



MINISTRY OF DEFENCE

Ministry of Defence

# Defence Estate Development Plan 2009



## **THE DEFENCE ESTATE DEVELOPMENT PLAN 2009 (DEDP 09)**

### **PURPOSE**

1. To set out how the Defence Estate will be developed to meet the future needs of Defence, and the priorities for investment and rationalisation arising from it.

### **BACKGROUND**

2. The first edition of the Defence Estate Development Plan (DEDP) was endorsed by Ministers and put before Parliament on 30 Jun 08. It set out an authoritative framework, looking forward to 2030, for the future development of the estate. This iteration is the first formal update and is designed to capture and balance changes in requirement and it informed Planning Round 09 (PR09). It sets out the evolving picture in 3 timeframes:

- a. 2009 to 2012: The immediate estate planning horizon.
- b. 2013 to 2018: The medium term.
- c. 2019 to 2030: The long term.

### **POLICY**

3. **Guidance.** The Defence White Paper 'Delivering Security in a Changing World' December 2003, together with its supporting essays, set the context from which the core estate requirements flow and recognised both the need for an expeditionary posture and the valuable contribution Defence makes to Home Defence and Security. Further, Defence Strategic Guidance 08 provided the policy framework for PR 09 and thus set the context for the DEDP. It is recognised that the estate is a strategic enabler and a supporting capability that underpins the force structure required by the Military Tasks.

4. **Basing Footprint.** The Armed Forces will be grouped in an expeditionary posture within sustainable Defence Communities, with as even a footprint as is practical across the regions in order to support Standing Home Commitments and Force Projection. There may, over time, be a need for some realignment of their posture in order to rebalance the national footprint, thus strengthening the recruiting base and enhancing retention through reduced domestic disruption.

5. **The Nation's Commitment.** The 'Cross-Government Support to our Armed Forces, their Families and Veterans' paper<sup>1</sup> was presented in Parliament by the Secretary of State for Defence and explicitly recognises the unique demands imposed upon personnel in the course of their duty. The essential starting point is that those who serve must not be disadvantaged by virtue of what they do and sets out the following enduring principles: As much Lifestyle Choice as Any Other Citizen; Continuity of Public Services; Proper Return for Sacrifice; and The Armed Forces' Constituency Matters. It notes the inclusion of Service personnel in both Key Worker Living and shared equity schemes aimed at increasing access to affordable homes. Further, Key Worker status has been extended to Service leavers for 12 months following discharge.

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<sup>1</sup> Cm 7424 dated Jul 08.

6. Personnel Policy. The Defence Living Accommodation Strategy restates the importance of accommodation in attracting and retaining sufficient, capable and motivated personnel. The strategy seeks to pursue the best options, both public and private, for funding and delivering quality accommodation, while also seeking to meet the increasing aspirations among Service personnel for home ownership. It envisages that future provision of accommodation will be through the 'mixed economy', which is a combination of the Department's traditional publicly funded providers and private property owned or rented by individual Service personnel. The 'mixed economy' should also reduce demand for Service Families Accommodation (SFA) in the UK. However, this may be offset by the entitlement of Ghurkhas to Married Accompanied Service and, towards the end of the period, by further repatriations from Germany and the Permanent Joint Overseas Bases (PJOBs). As regards Single Living Accommodation (SLA), the Department's policy to provide single en-suite rooms for all trained personnel living in Service accommodation will be a significant driver.

7. Defence Training Rationalisation (DTR). The DTR programme will accelerate the integration of specialist training on a Tri-Service basis and offer significant efficiencies. The conversion of existing 'virtual' Defence Training Colleges into physical reality will provide unprecedented scope, not only for consolidation of training onto fewer sites but also for further rationalisation across Defence and to release funds for re-provision or modernisation of estate capability elsewhere. DTR Package 1 is to be established at St Athan in 2014<sup>2</sup> subject to Main Gate Approval.

8. Sustainable Development (SD) and Construction Quality. SD is a key tenet of Government policy<sup>3</sup> and a suite of time focussed targets and timelines have been set for all Departments. The MOD is driving the change required by this important initiative alongside continued work to embed the Construction Commitment 2012 themes. These changes will improve the quality of our construction projects from a combined design, professional management and SD perspectives. The increased investment required should accrue long term benefit in reduced running costs.

9. Estate Strategy. Detailed estate policy was set out in the Defence Estate (DE) Strategy 2006, 'In Trust & On Trust'. The vision remains to provide an estate of the right size and quality, which is managed and developed effectively in line with acknowledged best practice, and which is sensitive to social and environmental considerations.

a. Size. The aim is to have an estate of fewer, larger sites in the UK and overseas, which better supports military capability. This will be through the development of defence communities, for example in Base Ports, Super Garrisons (SGs), Main Operating Bases (MOBs) or Permanent Joint Operating Bases (PJOBs). These will deliver efficiencies and either greater functional or formation coherence as well as offering greater stability to our personnel and increased integration with local economies and civil society.

b. Quality. The estate must be legislatively compliant, fit for purpose and support both the current and evolving military need, in a way that represents best Value for Money. This is best done by adopting a through-life management approach. Target condition will be derived from the emerging site specific

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<sup>2</sup> New Service Commencement is 63 months after contract signature.

<sup>3</sup> Sustainable Operations on the Government Estate (Jun 06) & Sustainable Procurement Action Plan (Mar 07).

Integrated Estate Management Plans, created by TLBs<sup>4</sup>, and condition data recorded on the Estate Planning Tool<sup>5</sup> (EPT). This data will then be used by the developing Estate Performance Measurement System (EPMS) to establish value for money across the estate. Clearly, the primary vehicles for improving estate condition will be appropriately funded prime contracts during the life of the current contracts to around 2012/13.

## **ASSUMPTIONS**

10. **UK Training Estate.** There will be little scope to reduce the existing UK training estate in the near term, as it will continue to be required to support the delivery of military capability, despite the increasing use of synthetic environments. It will need to be readily adaptable to the demands of training for the Contemporary Operating Environment. A requirement for some Training Over Private Land (TOPL) will also remain. As the basing footprint is rebalanced (including repatriation from Germany) there may be a requirement to acquire new land for training areas and ranges.
11. **Germany Basing.** The Department is likely to remain committed to maintaining some presence in Germany, for the next 25 years, for reasons of affordability and formation coherence. For planning purposes, Hohne, Paderborn and Gutersloh garrisons (referred to within MOD as the Category A estate) would close by 2035, Rhein Garrison (Category B) should close by 2020 and Munster/Osnabrück Garrison (Category C) should be relinquished as soon as possible. Wherever opportunities arise to advance any of these dates, they should be taken. In addition, units should, in principle, move directly into the desired footprint in the UK to avoid multiple moves. Indeed, it is likely that incremental repatriation could be supported by the UK estate but if available locations are manifestly unsuitable, innovative solutions should be sought. Finally, the release of sites in Germany accrues limited disposal receipts to help fund the necessary investment in new facilities in the UK but does release significant operating cost savings.
12. **Permanent Joint Operating Bases (PJOBS)**<sup>6</sup>. The existing PJOBS and overseas training estate will, for the foreseeable future, be retained to support force preparation, Standing Overseas Commitments and the strategic reach required to enable Contingent Operations Overseas. Over time there may be some drawdown from the PJOBS and investment should be targeted to maintain and improve essential support and expeditionary infrastructure recognising the relative impermanence of the UK's presence there. Further, the ongoing review of the requirements for, and within, Forward Mounting Bases<sup>7</sup> may have implications for infrastructure within the PJOBS which support that function.

## **SUPPLY - THE CURRENT POSITION**

13. **The Estate Baseline.** The current position is set out in the Core Sites Baseline 2009, at **Annex A**, and continues to be categorised as; the Core, or Retained, or Disposal Estate. The main focus of long term investment remains the former but the Retained

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<sup>4</sup> Top Level Budgets, essentially each Service's unified command headquarters, plus CJO, Defence Equipment & Support, Centre and Defence Estates.

<sup>5</sup> EPT is an IT database on which estate information is recorded, and which is used to monitor the condition of the estate overall.

<sup>6</sup> Ascension Island, Cyprus, Diego Garcia, Falkland Islands and Gibraltar.

<sup>7</sup> Likely to be called Operations Support Bases in the future.

