



MINISTRY OF DEFENCE

MOD Public Service Agreement

Performance Report

Quarter 1 2009-10



Introduction

This report shows performance over the period 1 April to 30 June 2009 against the Departmental Strategic Objectives agreed in the 2007 Comprehensive Spending Review. Progress against Performance Indicators (PIs) 1.1 and 2.1 contribute to performance against the Foreign and Commonwealth Office-led Public Service Agreement on Conflict. PI 1.1 also 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 – An end to combat operations declared in Iraq. Military operations in Afghanistan remain challenging.*

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 by five points over the period following improvements in the previous two quarters.*

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: *The Army returned to Manning Balance. The RN and RAF remain outside of Manning Balance.*

Overall Assessment: *No progress – a decline in readiness for contingent operations and two 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; the full operational capability date; and in year variation of forecast costs for design, manufacture and support.

Performance: *One sub indicator suggests meeting target; data on the remaining two is insufficiently mature.*

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

Performance: *Not reported this quarter. Reporting is on a biannual basis.*

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 reported this quarter. Reporting is on a biannual basis.*

Overall Assessment: *Not yet assessed. Only three of nine sub indicators reported against this quarter.*

Value for Money

Under the Comprehensive Spending Review, the MOD is committed to value for money reforms generating annual net cash-releasing savings of £3.15 billion by 2010-2011 (raised by £450M at Budget 2009), building on savings of £2.7 billion during the 2004 Spending Review period.

Overall Assessment: Not reported this quarter. Reporting is on a biannual basis.

DEFENCE STRATEGIC 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 DSO Assessment

Some progress – remaining military tasks completed in Iraq and an end to combat operations declared on 30 April 2009. Military operations continued to remain challenging in Afghanistan.

Progress continues to be towards the achievement of the military strategic objectives underpinning the UK's current operations and military tasks:

- In Iraq remaining military tasks were completed and an end to the combat mission declared on 30 April 2009. A defence training and maritime support agreement to provide assistance to the Iraqi Navy has been agreed and awaits ratification;
- Progress has been made in Afghanistan but the insurgency remains resilient. The majority of people can go about their daily lives but, in certain areas of the country, in particular in the south and east, significant security challenges remain. In Helmand, British, Afghan, Danish, Estonian and American troops have been engaging in major offensive operations against the insurgency to secure the key population centres in the run up to the Afghan Presidential elections.

Between April and June 2009, UK Armed Forces deployed in Iraq (Operation TELIC):



- completed their remaining military tasks, which were focussed on the training and mentoring of the 14th Division of the Iraqi Army in Basra.
- declared an end to the UK's combat mission in Iraq on 30 April, and began an orderly withdrawal in order to comply with the expiry of our current legal permissions at the end of July.
- contributed to the defence of Iraqi territorial waters and oil platforms, through Royal Navy ships patrolling the Gulf and through UK-led Coalition training of the Iraqi Navy at Umm Qasr.

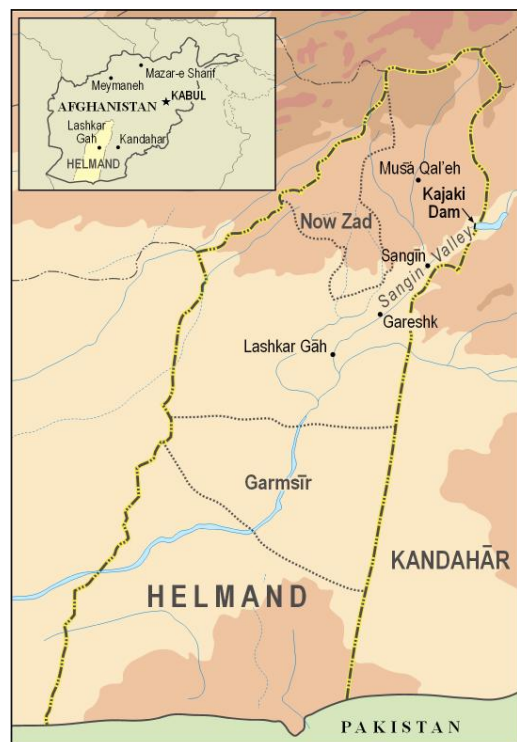
At their meeting at the end of April, the UK and Iraqi Prime Ministers agreed to develop an enduring defence relationship. In early June, the Iraqi Council of Ministers endorsed a UK defence training and maritime support agreement that would see around 100 Royal Navy personnel continue to provide training and assistance to the Iraqi Navy. This agreement has now gone to the Iraqi parliament for ratification.

Due to the end of the combat mission and subsequent withdrawal, troop numbers steadily reduced throughout this period. By the end of June, force levels in support of Operation TELIC stood at around 2,800, with around 450 of those actually based in southern Iraq.

Between April and June 2009, UK Armed Forces deployed in Afghanistan continued to contribute to the NATO-led International Security Assistance Force (ISAF) in its efforts to support the elected Government of Afghanistan as it expands and consolidates its authority across the entire country.

