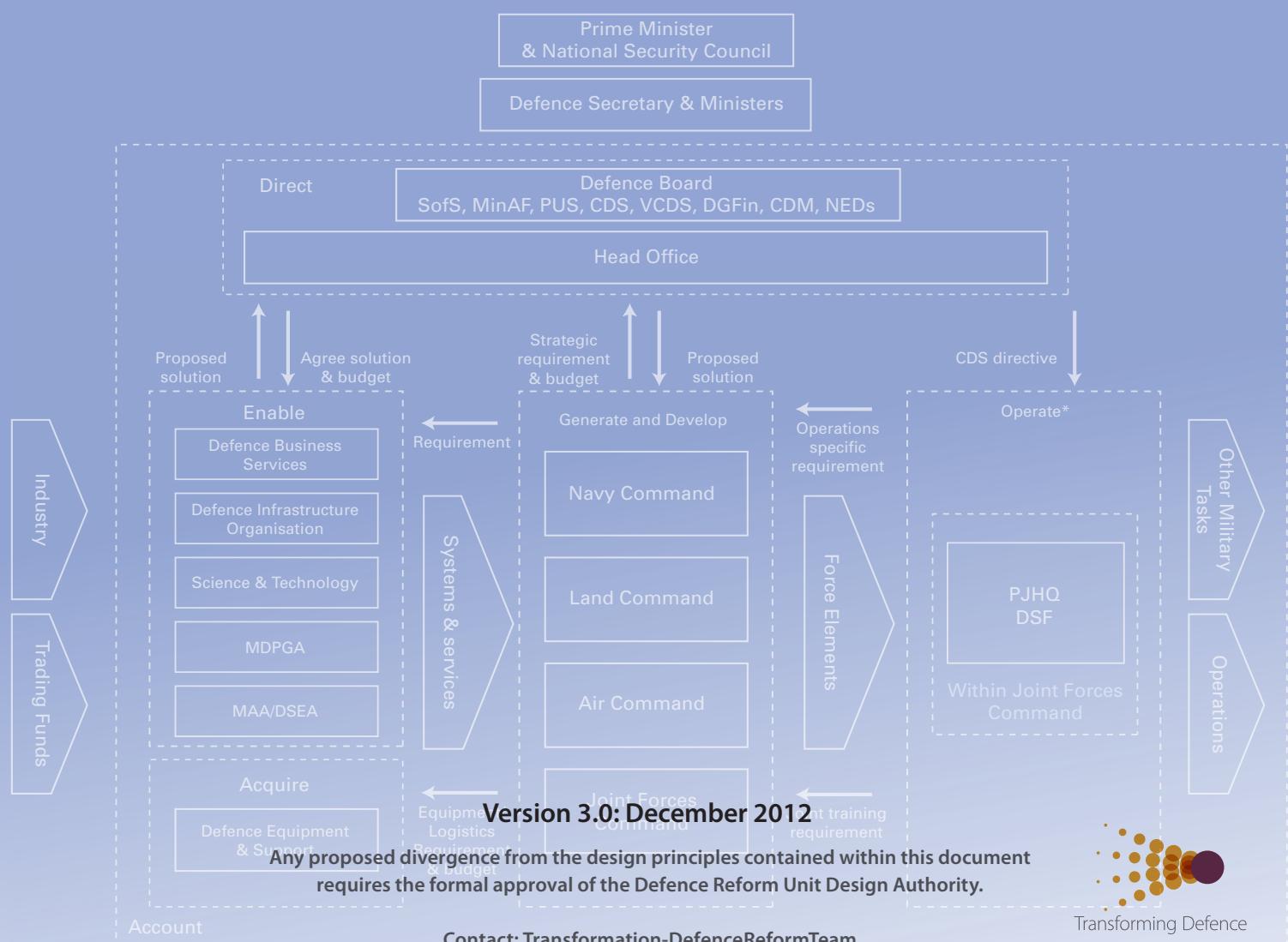




Ministry of Defence

The New Operating Model

How Defence Works



CONTENTS

INTRODUCTION	3
THE CASE FOR A NEW OPERATING MODEL.....	3
PURPOSE	4
FURTHER DEVELOPMENT	5
STRUCTURE	5
PART 1: DEFENCE IN THE GOVERNMENT CONTEXT.....	6
NATIONAL SECURITY COUNCIL	6
NATIONAL SECURITY STRATEGY AND SDSR	7
PURPOSE OF DEFENCE	8
PUBLIC EXPENDITURE FRAMEWORK	8
TRANSPARENCY FRAMEWORK.....	9
PART 2: THE NEW DEFENCE OPERATING MODEL	10
SECTION 1 – OVERVIEW.....	10
SECTION 2 – DIRECT	16
SECTION 3 – OPERATE	31
SECTION 4 – GENERATE AND DEVELOP	35
SECTION 5 – ACQUIRE	40
SECTION 6 – ENABLE	43
SECTION 7 – ACCOUNT	49
PART 3: OPERATING MODEL KEY ENABLING FUNCTIONS	53
CAPABILITY MANAGEMENT	53
COMMAND PLANS	55
PORTFOLIO AND PROGRAMME MANAGEMENT	56
SENIOR MILITARY CAREER MANAGEMENT – THE JOINT ASSURED MODEL	57
THE WHOLE FORCE CONCEPT.....	58
MILITARY AND CIVILIAN TOUR LENGTHS	58
TECHNOLOGY	58
PART 4: CROSS TLB PROCESSES.....	60
PROCESS OWNERS	60
SERVICE PERSONNEL	61
SERVICE TRAINING AND EDUCATION	62
CIVILIAN WORKFORCE	63
SERVICE HEALTHCARE AND MEDICAL OPERATING CAPABILITY	64
INFORMATION MANAGEMENT	65
CORPORATE COMMUNICATIONS	67
LOGISTICS.....	69
FINANCIAL MANAGEMENT	70
COMMERCIAL	70
SAFETY AND ENVIRONMENTAL PROTECTION.....	71
SUSTAINABLE DEVELOPMENT	71
SECURITY.....	71
BUSINESS CONTINUITY AND RESILIENCE	72

LIST OF ANNEXES

ANNEX A: COMPOSITION OF JFC AT FOC AT APRIL 13	73
ANNEX B: FUTURE RESPONSIBILITIES FOR CAPABILITY PLANNING AND MANAGEMENT	74
ANNEX C: MINISTERIAL RESPONSIBILITIES	77
ANNEX D: CORE RESPONSIBILITIES & ACCOUNTABILITIES OF TOP POSTS	79
ANNEX E: HEAD OFFICE STRUCTURE APR 13.....	82
ANNEX F: ABBREVIATIONS LIST	83

LIST OF FIGURES

FIGURE 01: DEFENCE IN THE GOVERNMENT CONTEXT.....	6
FIGURE 02: NEW DEFENCE OPERATING MODEL	15
FIGURE 03: DEFENCE BOARD SUB COMMITTEES	20
FIGURE 04: PUS AND CDS COMMITTEES	21
FIGURE 05: ORGANISING DEFENCE'S CONTRIBUTION TO NATIONAL STRATEGY	26
FIGURE 06: RESOURCE ALLOCATION	29
FIGURE 07: CHAIN OF COMMAND FOR JOINT OPERATIONS	33
FIGURE 08: JFC CORE ROLE WITHIN DEFENCE OPERATING MODEL.....	38
FIGURE 09: STRUCTURE OF DBS.....	44
FIGURE 10: DIO ORGANISATIONAL STRUCTURE	45
FIGURE 11: COMMAND PLAN CONTENTS	56
FIGURE 12: INFORMATION IN THE DEFENCE OPERATING MODEL.....	67



INTRODUCTION

The Case for a New Operating Model

1. The Strategic Defence and Security Review (SDSR), Comprehensive Spending Review (CSR) and Lord Levene's Defence Reform Review were conducted against a backdrop of unprecedented resource pressures. The Levene Review recognised that we had become increasingly unable to take tough, timely decisions in the Defence interest and that after years of progressive centralisation, we were unable to make every pound of taxpayers' money contribute to our outputs – put simply, despite central government and the public's evident support for our core outputs, we could not continue to run the Department as we have done in the past - we needed to become more efficient and more effective; removing duplication, simplifying our processes and allocating responsibility for making decisions and spending money to those best placed to do so.
2. The transformation of our Armed Forces described principally by SDSR, Army 2020 and Future Reserve Forces 2020 will only succeed if it is supported by reform of our Department, as described by Lord Levene, and a fundamental change to the way the Department operates. The Levene Review outlined a new Operating Model for the Department based on: the simplification of our structures; delegation of responsibility and accountability to those best able to effect change and deliver outcomes; and principles for ensuring that such delegations represented a fair and transparent balance of accountability and risk.
3. **Defence Reform is about delivering a new Operating Model and a smaller, stronger, more efficient Department that takes better, more responsible decisions, that is accountable to, and trusted by, Government, Parliament and the public for the delivery of modern, well-equipped Armed Forces within an affordable framework which makes every pound spent on Defence count. The delivery of Future Force 2020 depends on the successful delivery of Defence Reform.**
4. The way the new Operating Model will work is captured in this document.
5. Delivery of new structures and processes is only part of the story and ultimately will not deliver the benefits to Defence, the Government and tax payer envisaged by Lord Levene unless it is supported by a change to our behaviours. This means:
 - Strong organisational leadership coupled with practical business skills;
 - Innovation and efficiency, ensuring we remove needless process and flush out bureaucracy; and
 - Joined up corporate thinking and behaviour, placing the best interests of defence as a whole at the heart of our business.
6. Our people sit at the heart of Defence Reform. Everyone in Defence is affected and has a part to play. The Secretary of State has stressed that our real, long-term challenge is to change behaviours, align incentives and shift the culture. This is the key task for 2013.

Purpose

7. The current Operating Model for Defence is summarised in the '*Defence Framework*'¹, that explains **how** Defence meets its mission of protecting our country and providing the ultimate guarantee of its security and independence, as well as helping to project its values and interests abroad.

8. This document describes how the current model will evolve to deliver the new Departmental Operating Model described in Lord Levene's Defence Reform Review². The Review's conclusions and recommendations were designed better to enable the provision of the military capability the nation needs; to help prevent the Department from getting into a poor financial position in future; and to put it into a position to make real savings. Lord Levene made 53 recommendations in total, the key ones of which are to:

- Create a new and smaller Defence Board to strengthen top level decision making.
- Clarify the responsibilities of senior leaders to strengthen individual accountability.
- Make the Head Office smaller and more strategic.
- Focus the Service Chiefs on running their Service and empower them to do so.
- Strengthen financial and performance management throughout the Department.
- Strengthen the focus on joint enablers and joint warfare development through creation of a Joint Forces Command (JFC).
- Deliver enabling services more efficiently, effectively and professionally through creation of Defence Infrastructure (DIO) and Defence Business Services (DBS) organisations.
- Manage and use senior military and civilian personnel more effectively.

9. Defence Reform is the most fundamental programme of organisational reform Defence has implemented for over 20 years, when, between 1985 and 1991, the central organisation of Defence was revised and a new, more delegated financial model (the 'New Management Strategy') was adopted. It will take some time to implement fully and to embed all of the changes resulting from the Levene Review. Changing behaviour, which is a fundamental component, takes longer to embed and sustain than does changing organisations and processes. And we must manage the process carefully in order not to jeopardise operational outputs, financial control and other key considerations such as safety. However, the Department has already made significant progress in delivering Lord Levene's recommendations: for example in establishing the DIO, DBS, and JFC and setting up the new Defence Board under the chairmanship of the Secretary of State for Defence (SofS). We will continue to implement the reforms on a rolling basis aggressively and will have the fundamentals of the new Operating Model in place by Apr 13.

¹ Defence Framework is the existing authoritative web-based source of information on 'How Defence Works' and will be merged with the Defence Operating Model in early 2013. It can be found on the Defence Intranet home page via the 'How Defence Works' tab.

² Defence Reform Report dated Jun 11 (also known as the Levene Report), ISBN 978-0-10-851066-3.

Further development

10. This is the final version of the new Operating Model (Version 3), building on the consultation paper circulated in Dec 11, and the Blueprint Version 2 published in Jun 12. It has been updated to reflect feedback from staff at all levels in the Department and our maturing understanding of how the design and implementation work will happen. This document describes our vision for how the Department will operate in Apr 13. However, further development of the new Operating Model will continue beyond Apr 13 and will take account of:

- Transition to the new capability and financial model and subsequent refinement during FY 2013/14. In particular, delegation of CAT B³ programmes and improvements in Management Information (MI) and strategic risk management.
- Decisions on the future business models for Defence Equipment and Support (DE&S) and the DIO.
- Further work to embed changes to key behaviours across Defence and improve business effectiveness.
- Continuous improvement / lessons identified.

11. Work has begun to bring together this document and the existing '*Defence Framework*' to provide a single, authoritative, web-based source of information on the Defence Operating Model in early 2013. We will also keep staff and other stakeholders outside the Department informed on the implementation of Defence Reform through a programme of communications activity.