Estate should continue to be maintained to appropriate standards until it is either re-categorised as Core or released for disposal.

a. Core Estate – Locations & Sites. The Core Estate consists of Core Locations that are either: large bases or groups of sites that have an indefinite operational future; or individual Core Sites, which are expected to support Defence outputs for at least 15 years.

(1) Current Core Locations. The endorsed Core Locations are: Abbeywood, Aldershot, Belfast, Brize Norton, Catterick, Clyde, Colchester, Edinburgh, London, MOD Main Building, Marchwood, Plymouth, Portsmouth, Northern Ireland, Salisbury Plain and Shrivenham.

(2) Core Sites. These are at **Annex A**.

b. Retained Estate. This is that body of sites where the future is not fully assured and could be subject to review, leading to reuse within the Department, or disposal. Many will have a planning horizon of 10 years or more.

c. Estate for Disposal. That element of the estate that has been identified as being surplus to Defence requirements and is to be put up for disposal.

14. Baseline Mapping. Estate mapping setting out the current UK Core and Retained Estate, overseas stations and the Germany garrison is at **Annex B**. This is supported by more detailed views of the estate by Government Region and Devolved Administration.

## DEMAND

### CUSTOMER REQUIREMENTS AND PLANS

15. The Top Level Budget (TLB) Plans are summarised in the following paragraphs.

16. Royal Navy (RN). The core Naval Estate remains centred around 3 principal Base Ports at Portsmouth, Plymouth and Clyde, 2 Naval Air stations at Culdrose and Yeovilton and Royal Marines (RM) barracks and training facilities predominantly based in the South West. Key to the immediate priorities for future development will be an assessment of the basing implications falling from the outcome of the Naval Base Review and this is being addressed by the Maritime Change Programme (MCP). The MCP is expanded later in the document as part of the DE&S overall estate plan.

a. Programmed. SLA improvements are being delivered by Single Living Accommodation Modernisation (SLAM), and by separate projects at Faslane (Neptune), Plymouth (Armada) and Portsmouth (Emma).

b. Aspirational.

(1) The highest priority for the Navy Command owned estate continues to be the provision of a single estate solution to match the intended build up of 24 Cdo Regt RE, due to complete by Apr 10. The long term aim is to co-locate it with 59 (Cdo) Sqn RE at Chivenor in North Devon, but with elements standing up initially at Yeovilton, Somerset.

(2) SLA across the piece remains a priority. SLAM Phase 2 will provide new accommodation at Culdrose and Chivenor, but would still leave some 2,000 Naval personnel in multi-occupancy accommodation.

(3) The long-term infrastructure requirement at both HMS RALEIGH and Britannia Royal Naval College (BRNC) are being assessed.

(4) There is a case for regionalisation of the RM in the South West in closer proximity to the amphibious shipping. The move of 45 Cdo Gp from Arbroath to the SW has been costed at between £60 – 100M and was deemed currently inappropriate and unaffordable. The long planned but unfunded aspiration to collocate Landing Craft units from RM Poole and Turnchapel to Devonport Naval Base is now being taken forward by Navy Command and DE&S.

17. Army. The Army is currently reviewing how and where it wants to live in the future but, in essence, it aims to be a force that is predominantly UK based in an expeditionary posture housed on a modern and sustainable estate of fewer larger sites across a representative national footprint consolidated, where possible, into Super Garrisons (SG)<sup>8</sup>. The Army's estate programme will, of necessity, be a balance between sustaining and modernising a disproportionately poor estate and rationalisation to enhance coherence, provide betterment for its people and achieve estate efficiencies.

a. Modernisation. Improvements to living accommodation have a direct and significant impact on people. Living accommodation remains the Army's highest priority for modernisation.

b. Sustainment. The effective maintenance of its current estate is a key contributor to the Army's operational capability. As full modernisation will only be delivered in the medium to long term, the Army seeks directed maintenance to make limited and interim improvements in priority areas, such as SLA, to enhance the morale and retention of its people while they wait for modernisation.

c. Rationalisation. Salisbury Plain, Aldershot, Colchester and Catterick/York are being developed as SG. By 2009, all UK manoeuvre brigades will be housed within a SG, albeit with some units remaining mal-located. The remainder of the Army is widely dispersed across a range of sites, often in single unit locations in poor condition, and where appropriate, cost effective and affordable these will be incrementally rationalised. Following BORONA, HQ 1(UK) Armd Div, 7 and 20 Armoured Brigades will remain in Germany, with supporting elements in the Hohne, Paderborn and Gutersloh Garrisons. Repatriation will realistically only be achieved through the identification and development of at least 2 further SG. The first is likely to be in the West Midlands with further work required to identify a second. Critically, repatriation, to be affordable, has to be incremental.

d. Funding Priorities. The Army's short term priority is to sustain investment across all infrastructure areas and to make limited improvements to poor SLA that has not been programmed for modernisation. In the medium term, the priority is to deliver the current programme and to accelerate estate modernisation whilst

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<sup>8</sup> As a guide, a SG should consist of a hub of sufficient magnitude (ideally over 5000 service personnel) to attract significant MOD and local authority investment and a number of satellite sites within easy travelling distance,

seeking opportunities for incremental rationalisation. In the longer term, the Army seeks as a priority to secure funding for the further repatriation from Germany.

e. Programmed.

(1) Northern Ireland Normalisation. 19 Light Brigade is now established in Northern Ireland. Overall the military presence has reduced to less than 4,000 military and will remain at no more than 5,000 personnel. This will allow the disposal of Ballykelly and Massereene Barracks, Antrim, leaving 10 core sites.

(2) Project Allenby/Connaught (PAC). PAC is redeveloping the Army estate in Aldershot and around Salisbury Plain. It is the largest estates/services Private Finance Initiative (PFI) to be signed by the MOD with the 35 year contract with Aspire Defence Ltd amounting to some £8Bn through life. As at Mar 09, construction is underway on all sites and 3105 modernised bed-spaces have been delivered, 181 new/refurbished buildings completed and 168 buildings demolished. Consequently; 110 Dvr Trg Sqn and 85 Trg Sqn have vacated St Omer Barracks, Aldershot; 19 Regt RA has moved to Tidworth and 26 Eng Regt has moved to Perham Down.

(3) Colchester PFI. This project is providing new and refurbished service living and working accommodation to house 16 Air Assault Brigade. It represents an investment of £2Bn over a 35 year contract period. The project has now completed its construction phase, with 2229 bed-spaces delivered.

(4) Woolwich Development Project (WDP). This project provides a combination of new and refurbished accommodation for the non Foot Guards Public Duties Battalion. In addition, the current planning assumption is that the King's Troop Royal Horse Artillery will relocate to Napier Lines, Woolwich, by Mar 12 when the lease on St John's Wood expires.

(5) Royal School of Military Engineering Private Public Partnership (RSME PPP). The RSME PPP is to deliver the special to arm RE training in partnership with industry on a 3-site solution at Bicester, Minley and Chatham to a Feb 10 In Service Date (ISD). A contract for a £5.6 Bn over 30 years has recently been signed with Holdfast Training Services.

(6) HYPERION. HYPERION will deliver a combined Headquarters Land Forces on the Andover site between mid 2010-2012.

(7) BORONA. Project BORONA will repatriate HQ ARRC, 1 Sig Bde and 102 Log Bde. This will enable the closure of the Rhein and Munster/Osnabruck Garrisons in Germany. Once complete some 16,000 personnel will remain in Germany based in 3 garrisons, Hohne, Paderborn and Gutersloh; consequently investment in these Core Sites will continue.

(a) HQ ARRC. HQ ARRC and its support elements are to relocate to Innsworth, Gloucestershire, in 2010.

(b) 1 Sig Bde and 102 Log Bde. The planning assumption is that both brigades relocate to Cosford in around 2015. This is subject to



DTR Pkg 1 and a fallback plan, based on Stafford, exists and is unlikely to impact the wider development of a West Midlands Super Garrison.

(8) BELVEDERE. Project BELVEDERE considered the opportunity to rationalise the Joint Helicopter Command (JHC) estate onto fewer larger operating bases but concluded that this did not represent best value for money<sup>9</sup>. The decision has therefore been taken to close Project BELVEDERE and consolidate the JHC fleets at RNAS Yeovilton, Wattisham Station, RAF Benson and RAF Odiham. The future of Dishforth Airfield is under consideration. Consequently, RAF Lyneham is no longer under consideration and will become available for wider Defence needs or disposal.

f. Aspirational.