On the 19 April 2009 19 Light Brigade started a six month tour replacing 3 Commando Brigade as Task Force Helmand. 19 Light Brigade initially deployed with around 8,100 UK troops however, following the Prime Minister's announcement on 29 April 2009 UK troop levels were temporarily increased to 9,000, to provide extra security over the Afghan Presidential election period and to enable the deployment of specialist capabilities such as counter-improvised explosive device (IED) specialists, engineers, medical personnel and reconnaissance capabilities.

The number of ISAF troops in Helmand increased significantly over this period as around 10,000 US troops from the 2nd Marine Expeditionary Brigade (2 MEB) deployed. Known as Task Force Leatherneck (TFL) and led by Brigadier General Larry Nicholson, their headquarters is based at Camp Bastion and they will operate in the south of Helmand, from the town of Garmsir down to the Pakistan Border.



Hundreds of Afghan National Army (ANA) and Afghan National Police (ANP) members, mentored by 2nd Battalion The Mercian Regiment successfully pushed insurgents out of several villages near to the provincial capital of Helmand, Lashkar Gah. This enabled UK stabilisation teams to conduct meetings with local elders and offer a range of ways to help the villagers from refurbishing schools to improving healthcare provision. Royal Engineers also built a permanent base for the ANA, Checkpoint Worcester, so they can ensure future security in the area.

UK troops also conducted a number of operations in Helmand, alongside their Afghan counterparts, to disrupt insurgent activity and narcotics facilities, seizing opium, a

range of chemicals used in the drug production process, ammunition and anti personnel mines.

On 19 June 2009, UK forces in Helmand embarked on Operation PANCHAI PALANG or Panther's Claw, with the aim of establishing a permanent ISAF presence and bringing Afghan governance to the Babaji area of Helmand, one of the few remaining insurgent strongholds. More than 350 soldiers from The Black Watch, 3rd Battalion The Royal Regiment of Scotland (3 SCOTS) launched an airborne assault, and were closely followed into the area by Royal Engineers and counter-IED teams who built a number of checkpoints on the main routes in and out of the area to prevent any movement by insurgents. While securing the area UK troops seized around 1.3 tonnes of poppy seed and many components of IEDs, demonstrating clearly the nexus between the insurgency and opium production.

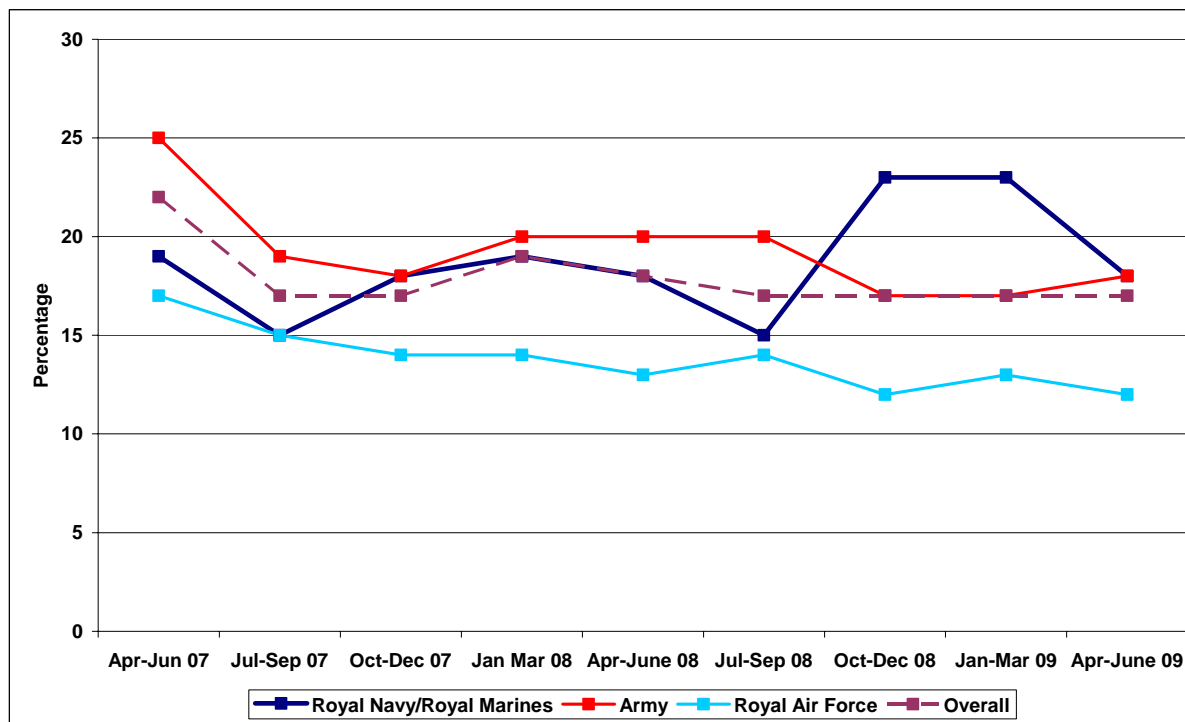
Elsewhere in the world, UK Armed Forces:

- continued to deploy around 170 Service personnel in support of peace in the Balkans (156 in Kosovo and 14 personnel in Sarajevo in both the headquarters and the Peace Support Operations training centre);
- provided some 302 personnel for UN operations; Cyprus (277), Democratic Republic of Congo (6), Georgia (5), Liberia (3), Sierra Leone (1), Sudan (6), Nepal (1) and EU African Mission in Sudan/Darfur (AMIS) (3);
- met continuing standing commitments, with forces based in Cyprus (some 2,277 personnel), the Falkland Islands and Ascension Island (some 1,063 personnel), Gibraltar (some 125 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 across all four strands (Pursue, Protect, Prepare, Prevent), including training assistance to a number of high priority countries in capabilities such as land and maritime border security, counter-terrorist detention, public order, and aviation security;
- contributed to UK led Counter Piracy operations off the Horn of Africa as part of NATO, EU and Coalition initiatives as well as helping protect World Food Programme (WFP) shipping.

Activity Levels

Between 1 April and 30 June 2009, 18% of the Royal Navy (23% in the previous quarter), 18% of the Army (17% in the previous quarter) and 12% of the RAF (13% in the previous quarter) were deployed on operations and undertaking Military tasks. In total, some 17% of regular Armed Forces (measured as man-day equivalents for each service) were deployed on Operations and undertaking Military Tasks (17% in the previous quarter). The decreases in Royal Navy personnel deployed largely reflects the end of 3 Commando Brigade's deployment on Op HERRICK.

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



A detailed breakdown of the proportion of the Armed Forces deployed on contingent operations and undertaking Military Tasks is below.

	Deployed on Contingent Operations				Undertaking Military Tasks			
	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	Apr-Jun 09	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	Apr-Jun 09
Royal Navy	6%	13%	12%	5%	9%	10%	11%	13%
Army	12%	9%	9%	11%	8%	8%	8%	7%
Royal Air Force	7%	7%	7%	6%	7%	5%	6%	6%
Overall	9%	9%	9%	8%	8%	8%	8%	9%

The table reflects numbers of personnel deployed or undertaking military tasks. In the case of deployment on contingent operations, for each person deployed there will usually be at least two other people committed either preparing to deploy, or recovering from deployment. In addition, there are large numbers of personnel in direct support of military operations and tasks.

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

Overall DSO Assessment

No progress. A decline in readiness for contingent operations and two Services outside Manning Balance.

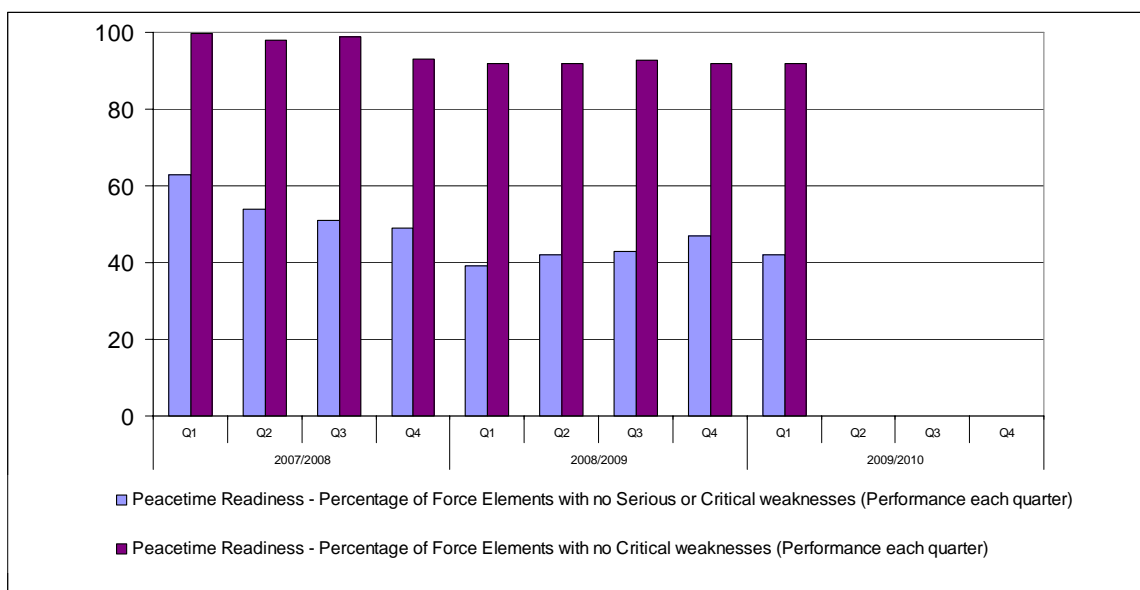
PI 2.1: UK Contingent Capability and delivery of Force Elements at Readiness: Our ability to maintain forces at the readiness we deem necessary to respond to possible threats, assessed against the requirement set out in the Strategic Guidance and the Defence Plan.