Structure

12. This document is structured as follows:

- **Part 1: Defence in the Government context** sets out the national security and public expenditure frameworks within which Defence operates.
- **Part 2: The New Defence Operating Model** describes how the new model relates to the new Defence Vision: its key themes; the people and behavioural change required to embed the model; its core functions and organisational structure; and technology implications. The overview also includes a description of what success looks like.
- **Part 3: Operating Model Key Enabling Functions** sets out the key functions required to make the delegated Operating Model work including capability management, finance and Command Plans.
- **Part 4: Cross TLB Processes** sets out in more detail the responsibilities and accountabilities of key individuals (including Process Owners) and the role of top-level boards and committees in supporting them.

³ 'CAT B' programmes are defined in Smart Approvals Guidance, and are generally those that cost between £100M and £400M.

PART 1: DEFENCE IN THE GOVERNMENT CONTEXT

1.1 Defence is integral to our national security and supports directly the delivery of the Government's objectives. The Ministry of Defence (MOD) plays an active part in the National Security Council (NSC) and in developing the National Security Strategy (NSS) and the associated SDSR outcomes, which together provide the overarching policy framework for Defence. As a Government department spending taxpayers' money, Defence also operates within a public expenditure framework (see Figure 1).

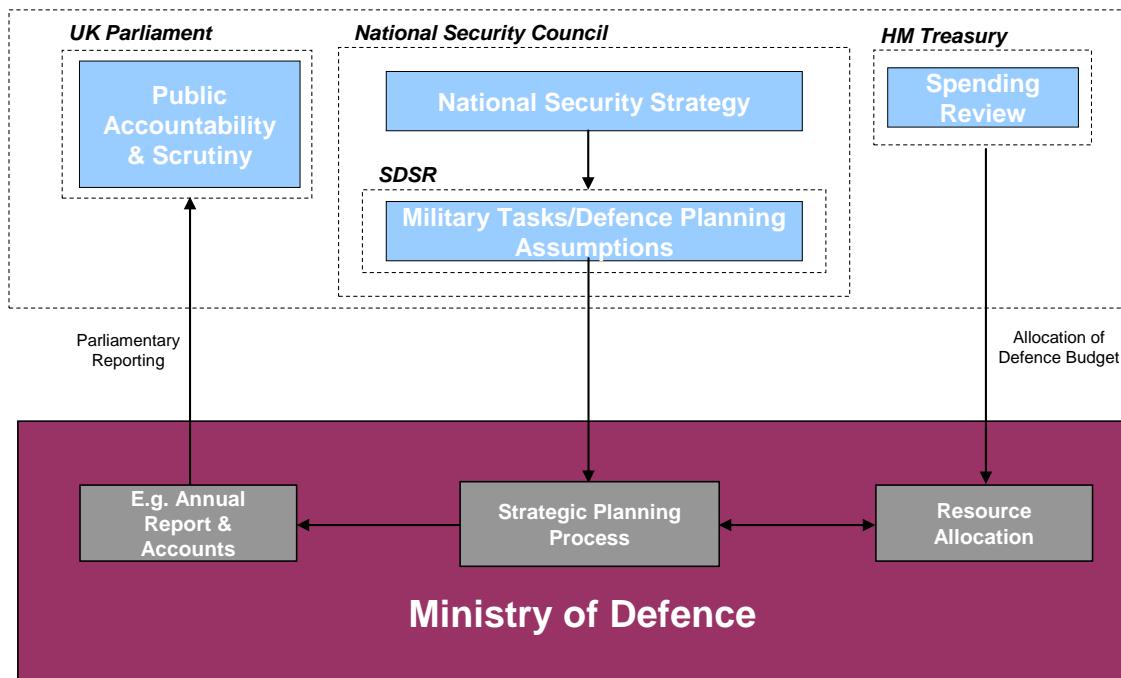


Figure 1: Defence in the Government Context

National Security Council

1.2 The NSC is the main forum for collective discussion of the Government's national security objectives and of how best to deliver them. It integrates at the highest level the work of the departments of state and other arms of Government contributing to national security. The NSC meets weekly and is chaired by the Prime Minister. It brings together all the senior Ministers with an interest in national security, including the Secretary of State for Defence (SofS). As the Government's principal military adviser, the Chief of the Defence Staff (CDS) attends as required. The NSC is supported by NSC (Officials), chaired by the National Security Adviser.

1.3 The Prime Minister and NSC, advised where appropriate by the MOD, set the strategic and political priorities and the requirements and direction for Defence and security, which include:

- **Developing and implementing the NSS and SDSR**, which together set the Government's national security priorities and determine how they will be delivered – including identifying the contribution the Government may ask Defence and the Armed Forces to make;

- **Providing strategic direction to overseas operations.** The political decision to commit the Armed Forces to operations overseas rests with the Prime Minister and Cabinet, advised by SofS (who, as Chairman of the Defence Council, also has an important constitutional role in commanding the Armed Forces) and CDS.

National Security Strategy and SDSR

1.4 The most recent NSS⁴ and SDSR⁵ were published in October 2010. Their development was led by the NSC and Cabinet Office, but departments, including the MOD, made a significant input. The Government has committed to producing a new NSS and SDSR every five years.

1.5 The NSS is founded on an analysis of the strategic global context and an assessment of the UK's place in the world. Based on a strategic security risk analysis, the NSS describes the strategic posture we should adopt and the UK's core security objectives – **to ensure a secure and resilient UK and to shape a stable world**. The four highest priority risks are judged to be those arising from:

- International terrorism, including through the use of chemical, biological, radiological or nuclear materials; and of terrorism related to Northern Ireland.
- Cyber attack, including by other states, criminals and terrorists.
- International military crises.
- Major accidents or natural hazards.

1.6 The SDSR identifies the 'means' (or resources) and 'ways' (or courses of action) across Government to delivering the 'ends' described in the NSS. Within the overall framework of eight cross-cutting National Security Tasks, the seven Military Tasks outline the contribution Defence may be asked to make to national security. It is important to recognise that these tasks do not prescribe specific military responses to a given set of circumstances and they assume the requirement to build and maintain alliances and partnerships. The Military Tasks⁶ are:

- Defending the UK and its Overseas Territories.
- Providing strategic intelligence.
- Providing nuclear deterrence.
- Supporting civil emergency operations in times of crisis.
- Providing a Defence contribution to UK influence.

⁴ A Strong Britain in an Age of Uncertainty: The National Security Strategy, Cm 7953, Oct 10.

⁵ Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review, Cm 7948, Oct 10.

⁶ Further detail is included in Part 2 Section 3 under Operate.

- Defending UK interests by projecting power strategically and through expeditionary interventions.
- Providing security for stabilisation.

1.7 In the near-term, we must meet these demands with the force structure we have, but for the purposes of longer-term force development, the outcomes of the SDSR are contained in the Defence Planning Assumptions (DPAs) which cover the nature of operations, how often they might be undertaken and to what extent they might overlap, the role of partners and allies, and how soon forces are expected to recover from deployments.

1.8 On the basis of this planning framework, the SDSR also outlines the main components of an affordable force structure which Defence will deliver to meet these DPAs for the 2020s: 'Future Force 2020 (FF20)'. FF20 is designed to deploy highly capable assets quickly when needed, but also be prepared to generate a greater scale and range of capability if required.

Purpose of Defence

1.9 The mission of Defence remains to protect our country and to provide the ultimate guarantee of its security and independence, as well as helping to project its values and interests abroad. Our contribution encompasses the roles of both a Department of State and the nation's Armed Forces:

- Department of State: The MOD, funded by Parliament, is responsible for delivering Defence. It is a Department within Government, headed by a Cabinet Minister, SofS, who is accountable to the Prime Minister and Parliament for all Defence activities. It also has an Accounting Officer, the Permanent Secretary (PUS), who is separately accountable to Parliament for managing Defence, and for the proper use of the funds voted to it by Parliament.
- Armed Forces: The Armed Forces are the professional organisations responsible for delivering military capability. CDS, supported by Vice Chief of the Defence Staff (VCDS), is the Government's principal military adviser and professional head of the Armed Forces as a whole, with a Service Chief of Staff leading each of the single Services: the Royal Navy, Army and Royal Air Force.

Public expenditure framework

1.10 The broader framework of public expenditure planning, control and accountability within which Defence operates means that:

- The Defence budget is established by the Government's Spending Reviews, led by HM Treasury, that set firm and fixed spending budgets over several years for each department. The 2010 Spending Review ran concurrently with the SDSR

and set the Defence budget for the four financial years from 2011/12 to 2014/15⁷.

- The Defence budget from the Spending Review is approved by Parliament and is subject to legal limits.
- Defence expenditure is monitored and controlled to ensure that it remains within the administrative controls set by HM Treasury and the legal limits set by Parliament.
- Defence accounts to Parliament for its delivery and financial performance, including through the MOD's Annual Report and Accounts.

Transparency Framework

1.11 The MOD, along with all other Government departments, as part of the Government's Transparency Framework, publishes an annual, outward-facing '*Business Plan*',⁸ that draws on the outcome of the SDSR and any subsequent work⁹. It is coherent and consistent with our corporate strategy as described in Defence Strategic Direction (DSD)¹⁰ and the Defence Plan (DP)¹¹ (see Part 2 Section 2). Although it is not a business plan in the traditional sense, it supports transparency and enables public accountability. It reports monthly, is published on the No 10 website and SofS and PUS can be held to account by the Chief Secretary to the Treasury and the Minister for the Cabinet Office for the Department's performance against this Plan. Our current Business Plan priorities, for which we will be held to account by Central Government are to:

- Succeed in Afghanistan.
- Continue to fulfil our standing commitments.
- Succeed in other operations we are required to undertake.
- Transform Defence by:
 - Restructuring the Armed Forces and their capabilities.
 - Implementing the new Defence Operating Model.
 - Delivering Defence in the most effective, efficient and sustainable way.

1.12 Part 2 Section 2 of this document describes the 'Direct' function and sets out in more detail how Defence uses its strategic planning process to translate Government direction and priorities into more detailed direction to the Department and subsequent delivery.

⁷ The Total Departmental Expenditure Limit (excluding depreciation) for Defence over the Spending Review period is £33.8bn in 2011/12, £34.4bn in 2012/13, £34.1bn in 2013/14, £33.5bn in 2014/15, a reduction over the period of around 8% in real terms. The net additional cost of military operations will continue to be met from the (separate) Treasury Reserve.

⁸ MOD Business Plan 2012-2015 published on 31 May 12.

⁹ e.g. The outcomes of the Annual Budget Cycle (ABC).

¹⁰ Defence Strategic Direction 11 published Sep 2011 (Classified document).

¹¹ Defence Plan 11 published on 16 Sep 11 (Classified document).

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 1 - Overview

Introduction

2.1 Having set out in Part 1 how Defence fits into the wider Government Context, this Part describes how the new Operating Model will function and the roles and structures of the key organisations within it. Further detail on processes is contained in Parts 3 and 4.

Defence Vision

2.2 The Defence Vision¹² sets out how we will continue to protect our country and help to project its values and interests abroad by delivering:

“battle-winning Armed Forces; a smaller, more professional Ministry of Defence; and a hard-headed approach to what we can afford”.

2.3 This must be underpinned by strong leadership at every level with everyone working together to make Defence as a whole stronger through modern, innovative ways of doing business. The Operating Model sets out how the smaller, more professional MOD will work.

Design Principles of the new Defence Operating Model

2.4 The new model is designed to be simpler, leaner and more effective than the previous one. It builds on the strengths of the individual Services and the Civil Service within a single Defence framework to ensure the *‘whole is more than the sum of its parts’*. A number of key principles underpin the new model:

- **Strengthened decision-making** through a smaller but stronger and more strategic Defence Board and Head Office, with the Service Chiefs empowered and focussed on running their Services.
- **Increased delegation of responsibility, authority and accountability** to Top Level Budget (TLB) holders by giving them personal responsibility for setting equipment and support requirements and budgets for DE&S, and being accountable for providing the capability that Defence needs, on time and within budget.
- **Strengthened financial and performance management** across Defence – with military and civilian staff all taking responsibility for keeping the Defence programme affordable.

¹² Defence Vision: Defence in a Changing World published 14 May 2012.

- **Enhanced joint focus** with a new JFC setting the framework for delivery of joint capability and the management and delivery of the joint enablers assigned to it.
- **Improved delivery of enabling services** through new infrastructure and business services organisations which will deliver Defence enabling services more efficiently and effectively.
- **Getting the best out of people in Defence** – by aiming to fill posts with the right person, with the right skills, for the right length of time, and by building the right leadership, values and behaviours throughout Defence.

What will success look like?

2.5 The key indicator of success for Defence Reform will be that we have transformed the Department in order to provide the conditions such that Future Force 2020 remains affordable and deliverable. We are doing this by putting in place better and less bureaucratic structures and processes with a smaller, stronger and more strategic Head Office and empowered delegated delivery. All of this will be underpinned by more efficient and effective corporate services and a better skilled and motivated workforce that trusts the leadership and is trusted to deliver results. If these outcomes are successful, we will see:

- **Net programme delivery risk is reduced** through empowered financial and capability delegation for delivery to the TLB best able to manage it including better management of joint enablers.
- **Increasingly efficient and effective delivery of Operational outputs** through increased freedoms to manage capability generation across the DLODs.
- **Non-front line costs are reduced as a proportion of overall Defence expenditure** through a smaller more professional MOD and more efficient, customer focussed support from our corporate service providers.
- **A better skilled, motivated and engaged workforce, exhibiting modern, relevant behaviours** through improved leadership, targeted education and training and supported by more efficient structures & processes.
- **Increased levels of trust** through improved top level decision making, better more transparent processes and improved communications.