(1) Bicester Development. As part of the DE led Bicester Programme, an opportunity exists to develop an Explosive Ordnance Disposal (EOD) centre of excellence at Bicester by consolidating 921 EOD Sqn, from Germany, with 11 EOD Regt, from Didcot and other minor units that have synergies in this area, alongside the Defence EOD School and National Search Centre moving from Chatham as part of the RSME PPP. This would enable the disposal of Vauxhall Barracks, Didcot. In addition, consideration is being given to collocating 9 Sup Regt RLC alongside 23 Pioneer Regt RLC, allowing the closure of Buckley Barracks, Hullavington.

(2) Blandford Development. Once vacated by DTR in around 2013 there is the potential to backfill the site and create a Signals centre of gravity through collocating 10 and 14 Sig Regts at Blandford. This would lead to the release of Brawdy and increase efficiency through 'pairing and sharing'.

(3) Inner London Barracks. Wellington Barracks and Cavalry Barracks, Hounslow, are key components in the delivery of state ceremonial and public duties but are in poor condition with high maintenance costs and many Level 2 assets at the end of their economic lives. The London Basing Study is considering options to further rationalise the London estate while achieving betterment at Wellington Barracks and Hounslow. This will now be taken forward, under Firm Base London, as routine estate business.

(4) SFA. The SFA footprint needs to evolve with the rationalization of the Army estate. The use of Bulk Lease Hire (BLH) SFA is a short to medium term expedient that, in the context of the evolving 'Mixed Economy', can allow the true requirement for Service properties to be established. It is, however, not cost effective in the longer term and can leave families isolated from their parent unit. Provision therefore should be made to replace BLH with new build SFA in the medium term, particularly around Salisbury Plain, Catterick and Shornecliffe.

(5) SLA. The modernisation of the Army's SLA requirement is not fully funded and there are approximately 25,000 bedspaces for which there are currently no modernisation or improvement plans. There is an urgent need to extend and accelerate modernisation while making limited condition

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<sup>9</sup> Written Ministerial Statement 07 May 09.



improvements to SLA in the short term to improve the quality of life for individuals.

(6) Further Super Garrison Development. The development of a further SG in the period 2017 to 2022 in order to facilitate the next phase of Germany withdrawal on completion of BORONA is a high priority Army funding requirement. Studies have shown that the estate at Stafford and other West Midlands' sites have the capacity to house a Medium Weight manoeuvre brigade. The concept is in early development and a broad range of options are being considered.

18. Royal Air Force (RAF). The Defence Airfield Review of 2004 considered the RAF's future estate requirements to deliver the capabilities detailed in DSG and DPAs. This gave rise to a number of recommendations to rationalize the estate which have been subsequently implemented leading to the current configuration of core sites. The Marston Study re-examined the requirement to retain a cost effective footprint of University Air Squadrons (UAS)/Volunteer Gliding School (VGS) airfields across the UK. The RAF footprint has now been studied extensively and unless there is a significant change in force structure, there is limited scope for further rationalization of the estate in the next 5 years beyond that already programmed. There may be new rationalization opportunities in the 5 – 10 year period once key decisions have been made with regard to the future equipment programme. Investment to optimise the rationalization opportunity will be necessary to meet the full requirements generated by the users; improve the overall quality of the estate in line with the CAS's strategic priorities; cover remediation costs of vacated sites and mitigate risks of overcrowding and overstretched support facilities. The following significant issues are of wider Defence interest:

a. Programmed.

(1) Future Brize Norton (formerly CATARA). Future Brize Norton is the development of RAF Brize Norton as the prime Defence Air Port of Embarkation and the AT and AAR hub is underway. The 3 main elements of the programme are; the Aircraft Servicing Platforms (ASP); the cargo handling facility and passenger terminal. It is estimated that the ASP will be in-service by Mar 10. It will enable the transfer of the C130J capability from Lyneham and supports the introduction of both A400M and FSTA. The RAF's interest in Lyneham will cease in 2012 making the site available for alternate Defence use, or disposal.

(2) RAF Cosford. The Defence College of Aeronautical Engineering (DCAE) will move, under DTR Package 1, to St Athan, Wales. The RAF will require retention of the airfield for a Birmingham UAS, a VGS and an Air Experience Flight but is seeking to relocate other units not covered by DTR prior to the site being transferred to the Army for BORONA.

(3) UK Military Flying Training System (MFTS). UKMFTS is a 25 year programme to deliver cost effective flying training to the Services under a PFI. The ASCENT consortium has been awarded the overarching management contract and is considering its basing requirements. The key sites under consideration are Cranwell, Linton-on-Ouse, Middle Wallop, Shawbury, Valley and Yeovilton, with the possibility that one will cease to be used for flying training.

(4) RAF Benson. 230 Sqn will relocate from RAF Aldergrove, Northern Ireland, to RAF Benson, Oxfordshire, in FY 2009/10. This will establish a single coherent Puma force, reducing personnel liability and improving the generation of operational capability.

(5) RAF Northolt. Northolt is the Comms Fleet Hub and is being redeveloped under Project MoDEL. MoDEL has already enabled the closure, amongst others, of Mill Hill (2007), West Ruislip (2007) and RAF Bentley Priory (2008), and later RAF Uxbridge (2010). In addition, MoDEL will provide 535 modernised SLA bed-spaces.

(6) RAF Lossiemouth. Work is in hand to define the infrastructure required to support the introduction, and in-service sustainment, of the Joint Combat Aircraft (ISD post 2016).

b. Aspirational.

(1) RAF Cottesmore. Cottesmore will remain the Harrier GR9 hub until at least 2018 and will be supported by the Operational Conversion Unit at RAF Wittering until at least 2015. Thereafter, the site could become surplus (possible Army interest as part of further Germany Rebasing).

(2) RAF Halton. There is spare capacity at Halton that could be exploited or released for disposal. An Estate Development Plan will inform a broader study into the future use of Halton noting that resource constraints may limit the scope to collocate additional units.

(3) RAF Henlow. Henlow is a multi-user site and an Estate Development Plan will inform a broader study into the future use of the site.

(4) RAF Leeming. Leeming forms the Communications Hub. However, the airfield will be retained to support both 100 Sqn and the Northumbrian UAS. Further, the RAF will seek to maximise the use of its facilities through complementary activity.

(5) RAF Scampton. Minister agreed<sup>10</sup> that the RAF Aerobatics Team (RAFAT) would relocate to RAF Waddington by Jul 11 and that the Reserved Airspace above RAF Scampton be retained. In addition, the 2<sup>nd</sup> Control and Reporting Centre is expected to move, under the Air Surveillance and Air Control System (ASACS) Basing Study.

19. Centre TLB. Four key programmes are driving rationalisation and reshaping of the CTLB estate. These are Defence Training Rationalisation (DTR), the Midlands Medical Accommodation (MMA) project, the Programme for the Rationalisation and Integration of the Defence Intelligence Estate (PRIDE) and MOD Head Office Streamlining. All involve considerable estate rationalisation, contribute significantly to the Department's Lyons commitment but are driven by business requirements.

a. Programmed.

(1) DTR. A Ministerial announcement setting out the way forward was made on 31 Jan 08. DTR Package 1 is to be centred upon St Athan in South

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<sup>10</sup> D/MSU/11/5/2/is 14 May 2008

Wales and will be delivered by the Metrix consortium in around 2014. The announcement also noted the release and future disposal of Princess Royal Barracks Deepcut. In addition, it recognised that DTR Package 2 could lead to the relocation of the Defence College of Logistics & Personnel Administration, and the Director Royal Logistic Corps and consequent development of both Worthy Down and Southwick Park.

(2) MMA. The MMA Project aims to provide a strategic focus for Defence Medical Services at Whittington Barracks, Lichfield, to support the development of a Midlands based military centre of clinical, research and training excellence. The Surgeon General's Strategic HQ and Joint Medical Command will form at Lichfield by collocating, the Defence Medical Services Directorate from Main Building, the Joint Medical Command from Ft Blockhouse and HQ Royal Centre of Defence Medicine from Birmingham. The MGBC was agreed by the IAB in Jul 08 and implementation will now take place in 3 increments to be completed by Mar 14. This should lead to the disposal or reuse of Keogh Barracks, Aldershot.

