mechanic Pte-Cpl	3625	3132	493/14%
REME Armourer Pte-Cpl	397	317	80/20%
REME Recovery Mechanic LCpl-Cpl	344	216	128/37%
Intelligence Operator – Military Intelligence Cpl-Sgt	690	462	228/33%
RE Clerk of Works SSgt-WO1	245	246	Plus 1/-0.4%
RE EOD Cpl-Sgt	222	95	127/57%
RA Gunner LBdr-Bdr	5048	4330	718/14%

MOD Q1 Performance Report 2008-09

RLC Ammo Rech Cpl-SSgt	285	157	128/45%
<b>Army - Manning Pinch Points</b>			
AMS ITU Nurse Cpl-Capt	121	35	86/71%
AMS Emergency Medicine Nurse Cpl-Capt	101	38	63/62%
AMS Radiologist Maj	4	1	3/75%
AMS Orthopaedic Surgeon Maj+	13	7	6/46%
AMS Gen Surg Maj+	17	10	7/41%
AMS Anaesthetist Maj+	49	26	23/53%
AMS Gen Med Prac Capt+	153	137	16/10%
AMS Radiographer Cpl+	24	10	14/58%
AMS Registered General Nurse	293	263	30/10%
AMS Operation Department Practitioner Cpl+	95	82	13/14%
RA Unmanned Aerial Vehicle Operator (Level 4) LBdr-Bdr	280	237	43/15%
RE Mil Engr Geo Spr-WO2	332	292	40/12%
RE Mil Engr CS3 Spr-LCpl	704	593	111/16%
RLC Postal & Courier Op Pte-Cpl	433	350	83/19%
RLC Chef Pte-LCpl	1459	1366	93/6%
RSigs IS Engr Cpl-Sgt	237	202	35/15%
AGC(SPS) Mil Admin Pte-Sgt	2610	2302	308/12%
CAMUS Musician	300	231	69/23%
RE ME Fitter Spr-LCpl	549	395	154/28%
<b>Royal Air Force – Operational Pinch Points</b>			
Medical	274	218	56/20%
Pilot (Junior Officer)	1500	1284	216/14%
Flying Branch (Career Stream) (Senior Officer)	725	685	40/6%
Operations Support (Intelligence)	230	230	0/0%
Operations Support (Regiment)	263	241	22/8%
Operations Support (Flight Operations)	212	202	10/5%
Princess Mary's Royal Air Force Nursing Service	177	132	45/25%
Weapons System Operator (Air Load Master)	541	453	88/16%
Weapons System Operator (Linguist)	66	50	16/24%
Air Traffic Controller/Flight Operations Manager/Flight Operations Assistant	1257	1213	44/4%
Firefighter	545	480	65/12%
Gunner	1792	1596	196/11%
Movements Operator/Controller	866	850	16/2%
Military Transport Technician	330	121	19/5%
<b>Royal Air Force – Manning Pinch Points</b>			
Administration (Training)	228	205	23/10%
Chaplains	78	64	14/18%
Medical Support	90	78	12/13%
Operations Support (Fighter Control)	341	295	46/14%
Operations Support (Flight Operations)	212	202	10/5%
Operations Support (Air Traffic Control)	424	375	49/12%
Medical	274	218	56/20%
Dental	68	61	7/10%
Princess Mary's Royal Air Force Nursing Service	177	132	45/25%
Operations Support (Regiment)	263	241	22/8%
Weapons System Operator (Air Load Master)	541	453	88/16%
Weapons System operator (Linguist)	66	50	16/24%
Air Traffic Controller/Flight Operations	1257	1213	44/4%

## MOD Q1 Performance Report 2008-09

Manager/Flight Operations Assistant			
Intelligence Analyst (Communications)	282	229	53/19%
Intelligence Analyst (Imagery)	404	361	43/11%
Environmental Health Technician	47	37	10/21%
Radiographer	11	10	1/9%
Mess Manager/Steward	491	445	46/9%
Musician	172	153	19/11%
RAF Physical Training Instructor	509	480	29/6%
Gunner	1792	1596	196/11%
Firefighter	545	480	65/12%
SE Fitt	614	589	25/4%
Staff Nurse	30	25	5/17%
Lab Tech	15	10	5/33%
Med Asst/Admin	587	611	+24/+4%
Dental Hygienist	21	18	3/14%
Dental Admin/Nurse	134	123	11/8%
Pers Admin	1494	1432	62/4%
Supplier	1838	1841	+3/+0.2%
Military Transport Technician	330	311	19/5%
MTD	1111	1021	90/8%

Note:

1. Operational Pinch Point. A branch specialisation, sub-specialisation or area of expertise, where the shortfall in trained strength (officers or ratings/other ranks) is such that it has a detrimental impact on operational effectiveness. (This might be as a result of adherence to single-Service harmony guidelines, under-manning, and/or levels of commitment that exceed the resourced manpower ceiling for the trades or areas of expertise involved).
2. Manning Pinch Point. A branch specialisation, sub-specialisation or area of expertise, where the shortfall in trained strength (officers or ratings/other ranks) has affected the branch structure and will take a number of recruitment/retention measures to rectify. (This might be as a result of under-manning, a requirement for new skills, medical downgrades, over-commitment at certain ranks, over/under promotions for the trades or areas of expertise involved).
3. Due to rounding, percentages may not correlate to figures presented.