2.6 The announcement in May 12 of the conclusion of PR12 and a balanced Defence budget established a key foundation for the delivery of a transformed Department and, in taking a radically new approach to how we invest in equipment capability, allows us to make plans from a firm financial footing.

People, Behaviours and Business Improvement

2.7 As the Defence Reform report acknowledged, getting the right behaviours and incentives, to support structural and process reform, is integral to the success of the new Operating Model. As set out in the Defence Vision, this means:

- Leadership at every level of Defence, making the right decisions at the right time for the right reasons – and learning from the things that go wrong – **'Be a Leader'**.
- Strong Armed Services and an effective Ministry of Defence working together to make Defence as a whole stronger – **'Think Defence'**.
- Modern, innovative ways of doing business, where individuals are encouraged to accept responsibility for decisions and we weed out duplication, red-tape, waste and delay – **'Do it Better'**.

2.8 This applies at all levels across the Department and to all aspects of its business. Fostering sustained behaviour change requires a multipronged approach which the Defence Reform Unit Behaviours and Business Improvement Team are enabling through a programme of activity to deliver:

- Visible leadership role modelling.
- Inclusive and benefits-driven communication and engagement.
- People capability now and for the future.
- Reinforcement of the key elements that support and hinder behavioural change.

Core functions of Defence

2.9 The new Operating Model is based on the **6 Core Functions** that:

- **Direct** Defence activity at the strategic level: for policy, strategic direction of military operations and our contribution to national security.
- **Operate** Defence and military capability on operations and other Military Tasks (for example, providing a Defence contribution to UK influence).
- **Generate and Develop** the capability needed to meet current and future operational demands.
- **Acquire** (procuring and supporting) the equipment, systems and commodities needed to deliver and support military capability in the short to long-term.
- **Enable** other functions by setting the corporate framework of policies, rules and standards for Defence and providing or commissioning the delivery of corporate services (e.g. HR).
- **Account** for and report on Defence activity and spending to Parliament and public.

2.10 In performing these functions individuals and organisations within Defence work with a range of external bodies, including: Other Government Departments (OGDs) on common policy and delivery issues; with international organisations and allies to advance UK influence and interests; and with industry to commission goods and services.

Organisational structure

2.11 Headed by the Secretary of State (SofS), the organisational structure will be based around a smaller, stronger and more strategic Head Office and seven TLB holders, to which resources are allocated and through which Defence activity is delivered and managed.

2.12 Since 1 Apr 12, the TLB structure is as follows:

- Head Office and Corporate Services (HOCS) - which comprises the Head Office, a range of corporate enabling functions (e.g. DBS), and a budget and performance management oversight function.
- The four Commands - Navy, Army and Air Commands and JFC.
- DE&S.
- DIO.

2.13 From Apr 12¹³, there remains only one agency¹⁴ in Defence. There are three Trading Funds which are outside the TLB structure and are self-financing through the sale of goods and services to Defence, other Government departments and commercial customers (the Defence Science and Technology Laboratory, the UK Hydrographic Office and Defence Support Group; the last of which the Department plans to sell by 2014/15).

2.14 The new Operating Model is summarised in Figure 2 overleaf with each of the Core Functions described in more detail in the following Sections.

Transition to the New Operating Model

2.15 The new Operating Model will be largely in place by Apr 13, but its process, structures and, especially, embedding the required behaviours, will need to mature over time. At Initial Operating Capability (IOC) in Apr 13 the following major changes will be in place:

- The Head Office will have responsibility for only the key strategic capability programmes and will be reducing in size (see Part 2 Section 2 – Direct).
- Command plans for each of the seven TLB's will be in place and agreed with PUS (see Part 3).

¹³ The MDPGA removed its agency status in April 2012 and the Service Personnel and Veterans Agency (SPVA), sits within the HOCS budget area and is due to transfer to DBS in 2013.

¹⁴ the Service Children's Education Agency within the Army TLB which will continue to deliver specialist services to Defence and other customers.

- The four commands will have put in place their respective financial and capability management organisations and will assume responsibility for the planning, management and delivery of future capability (see Part 3).
- JFC at full operating capability taking responsibility for joint enabling capabilities (see Part 2 Section 3 – Generate and Develop).
- A new interface will be in place between DE&S, the four commands and the HO with DE&S providing robust costing of the equipment and support elements of the Command Plans (see Part 2 Section 5 – Acquire).

2.16 Further adjustments to the model, beyond Apr 13, will include:

- Continuing work to embed the required behaviours and drive a programme of continuous business improvement.
- Refinement of the new finance and military capability model especially Management Information and risk management.
- Development of the design of the Departmental side of the DE&S interface aligned with the outcome of the Materiel strategy programme (the new business model for DE&S).
- Full implementation of new business models for DE&S and the DIO.
- Longer-term changes to the people model such as the implementation of the New Employment Model for Service personnel, Civil Service-wide reforms for civilian staff and the realisation of the Whole Force Concept to establish the optimal mix of military and civilian personnel.

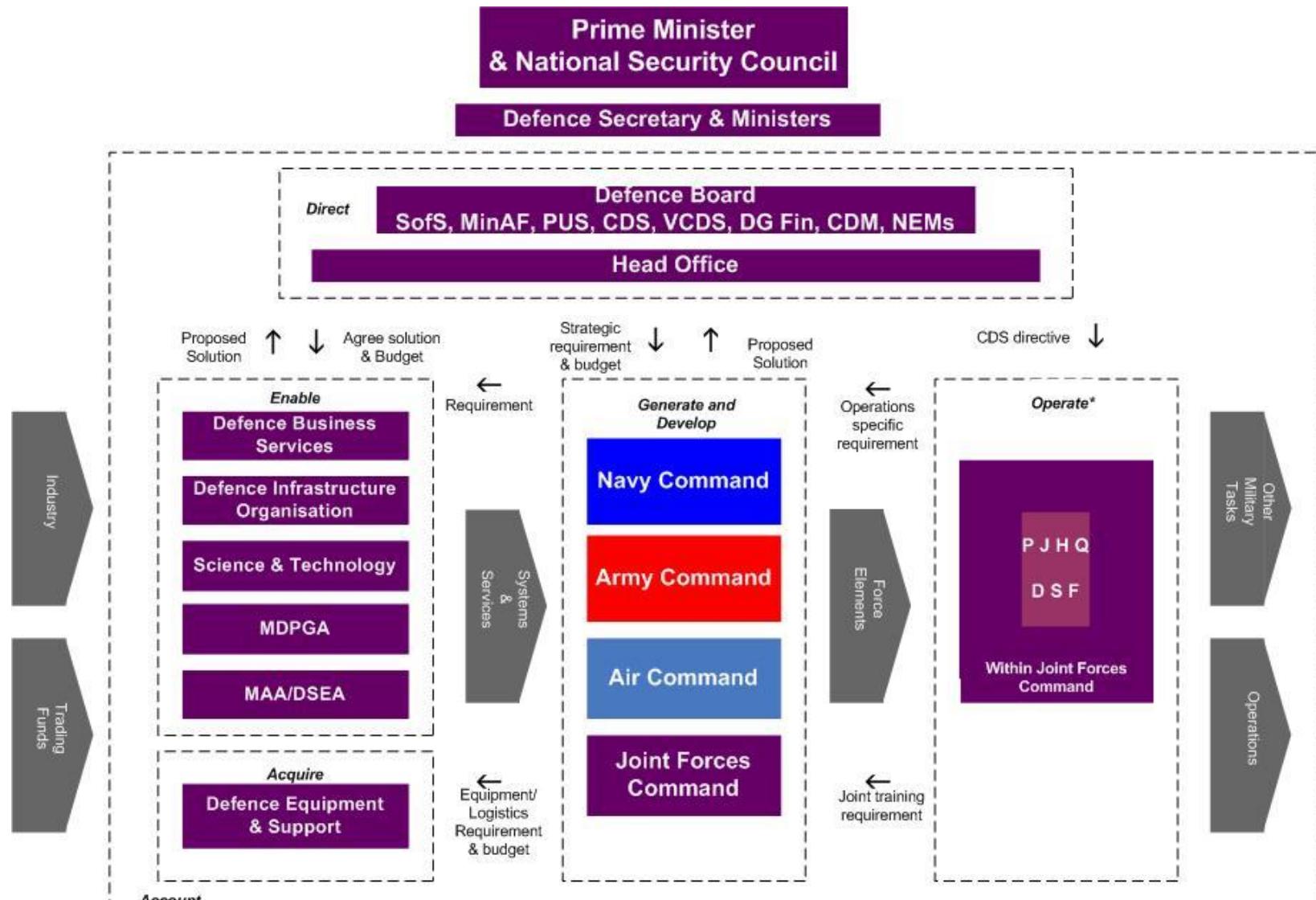


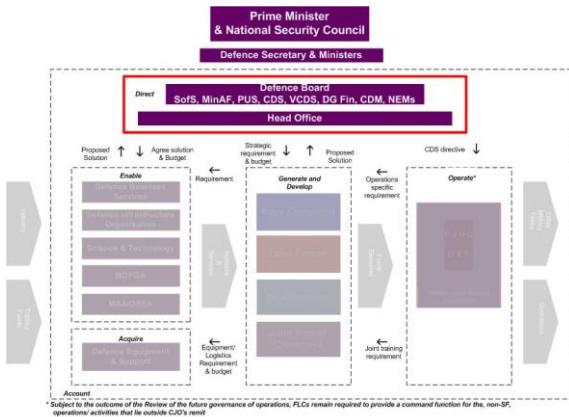
Figure 2: New Defence Operating Model

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 2: DIRECT - A Smaller Stronger and More Strategic Head Office

Overview

2.17 The Ministry of Defence is headed by the Secretary of State for Defence (SofS), who is supported by a number of other Defence Ministers, and is responsible for all Defence matters. These Ministers, alongside PUS and CDS, direct Defence activity at the strategic level in the new Operating Model through a smaller, stronger and more strategic civilian-military Head Office.



2.18 SofS chairs the Defence Council and its Service Boards, and the Defence Board. The Defence Board is the primary decision-making body for non-operational matters.

2.19 This section includes:

- The role of Head Office.
- The structure of Head Office.
- Directing the Department.

The Role of Head Office

2.20 The role of the smaller, stronger and more strategic Head Office is to direct Defence activity at the strategic level, including operations. Head Office will remain an integrated civilian-military organisation working in support of PUS, CDS and Ministers. It will advise the Defence Board on which policy ambitions should be funded, set the strategic direction and provide a stronger corporate and financial management framework. This will be underpinned and enabled by modern and efficient ways of working. Head Office will allocate resources to empowered TLB holders, who will be accountable for delivery by PUS and CDS. It will not get involved in the day-to-day management of TLBs.

2.21 Under the new Operating Model, the Head Office will:

- **Provide advice to Government and accountability to Parliament**, including advice to Ministers and other departments on the Defence contribution to Government policy and support to Ministers and PUS in discharging their Parliamentary accountability for Defence activities.
- **Make policy and set Defence strategy**, including: definition of the military capability and other Defence objectives needed to meet the Government's

policy aims within available resources; and development of policy for the management of the Armed Forces.

- **Plan and allocate resource**, including: the development of an affordable Defence programme to deliver Defence objectives; determining strategic balance of investment priorities and setting TLB budgets; and scrutiny of and agreement on Command Plans.
- **Manage Defence**, including: empowering TLBs and others to account for the delivery of their objectives within resources; managing strategic and material risks; management of the most significant strategic capability acquisitions and assurance of the Department's performance in the delivery of major change programmes; the definition of the corporate framework for Defence and monitoring compliance; and assurance of Defence corporate governance systems.
- **Direct military operations at the strategic level**, including support to CDS in commanding UK military operations worldwide; advice to Ministers on these operations; coordination with other departments over decision-making on and planning for current and potential future operations (including contingency planning); media and communications activity; and maintaining the ability to manage crises.

The Structure of Head Office

The Secretary of State for Defence and MoD Ministers

2.22 The Secretary of State for Defence is the Cabinet Minister ultimately responsible for all elements of Defence and he is charged with making and executing Defence policy, for providing the means by which it is executed through the Armed Forces, and is accountable to Parliament for the resources used to do so.

2.23 He is supported by a number of subordinate Ministers, each of whom has responsibility for specific areas of Defence business (Ministerial responsibilities are set out at Annex C). Currently they are:

- Minister of State for the Armed Forces.
- Minister of State for Defence Personnel, Welfare and Veterans.
- Minister for Defence Equipment, Support and Technology.
- Minister for International Security Strategy.
- Under Secretary of State and Lords spokesman on Defence.

2.24 Ministerial posts may change from time to time at the discretion of the Prime Minister. SoS is responsible for defining their individual responsibilities and directing the Ministerial team.

Responsibilities of Top Posts

2.25 As Part 1 sets out, SofS is supported by PUS as the departmental Accounting Officer and principal civilian adviser on Defence and by CDS as his, and the Government's, principal military adviser. Together, PUS and CDS are the joint professional heads of Defence.