(3) PRIDE. This project is consolidating the Defence Intelligence estate onto 3 main sites; MOD Main Building, Wyton and Chicksands and is on track to deliver by Autumn 2012. Initial moves see the exit of DIS and non-DIS staff from the Old War Office Building by Mar 10, with some migrating to MOD MB and Feltham, as part of Head Office Streamlining. Construction works at Wyton started in Mar 2009. This programme will allow the disposal or reuse of RAF Brampton, Denison Barracks, Hermitage, and the Defence School of Languages, Beaconsfield.

(4) MOD Head Office Streamlining. Streamlining, was a consequence of the Capability Review to clarify and simplify the way the Department operates. It will create an organisation that is more agile and better suited to today's circumstances and involves a 25 per cent reduction in the size of the Head Office by Apr 10. It will lead to consolidation in Main Building and the release of both the Old War Office in Whitehall and St George's Court in Bloomsbury.

(5) Defence Academy Campus Integration. Redevelopment of the Defence Academy campus will continue through to 2011.

(6) Bath Accommodation Project (BAP). With the announcement that DE&S will vacate Ensleigh in 2011/12, the BAP has included that site within its scope. Early indications are that Ensleigh offers the best value for money. Further, the potential liability associated with the mine-workings under Foxhill has been resolved and an existing Local authority contract will be used to back fill the mines.

(7) Defence Medical Rehabilitation Centre (DMRC) Headley Court. The DMRC Review, commissioned by the Surgeon General in 2007, has confirmed that DMRC Headley Court should continue to be the specialist centre for rehabilitation. An additional £24M has recently been allocated to upgrade rehabilitation and domestic infrastructure over the next 4 years. In addition, the Help 4 Heroes charity intends to contribute a further £8M towards the upgrading of the Rehabilitation Complex. The contract for the

project has been awarded and work is on track to deliver the new complex in Spring 2010.

20. DE&S. The estate managed by the DE&S TLB is large and diverse. It includes Naval Bases, storage and distribution facilities, depots for fuels, munitions and non-explosive materiel, as well as a significant proportion of conventional office accommodation. The key elements of the DE&S Estates programme are set out below:

a. Programmed.

(1) DE&S Collocation. The DE&S Collocation programme is concentrating the majority of office-based DE&S units (e.g. Integrated Project Teams and associated enabling staff) in an Acquisition Hub in the Bristol area. The first phase is almost complete. The DE&S PACE<sup>11</sup> change programme, launched in Mar 08, has identified scope for further efficiencies that would enable DE&S to vacate additional sites to those originally proposed. Construction of new office accommodation at Abbey Wood is underway and will enable the transfer of further staff from Andover North, Wyton, Ensleigh and Foxhill by Mar 12. It will continue to roll-out Flexible Working on the Abbey Wood site.

(2) Maritime Change Programme (MCP) – Implementation. Min(AF) announced<sup>12</sup> the outcome of the MCP that will optimise the Naval Bases to meet the future needs of Royal Navy. Consequently, the submarine fleet will be based at HM Naval Base Clyde by 2017; the Aircraft Carriers, Type 45 and some Future Surface Combatant platforms will be based at HM Naval Base Portsmouth; and the Amphibious fleet, Survey and Hydrographic vessels will be based at HM Naval Base Devonport. There will be no base port changes for Type 22, Mine Counter Measure Vessels and Patrol Craft. In addition, Flag Officer Sea Training (South) will continue to operate from Devonport. Further work will consider the move of RM landing craft from 10 Trg Sqn and 539 Asslt Sqn RM to Devonport and also the optimal base porting requirements of elements of the Future Surface Combatant capability and the Type 23.

(3) Surface Ship Support. As the Infrastructure DLOD lead for maritime platforms, DE&S is responsible for ensuring that the infrastructure requirements for future platforms are coherent with the wider Naval Base programme. Significant investment will be required to provide the infrastructure needed to support the new generation of naval platforms, particularly the CVF and the Type 45 Destroyer.

(4) Submarine Support. Four programmes are underway to support the submarine fleet; one in Faslane and three in Devonport. These are; the ASTUTE berthing project, the Interim Storage Of Laid-Up Submarines (ISOLUS), De-Equip, De-Fuel and Lay-up Preparations (DDLPP), and D154 Dry Dock and Ship Submersible (Nuclear) Berthing.

(5) Corsham Development. The Corsham New Environment is an £800M investment programme that is a key enabler for the successful delivery of the

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<sup>11</sup> Performance, Agility, Confidence & Efficiency – the change framework for DE&S business transformation.

<sup>12</sup> Min(AF) 06 May 2009.

DE&S Information Systems & Services (ISS) PACE Programme. PACE will see ISS maximise its support to the front-line by modernising operational and business systems together with processes to deliver more effective and efficient capability. The modern environment at Basil Hill, delivered through a 25 year PFI, will create a centre of excellence for operational Defence CIS and allow ISS to concentrate staff and selected Industry Partners on a single site by the end of 2011. It will deliver improved living and working accommodation as well as military training and recreational facilities for up to 2,200 military and civilian staff.

(6) Project HADRIAN - Compliant Explosive Facilities (North). Project HADRIAN aims to provide compliant strategic explosives storage, processing and outload capability for the future. It focuses primarily on the capability provided from DSDA Longtown/Eastriggs and has a planned ISD of 2015.

(7) Tri-Service Whole Fleet Management (WFM). WFM will manage Land equipment through global visibility in the most effective way to meet the operational, training and support requirements. The stored fleet will be held in a controlled humidity environment and for the UK the Theatre Fleet Support Unit will be set up temporarily at Stafford pending decisions on a permanent base.

b. Aspirational.

(1) Project NEST – Non-Explosive Storage. DSDA is conducting a study into future infrastructure requirements which will predominantly focus on current capability based on Ashchurch, Bicester and Donnington.

(2) Project CAVALIER – Explosive Storage. Following on from Project HADRIAN, there is a need to examine the remainder of munitions storage requirement.

21. Permanent Joint Headquarters (PJHQ). PJHQ has initiated a programme of reviews of the PJOBS. The resultant EDP may lead to some rationalisation within the PJOBS in the medium term. The procurement reform programme to maintain infrastructure in the PJOBS was completed when the final Infrastructure Support Provider (ISP) contract, for Gibraltar, went live in Nov 07.

a. Programmed.

(1) Northwood PFI. A 25 year PFI contract for the redevelopment of the Northwood Headquarters site, and the provision of support services, has been running since Oct 06. The construction phase, which began on 31 Oct 06 will include a new Headquarters for PJHQ, a new Maritime Operations Centre and an extensive modernisation programme for living accommodation and community facilities, and will complete in Aug 11. The first 148 JR bedspaces were officially opened on 19 Aug 08.

(2) Gibraltar. A programme to upgrade a proportion of the Gibraltar SLA and SFA commenced in 2001 and is now complete. The upgrade of the remaining stock is unfunded. The development of Devil's Tower Camp continues and has delivered an Integrated Healthcare Facility and a new Guardroom. A new Physical & Recreational Training Centre will be

completed soon. In addition there may be a requirement to resurface the runway in around 2012, but is not funded until 2013 which could restrict civilian use.

(3) South Atlantic Islands (SAI). A major programme to replace/upgrade the life-expired infrastructure (power, water, heating, airfield pavements and lighting) throughout the Falkland Islands commenced in Apr 08 and will run through to at least 2015. The key elements are:

(a) Mount Pleasant Runway. Laid in 1983 the runways, associated operating surfaces and airfield ground lighting are to be refurbished in FY10/11.

(b) Hill-top Radar Sites. In Apr 08 a contract was awarded to replace the power supply to the 3 hill-top sites. Two sites will be completed by 1Q FY09/10 and the third in 4Q FY09/10. Accommodation at the 3 hill-top sites is due to be replaced sequentially, with work complete by the end of FY13/14.

(c) Water Treatment. The upgrade of the water treatment plant at Mount Pleasant is programmed for FY09/10.

(d) Power Station and Boiler House. The generators in the main power station are beyond their design life. Their replacement, together with the boilers, is programmed over a 4 year period commencing FY10/11. An option of including wind generated power as part of the project is being investigated.

(4) Cyprus. Cyprus is a Core Location with Core sites at Ayios Nikolaos, RAF Akrotiri, Dhekelia, Episkopi, and Troodos. A 4 year programme to replace the worst sections of the SLA at Episkopi Garrison and RAF Akrotiri commenced in 2007 and is on schedule. In addition, an 8 year project to replace the Cawood bungalows at RAF Akrotiri commenced in Jan 08. The 10yr+ programme to upgrade the remainder of the SFA estate, which is disproportionately poor compared to that in the UK, is unfunded. A smaller, priority-based programme will commence in FY09/10. A new primary health care facility at RAF Akrotiri will start construction in FY09/10.