PI Assessment

No progress. Readiness for contingent operations declined by five points in the period following improvements over the previous two quarters.

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 the 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 targets underpinning our readiness assessment to ensure that they reflect current operational priorities rather than those of five years ago. Some longer term readiness targets for forces, not required for current operations, were relaxed in 2008 to allow resources to be focused on operational priorities. Currently 42% of force elements reported no serious or critical weaknesses against their peacetime readiness levels from April to June 2008, this is an increase from the first quarter of 2008-09 (39%) but a decrease from the fourth quarter of 2008 (47%). Of the 42% reporting no serious or critical weaknesses 92% reported no critical weaknesses.



Peacetime Readiness

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

Some progress. The Army returned to Manning Balance. RN figures show an apparent worsening of the position but this reflects a change in the way in which Full Time Reserves are accounted for and this masks underlying improvement. The RAF position is expected to improve from here.

Sustaining operational effort significantly beyond Defence Planning Assumption levels, combined with the challenge of implementing the changes in Service personnel numbers announced in the July 2004 White Paper, against what has been, until recently, a challenging employment market, make the achievement and maintenance of manning balance extremely difficult. Manning levels in the Royal Navy and Army have improved slightly, but, as forecast the Royal Air Force has declined slightly.

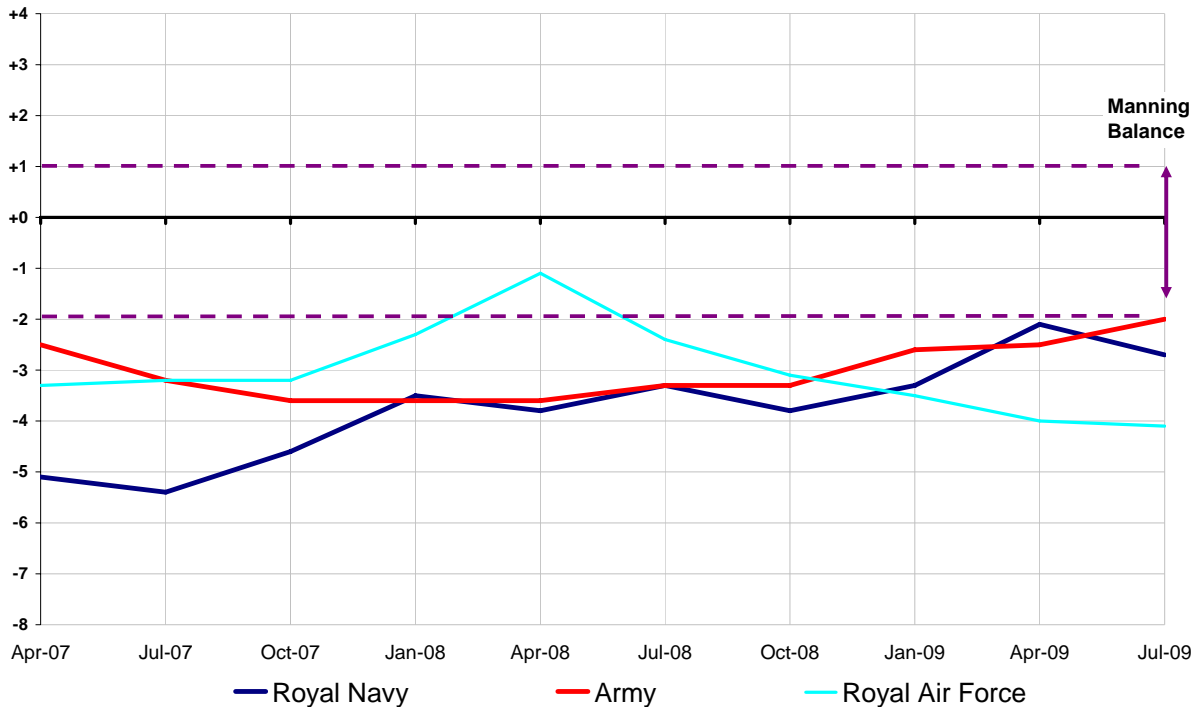
Recruiting targets for all three Services have increased in recent years and measures are being funded both for this increase as well as targeted retention measures. The effects of these are now being reflected in improved forecast manning levels. In addition to headline manning level measures, retention efforts are being targeted at those trades where deficits are constraining overall effectiveness. The high continuing level of operations are preventing achievement of personal and unit harmony guidelines – i.e. the amount of time that individuals and units are deployed away is greater than that assumed. This is occurring in parts of the Army and the Royal Air Force, with the Royal Navy seeing increasing numbers of units and personnel approaching limits. Historically, manning balances improve in the Armed Forces during periods of recession. The effect is seen first if recruiting and re-joins increase and voluntary outflow decreases and our initial data supports this view.

Assessment¹

Manning Balance²

As at 1 July 2009:

- Naval Service manning was at 97.3%, 2.7% below Manning Balance;
- Army manning was at 98%, and in Manning Balance;
- Royal Air Force manning was at 95.9%, 4.1% below Manning Balance.