2.26 The key responsibilities and accountabilities of the top posts (PUS, CDS, VCDS, DG Fin, the single Service Chiefs, Comd JFC, CDM, the Chief Executive of the DIO and DGT&CS) are summarised at Annex D. In line with the Defence Reform report, the new Operating Model places a particular emphasis on:

- **PUS'** responsibility for formulating and overseeing the delivery of an affordable Defence programme, which is and will continue to be critical role the Department seeks to maintain a balanced financial position. In addition, as the head of the Department of State, PUS leads on policy advice to Ministers.
- **CDS'** role as the principal military adviser, which has been strengthened and clarified through his membership of the Defence Board, where he represents the military voice. As the military strategic commander, CDS continues to be responsible for the conduct of operations.
- PUS and CDS are supported by **VCDS** who is CDS' deputy for operational matters, acts as the Chief Operating Officer for the Armed Forces element of Defence business and chairs the Strategic Stocktake.
- Beneath PUS as Accounting Officer, in order to support stronger financial management across Defence, **DG Fin's** has enhanced authority. This is exercised through his membership of the Defence Board, chairmanship of the Investment Approvals Committee, and line management authority alongside the TLB Holder over the TLBs' Directors of Resources.

Defence Council and Service Boards

2.27 The **Defence Council** provides the formal legal basis for the conduct of Defence in the UK through a range of powers in respect of the Armed Forces – and in particular their command and administration – that are vested in it by Parliament (through statute) and the Queen (through Letters Patent and known as prerogative powers). It is not engaged in the strategic direction and oversight of defence, which is provided by the Defence Board.

2.28 Membership of the Council is determined by Letters Patent, which provide for it to be chaired by SofS, embodying the constitutional principle that the Armed Forces are commanded by a body headed by a Member of Parliament, who represents the people. Currently, its other members are the other Defence Ministers, CDS, PUS, VCDS, single Service Chiefs of Staff, CSA and CDM.

2.29 The Letters Patent require the Council to have **three Service Boards** (the Admiralty Board, the Army Board and the Air Force Board), chaired by SofS, to whom the administration and command of the Royal Navy, Army and Royal Air Force are delegated, and which exercise its quasi-judicial functions. The Service Boards will each meet

annually as a forum where the Service Chief as Head of Service can report on the health of his Service to the Defence Secretary.

The Defence Board and Sub-Committees

2.30 Strengthened top-level decision-making and direction on non-operational matters in the new Model is centred on the **Defence Board**. It is the senior corporate body in Defence. It is chaired by SofS, and additionally comprises the Minister for the Armed Forces (who deputises when SofS is absent), PUS, CDS, VCDS, CDM, the DG Fin and four Non-Executive Board Members (NEBMs), one of whom acts as the Department's lead Non-Executive. It meets monthly.

2.31 The Defence Board's role is to advise and assist the SofS and PUS in their accountabilities. It does so primarily by overseeing:

- Future plans for generating Military Capability, and monitoring performance against these plans.
- Corporate management of Defence.

2.32 The Board scrutinises and advises on strategy, performance, risk and plans. SofS takes decisions in light of its advice.

2.33 The Defence Board is supported by the Investment Approvals Committee (IAC), Defence Audit Committee (DAC) and People Committee¹⁵ (shown in the Figure 3):

- **The Investment Approvals Committee (IAC)** is the senior body in Defence responsible for considering major investment proposals on behalf of the Defence Board. On projects where cost, complexity, risk, precedence, innovation and/or contention are particular issues for which Ministerial approval is necessary, the IAC makes recommendations to Ministers. The IAC decides other cases itself or delegates decisions to a level consistent with the value and/or nature of the proposal. In line with the recommendations of the Defence Reform report, work on the new finance and military capability model, in consultation with HM Treasury, will delegate investment decisions on smaller projects to each TLB D-Res (who have a reporting line to DG Fin). DG Fin chairs the IAC, taking decisions and/or making recommendations in light of its advice. The other members are VCDS, CDM, Chief Scientific Adviser, Director Corporate Commercial and Director Central Legal Services.
- **Defence Audit Committee (DAC)**. On behalf of the Board, the Defence Audit Committee (DAC) reviews and challenges constructively the adequacy of internal controls and risk management assurance processes across Defence. The DAC is chaired by one of the NEBMs, who is supported by the other Non-execs.
- **People Committee**. The People Committee supports the Board in providing oversight of the appointments and career management processes for senior Armed Forces officers and senior civil servants, including talent management,

¹⁵ Referred to in the Defence Reform report as an 'Appointments Committee'.

behaviours and incentives. The Committee is chaired by one of the Defence Board's NEBMs, who will be supported by PUS and CDS.



Figure 3: Defence Board sub-committees

Committees supporting CDS and PUS

2.34 In addition to the Board and its formal sub-committees, PUS and CDS use a number of senior committees, set out in Figure 4, to support them in discharging their individual responsibilities on the strategic direction of operations and Defence engagement; Defence policy and strategy; strategic force development; the Defence programme; resource allocation; and the overall management of Defence.

2.35 On operational matters, CDS obtains military advice from VCDS, the Service Chiefs and others through the **Chiefs of Staff Committee** (which feeds into a Ministerial group) and the **Armed Forces Committee**. They are now the primary means through which the views of the Service Chiefs are conveyed to CDS, to inform his military advice to the Defence Board. Not every issue must pass through these groups: some issues do not need or cannot wait for a formal meeting. In addition, PUS and CDS will seek the advice of Service Chiefs on issues relating to their Service, including through close and routine engagement between Head Office staff and the Assistant Chiefs, as the Chiefs' representatives in Main Building.

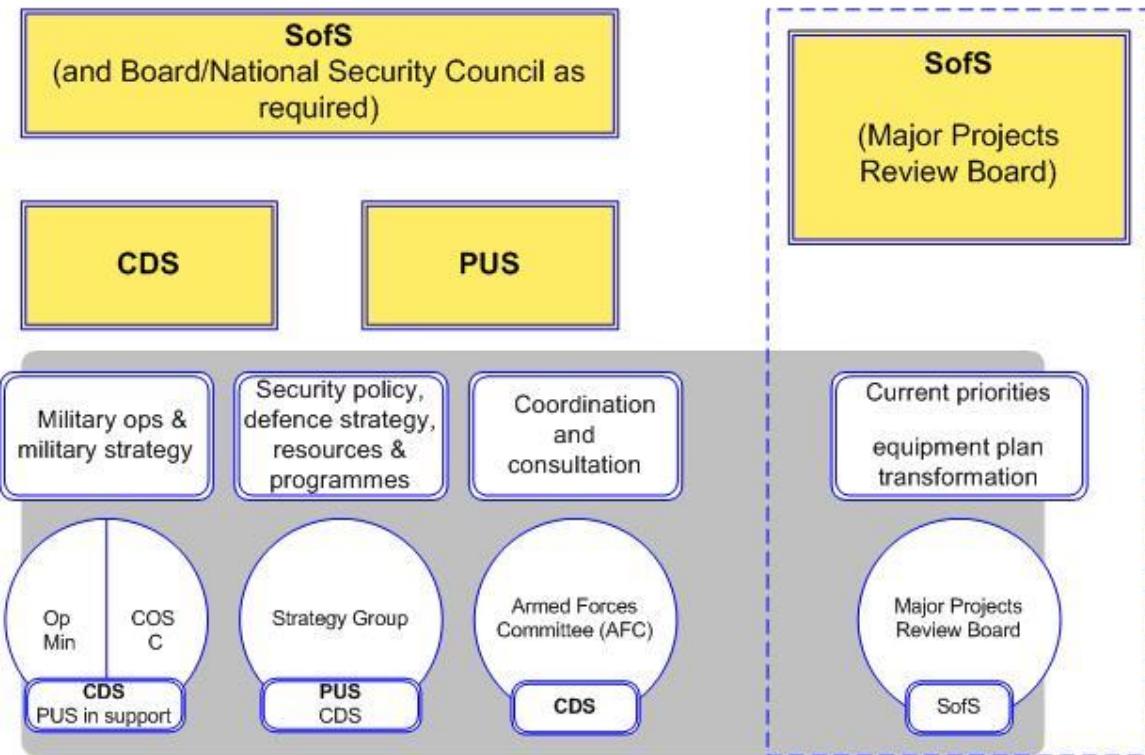


Figure 4: PUS and CDS Committees

Chiefs of Staff Committee

2.36 The Chiefs of Staff (COS) Committee is the main forum through which CDS seeks and obtains the collective military advice of the Service Chiefs on operations and through which he discharges his responsibility for the preparation and conduct of military operations. The COS Committee comprises seven full members (CDS, PUS, VCDS, the Chief of the Naval Staff (CNS), Chief of the General Staff (CGS) and Chief of the Air Staff (CAS), and Commander Joint Forces Command). It is routinely attended by other relevant senior MOD officials and other specialist advisors, including representatives from the Cabinet Office, the Foreign and Commonwealth Office, Department for International Development, and the security and intelligence agencies. COS Committee meetings are routinely held weekly – though their frequency may be adjusted according to the operational tempo – and they are normally followed by an update to SofS on current operational issues ('Op Min'). This process is currently under review.

Defence Strategy Group

2.37 The group is convened to support the PUS and CDS in the formulation of advice on defence strategy to the Secretary of State.

2.38 In particular, the group will oversee the MOD's preparations for, and support decision-making through, the NSS, SDSR and CSR processes as well as oversee the implementation of their outcomes.

2.39 The group will look beyond the immediate annual budgetary cycle, with a particular focus on the 5- and 20- year timescales, consistent with the National Security Risk Assessment which underpins the NSS and SDSR. The intent will be to ensure coherence between medium- and longer-term strategic direction and planning, in order to guide shorter-term decision-making, and to align ends, ways and means across Defence.

2.40 The group should support decision-making through advice and debate on the following:

- Long term horizon scanning for major change and emerging issues.
- Defence's contribution to HMG strategy, including through the NSS and SDSR, the CSR and subordinate strategies as required.
- Military strategic planning and posture in the 0-5 year timeframe.
- The strategic objectives and priorities for Defence as part of an affordable plan, as articulated in the Strategy for Defence and Defence Strategic Direction. This includes oversight of the Strategic Force Development process, in order to inform the definition of Military Tasks, Defence Planning Assumptions and high-level capability requirements which determine the future size and shape of the Armed Forces.
- Key strategic corporate and transformation issues (for which DG T&CS will attend).
- Strategic lessons.

2.41 PUS and CDS (co-Chairs), VCDS, CDM, DG Sec Pol, DCDS(Mil Strat & Ops), DCDS(Mil Cap), DG Finance and CSA. Others to be invited as required.

Armed Forces Committee

2.42 The Armed Forces Committee (AFC) assists CDS as the professional head of the Armed Forces and the UK's military strategic commander to take the views of the Chiefs as he prepares his military advice to Ministers and the Defence Board on matters other than operations. CDS (supported by VCDS) also uses the Committee to convey Board decisions to the Armed Forces.

2.43 The AFC meets monthly, including prior to meetings of the Defence Board. The members are CDS, VCDS, CNS, CGS, CAS, Comd JFC and CDM¹⁶.

Military Capability Board

2.44 The Military Capability Board (MCB) supports the formulation of military capability advice to CDS and VCDS through the AFC. Chaired by DCDS(Mil Cap), its key objectives are to guide and inform Strategic Force Development, Balance of Investment and Capability Coherence activities and to include recommendations to the Defence Board on

¹⁶ PUS also attends the AFC.

executing and sequencing investment decisions through the Single Integrated Capability Priority List.

Head Office Senior Structure

2.45 From Apr 13, the Head Office will be structured around 3 key Civ/Mil 3* clusters:

- **Security Policy and Operations** led by DG Security Policy and DCDS (Military Strategy and Operations).
- **Finance and Military Capability** led by DG Finance and DCDS (Military Capability).
- **Personnel** led by Chief of Defence Personnel (CDP)¹⁷ – formerly DCDS(Pers & Trg).

2.46 In addition, DG Transformation and Corporate Services is responsible for leading the Defence Transformation agenda, is the head of Civilian Personnel and the Head Office and Corporate Services TLB holder.

Directing the Department

The Conduct of Operations

2.47 The decision to commit the Armed Forces to operations rests with the **Prime Minister**, informed by the Cabinet and NSC and advice from SofS and CDS as the Government's principal military adviser. Military Operations within the UK additionally require formal authorisation by the Defence Council. SofS is a member of the Cabinet and NSC and chairs the Defence Council. As the Government's military advisor CDS provides military advice to the Cabinet and NSC as required.

2.48 The **Secretary of State** is responsible for the direction and conduct of all operations and is accountable to Parliament for their resourcing. In particular, he provides strategic direction, endorses the allocation of resources and sets the constraints on the use of force. Force levels and Rules of Engagement are subject to policy decisions that will be made by Ministers, taking into account legal advice: these decisions will be recorded in the CDS Directive.

2.49 **CDS, VCDS and PUS** are responsible for the provision of sound and timely advice to Ministers to inform these decisions. The Defence Crisis Management Organisation (DCMO), which coordinates input from the Chiefs of Staff (COS) Committee, Head Office, JFC, PJHQ, DSF and the Service Commands, is the focus for the provision of Defence advice within the Government's overall management and resolution of crises. It provides the conduit for all briefings to Ministers and for the dissemination of strategic direction to the operational level of command.