(5) British Indian Ocean Territory. Refurbishment of the facility at Moody Brook is planned for 2009.

b. Aspirational.

(1) Gibraltar. The MOD power, water and fuel infrastructure in Gibraltar requires major investment if MOD is to continue to provide these services. Indeed, the King's Lines fuel storage facility is out of commission and the requirement for the capability is under review. The requirement to replace St Christopher's School remains unfunded.

(2) Cyprus. The medium to long-term estate requirement will be determined by the output from a series of Reviews currently being undertaken for the PJOBS. The resultant EDP will identify the opportunities

for estate rationalisation; although unlike the UK, 'Release to Reprovide' options will require additional investment if long-term benefits are to be achieved.

(3) South Atlantic Islands. Concurrent with the programmed life cycle replacement of the utilities infrastructure, there is a similar requirement for the domestic and technical estate in both Ascension and the Falkland Islands. As almost all the estate was constructed at the same time, using similar materials and design life, significant investment will be required in the medium-term to extend the life of the buildings and avoid the unaffordable cost of wholesale replacement. As the estate now supports a significantly lower population than previously there may be scope for some estate rationalisation. The provision of a new school remains unfunded with the cost to be shared between PJHQ and LF.

22. Expeditionary Mounting Infrastructure. The Deployment Reception Re-deployment (DRR) Capability Planning Group (CPG) aims to identify the Defence Priority for essential Mounting Infrastructure. Key infrastructure sites already identified as required for Defence Strategic Mounting<sup>13</sup> are: the munitions depots at Kineton, Longtown/East Riggs and Glen Douglas, together with the Northern Jetties at Crombie and Glen Mallan as well as the Sea Mounting Centre at Marchwood. From an Air perspective the Air Port of Embarkation at Brize Norton and the Joint Air Mounting Centre at South Cerney have also been confirmed as key sites in support of the Mounting Process. Operational Analysis has endorsed a Medium Scale Data Set that articulates the flow rates to help establish future estate and infrastructure requirements at Brize Norton. Further analysis is underway to fully understand the infrastructure implications of supporting concurrent operations and is due to deliver in Autumn 09. Concurrently, the Defence Fuels Group has taken ownership of UK fuel storage sites and work is in hand to transfer ownership of the overseas sites in 2009. The CPG endorsed Forward Mounting Base<sup>14</sup> paper is now complete and gives the outline Defence requirements for the capabilities required to assist in the mounting, sustainment and recovery of UK forces.

23. Defence Estates TLB.

a. The DE Built Estate. DE occupies the minimum number of sites and properties commensurate with its need to provide effective and efficient support to its customers. Furthermore, DE manages few sites in its own right, but has offices embedded in other TLBs' establishments and thus is affected by their reorganisations. Consequently, DE has announced the closure of its offices at Stirling House, Waterbeach and staff will collocate at RAF Wyton, and similarly once RAF Brampton closes, DE staff at that site will also move to RAF Wyton.

b. The DE Rural Estate. Defence Training Estate (DTE) enables the generation of combat power through the provision of a safe and sustainable training environment. Key factors affecting the development of the training estate include: evolving doctrine; lessons from the contemporary operating environment; new equipment capabilities; training rationalisation; the return of forces from Germany and the development of new Defence Communities. Consequently, there may be a need to develop facilities to replicate the complex terrain and operating environment

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<sup>13</sup> In addition to single service Home ports, Garrisons and Air bases.

<sup>14</sup> Def Log Ops/FMB Requirement/Paper dated 30 Jun 08



of the future battlefield. In addition, as the UK's largest public landowner, DE is responsible for the management of 171 Sites of Special Scientific Interest.

c. The Volunteer Estate (VE). The VE supports the generation of our Reserves<sup>15</sup> and the sponsored youth organisations, and is managed by DE through the 13 Reserve Forces' and Cadets' Associations<sup>16</sup>. The Strategic Review of Reserves, commissioned in Spring 2008 to identify how it might best be structured and supported to meet current and future requirements, reported in Apr 2009. It made 7 strategic and 89 detailed recommendations. The MOD has agreed all 7 strategic recommendations and work will begin on implementing 42<sup>17</sup> of the detailed recommendations immediately. Of these 4 address the estate and will be taken forward by a Volunteer Estate Modernisation Team. Consequently, it is expected that a VE baseline will be incorporated within DEDP 10.

d. Programmed.

(1) Sutton Coldfield. The site is to be redeveloped and remains DE's corporate headquarters.

(2) Brampton. The DE Team at RAF Brampton is scheduled to transfer to RAF Wyton as part of Project PRIDE.

(3) Lydd and Hythe Ranges. These ranges support pre-deployment training and the sea defences are to be improved to ensure that the specialist range complexes remain viable.

(4) Salisbury Plain Training Area (SPTA) Eastern Infrastructure Project. The SPTA Eastern Infrastructure project is required to meet statutory undertakings for the management of Salisbury Plain. It is funded and is to be complete by 2010.

e. Aspirational.

(1) Small Arms Ranges. There is a requirement to ensure that Super Garrisons have sufficient local ranges to support skills and readiness training.

(2) Tank Ranges. The return of 4 Mech Bde and the increasing requirement for Combined Arms Live Firing Exercises has put considerable pressure on the Armoured Fighting Vehicle firing capacity. There is a need to increase capacity at Castlemartin and Warcop.

(3) SPTA. SPTA is the UK's principal area for high level collective training. This significantly limits low level training access for local units. There is therefore an acute requirement to access (or acquire) more land to provide low level training opportunities on the fringes of SPTA.

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<sup>15</sup> Royal Naval Reserve, Royal Marines Reserve, Territorial Army, and the Royal Auxiliary Air Force.

<sup>16</sup> The RFCAs are empowered under legislation to support the VE for the purposes of the volunteer organisations they serve.

<sup>17</sup> The MOD will continue to consider how best to develop the remaining recommendations in line with other defence priorities and the available resources.

(4) Training Estate in The East of England. Stanford Training Area is heavily committed to pre-deployment training. The Operational Training and Advisor Group uses the area for up to 42 weeks a year and the consequent training shortfall should be addressed, probably by acquiring access to a temporary training area(s).

## LIVING ACCOMMODATION

24. The provision of high quality MOD funded living accommodation, at or within appropriate distance from duty stations, remains a key condition of service. SLA is provided at the place of work and SFA is normally provided within a 10 mile, but no more than 20 mile, radius of the duty unit and should be of a type commensurate with rank, tempered by family size.

25. SFA. MOD controls about 69,000 SFA worldwide. Of these some 50,000 are in the UK and more than 90% are now at Standard 1 or 2 For Condition (S1FC or S2FC). The current UK SFA upgrade programme addresses 'Greatest Need First', as this best describes the principal prioritisation criteria. It has removed the need to allocate any houses in UK which are at S4FC and, through upgrade or disposal, will remove the need to allocate any houses in UK at S3FC by Mar 12. Overseas, housing in Germany, Gibraltar and the South Atlantic is generally in better condition than the UK stock but the condition in Cyprus is generally worse. A proportion of housing stock will fall below the highest standard due to changing standards, wear and tear, cyclical improvement, disposals and resource constraints.

26. SFA Demand. Demand for SFA in UK over the next 20 years is likely to remain much the same as today, but could rise as a result of the repatriation of forces from Germany in the period leading up to 2035. Nonetheless, accurately predicting demand changes over the next two decades is complex and is impacted by evolving Personnel Policy such as the development of Versatile Engagement, the Mixed Economy, Ghurkha Married Accompanied Service, changes to legislation and also by the efforts to encourage service personnel to buy their own homes. In addition there is an evident need to rebalance SFA distribution to meet the evolving estate footprint. Finally, DE will continue to reduce the number of empty properties (voids), in the UK, on the MOD's books to a target of no more than 10% by 2010/11. A similar target applies to overseas properties.