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

	2008-09			2007-08		
	Target	Achieved		Target	Achieved	
Naval Service Officers	420 ^P	460	110%	400 ^P	300	75%
Naval Service Other Ranks	3,510 ^P	2,900	83%	2,920 ^P	3,180	109%
Army Officers	660 ^P	750	114%	660 ^P	610	92%
Army Other Ranks	9,220 ^P	8,580	93%	9,200 ^P	7,690	84%
Royal Air Force Officers	480 ^P	460	96%	330 ^P	440	135%
Royal Air Force Other Ranks	2,230 ^P	2,180	98%	1,330 ^P	1,140	85%

DASA (Quad-Service)

Notes

1. Targets were provided by the individual Services and are not DASA figures.
2. RAF figures for 2007-08 are estimates derived from the relationship of Untrained to Trained flows with net Gains to Trained Strength pre JPA.
3. Numbers for Royal Air Force Officers includes Non Commissioned Aircrew
4. Due to ongoing validation of data from the Joint Personnel Administration System, all Naval Service flow statistics from period ending 31 October 2006, all Army flow statistics from period ending 31 March 2007 and all RAF flow statistics from period ending 30 April 2007 are provisional (p) and subject to review.

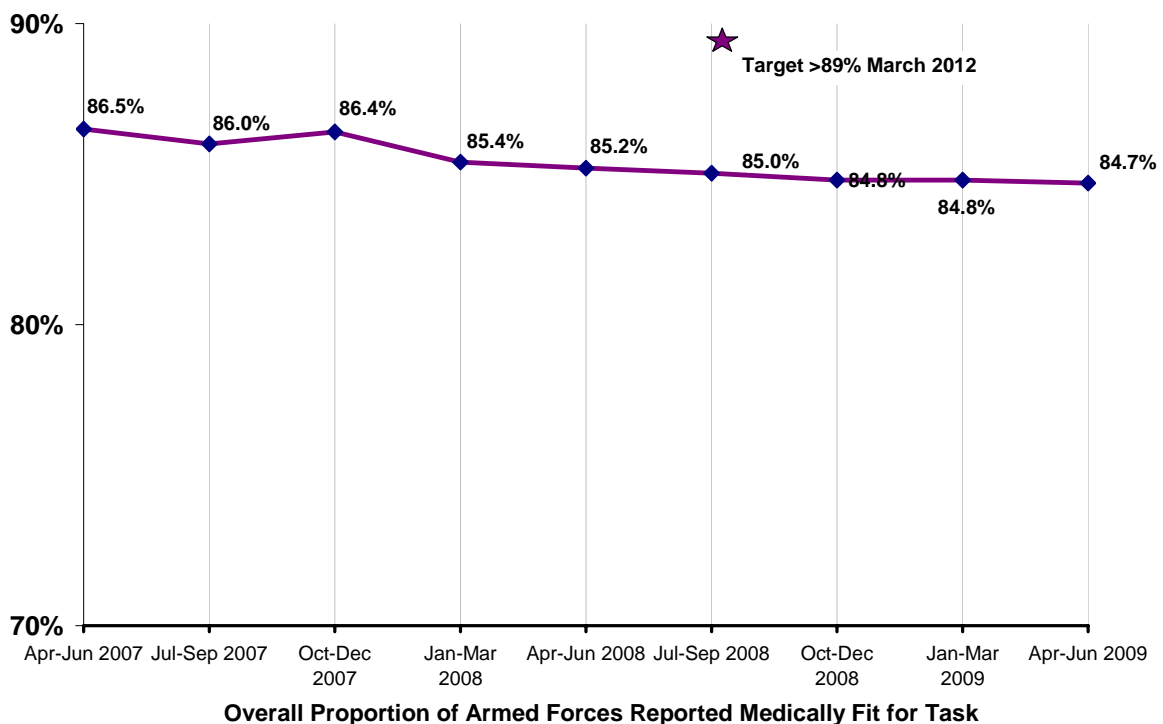
¹ Owing to introduction of a new personnel administration system (JPA), the military manpower data in this report from April 2007 are provisional and may be subject to a qualification at some later date.

² 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.

Medically Fit For Task

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

As at 30 June 2009 84.7% (84.8% in last quarter) of the Armed Forces were reported as fit for their primary task and are fully deployable. 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. There remains a significant lack of confidence in the data and work is underway to improve the accuracy.



Voluntary Outflow Rates

	Long term sustainable rate	Period ending 30 June 2009
Naval Service Officers	2%	4.1%
Naval Service Other Ranks	5%	5.7%
Army Officers	4.1%	N/A
Army Other Ranks	6.2%	N/A
Royal Air Force Officers	2.5%	2.6%
Royal Air Force Other Ranks	4.0%	5.0%

Source Data: DASA TSP Quarterly Manning Report

Voluntary Outflow information has not been published for the Army since the introduction of JPA due to the ongoing validation of data.