2.50 Following SofS' direction, CDS as the military strategic commander is responsible for the planning, direction and conduct of all military operations. PUS provides policy advice

¹⁷ The precise role and responsibilities of DCP are subject to review and will be announced in early 2013.

to Ministers on current and potential operations. CDS, advised by VCDS (his deputy for operational matters) and the Service Chiefs, is responsible for the formulation of the military strategy and its coherence with Government policy. Through a **CDS Directive**, he:

- Appoints the operational commander.
- Provides strategic direction.
- Identifies the military conditions for success.
- Designates the theatre and joint operations area.
- Specifies forces levels and resources.
- Promulgates the constraints on the use of force.
- Sets the strategic intelligence requirements

2.51 Both individually, and through the COS Committee, the Service Chiefs provide professional advice to CDS on the conduct of current and future operations, in particular on the environmental aspects of the employment of their Service.

2.52 As the **Military Strategic Headquarters**, Head Office supports CDS and the COS Committee in developing policy informed military advice for Ministers on current and potential military operations and directs the military chain of command. As a Department of State, Head Office also ensures the conduct of the Operation reflects SofS' direction and is consistent with wider government policy. Its focus is at the strategic level: to define the ways in which military force will contribute to the achievement of the Government's current and future security objectives and to determine the military means required to deliver them. The **3* DG Security Policy (DG Sec Pol) and DCDS Military Strategy and Operations (DCDS(Mil Strat & Ops))** lead the development of: security policy; strategic relations and planning with allies, other nations and international organisations; and the strategic aspects of operations involving the UK Armed Forces. They also lead interaction with OGDs at the strategic level to ensure Defence activity is coordinated with the delivery of national security objectives (the Integrated Approach). Their priority is the provision of clear military strategy and Defence policy advice to Government and clear direction to the Armed Forces.

2.53 The Head Office, as a rule, does not command forces directly or involve itself in the day-to-day running of operations. However, it retains responsibility for the conduct of strategic level operations with global impact (including counter proliferation, nuclear deterrence, strategic influence and strategic targeting). The Head Office will delegate to Comd JFC some specified activities which do not relate directly to the strategic level. In the new Operating Model, greater discipline is required to ensure that the Head Office does not become drawn into the business of the operational and tactical levels. This will be enabled by a programme of activity to drive the right behaviours and improve business effectiveness. The Head Office and PJHQ have discrete and supporting roles in the governance of operations which are currently under review¹⁸: a team has been formed in the Security Policy and Operations area to improve military planning at the strategic level.

¹⁸ Ref Governance and Ops mandate implementation due Apr 13.

International Defence Engagement

2.54 The **Defence Strategy Group**, co-chaired by PUS and CDS, has been established to increase senior focus on international engagement within Defence. The Security Policy and Operations area is leading work better to prioritise and co-ordinate all international engagement in support of policy priorities. An **International Defence Engagement Strategy** has been developed with the Foreign and Commonwealth Office (FCO) that brings together all the levers available to Defence to deliver the relevant NSS objectives including, but not limited to, bilateral and multilateral defence relationships, exports, senior visits, capacity building, maritime deployments, military exercises and Defence Attaché business and the role of non-operational staff overseas. It will prioritise their application and be authoritative across the Department, forming a key part of the Defence Strategy.

2.55 The Priorities team will be responsible for co-ordinating strategic advice to a new Defence Engagement Board, chaired jointly by DG Sec Pol and by the FCO's Director General Defence & Intelligence. A new 1*-level board known as the Strategic Regional International Defence Engagement (STRIDE), jointly chaired by MOD and the FCO, will bring together relevant stakeholders from across MOD and wider government to ensure coherence.

2.56 The International Defence Engagement Strategy will act as an umbrella process which will guide and shape the Ministry of Defence's contribution to a number of other cross-government strategies. These include the Building Stability Overseas Strategy (a joint FCO/DfID/MOD strategy for conflict prevention, which includes the management of the tri-departmental Conflict Pool), CONTEST (the UK's counter-terrorism strategy) and the Emerging Powers strategy, which is overseen by a bespoke sub-committee of the NSC.

Making Policy and Strategy

2.57 In an increasingly complicated world it is essential that we are able to articulate clearly UK and Defence interests and objectives, thereby providing the baseline against which we can take the more reactive decisions that we often face. To this end, the Defence Strategy Group agreed in January 2012¹⁹ how Defence will be organised to formulate strategy. This defines the four main strategy functions within Defence as:

- **Corporate strategy** within the Ministry of Defence can be described as the organisation and management of the Defence resources to generate capability.
- **Political/Military (Pol/Mil)** strategy shapes and directs a range of non-operational, non-military Defence activities, often in conjunction with other Government Departments.
- **Military strategy** comprises the high-level direction and employment of the Armed Forces, where they have been identified by the Government as its preferred response to a particular challenge, or as part of an integrated UK response.

¹⁹ 'Organising Defence's Contribution to National Strategy'.

- **Defence strategy** which fuses them all together and enables Defence to engage in the national-level strategic debate with a single, coherent and authoritative voice. The specific roles and responsibilities for each strategic function, and where ownership lies, is set out in greater detail in the reference and summarised in Figure 5.

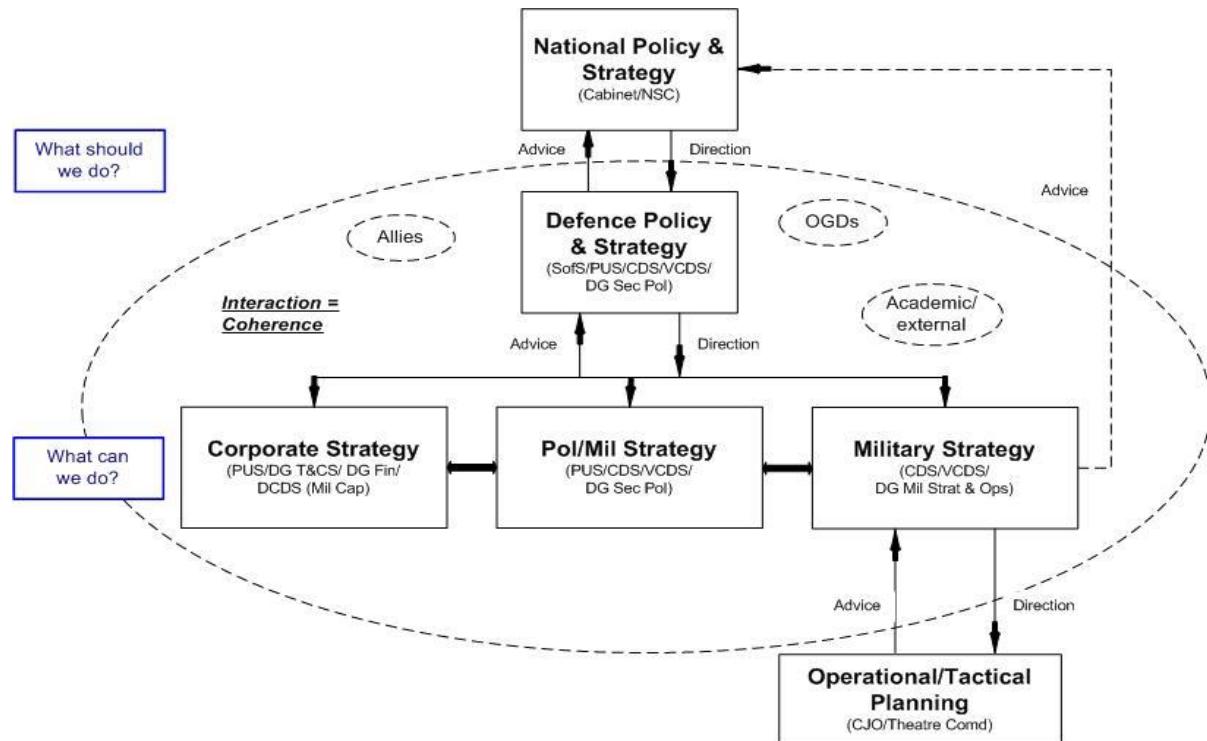


Figure 5: Organising Defence's Contribution to National Strategy

Strategic Defence and Security Review

2.58 Part 1 described the SDSR process led by the NSC and Cabinet Office. The next SDSR is due in 2015. Within the MOD, the SDSR process is overseen by PUS and CDS, supported by VCDS in his role as Chair of the Strategic Stocktake and Senior Judgement Panels and lead for Strategic Force Development. The **Director of Strategy**, supported by the Head of Defence Strategy and Priorities, will lead and co-ordinate the MOD elements of the next SDSR, pulling together the contributions of the key Head Office 3* posts (DG Security Policy, DCDS (Military Strategy and Operations), DCDS(Military Capability) and DG Finance) through the Defence Strategy Group and across the wider Department.

2.59 Min(ISS) is overseeing MOD's programme of preparatory work for the SDSR in 2015. This is closely co-ordinated with other Government Departments through the cross-Whitehall National Security Strategy Network, and includes Defence's contribution to the biennial refresh of the National Security Risk Assessment.

Strategic Capability and Force Development

2.60 The strategic capability and force development process provides an evidence base linking policy choices to force structure options and potential long-term capability requirements. It informs balance of investment decisions in the SDSR and on conclusion will set high level direction and guidance to the Commands that provide the foundations for an affordable force structure capable of delivering the outputs required of it.

2.61 Strategic capability and force development is led by VCDS, supported by DCDS(Mil Cap) who is responsible for producing recommendations to the Defence Strategy Group. The process will be informed by DG Sec Pol who is responsible for setting the strategic context and providing direction on the Defence contribution, and by DG Fin who will bound the process with assumptions on the future budget. DG Fin will also advise on whether the resulting high-level capability requirements provide a sound basis for SofS and the Defence Board to take balance of investment decisions to deliver an affordable force structure that meet the strategic policy demand.

2.62 The scenario development process, which underpins strategic capability and force development, runs between SDSRs to build the evidence base for decisions at the next SDSR, and to maintain skills in the Department. Findings between SDSRs should not necessarily result in action in isolation or drive decisions on an incremental basis, but should be considered collectively and prioritised, through VCDS' chaired Senior Judgement Panels and the Strategic Stocktake process. Capability development and Command Plans will deliver against the trajectories agreed by the Defence Board and NSC at the preceding SDSR. The Defence Strategy Group will be appraised of the insights that emerge from the force development process in non-SDSR years, but changes to the future force structure in interim years will result only from exceptional cases and with top-level endorsement.

2.63 The Head Office-led process will feed Commands' own force development and capability planning work in preparation for SDSRs. It will be for Commands to recommend how best to deliver against the Head Office's high level requirements as options are developed.

Defence Strategic Direction and Defence Plan

2.64 The output of the strategic planning process, informed by strategic capability and force development, is the Strategy for Defence (SfD), Defence Strategic Direction (DSD) and the Defence Plan (DP).

- **SfD** sets out what Defence plans to achieve over the next 20 years and how it intends to deliver that outcome. In simple terms, the vision.
- **DSD** is the key strategic planning document for the Department and provides greater detail on how the vision will be delivered, describing a path between the current position and the future, and includes the Defence Planning Assumptions, Financial Planning Assumptions and detailed planning guidance to TLBs.
- The **DP** provides the detailed direction to the Commands (TLBs) – outputs and activities – for the next 5 years. It is refreshed annually. Importantly, it is at the

heart of the Defence Performance Framework (DPF) which provides a Quarterly Performance and Risk Report (QPRR) to the Defence Board.

- **DSD and the DP** are the basis for generation of the Command and TLB plans which set out how each of TLBs will deliver the outputs and activities for which they are responsible.

2.65 The most significant objectives set within the Defence Plan flow directly from the SfD and are termed **Defence Board Strategic Objectives (DBSOs)**, focussed on what is central to the delivery of the strategy. The DBSOs are a small set and will not cover every aspect of Departmental performance:

- DBSO 1: Success on Current Operations – DG Sec Pol & DCDS(Mil Strat & Ops).
- DBSO 2: Success on Standing Military Commitments – DG Sec Pol & Ops and DCDS(Mil Strat & Ops).
- DBSO 3: Contingent Capability – DG Sec Pol & Ops and DCDS(Mil Strat & Ops).
- DBSO 4: International Defence Engagement - DG Sec Pol.
- DBSO 5: Transforming Defence – DG T&CS
- DBSO 6: Service Personnel – DCP
- DBSO 7: Civilian Workforce – D HRD
- DBSO 8: Equipment Programme – CDM & DCDS(Mil Cap)
- DBSO 9: Affordability – DG Finance
- DBSO 10: Governance – DG T&CS

Allocation of Resources

2.66 The Defence Board is required to approve the planning conclusions of the SDSR, including Command and TLB plans, and the allocation of resources proposed by PUS who will then delegate the approved resources to TLB holders.

2.67 As Departmental Accounting Officer, PUS is personally accountable to Parliament for the economic, efficient and effective use of Defence resources, prudent administration, and the regularity and propriety of Defence expenditure – he is supported in this function by DG Fin. TLB holders are personally accountable to PUS for the overall performance of their business, and delivery of assigned outputs agreed in their respective Command/TLB Plan.