27. SFA Ownership. SFA is owned in a variety of ways. In Germany, almost all is leased from either the Federal Government or private owners, as is also the case in remote overseas locations. In the overseas bases most is owned by MOD. No significant change is anticipated to these overseas arrangements. As regards the UK, a small but increasing number of SFA are owned through PFIs (currently 3%). Most SFA in Scotland and Northern Ireland is owned by MOD. Most SFA in England and Wales was sold to Annington Homes Limited (AHL) in 1996 and leased back for a period of 200 years. In addition to routine maintenance, upgrade and Council Tax costs, DE pays around £140M per annum in rent to AHL. This figure is calculated to represent 42% of the market rent, and is reviewed annually, based on a 5 year rolling review programme. The overall rental arrangements are due for renegotiation in 2021. MOD also has the right to hand back to AHL SFA which is no longer required, but there is no disposal receipt to MOD for giving up the lease (though the Treasury does receive a share of any receipt AHL receive if they subsequently sell the properties). Though leasing and PFI arrangements suit us in certain circumstances, direct ownership by MOD of properties in UK gives us greater flexibility and

avoids rental charges. Given the current depressed housing market there is the potential to address localised SFA shortages at advantageous rates.

28. Affordable Home Ownership. The Government has recently extended Key Worker status to Service leavers for a period of 12 months after discharge. In addition, the Prime Minister announced, in Mar 08, the provision of £20M over the next 4 years to develop a pilot scheme to assist Service personnel into home ownership in partnership with commercial providers. Similarly, Welsh and Scottish Ministers are making Service personnel a priority within their own shared equity schemes. These initiatives are an important element of the 'mixed economy' and could reduce demand for SFA. Details of the scheme will be announced in Summer 2009 including how the special needs of seriously injured and disabled personnel will be taken into account.

29. SLA. The MOD owns some 157,000 bedspaces against a predicted requirement of around 131,000 in 2013. There has been significant investment in SLA modernisation through PFI, publicly funded TLB managed projects and Project SLAM. These programmes are scheduled to have upgraded and modernised some 55,000 bed-spaces to scale and Grade 1 for condition by the end of FY 2012/13. At this stage, some 67% of the SLA worldwide is expected to be of Grade 1 or 2. At present some 5,500 new SLA bed-spaces are delivered per annum. However, the rate of delivery will fall as both SLAM Phase 2 and parallel projects, delivered through PFIs, complete. Additional investment in SLAM Phase 3 is vital to maintain the current rate of delivery. Nonetheless, due to wear and tear, cyclical improvement, changing standards and disposals a proportion of bed-spaces will always fall below the highest standards.

30. SLA Build Standards. Type Z, the modern standard of SLA for junior rank Service personnel<sup>18</sup>, provides single en-suite bed-sitting rooms configured either in 6 or 8 person flats or hotel layout. Both configurations provide communal spaces and utility rooms with laundry and kitchenette facilities. SNCOs and Officers have similar but more spacious standards. Type Z is delivering demonstrable (and highly popular) improvement to quality of life. However it comes at a significant cost that limits the number of Grade 1 bed spaces that can be provided within available resources, and despite very substantial progress, the roll-out of type Z will not complete in the medium term. As the average length of an individual's service is only 6 years, there is a compelling reason to carry on with a programme of refurbishment of older accommodation which may not be replaced in the short term, while continuing with the full modernisation programme.

## ESTATE CONDITION

31. Condition Data. Information on the estate's condition is being collated in the Estate Planning Tool (EPT) and PJOB asset condition data has now been incorporated. However technical issues regarding the Defence Training Estate and TLB funded PFI contracts are currently being addressed with a view to resolution and incorporation of condition data by Aug 09. When all data is complete it will then be possible to calculate the outstanding maintenance liability and assess its relative priority against modernisation, rationalisation and sustainment. In addition, data from the EPT is used by the Estate Performance Measurement System (EPMS) to demonstrate the increased Value for Money (VfM) delivered by the introduction of Prime Contracting. Whilst EPMS has reached its initial operating capability it is not yet fully mature.

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<sup>18</sup> Private to Corporal and RN and RAF equivalents.

## KEY DRIVERS

### EXTERNAL

32. Government Policy. The Lyons Review should see the migration of some 3,900 Service personnel out of the South and South East by 2010 and an analysis of the MOD's footprint, at Paragraph 36, indicates that this should continue. Further, the Prime Minister's intent to increase the supply of affordable housing and the establishment of more than 5 further 'Eco-towns' of at least 10,000 new homes each, will also influence the development of the Defence Estate. Indeed, a significant proportion of New Growth Points and Partnership Areas<sup>19</sup>, set out in the Housing Green Paper, map onto parts of the Defence Estate. There will be pressure to release sites to support this initiative and DE remains engaged with the Department for Communities & Local Government (DCLG) and English Partnerships.

33. Town & Country Planning. Having lost Crown Immunity in Jun 06 the Department is now subject to the full range of Town and Country Planning legislation<sup>20</sup>. The Department has recognised that it must closely engage with Regional Government Offices, Local Planning Authorities and other agencies<sup>21</sup> to ensure input to Regional Spatial Strategies (RSS) and Local Development Frameworks (LDF) that set out broad regional development for the next 15 to 20 years. This is essential to secure timely planning permissions and to maximise disposal values. Lead times are significant and range from a minimum of 2 years for planning permissions to around 5 years for disposals necessitating planning clarity and stability.

34. Sustainable Development (SD). The Government has set out a clear agenda for the delivery of SD across the Estate. The MOD is taking a strong lead in this area by setting targets within the Defence Plan cascading into individual TLBs' Performance Plans. Performance is monitored externally on an annual basis and the MOD has been shown to be making significant improvements in reducing carbon emissions, energy and water use and waste to landfill. We continue to maintain and build on this trend. These improvements have been driven by mandated tools such as Sustainability and Environmental Appraisal Tools and Defence Related Environmental Assessment Method; integrating SD into delivery from the earliest stage of project design and facilities management.

35. Financial Markets. The current crisis in the financial and banking markets has had a direct and severe impact upon the housing and construction markets in which MOD operates. This will affect the ability to deliver targeted value for the sale of surplus property in the short to medium term and could reduce the ability of potential partners to raise capital and enter long term partnerships. In short, the cost of capital will rise, risk will be more accurately priced, PFIs (if they can be financed) may become more expensive and the ability to generate funds from disposals reduced.

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<sup>19</sup> Birmingham, Coventry & Black Country City Region; Derby, Leicester & Nottingham; Haven Gateway; West of England Partnership and Partnership for Urban South Hampshire (PUSH).

<sup>20</sup> Planning & Compulsory Purchase Act 2004.

<sup>21</sup> Such as Regional Development Agencies and Partnerships UK.

## INTERNAL

36. Regional Representation. The table below sets out the MOD's regional footprint and is based on Government Population and MOD personnel data<sup>22</sup>.

<u>Region</u>	<u>Population (Million)</u>	<u>Service</u>	<u>MOD Civilian</u>	<u>MOD Total</u>	<u>% of Population</u>
<b>UK</b>	<b>59.6</b>	<b>158660</b>	<b>63960</b>	<b>222620</b>	<b>0.37%</b>
Wales	2.9	2640	1230	3870	0.13%
Scotland	5.0	11970	5730	17700	0.35%
NI	1.7	3740	2120	5860	0.34%
North East	2.5	1450	510	1960	0.08%
North West	6.8	1710	2530	4240	0.01%
Yorkshire & Humberside	5.0	13530	3560	17090	0.34%
East Midlands	4.3	9230	2390	11620	0.27%
West Midlands	5.3	5900	3820	9720	0.18%
Eastern	5.5	17950	6400	24350	0.44%
London	7.4	5900	5370	11270	0.15%
South East	8.1	45610	12660	58270	0.72%
South West	5.1	39030	17630	56660	1.11%
Unallocated		370	370		
Overseas		27630	2450		

It shows that the Department has a disproportionately large presence in Southern England. Conversely, it is significantly under-represented in the North East and North West and somewhat under-represented in Wales and both the East and West Midlands. In addition, the cost of living and house prices in Southern England, its remoteness from the principal recruiting areas and personnel policies all lead to the conclusion that, when and where possible, the Defence presence should be rebalanced out of the South and into the North and Midlands to create a more representative national footprint. It should be noted that the development of St Athan, under DTR, will increase the presence in Wales. Finally, any rebalancing would be over and above the requirements of the Lyons Review.