Levels of Individual Separated Service

	Guidelines	Performance
Royal Navy / Royal Marines	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. Increasing numbers of personnel approaching limits.
Army	In any 30 month rolling period no one to exceed 415 days separated service. Trained Strength not to experience separated service in excess of 280 days (all codes) in any 24 month period.	10.3% of Army personnel breached the Army individual Harmony guideline. ³
Royal Air Force		As at 1 Apr 09 5.4% of Royal Air Force personnel breached their target.

Pinch Points

The latest Pinch Point data reported as at 30 June 2009.

Royal Navy Pinch Points

Trade	Liability	Strength	Shortfall No/%
Lt XSM Intermediate Warfare Course Qualified	57	47	10 / 18%
Lieutenant Commander XSM Command Qualified	83	46	37 / 45%
Lieutenant XSM Advanced Warfare Qualified	35	34	1 / 3%
Joint Force Harrier - Harrier GR7 Instructors	9	5	4 / 45%
Lieutenant GR7 Harrier Pilots	33	22	11 / 34%
Principal Warfare Officers	430	326	104 / 24%
Strategic Weapon System (SWS) Junior Rates	112	88	24 / 22%
Mine Clearance Diver/Mine Warfare Officers Lts	71	51	20 / 29%
Merlin Pilots	122	79	43 / 36%
Merlin Observers	116	72	44 / 38%
Merlin Aircrew	103	73	30 / 29%
Leading Seaman General Service (Warfare)	1060	827	233 / 22%
Able Rate 1 Divers	134	95	39 / 29%
Able Rate 1 (Seaman)	377	293	84 / 22%

³ The Army will not complete a full Harmony cycle until Jan 2010. The current figure is the last recorded figure and will be updated in Jan 2010.

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Leading Aircraft Controllers	73	41	32 / 44%
Royal Marine Other Ranks (General Service) (OR 2-9)	6234	5916	318 / 5.1%
Leading Aircraft Engineering Technician	803	507	296 / 36%
Cat A2 Nuclear Watch Keepers	157	119	38 / 24%
Cat B Nuclear Watch Keepers	392	365	27 / 7%
Leading Logs(Catering)(P)	322	260	62 / 20%
Logs(Catering)(P)	435	456	+ 21 / +5%
Leading Logs(Pers)	235	224	11 / 5%
Logs(Pers)	386	381	5 / 1%
Able Rate 1 Warfare Specialist (SSM)	158	137	21 / 13% (qualified SM)
Leading Seaman Mine Warfare	78	67	11 / 14%

Army Operational Pinch Points

Trade	Liability	Strength	Shortfall No/%
R SIGNALS Yeoman of Signals Electronic Warfare SSgt	34	17	17 / 50%
R SIGNALS Electronic Warfare Systems Operator Cpl-Sgt	163	115	48 / 29%
RE EOD Cpl-SSgt	133	107	26 / 19%
RA Unmanned Ariel Vechicle Operator Sgt	56	51	5 / 9%
RE Resources Specialist Spr-LCpl	240	94	146 / 61%
REME Avionics Tech: Cpl- Sgt Class 1	180	118	62 / 34%
Pharmacist Offr Capt +	23	11	12 / 52%
Intelligence Officer PMI: Cpl-Sgt	757	544	213 / 28%
Royal Artillery Capts	255	228	27 / 11%
INFANTRY Pte-LCpl	14980	13690	1290 / 9%
REME Armourer: Cfn-Cpl	404	317	87 / 21%
AMS ITU Nurse Cpl-Capt	121	36	85 / 70%
AMS EM Nurse Cpl-Capt	101	28	73 / 72%
AMS Infection Control Nurse	18	7	11 / 61%
AMS Orth Surg Maj+	13	10	3 / 23%
AMS Gen Surg Maj+	17	11	6 / 35%

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AMS Radiologist Maj+	4	2	2 / 50%
AMS Radiographer Cpl- WO1	24	13	11 / 46%
AMS Anaesthetist Maj+	49	23	26 / 53%

Army Manning Pinch Points

Trade	Liability	Strength	Shortfall No/%
REME Rec Mech: LCpl- Cpl	343	213	130 / 38%
R SIGNALS CS Op Sig	1284	819	465 / 36%
Royal Artillery Weapon Locating Radar Det Comd	45	29	16 / 36%
Royal Artillery Weapon Locating Radar Det Comd (Sound Ranging)	34	25	9 / 26%
CAMUS Musician	301	203	98 / 33%
Royal Engineer Mech Engineer Geo Spr-Sgt	297	217	80 / 27%
RA Gunner: LBdr-Bdr	2539	2120	419 / 16%
AGC(SPS) Cbt HR Spec Pte-Sgt	2666	2298	368 / 14%
RE ME Fitter Spr-LCpl	561	470	91 / 16%
RLC Log Spec (Sup) Pte- LCpl	1318	1148	170 / 13%
REME Vehicle Mechanic: Cfn-Cpl	3640	3173	467 / 13%
RE ME C3S Spr-LCpl	695	608	87 / 12%
AMS GMP Capt+	153	127	26 / 53%
AMS GU Nurse	13	9	4 / 31%