**OBJECTIVE 3: Build for the future.**

Overall DSO Assessment  
**Not Yet Assessed**

**PI 3.1 Procuring and supporting military equipment capability through life.**

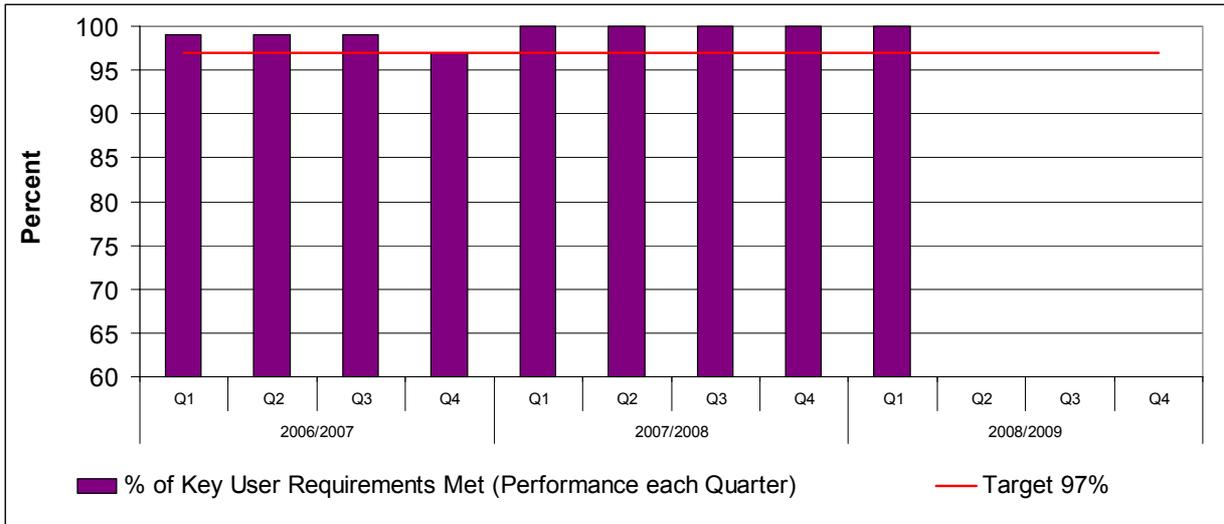
PI Assessment  
**All 3 indicators forecasting meeting targets**

Although performance in the first quarter was satisfactory a number of risks to Time and Cost have been identified and options to recover these are being investigated.

**Assessment against Performance Indicators**

1. Achieve at least 97% of Key User Requirements for all Category A to C Projects that have passed Main Gate Approval, to be achieved throughout the PSA period.

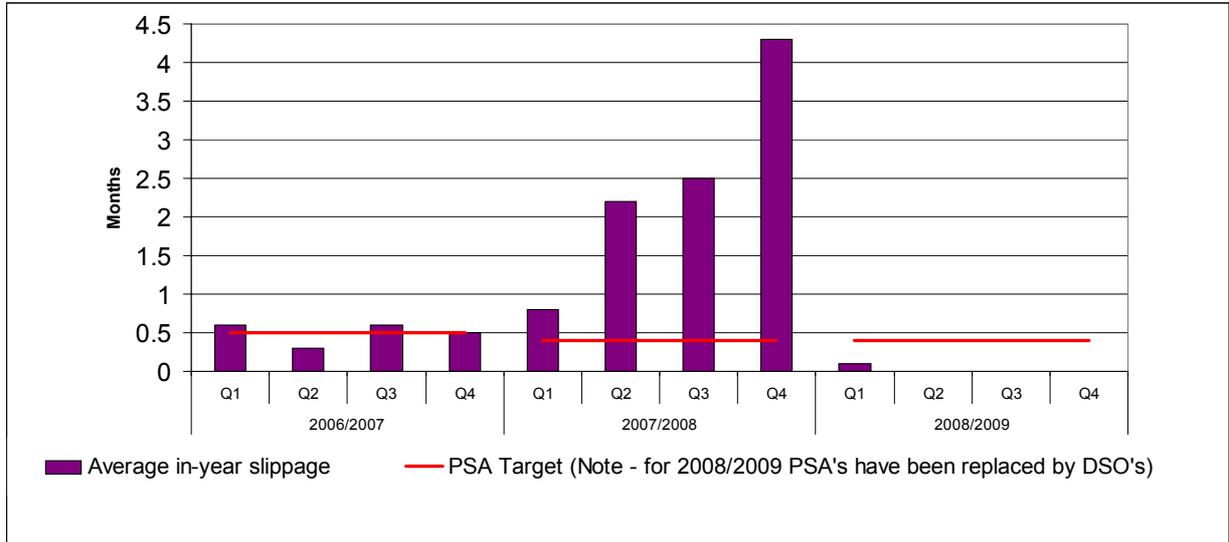
Forecast achievement of 100% of the Key User Requirements.