37. Resource Constraints. The Defence Programme remains constrained and the estate must compete with other priorities for resources. Indeed, the general level of commitment indicates that bearing down on inflationary cost growth and delivering additional efficiencies will be challenging. There may be little room for enhancement. The funded programme should therefore be carefully prioritised and the impact of committing to additional long term PFIs carefully considered. Nonetheless, 'Release to Re-Provide'<sup>23</sup> (R2R)' may offer the opportunity to continue investment in the estate and should be considered, on a case by case basis, as one possible procurement approach.

38. Estate Management. A review<sup>24</sup> of the performance of RPCs has been completed and will be used to inform the decision to extend or re-compete existing contracts or to adopt a new procurement model. Further, there are break points in both the Housing and

<sup>22</sup> DASA, UK Defence Statistics 2008.

<sup>23</sup> The hypothecation of part, or all, of the savings generated by estate disposals to fund related estate rationalisation.

<sup>24</sup> The review included an analysis of current practices, the merits of combining Soft and Hard Facilities Management and the benefits that alternative arrangements might bring.

Training Prime Contracts. In all cases an opportunity will exist to increase coherence between contracts and improve efficiency. In addition, the Estate Management Review (EMR) is investigating ways to develop and implement revised procedures, relationships, systems and structures to increase efficiency and agility, improve trust and allow industry to fulfil its potential to the benefit of the Department.

a. Next Generation Estate Contracts. Work is currently underway to examine delivery vehicles (for example Prime Contracting, Framework Partnering and Private Finance Initiatives) that could be used to meet the future estate requirement, given the maturity of many of the existing contracts on the estate. Detailed solutions and preferred 'end states' are not being proposed at this stage. The evidence and solution(s) will be presented to the Investment Appraisal Board for approval in early 2012.

39. Flexible Working (FW). The DE&S flexible working pilot study demonstrates that for MOD open plan offices and modern practices desks should be provided for 80% of the manpower complement supported by break-out areas and quiet rooms. This is to be adopted as best practice across the Department. It should be noted that FW covers more than just alternative working patterns and the Department's working definition is "the means to promote flexibility of people, environment, technology and working patterns in a manner that benefits the individual and the business." FW offers opportunities to improve work/life balance while enhancing the ability to achieve the MOD's objectives.

## THE PLAN

40. The 'Head-Mark' 2030. A firm 'End-State' has not been defined for the estate in 2030 since requirements will have inevitably changed by then. Instead, an estate Head-Mark for 2030 has been set out as the navigational point of aim. This is encapsulated in Paragraph 47. The Head-Mark is informed by TLB plans and aspirations, and is centred upon Core Locations, Core Sites and with resultant Disposal opportunities. It recognises that changing demands will drive its evolution, but it nonetheless provides a target and course to steer over the next 22 years.

## THE CURRENT PROGRAMME 2009 – 2012

41. Significant rationalisation and modernisation/improvement is underway and the successful delivery of these, and the associated benefits, is key. The strategic projects that are either partially or wholly uncommitted include, amongst others, repatriation of the ARRC HQ to Innsworth, collocation of Land Forces HQ at Andover, concentration of RSME PPP at Bicester, rationalisation of the Defence Intelligence estate, DE&S Co-location and SFA Enhancements. In addition, it should be noted that the majority of the RPCs, the HPC, Vanguard and the overseas Integrated Service Providers' contracts reach break points in this period. It is argued that the Department should be seeking to promote the stability of programmed investment in living accommodation and stable RPCs.

42. Investment Priorities 2009 – 2012. The top priority is to sustain the current level of funding on Estate Maintenance placed in the Regional Prime Contracts (RPCs) and the Housing Prime Contract. The stability of the current programme provides certainty of delivery for our suppliers, leading to more effective and efficient improvement of the estate. This in turn demonstrates the necessary commitment to our people to providing better living and working conditions.

a. Maintenance Shortfalls. Should additional resources be made available two areas would be targeted:

(1). RPC Routine Funding. Three RPCs<sup>25</sup> were short funded when the contracts were let. This means that only limited condition improvement is possible; at best the existing condition is maintained and some continues to deteriorate.

(2). Sustainment. Long term improvement in the estate will only come about with sustained reinvestment in the fabric and major components of buildings and sites. Indeed, there is a major backlog of life cycle/forward maintenance work that needs to be addressed.

b. Service Families Accommodation (SFA). MOD's intent is to increase the proportion of SFA at Standard 1 for Condition (S1FC) and to upgrade or dispose of all SFA at Standards 3 and 4 for Condition.

(1) UK SFA. The NAO report on MOD SFA<sup>26</sup> states that around 90% of the 50,000 military homes in the UK are in good condition and comply with the Government's 'Decent Homes' standard. The MOD's recent Condition Survey of houses in England and Wales identified that only 32% is at S1FC and 57% at S2FC. The Department seeks to increase the proportion of houses at the higher condition and the funded upgrade programme<sup>27</sup> will remove the need to allocate houses at S3FC or below by the end of 2012.

(2) Overseas SFA. There are some 19,000 SFA overseas and whilst the current programme delivers improvement, delivery of upgrades would need to be accelerated to increase the percentage of SFA at S1FC & S2FC, especially in Cyprus.

c. Single Living Accommodation (SLA).

(1) Requirement. As at Apr 09 the Department holds some 157,000 bed-spaces but the work on the World Wide Survey has identified a current requirement for only about 131,000 bed-spaces. This requirement is classified in three broad categories:

(a) Trained personnel and those on career courses: 91,000 Z Scale.

(b) Trainees (Phase 1 & 2): 26,000 X and Y Scale.

(c) Transit Accommodation and Management Margins: 14,000 at variable scale.

(2) Modernisation. The current rate of modernisation will produce some 5,000 Z Scale bed-spaces per annum out to 2012<sup>28</sup>. From Year 4 onwards,

<sup>25</sup> RPC Scotland, Southwest and Southeast.

<sup>26</sup> NAO; Ministry of Defence Service Families Accommodation, 18 Mar 09.

<sup>27</sup> UK SFA Upgrade Programme is funded within the NEIP at £48M per annum and will deliver on average 770 upgraded properties per year.

<sup>28</sup> Modernisation (Core SLAM, TLB Injections and Parallel Projects): 5,500; 5,600; 6,000; 3,100.



however, funding for SLA falls sharply as SLAM Phase 2, other major investment projects (Colchester, Allenby/Connaught etc) and TLB SLAM injections all come to an end. Thereafter, SLAM Phase 3, together with TLB projects, would deliver some 2,000 new bed-spaces per annum. From around 2013 the Department must consider whether more should be funded to fill the gap and whether funding should be balanced between building new Z Scale bed-spaces and the refurbishment of those bed-spaces not subject to modernisation in the short term.

d. Estate Rationalisation. The singular non-discretionary requirement in this period is the relocation of King's Troop RHA to Napier Lines, Woolwich, before the lease on their current premises at St John's Wood expires in Mar 2012.

## THE MEDIUM TERM PLAN 2013 – 2018

43. Current Programme. The bulk of the current estate programme either continues in or enters delivery in this period.

44. Investment Priorities 2013 - 2018.

a. Living Accommodation. Living accommodation remains an enduring issue and there must be proportionate investment between SLA and SFA to ensure broadly balanced outcomes.

(1) SLA.

(a) Accelerate SLAM Phase 3 delivery as necessary.

(b) Accelerate condition improvement as required.

(2) SFA. Continue the SFA upgrade programme and seek to replace Bulk Lease Hire housing with MOD owned new build SFA where demand is enduring.

(3) Overseas.

(a) Germany. Project Puma continues to upgrade around 110 properties a year to S1FC until FY15/16.

(b) Permanent Joint Overseas Bases. In concert with rationalisation of the overseas estate bring SFA/SLA up to the standard of the UK estate.

b. Rationalisation.

(1) Further repatriation from Germany leading to the initial development of a West Midlands Super Garrison.

(2) Potential reductions in the number of Inner London barracks.

- (3) DTR Package 2. For planning purposes it is assumed that appropriate Package 2 units will be relocated to Worthy Down and Southwick Park. Princess Royal Barracks Deepcut will be disposed of.
  - (4) RAF rationalisation in this period arises firstly from broader estate rationalisation programmes, such as DTR and PRIDE, and secondly from coalescing force elements and support functions onto fewer core sites.
  - (5) Consolidation of supply chain storage and distribution centres, and development of a potential defence logistics hub in the Bicester area.
- c. Sustainment. Further life cycle replacement projects will need to deliver in this timeframe, and priorities include:
- (1) Inner London Barracks sustainment and rationalisation.
  - (2) Ensuring that the explosive storage facilities at Longtown and at Kineton remain fully compliant with legislative requirements.
  - (3) Ensuring that Sea Mounting Centre Marchwood and Glen Mallan meet the Defence Strategic Mounting requirement.