2.68 The model for resource allocation and accountability is summarised in Figure 6.

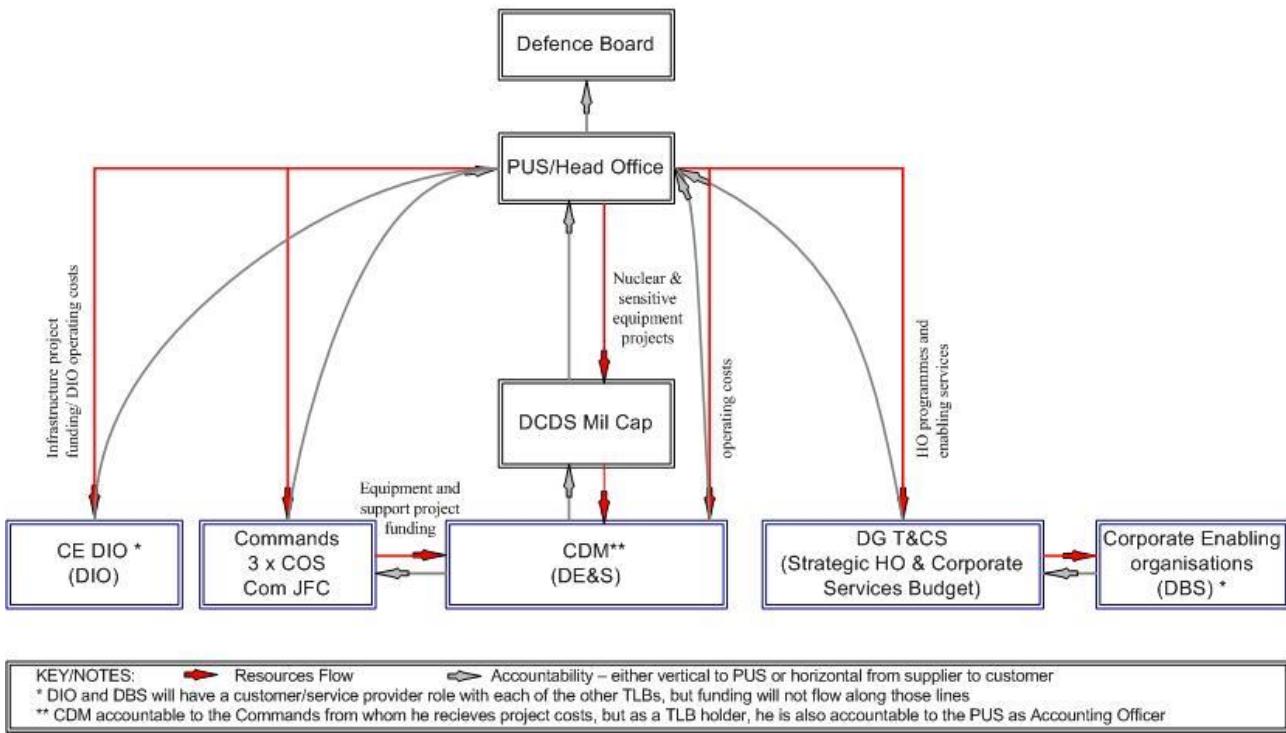


Figure 6: Resource allocation

2.69 Head Office will allocate the majority of the Department's funding through the Command TLBs (Navy, Army, Air and JFC), including, from Apr 13, the bulk of equipment and support funding. Key exceptions to this flow of resources are:

- Funding for particularly strategic or sensitive equipment programmes, will be retained in Head Office under DCDS Mil Cap (Director Strategic Programmes).
- Funding for DE&S's operating costs, which is allocated directly to CDM.
- Funding for infrastructure and operating costs is allocated directly to DIO who will develop an infrastructure programme that is based on the Commands' and other TLBs' infrastructure requirements. The exception to this funding flow relates to infrastructure projects that are required to bring in new capabilities. In the new Operating Model projects will secure funding for infrastructure requirements and pass it to DIO at the appropriate point in time.
- Funding for Head Office pay and non-equipment programmes (e.g. the central science and technology budget) and corporate enabling organisations (e.g. Defence Business Services and the MOD Police and Guarding Agency) are allocated to the Head Office and Corporate Services budget.

2.70 From Apr 13, the Commands will have a customer/supplier relationship with DE&S, transferring project costs to DE&S and holding DE&S to account for delivering agreed outputs within the budgets set. CDM will remain accountable to PUS as a TLB holder in his own right.

2.71 For the delivery of capability and business change programmes the Head Office and TLBs will work within a Portfolio, Programme and Project Management (P3M) framework, which has been more closely aligned to cross-government best practice than before. Portfolio management applied at Defence and TLB level will support the Department in making better, evidence-based balance of investment decisions clearly linked to objectives, priorities and available resources, and assuring successful delivery of change programmes. Combined with appropriate Programme and Project management discipline, it will also strengthen authority and accountability by making clear roles and responsibilities at each level alongside allocated resources.

2.72 Through this framework, TLBs will be free to use their budgets flexibly, within the constraints set by Head Office, to ensure outputs are delivered on time, within budget, and in line with delegated responsibilities (HO will aim to maximise TLB freedoms and to minimise constraints). TLB holders will receive allocations for capability and business change programmes funded against an endorsed business case and defined benefits. These will be captured in a mandate and allocated to a Senior Responsible Owner (SRO) and the programme, and associated projects, will be subject to investment approvals and (dependent on scale) to additional Defence-level and/or external (Major Projects Authority²⁰) assurance. To comply with Parliamentary and HM Treasury requirements on 'flexing' between equipment plan/non-equipment plan, restrictions on Capital funding and Resource funding will continue to apply.

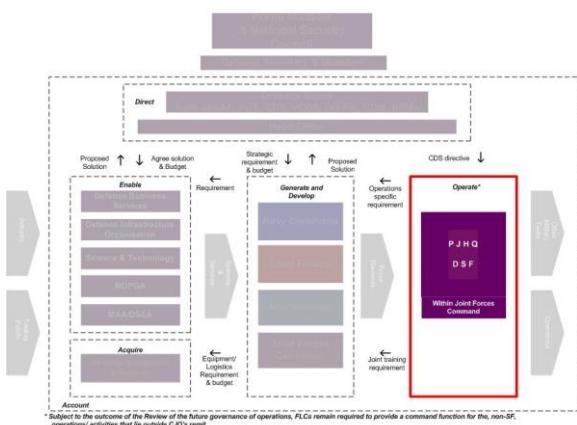
²⁰ The Major Projects Authority (MPA) is jointly run by HM Treasury and Cabinet Office (Efficiency and Reform Group). The MPA set cross-government standards for the management of change programmes and applies assurance to departments' non-delegated major programmes and projects.

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 3: OPERATE – How we use the Armed Forces

Overview

2.73 CJO and the Permanent Joint Headquarters (PJHQ) command forces deployed on joint operations overseas. The single Services remain responsible for specific maritime operations (including the deterrent), security of the UK's airspace and UK resilience. The Head Office directs and prioritises the use of Defence and military capability on other, non-operational activity, as described by the Military Tasks, such as Defence Diplomacy and international engagement.



Using Defence and military capability

2.74 The use of Defence and military capability is described by a framework of Military Tasks and Defence doctrine, with the commitment of capability for a specific purpose directed by the Head Office as the Military Strategic Headquarters and a programme of international security cooperation activities. The seven Military Tasks which describe the Defence contribution to National Security are:

- **Defence of the UK and its Overseas Territories**, covering standing tasks and commitments to protect the integrity of the UK – routinely the maritime and airspace - and providing security for Overseas Territories and Permanent Joint Operating Bases.
- **Providing strategic intelligence**, which is derived from a variety of sources, to inform policy and decision-makers across the spectrum of operations and Military Tasks.
- **Providing nuclear deterrence**, through Continuous At-Sea Deterrence, which is delivered by the Royal Navy under the command of the Chief of the Naval Staff, who has been designated as the Joint Commander by CDS, in line with the Prime Minister's direction. This task also includes the Department's contribution to disarmament and counter-proliferation activities.
- **Supporting civil emergency organisations in times of crisis**, in times of civil emergency, military assets may sometimes be required to provide assistance to civil authorities (MACA)²¹. This task encompasses our peace-time contribution to OGDs in protecting our citizens and their interests and ad hoc support to civil emergency authorities in times of crisis.

²¹ MACA – Military Aid to the Civil Authorities.

- **Providing a Defence contribution to UK influence**, in support of the Government's overseas objectives, directing international defence engagement towards support to operations, defence diplomacy and defence sales, conflict prevention, security sector reform and capability building in priority countries.
- **Defending our interests by projecting power strategically and through expeditionary interventions**, covering the threat or actual use of lethal military force overseas, either on a national basis or as part of a coordinated international effort with allies and partners.
- **Providing security for stabilisation**, in support of OGD's strategic objectives. The precise nature of our engagement will depend on where we are in the conflict cycle (pre, present, post), in which the military lever of power will not be decisive, for an extended period during which the situation may vary from permissive 'policing' to high-intensity combat concurrently, such as Afghanistan.

The Role of PJHQ

National Operational Headquarters

2.75 The PJHQ, commanded by the Chief of Joint Operations (CJO), is the national operational level command. CJO is responsible for the planning and execution of joint, or potentially joint, national and UK-led multinational operations conducted outside the UK. He reports direct to CDS for contingency planning and advice on the conduct and resourcing of current operations or standing commitments, other than for the routine running of the Permanent Joint Operating Bases, which is the responsibility of Comd JFC. Wider responsibilities for the joint warfare development belong to Comd JFC.

2.76 The Department will conduct a review to report in 2013, taking account of experiences from the Olympics and current work on UK resilience, to identify whether transferring to it those operations not currently run by PJHQ would deliver greater operational effectiveness. The review will include maritime operations, including the deterrent, security of UK airspace and UK resilience.

2.77 Head Office will at times require support and detailed advice from PJHQ to support strategic decision-making within the NSC. The operational Chain of Command for joint operations is shown at Figure 7. The Head Office will also be involved in targeting decisions by Ministers and senior officers and strategic communications, including in particular information operations. This role is performed by the Targeting and Information Operations team (TIO).

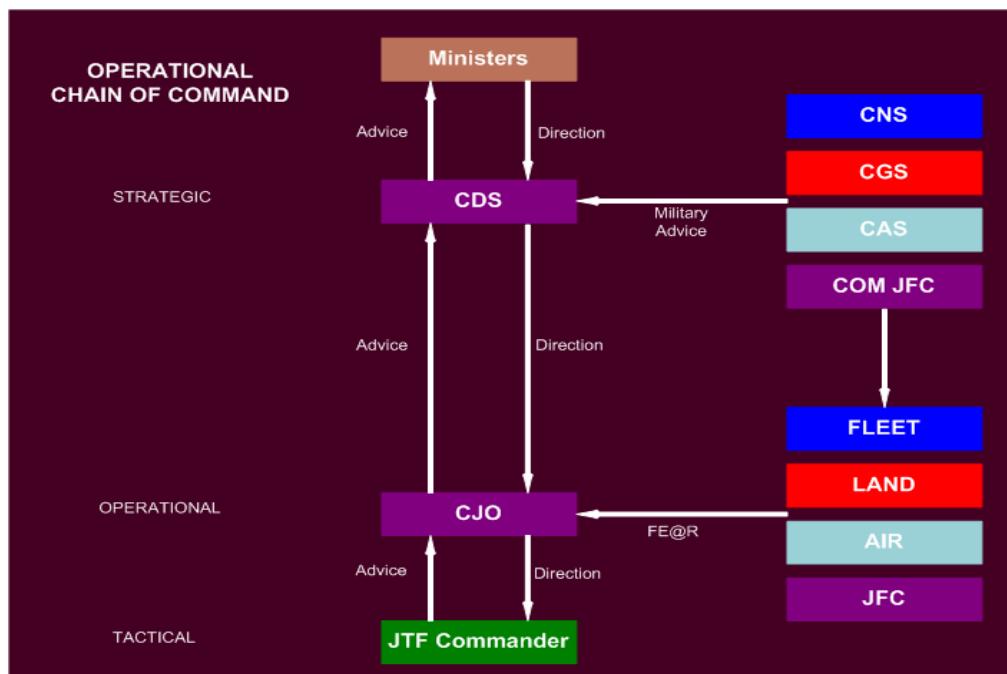


Figure 7: Chain of Command for Joint Operations

Commanding Operations Overseas

2.78 CJO is responsible for the planning and execution of joint, or potentially joint national and UK-led multinational operations conducted outside the UK. He delivers the military strategy, set out by the Head Office in the CDS Directive, and directs the activities of his assigned forces to achieve specific purposes. He exercises Operational Command (OPCOM) of UK forces assigned for a specific operation and is responsible at the operational level for the deployment, direction, sustainment and recovery of deployed forces. CJO acts as the Joint Force Commander, which is generally delivered rear-based in Northwood. In Apr 12, Comd JFC, vice CJO, assumed command of the Permanent Joint Operating Bases (PJOBs) overseas and for supporting activities conducted outside CJO's area of operations.