**Performance against Key User Requirements**

2. Average In-Year variation of forecast In Service Dates (ISD), for all Category A to C Projects that have passed Main Gate Approval, to be no more than 0.4 months.

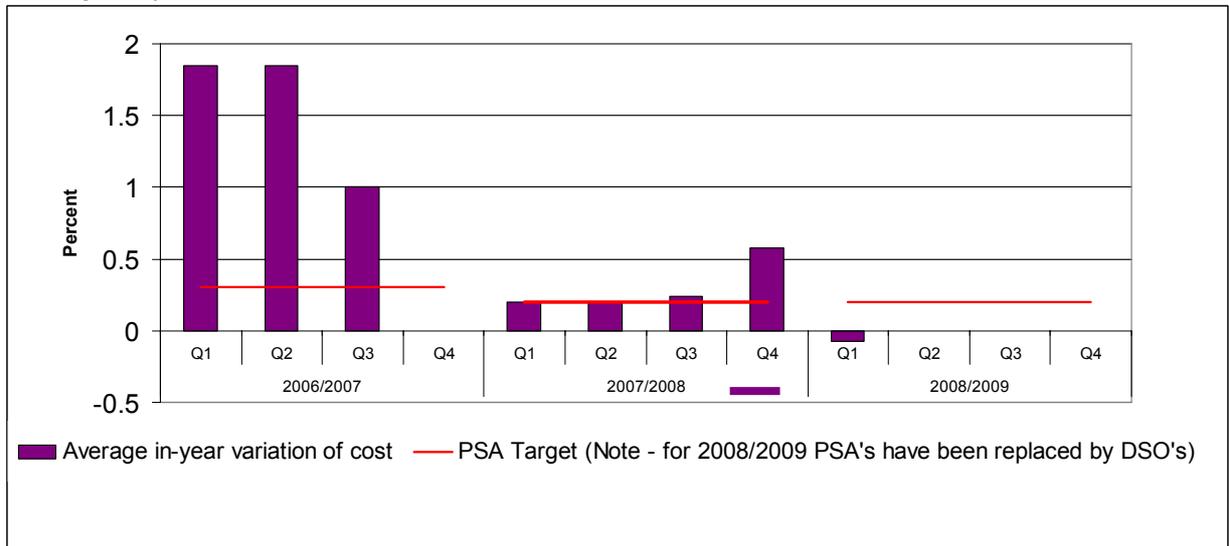
Average in-year forecast ISD slippage of 0.1 months.



Performance against In-year variation of forecast In Service Dates

3. Average In-Year variation of forecast costs for Design and Manufacture phase, for all Category A to C projects that have passed Main Gate approval, of less 0.2%.

Average in-year forecast cost reduction of 0.07%.



Performance against In-year variation of forecast costs for Design and Manufacture phase

**PI 3.2 Procuring and supporting non military equipment capability through life.**

MOD invests heavily in strategic infrastructure to support defence outputs. Performance against this PI will be reported biannually in the Autumn Performance Report and in the Annual Report and Accounts.

**PI 3.3 Build for the future (by procuring and supporting military capability, and through sustainable development).**

MOD is working with other Government departments to contribute to the Government's wider agenda, which includes sustainable development, and has developed a Sustainable Development Action Plan (SDAP). Performance against this will be reported and assessed biannually in the Autumn Performance Report and the Annual Report and Accounts.

## Value for Money

To enable the delivery of our Departmental Strategic Objectives and to ensure resources are delivered to front line priorities, the MOD will make at least £2.7Bn in net cash-releasing savings over the CSR07 period. These savings are being generated in a number of ways including: continuing to improve efficiency in all aspects of defence business and by the re-prioritization of activities and capabilities within Defence.

Overall Assessment  
**Not yet assessed**

Performance will be reported and assessed in the Autumn Performance Report and the Annual Report and Accounts. Further information on Value for Money can be found in the Value For Money Agreement in the Corporate Publications section of [www.mod.uk](http://www.mod.uk).

## Further Information

Further details including previous quarterly performance reports and the *Ministry of Defence Annual Report and Accounts* for 2007-08, can be found at [www.mod.uk](http://www.mod.uk).

In its December 2006 *Third Validation Compendium Report* on the quality of data systems underpinning Public Service Agreement Targets (HC 127), the National Audit Office concluded that the data systems underpinning the targets on operations, manning balance and equipment procurement were fully fit for measuring and reporting performance against these targets, and that the system underpinning the target for readiness was broadly fit for purpose. This report can be found at [www.nao.org.uk](http://www.nao.org.uk),