

10 Sep 12

[REDACTED]

Copy to:

[REDACTED]

[REDACTED]

[REDACTED]

DEFENCE REFORM LIABILITY REVIEW

1. Further to the hastener at reference¹ I am now able to provide you with details of the profile from 2011 to 2013 and beyond for staff at Band B/OF5 and above: please see attached tables (and supporting notes). As you are aware, by means of the Interim Structure project, DE&S has conducted an intense review of its business over the last 8 months to identify maximum efficiency savings and reductions. This work, supported and challenged by external consultants, is the vehicle by which DE&S has identified how it can meet the SDSR targets whilst continuing to deliver its outputs safely until the Materiel Strategy solution is implemented in 2015. We have not attempted to project grade profiles beyond the implementation of the Materiel Strategy. The work has also helped identify the structure associated with a reducing manpower profile, including identification of senior posts – star headcount profiles were reported to you recently² - and the production of wiring diagrams for each Operating Centre in DE&S for 2013. As with that work, our return reflects our 'Option A' planning assumption in which DE&S is resourced to meet the outputs required under PR12. You are, of course, also aware of the work we have done under 'Option B'.

2. You will note from the attached tables that the reduction in B2/OF5 to 2* posts in DE&S, between 2011 and 2015, shows a steady drawdown of some 14%. For April 11 and April 12 we have shown **actual FTE** rather than posts, because we do not have confidence that the posts recorded on the various systems before the Interim Structure work were genuinely posts we expected and could afford to fill and so exaggerated the real structure. For April 13 and beyond we have shown the number of **posts** identified by Operating Centres within their Option A structures, which are likely to be higher than the actual numbers they will actually succeed in filling within the Option A financial and MCT ceiling. If we adjusted the figures to show forecast actuals rather than posts, the reduction would be around 20%. Such a steady drawdown reflects the detailed work conducted under the Interim Structure where activity was matched to resource and where the need for more senior management of complex contracts and safety issues was determined. It is also important to recognise that the 14130-strong DE&S 2015 would expect in some ways to be a more highly graded business on average because of the effect of outsourcing, which will reduce more junior grades (particularly industrial grades) disproportionately.

[REDACTED]

¹ DGTCS/DRU/05/06 dated 12 Mar 12

² DE&S dated 7 Sep 12

Enclosures:

1. DE&S Liability 2012 to 2020 – Civil Service
2. DE&S Liability 2012 to 2020 - Military
3. DE&S Total Posts 2012 to 2020

DE&S Liability 2012-20 - Civil Service

Civil Service	1 Apr 11	1 Apr 12	1 Apr 13	1 Apr 14	1 Apr 15	1 Apr 16	1 Apr 17	1 Apr 18	1 Apr 19	1 Apr 20
2*	13	14	13	12	10					
1*	89	69	64	64	58					
B1	320	296	301	299	279					
B2	904	851	875	876	812					
Total Officers (Gde 7 to SCS PB4)	1326	1230	1253	1251	1159					

DE&S Liability 2012-20 – Military

Military	1 Apr 11	1 Apr 12	1 Apr 13	1 Apr 14	1 Apr 15	1 Apr 16	1 Apr 17	1 Apr 18	1 Apr 19	1 Apr 20
2*	9	7	7	7	7					
1*	36	32	34	33	30					
OF5	114	102	99	97	81					
Total Officers (OF5-9)	159	141	140	137	118					

DE&S Total Posts 2012-20

DE&S TLB	1 Apr 11	1 Apr 12	1 Apr 13	1 Apr 14	1 Apr 15	1 Apr 16	1 Apr 17	1 Apr 18	1 Apr 19	1 Apr 20
OF5 military posts	114	102	99	97	81					
B2 civilian posts	904	851	875	876	812					
B1 civilian posts	320	296	301	299	279					
1* military posts	36	32	34	33	30					
1* civilian posts	89	69	64	64	58					
2* military posts	9	7	7	7	7					
2* civilian posts	13	14	13	12	10					
Total B2/OF5 - 2* posts	1485	1371	1393	1388	1277					
Total TLB civilian and military	19991	18350	17737	17060	14130					