2.79 Recent operational experience has led to the establishment of a National Contingent Commander (NCC) role to ensure that, for selected operations, UK force elements are directed appropriately by the coalition and national command chains in accordance with national objectives, and that Head Office receives timely advice to inform national policy.

2.80 Taken together, this structure provides an effective combination of:

- Head Office policy guidance and direction.
- National command authority exercised through CJO, including the provision of UK operational campaign continuity in support of coalition command.
- Influence and advice by the NCC.

2.81 The PJHQ Contingency Planning Team process ensures that FLCs (including JFC for Joint Enablers) are appropriately engaged in the PJHQ planning and decision-making processes for both contingent and current operations; this also feeds into the Defence

Crisis Management Organisation (DCMO). JFC reports on DBSO3 and also provides a key input to the process through the Contingency Capability Readiness and Standards process.

Commanding UK Operations

2.82 Except where there is an immediate threat to life, a deployment of the Armed Forces in the UK requires an official request for assistance from a civil authority and specific authorisation from the Defence Council.

2.83 The provision of policy advice to Government and direction to the Armed Forces is delivered in the same way as for overseas operations. However, operational level command is exercised through Commander Land Forces in the Army HQ as Standing Joint Commander (UK). He exercises a similar function to that of PJHQ for overseas operations, utilising the regional chain of command to interface with local civil authorities. Similarly, command for operations beyond the 12 nautical mile limit of UK Territorial Waters is delivered by the Royal Navy through the Maritime Operations Centre and, in exceptional circumstances, within this limit. Security of UK airspace is commanded by the RAF.

Cyber Operations

2.84 The Chief of Defence Intelligence (CDI) is the Defence Authority for Cyber, on behalf of Comd JFC, although the formulation of Cyber policy remains a Head Office responsibility, delivered through ACDS Military Strategy. The Cabinet Office funded Defence Cyber Security Programme and the Joint Force Cyber Group sit within JFC. CDI, on behalf of Comd JFC, will command all cyber operations to ensure coherence. Cyber defence will continue to be delivered by ISS within DE&S, subject to the outcome of the Materiel Strategy. Some sensitive operations may be retained within Head Office, through DCDS (Mil Strat & Ops).

Intelligence

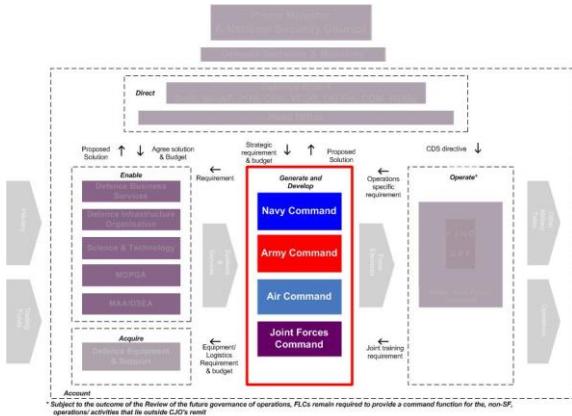
2.85 Chief of Defence Intelligence (CDI) is responsible for Defence Intelligence, now part of JFC, and continues to be the Defence provider of intelligence and assessments to strategic customers within MOD, across Government and the international community.

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 4: GENERATE AND DEVELOP – How the Commands deliver Military Capability

Overview

2.86 The single Services and JFC have primary responsibility for the generation of force elements, manned, equipped, trained and prepared for operational employment. JFC supports the delivery of joint capability more generally through joint education, training (through the Defence Exercise Programme and higher Tier Exercises) and validation.



Force Generation

2.87 Force generation covers the spectrum of activities from the recruitment of Service personnel, through basic and unit training, the integration of equipment into the joint force (i.e. across all the DLODs²²), and then delivers Force Elements to the point of embarkation ready for operations. As described previously, Head Office states the strategic requirement, through DSD and, in the nearer-term, the DP, to the Commands and provides them with the budget for delivery. The Services generate and develop their forces in concert with JFC for employment by CJO, other nominated Joint Commanders, or in some circumstances a single Service Commander. Specific operational requirements are derived from PJHQ, JFC for joint contingent requirements, or the relevant Service in the case of Service-led operations (See Part 2 Section 3).

2.88 The output of the force generation process is Force Elements at Readiness and Sustainability (FEARS): these in turn make up force or capability packages to meet specific threats or tasks. There is considerable commonality in the way each Service generates forces, but each is optimised to meet specific environmental requirements. Importantly, this is not just about delivering trained units at readiness, but also reflects our ability to deploy, sustain and recover them from operations. Royal Navy force generation is driven in large part by the need to maintain and deliver ships and their crews at readiness. The Army operates a Force Operational Readiness Mechanism, with units and formations moving through progressive stages of preparation and contingency, before deployment. RAF processes are driven by the need to train and maintain aircraft and aircrews at readiness.

The Role of the Single Service and JFC TLBs

2.89 The single Service Chiefs' primary focus is to lead and deliver their Service, and generate and develop their Service to meet the strategic requirement. To support this, from Apr 13, they will be given responsibility for setting equipment and support requirements and the budget for DE&S, and will have the ability, within a clear control

²² Defence Lines of Development.

framework, to use the budget they have been allocated more flexibly to deliver their outputs. The Chiefs' advice informs strategic decision-making, but they have no primary responsibility for Defence strategy, resource allocation and the corporate management of Defence. They retain their constitutional responsibility as professional heads of the individual Services and continue to exercise full command over their people. The Chiefs have specific responsibility for:

- Operational Command of those Operations for which they are currently responsible.
- Exercising full command responsibility for all personnel of their Service (wherever employed), and responsibility for the welfare and morale of all personnel (uniformed and civilian) employed within their Command.
- Individually, and collectively through membership of the Chiefs of Staff Committees (COS), providing environmental advice to MOD and Government on the operational employment of their Service, contributing to CDS' formulation of military strategic advice, and advising Defence Board decisions on Departmental strategy and high level requirements setting, as they relate to their Service.
- Conducting their own force development process to propose, in their draft Command Plan, the optimum, affordable force structure (including equipment) which will best deliver the Defence Board's requirements.
- Development and generation of their Service to deliver Defence outputs now and in the future. This will include recruiting, educating, training, equipping, preparing and sustaining their Service.
- Running their Service and the Command TLB – being accountable for delivering agreed outputs within their delegated budget – with the freedom to make choices, within the corporate framework about the best balance between manpower, training, equipment, support, and other areas and between different capability areas.
- Acting as the customer to CDM, setting the detailed equipment and support requirements and budgets, and articulating their infrastructure requirements for delivery by the DIO.
- Supporting CJO in the delivery of environmental aspects of operations and commanding the delivery of delegated operations²³.
- Conducting appropriately prioritised international engagement in support of the International Defence Engagement Strategy, as agreed by their 3* and 1* bodies. Additionally, undertaking domestic and representational influence and engagement activities in support of the Services' place in society.

²³ As Para 2.76 sets out, the arrangements for the management of these operations will be reviewed in 2013, in response to Defence Reform Key Recommendation 8.

- As custodians of their Service, maintaining its long-term health, its fighting effectiveness and sustainability, including career management, professional standards, reputation, ethos, welfare and morale.

2.90 The responsibilities and accountabilities of the Service Chiefs and CDS, VCDS, PUS and SofS are set out in Annex D. As guardians of their Service, the Chiefs retain access to the Prime Minister as a last resort, though they will ordinarily report and provide any advice on their Service through CDS to SofS.

The Structure of Service Commands

2.91 In line with Lord Levene recommendations for the Chiefs' roles, the 4* Commander-in-Chief post will all be abolished by Apr 13. The Service Chiefs' principal supporting staff will be based at their Command headquarters, with a much-reduced Head Office footprint led at 2*-level to inform activity and decision-making and to provide situational awareness to the Service. The top structure of the new Commands will be based around:

- Navy Command: CNS/1st Sea Lord will be supported by two 3*s (Fleet Commander and Chief of Naval Personnel & Training).
- Army Command: CGS will be supported by three 3*s (Commander Land Forces, Adjutant General and Commander Force Development & Training).
- Air Command: CAS will be supported by two 3*s (Deputy Commander Operations and Deputy Commander Capability).

2.92 The Service Commands are reorganising to maximise their effectiveness and efficiency in working within the new Operating Model. There will be some differences between the Command HQs' structures, reflecting different environmental outputs and requirements, but they will be standardised where possible to ensure a common interface with Head Office²⁴, DE&S, DIO and each other. The structure of the Commands will evolve, particularly as the new capability and finance model is tested and implemented FY 2013/14, and it may need to adapt in the future to the alternative models for DE&S and DIO currently under consideration.

2.93 The Service Chiefs will each chair a Service Executive Committee, which they will use to manage their Service, and they will be supported in the day-to-day running of the Command by other groups. Each D-Res will be a member of their respective Service Executive Committee.

2.94 The Commands will agree with Head Office in a Command Plan how they will deliver their agreed outputs; balance and prioritise spending; drive efficiency and improvement and take on responsibility from Head Office for setting the equipment/support requirements and budget for DE&S²⁵.

²⁴ Particularly the DG Fin and DCDS Mil Cap areas, including through each new 2* D-Res which report jointly to the Service Chief and DG Fin.

²⁵ With the exception of the nuclear deterrent and some special projects.

The Structure of Joint Forces Command

2.95 JFC stood up at Initial Operating Capability on 2 Apr 12, with a small headquarters based at Northwood, and will reach Full Operating Capability by Apr 13.

2.96 JFC's primary purpose is to ensure the coherence and capability of the joint force and its preparation and the employment of joint enablers to support current, contingent and future capabilities in response to contingencies, the evolving character of conflict, and the international context. It monitors and manages performance and risk against current and contingent Defence capability, ensuring prioritisation of Joint training and Joint and single Service capabilities to optimise delivery of joint effect. Additionally, Comd JFC is responsible for certain enabling capabilities, and acts as the Joint User representing other interested Defence parties for Joint and enabling capabilities whose elements may sit within the single Services. He delivers this through leadership of joint warfare development and through the creation of joint structures and processes that deliver joint capability in the most effective and efficient way.

2.97 JFC's functions and responsibilities²⁶ are summarised at Figure 8.

JOINT FORCES COMMAND core role within the Defence Operating Model		
Joint Capability Development	Resource Management	Support to Operations
Develop joint warfare to ensure the delivery of relevant, agile, balanced and coherent joint operational capability Analyse strategic context and the dynamic nature of conflict, to inform the requirement for Contingent Capability and shape future Joint Force design Validate Contingent Capability and deliver assigned Capability coherence functions to manage operational risks Lead capability development for allocated joint capabilities, and act as the Joint User for single Service enablers as part of a coherent joint operational capability	Control the financial expenditure and direct the planning of the organisation Ensure more appropriate prioritisation and timely provision of joint enabling capabilities to meet operational demand Influence budget coherence across Defence Deliver good governance and value for money	Inform Head Office decision making on the Joint Force capability and design required to meet contingent and emerging threats Support current and contingent operations through training, analysis and continuous Capability development Support the provision of joint enablers to operations Own the Defence-wide Lessons process Enable PJHQ and DSF to operate under CDS direction
Joint Command		
Engage across Defence and Whitehall, and internationally Command, direct and prepare assigned joint capabilities in readiness for employment by the designated Joint Force commander, and in support of Defence Outputs Lead a more productive workforce, motivated by joint outcomes		

Figure 8: JFC Core Role within Defence Operating Model

2.98 Comd JFC reports to CDS and, as a TLB holder, is accountable to PUS. He commands allocated units and organisations within JFC and is responsible for their generation and development. PJHQ and DSF are within JFC, but report directly to CDS through DCDS (Military Strategy & Operations) on the planning and conduct of operations.

²⁶ The JFC Design Paper D/VCDS/5/1/2 dated 04 Jan 12 provides the authoritative detail of JFC's functions and responsibilities.

2.99 Comd JFC's status is similar to that of the single Service Chiefs, although he has no 'right of access' to the Prime Minister. He sits on all committees that include the single Service Chiefs, including the Armed Forces Committee (representing joint requirements) and on COS(C) (as the proponent for joint effect and contingent capability). He will operate a JFC Board with his D-Res as a member.

2.100 JFC's responsibilities and functions, and in particular the delegation and coherence of delivery functions, enable a smaller Head Office to focus at the strategic level. A number of functions are conducted by JFC organisations directly on behalf of the Head Office, such as the development of Defence medical and health care policy by SG, and Intelligence policy by CDI. These responsibilities are set out in DSD and agreed in the JFC Command Plan.

2.101 The composition of JFC on Apr 13 is set out in Annex A.

Generation and Development of Strategic Capabilities

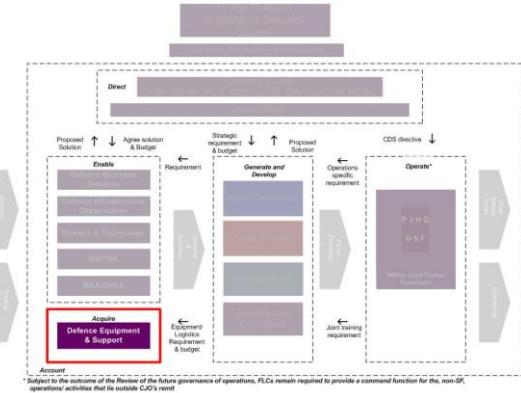
2.102 Some capabilities are not being delegated to the Commands and will be retained in Head Office under DCDS(Mil Cap), for which VCDS will be the Capability Sponsor. These are generally programmes and projects of a particularly sensitive or strategic nature that will be planned and managed in the Director Strategic Programmes area. Capability Management responsibilities are set out in Annex B.