#### THE LONG TERM PLAN 2019 – 2030

45. PFIs. There are a number of the longer term PFIs that extend into this period and are effectively programmed. These include, amongst others, Northwood PFI, Allenby/Connaught, DTR, RSME PPP, Corsham and Main Building.

46. Investment Priorities 2019 - 2030. This period is analogous to the Equipment Plan's second decade; there is little granularity at this stage. It is assumed that the maintenance and improvement requirement endures and provision will be re-competed noting that the method of delivery may change. There are a range of candidate measures that should be placed in this timeframe and the key issues to be addressed are:

- a. Incremental withdrawal from the remaining British estate in Germany leading to its closure in 2035.
- b. The full development of a West Midlands Super Garrison.
- c. The RAF will review its continued use of its estate in line with operational drivers as follows:
  - (1) RAF Cottesmore – Out of Service Date (OSD) Harrier GR9 (2018). It is expected that the site will be released for an alternate Defence use.
  - (2) RAF Marham – OSD Tornado GR4 (2025). Noting the enduring requirement for 'Ready' air munitions storage.
- d. The renegotiation of the Annington Homes rental arrangement by 2021.
- e. Introduce, as necessary, a SLAM Phase 4.

- f. Initial development of an additional Army SG.

### THE “HEAD-MARK 2030”

47. The ‘Head-Mark’ shows what the estate should look like in 2030 and is outlined below. Changing demands will drive its evolution, but it nonetheless provides direction for the estate’s development over the next 21 years:

- a. London, Head Office and Corporate Services. Main Building, Whitehall; PJHQ, Northwood; and Northolt.
- b. RN. Mainly located in the vicinity of the Naval Bases at Clyde, Plymouth and Portsmouth with supporting satellite sites. The RM concentrated in the SW alongside the amphibious capability. The RN specialist RW fleet based at Culdrose and Yeovilton. Individual training at Raleigh, Dartmouth and Collingwood.
- c. Army. In addition to the garrisons in London and Edinburgh, six established Super Garrisons in: Aldershot, Colchester, Northern Ireland, Salisbury Plain, the West Midlands and Catterick/York with a reduced number of dispersed single occupancy sites. Incremental withdrawal from Gutersloh, Hohne and Paderborn Garrisons will be underway together with the associated development of an additional SG. Inner London barracks will have reduced from 8<sup>29</sup> to at most 7, following the exit from St John’s Wood, and possibly one fewer.
- d. RAF. A reduction to around 20 Core Sites, predicated upon obsolete aircraft going out of service, rationalisation and consolidation.
- e. DE&S. Corporate HQ and Acquisition Hub at Abbey Wood. Modern and compliant non-explosive and explosive storage and outload facilities. Support to the RN focussed on three Naval Bases at Portsmouth, Plymouth and Clyde. Support to the nuclear deterrent based on existing facilities. DG ISS centred on Corsham.
- (1) Storage & Distribution. Based on a reduced number of storage sites developed at a higher density that provide short pick times supported by rapid delivery.
- (2) General Munitions Storage. Centred upon two separate legislatively compliant facilities.
- f. Permanent Joint Operating Bases (PJOBs). The PJOBS will be retained to support force preparation, staging, recovery and sustainment of deployed operations, in addition to Standing Overseas Commitments and the strategic reach required to enable Contingent Operations Overseas. Over time there may be some drawdown from the PJOBS.
- g. Defence Intelligence Services. Concentrated in 3 sites.

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<sup>29</sup> Horse Guards, Hyde Park, Woolwich, Kneller Hall, Wellington, Regents Park, Hounslow, St John’s Wood.

- h. JHC. Concentration of the Attack Helicopter fleet at Wattisham Station and the support helicopter fleets at RNAS Yeovilton, RAF Benson and RAF Odiham. The future of Dishforth Airfield is under consideration.
- i. Medical Services. The Royal Centre for Defence Medicine at Selly Oak, HQ Joint Medical Command and Defence Medical Services Training Centre at Lichfield, the Defence Medical Rehabilitation Centre at Headley Court and MDHUs embedded in 6 NHS Trusts.
- j. Tri-Service Training. St Athan will have been fully developed as the centre for aeronautical and electro-mechanical engineering and CIS Phase 2 and 3 training. Logistic and administrative training will be primarily centre upon Worthy Down and Southwick Park, in Hampshire. Elements of specialist logistic training will remain in satellite sites such as Brize Norton, Marchwood Military Port and Leconfield. The Defence Language School could be based at either Chicksands or Henlow.
- (1) Adventurous Training. The importance of Adventurous Training as an individual, team and leadership development tool endures. Furthermore, it is evident that it has an important role to play as part of post operational decompression activities.
  - (2) Command & Staff Training. The Joint Services' Staff College and Defence College of Management and Technology at Shrivenham. The Royal College of Defence Studies in London.
  - (3) Defence Sixth Form College. The college remains at Loughborough.
- k. Training Areas.
- (1) The core UK manoeuvre areas remain extant, for example; RN/RM: Dartmoor and Cape Wrath range; Army: Salisbury Plain, Sennybridge, Stanford, Warcop and Otterburn; RAF: Spadeadam, the Wash and air weapons ranges.
    - (a) Salisbury Plain Training Area continues to be the only viable armoured and mechanised manoeuvre area in the UK.
    - (b) There is an emerging need to provide facilities for training in the Contemporary Operating Environment.
  - (2) The requirement for armoured training in Canada remains. Further, it may be necessary to retain access to armoured training areas in Europe. The requirement to train light Battle Groups and other force elements overseas will endure, though not solely in the current locations of Canada, Belize, Brunei and Kenya.
  - (3) UK training estate adjusted as necessary to provide local Collective Training Level 1/2 facilities and small arms ranges close to Core Locations/Super Garrisons.

(4) Training Over Public Land, by negotiation, will continue to be an important factor for predominantly light forces.

l. Living Accommodation. To have the great majority of both family and single living accommodation at the highest condition standard but with a relatively small proportion at a lower standard reflecting changing standards, wear and tear, cyclical improvements, disposals, resource constraints and the higher churn through SLA.

m. Estate Management. A sustainable estate meeting Government targets supported by robust through-life management that is monitored and incentivised at all levels of our supply chain. This sustainable, low carbon estate has energy, water and waste efficient buildings that are proofed for the uncertainties of a changing climate. Our designated heritage and nature conservation sites balanced with military objectives and maintained to meet the highest standards for condition and conservation.

## **IMPLEMENTATION**

48. Governance. The Defence Operating Board (DOB<sup>30</sup>) has ownership of the DEDP with governance exercised through the Defence Estate Steering Group and the Senior Estates Development Group. The DEDP is to be rewritten biennially in line with the planning round cycle, but revised and updated annually. It will be guided by the DOB endorsed principles for the rationalisation and development of the estate and the extant funded plan prioritisation criteria.

49. Planning and Programming. The Plan was constructed by DE in concert with the Centre and TLBs. In establishing a Head-Mark 2030, it has set out a Defence level framework from which future direction will be established. Direction will shape the infrastructure element of the funded plan and TLB Capital Works Programmes (CWP) but acknowledges the need for TLBs to preserve freedom of movement to meet their immediate estate requirements. However, there needs to be greater understanding of the relationship between the DEDP, funded plan and CWPs and transparency to ensure coherence and value for money.

50. Regional Engagement. The loss of Crown Immunity requires MOD to participate fully in the Town and Country Planning regime. Consequently, the Department now engages regularly with the appropriate Regional Government Offices and Devolved Authorities to ensure input to Regional Spatial Strategies and promote a wider understanding of the benefits that an enduring MOD presence can bring. A second phase of structured engagement will address Regional Development Agencies and Local Planning Authorities and set out the Department's regional aspirations in the medium to long term in order to increase the chances of successful delivery of future plans. This will build upon the lessons derived from the West Midlands pilot.

### **ANNEXES:**

- A. Estate Baseline 2009.
- B. Regional Estate Mapping.
- C. Glossary.

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<sup>30</sup> Under Streamlining this body has subsumed the responsibilities of the Defence Estates Committee.