Royal Air Force Operational Pinch Points

Trade	Liability	Strength	Shortfall No/%
Pilot (Junior Officer)	1460	1280	180 / 12%
Flying Branch (Career Stream - OF3)	749	692	57 / 8%
Operations Support (Intelligence)	240	230	10 / 2%
Operations Support (Regiment)	280	250	30 / 12%
Medical	280	230	50 / 19%
Medical Nursing Officer	180	130	50 / 26%
Weapons System Operator (Crewman)	580	510	70 / 12%
Weapons System Operator (Linguist)	60	50	10 / 15%
Gunner	1930	1740	190 / 10%
Logistics (Mover)	900	850	50 / 6%
General Technician (Mechanical)	920	790	130 / 14%

Royal Air Force Manning Pinch Points

Trade	Liability	Strength	Shortfall No/%
Weapon Systems Operator (Junior Officer)	510	420	90 / 18%
Operations Support (Aerospace Battle Manager)	340	280	60 / 17%
Operations Support (Flight Operations)	220	>210	<10 / 1%
Operations Support (Air Traffic Control)	400	370	30 / 7%
Chaplains	80	60	20 / 25%
Aircraft Technician (Mechanical)	4740	4550	190 / 4%
Aircraft Technician (Avionics)	3760	3630	130 / 3%
General Technician (Electrical)	530	470	60 / 11%
Intelligence Analyst	680	580	100 / 15%
Survival Equipment Fitter	610	550	60 / 9%
Biomedical Scientist	20	10	10 / 50%
Pers (Spt)	1460	1350	110 / 8%
Logs (Sup)	1850	1770	80 / 4%

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).

Percentage Shortfall. These percentages are rounded to the nearest whole number.

OBJECTIVE 3: Build for the future.

Overall DSO Assessment

Not yet assessed. Only three of nine sub indicators reported against this quarter.

PI 3.1 Procuring and supporting military equipment capability through life.

PI Assessment

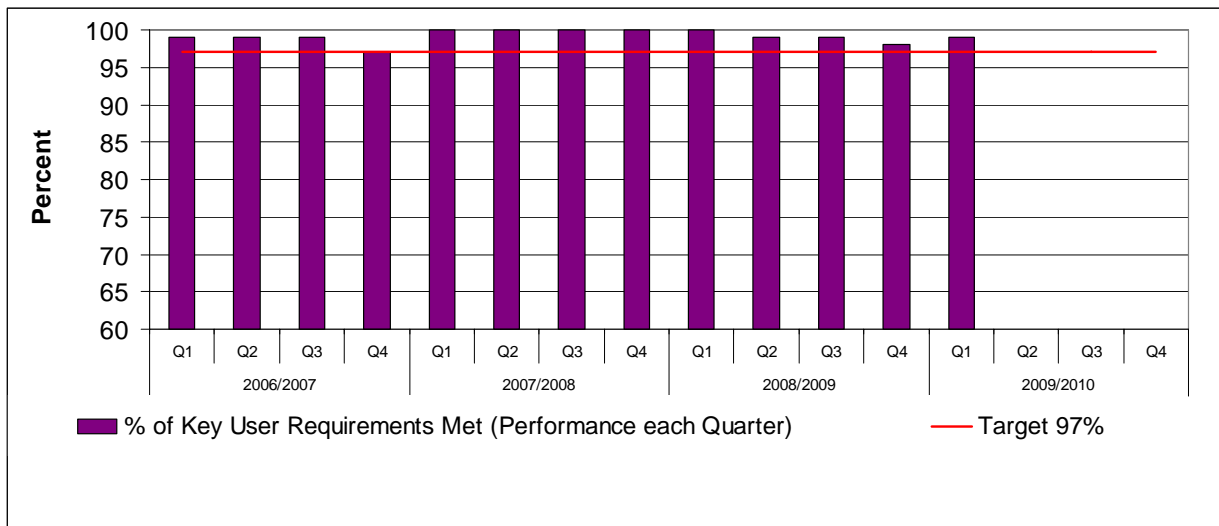
No progress. One sub indicator suggests the target will be met; data for the remaining two indicators is not yet sufficiently mature.

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.

As at 30 June 2009, 99% of Key User Requirements had been reached.

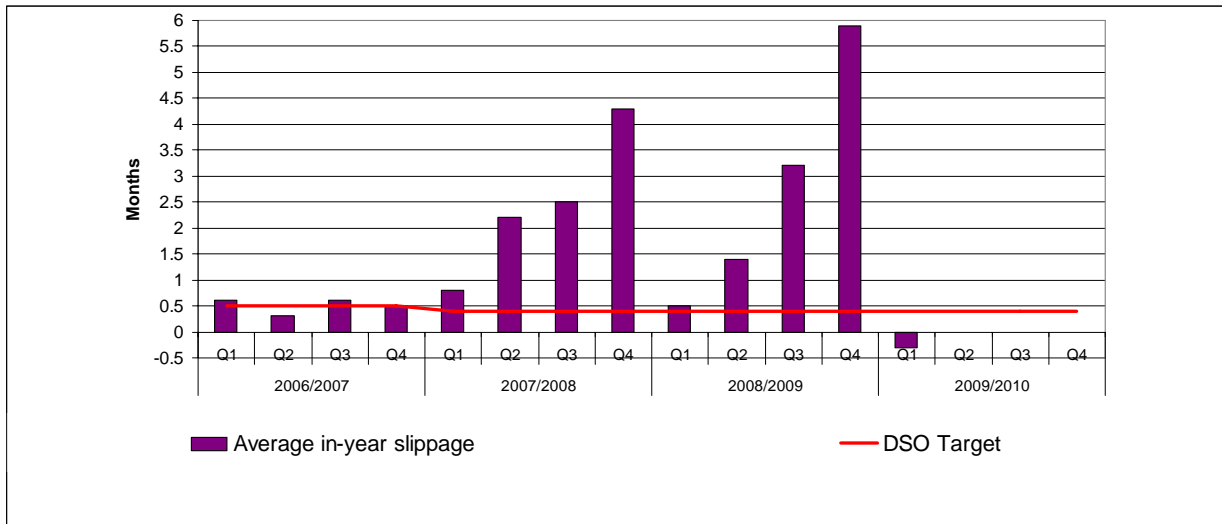
Performance against Key User Requirements



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.

As at 30 June 2009, current average in-year variation is - 0.3 months.

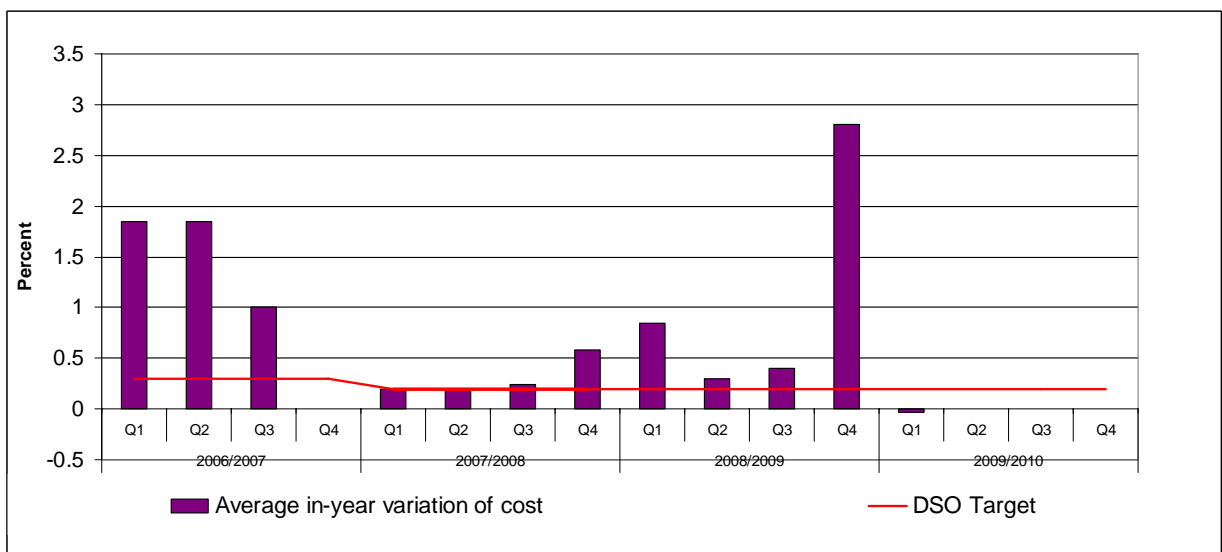
Performance against In-year variation of forecast In Service Dates



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%.

As at 30 June 2009, cost growth was at- 0.03% across all Category A-C projects.

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.

PI Assessment

Not reported this quarter. This is reported on a biannual basis.

The Non Equipment Investment Plan (NEIP) comprises about 70 projects costing around £2.5 billion a year, mainly consisting of a wide range of estate programmes. It also includes investment in major information systems projects.

Reports are based upon a subset of ten representative projects with figures derived from the Defence Change Programme reporting and self assessment updates from the relevant NEIP programmes.

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

PI Assessment

Not reported this quarter. This is reported on a biannual basis.

In November 2008, the Defence Secretary agreed a Sustainable Development Strategy, a Climate Change Strategy and a Sustainable Development Report and Action Plan. MOD is working with other Government departments to contribute to the Government's wider agenda. Performance against this is reported on a biannual basis.

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 £3.15Bn (raised by £450M at Budget 2009) in net cash-releasing savings over the CSR07 period ending in 2010-11. These savings are being generated in a number of ways including: improvements in various Corporate Enabling Services; efficiencies that have allowed reductions in civilian numbers working in the Defence Equipment and Support areas and improvements in the way we support our Defence Equipment.

Overall Assessment

Not reported this quarter. This is reported on a biannual basis.

Further Information

Further details including previous quarterly performance reports and the *Ministry of Defence Annual Report and Accounts* for 2009-10, can be found at 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.