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 5: ACQUIRE – Procuring and Supporting Military Capability

Overview

2.103 The Chief of Defence Materiel (CDM), who leads Defence Equipment and Support (DE&S), is responsible for acquiring (procuring and supporting) the equipment, systems and commodities needed to generate military capability. Building on its current role, and reflecting the shift in capability planning responsibilities, DE&S will from Apr 13: provide robust costing of the equipment and support elements of the Command Plans; confirm that they are deliverable; and then deliver in line with the 'contract' established with the Command TLB holder. The Command TLBs and Head Office (where capability responsibilities remain there) will hold DE&S to account for this, with CDM also held to account by PUS for DE&S' overall performance. Beyond Apr 13, the precise nature of the interface²⁷ between DE&S and the TLBs and the mechanisms for holding DE&S to account will depend on the outcome of CDM's Materiel Strategy and the resulting future business model.



The Role of DE&S

2.104 The acquisition function works with Head Office, FLCs and industry to provide the required military materiel to meet the needs of our Armed Forces now and in the future, including Urgent Operational Requirements. The work under CDM's Materiel Strategy to examine DE&S' purpose, boundaries, skills, capabilities and Operating Model, and how best it can discharge its core responsibilities, will address two key shortcomings with the current acquisition model:

- An insufficiently disciplined interface between Head Office or Commands, as the demanders, and DE&S, as the deliverer, which results in poorly-founded projects, especially where changes to demand and specification are involved.
- Insufficient business capabilities in DE&S.

2.105 While the **Materiel Strategy** is considering options for the future of DE&S and the timescale for implementing change, we must continue to:

- Provide a strong emphasis across the Department on living within means.
- Link properly demand to the resource required for delivery.
- Develop more disciplined interfaces between DE&S and Head Office, Commands and Industry that establish credible specifications and costs

²⁷ DE&S interface paper (ref: FMCT/02/03/04) dated 7 Sep 12.

(including operating costs) for DE&S outputs from the beginning and then exercise proper control over changes.

2.106 The model has also been designed specifically to help the Department meet the strategic challenge of exerting and maintaining control over its equipment and support programme and it gives CDM the authority he needs to do this while delivering the military customers' requirements.

2.107 The main responsibilities of DE&S are:

- Acquiring (procuring and supporting) equipment, services and commodities in line with the requirements and budget set by Head Office, the single Services and JFC.
- Providing robust costings for Head Office and FLCs on the equipment and support elements of their Command Plans, and confirm that they are deliverable.
- Providing logistic support to current operations (subject to further work on the functions of JFC and the Materiel Strategy).
- Leading Defence commercial and industrial policy and relationships with industrial suppliers.
- Representing UK acquisition interests internationally.

2.108 In July 2012, SofS announced that in terms of a future business model for DE&S, the strategic case for the Government Owned Contractor Operated (GOCO) is stronger than that for an Executive Non Departmental Public Body (ENDPB) option. Further value-for-money work is underway to confirm this assessment. The GOCO model, populated by private sector employees and military secondees, would be established by the MOD through a commercial agreement and operate as a 'ring-fenced' part of the private sector.

2.109 Under the GOCO model, DE&S would retain the core functions of developing an acquisition and support strategy and interfacing with the customer and industry to deliver it while providing a different, 'harder' interface with the customer through a contractual relationship between the GOCO 'governor' within Head Office and the GOCO. The GOCO partner would inject skills and provide a reach-back to expertise in the operating company. In order to ensure this option is as robust as possible (and to ensure a viable alternative is in place) a value-for-money benchmark, based on an executive agency and known as 'DE&S plus', will be developed.

The Acquisition Model

2.110 The model for the acquisition of the equipment element of capability will continue to be based around the CADMID cycle (involving Concept, Assessment, Demonstration, Manufacture, In-Service, and Disposal phases) or the CADMIT cycle (Migration, Termination) for the acquisition of services. In the new Operating Model, DE&S customers will set costed equipment and equipment support requirements in conjunction with DE&S, but DE&S will only accept the delivery commission if, from the outset, sufficient

resource is allocated and DE&S is confident of deliverability. The relevant approvals authorities will need to be assured of these aspects before proposals are included in the forward investment programme. Customers will be expected to limit changes to the requirement (e.g. in relation to performance or timescale), but where this is necessary, DE&S will cost fully the impact of any changes and only agree to implement them once funding and deliverability have been assured.

2.111 Authorised delegations and the demander/deliverer relationship will be critical and will include the need for transparency on risks and costs between customers and DE&S: DE&S should not agree to deliver the 'undeliverable' or take on excessive risk.

2.112 In general, there will be an emphasis on better cost and time estimation from the outset, but also on a faster acquisition process. This will require strong evidence-based decision-making in the early stages of programmes and projects, with improved costs and risk awareness informing approvals at key decision points. We should aim at a more modular approach so that capability is delivered more quickly and then upgraded incrementally through life, allowing flexibility to be contracted-in through more appropriate commercial terms.

2.113 In addition, DE&S' internal resource plans will be more closely aligned with the scope and shape of the equipment programme. Ultimately this will be underpinned by the introduction of a hard-charging regime between DE&S and its customers. In the near term, shadow arrangements from Apr 13 will aim to introduce a level of cost communication between Commands and DE&S with respect to DE&S operating costs.

2.114 DE&S will act as the lead interface with industry, especially in relation to any commercial negotiations, but the customer will also be able to consult industry at the Concept stage to explore the potential for innovative solutions across the DLODs.

Business Capabilities

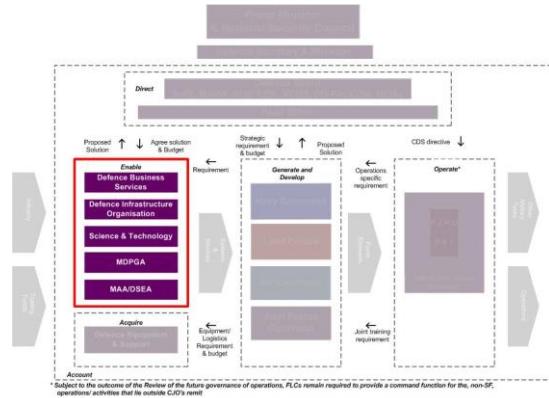
2.115 Improvements to business capabilities will be needed in Head Office and the Commands to better enable capability planning. In addition, future acquisition and project management functions will demand similarly improved business capabilities, requiring a significant injection of skills – the Materiel Strategy will examine this further. Funded by the Command TLBs, DE&S will provide appropriately skilled staff to support the Commands' programme management across the DLODs.

PART 2: THE NEW DEFENCE OPERATING MODEL

Section 6: ENABLE – Delivering Corporate Support and Services

Overview

2.116 Enabling services in infrastructure and corporate support will be provided more professionally and efficiently, and on a pan-Defence rather than TLB-by-TLB basis, by the new DIO and DBS organisations. Director General Transformation & Corporate Strategy (DGT&CS) provides oversight of the enable function, which he discharges for DBS through his membership of the Corporate Services Board (CSB).



Corporate Enabling Organisations

2.117 The delivery of enabling services is being rationalised and reformed, with responsibilities increasingly consolidated on a number of corporate organisations mostly overseen by DG T&CS. Since Apr 12, DBS, MOD Police and Guarding Agency (MDPGA), the Military Aviation Authority (MAA), Defence Safety and Environmental Authority (DSEA) and the Science and Technology budget have been managed as part of the Head Office and Corporate Services budget.

Defence Business Services

2.118 In Jul 11 DBS was established to form a single delivery organisation, that provides a corporate service to organisations and individuals across Defence and a number of Other Government Departments. The suite of services currently includes, civilian HR, finance, security vetting, and Knowledge and Information. To facilitate these service delivery packages, DBS utilises an internal enabling structure comprised of Business Management, Programme Management, and Information Systems. From 2013, subject to meeting certain conditions, DBS will incorporate the functions previously provided by Service Personnel and Veterans Agency (SPVA).

2.119 Working with its strategic partner²⁸ DBS is led by a Chief Executive, who is accountable to DG Finance (and the Corporate Service Board (CSB)). The CSB sets the strategic direction for defence corporate services and determines its delivery priorities within its budget. Delivery priorities are determined by the relevant Process Owners, through consideration of the menu of service requirements it receives from its customers. DBS current structure is set out in Figure 9.

²⁸ The strategic management partner role is currently provided by Serco / Accenture under a contract that ends in 2016.

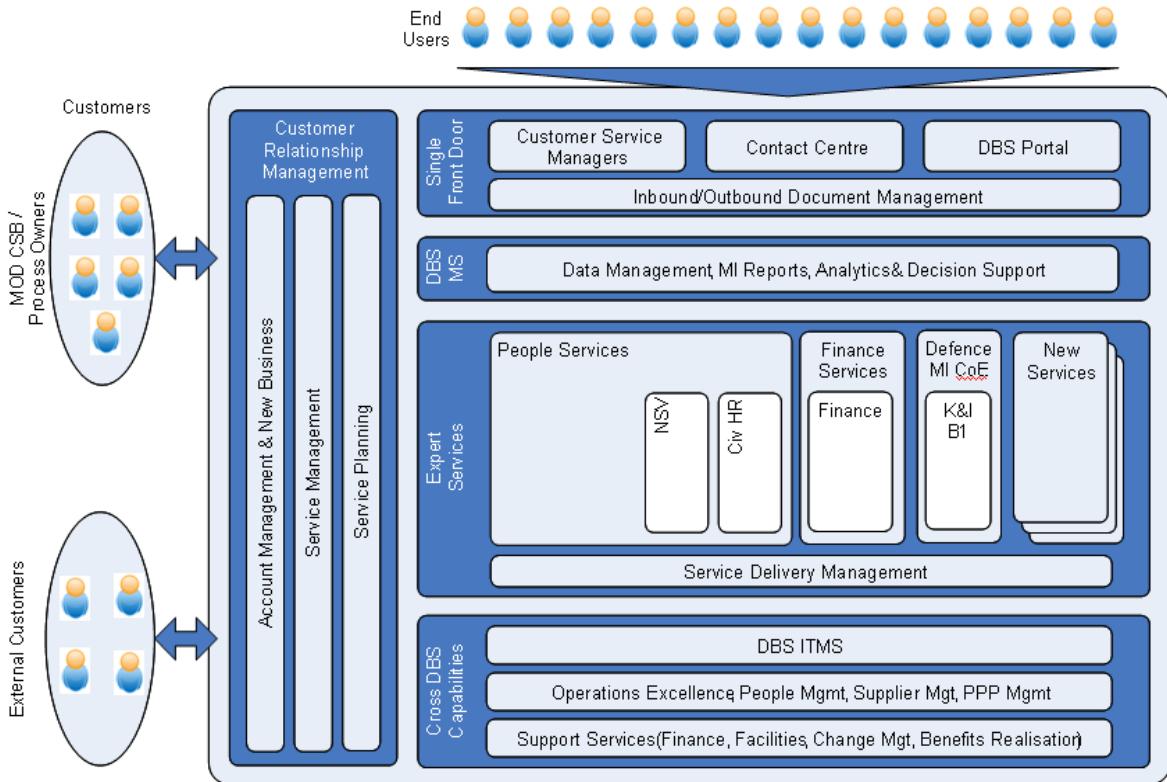


Figure 9: Structure of DBS

Defence Infrastructure Organisation

2.120 The DIO was established in Apr 11 to provide a 'one stop shop' infrastructure service to Defence, including:

- The delivery of Facilities Management (FM), both 'hard' FM (property maintenance, for example) and 'soft' FM (cleaning, catering, grounds maintenance, for example).
- The delivery of infrastructure projects.
- Utilities management including energy, water and waste water.
- Managing the estate and working with TLB customers to develop their infrastructure requirements into an affordable infrastructure programme.

2.121 The Chief Executive of the DIO (CE/DIO) is responsible for delivering the DIO's objectives, as set out in its TLB (Command) Plan. As a TLB Holder, CE/DIO is held to account on a quarterly basis by PUS for the delivery of those objectives within budget. Routinely, CE/DIO reports to PUS and is also held to account and directed by a Defence Infrastructure Board (DIB), on which DIO executives, Head Office, TLBs, wider Government and non-executive experts are represented²⁹. The Command TLBs and other TLBs hold DIO to account for the delivery of infrastructure services at TLB and site level.

²⁹ In line with recommendations accepted by SoS during the Defence Reform review, the structure of the DIB will be revised in due course – for example to appoint an independent property expert as its chair.

2.122 Under the Chief Executive, the DIO is currently structured around three main functions: strategic asset management and programming (responsible for developing the infrastructure programme); operations (responsible for working with industry to deliver infrastructure services) and 'head office' corporate and enabling services (corporate services, finance, transformation, HR and communications). The DIO's organisational structure is set out in Figure 10.

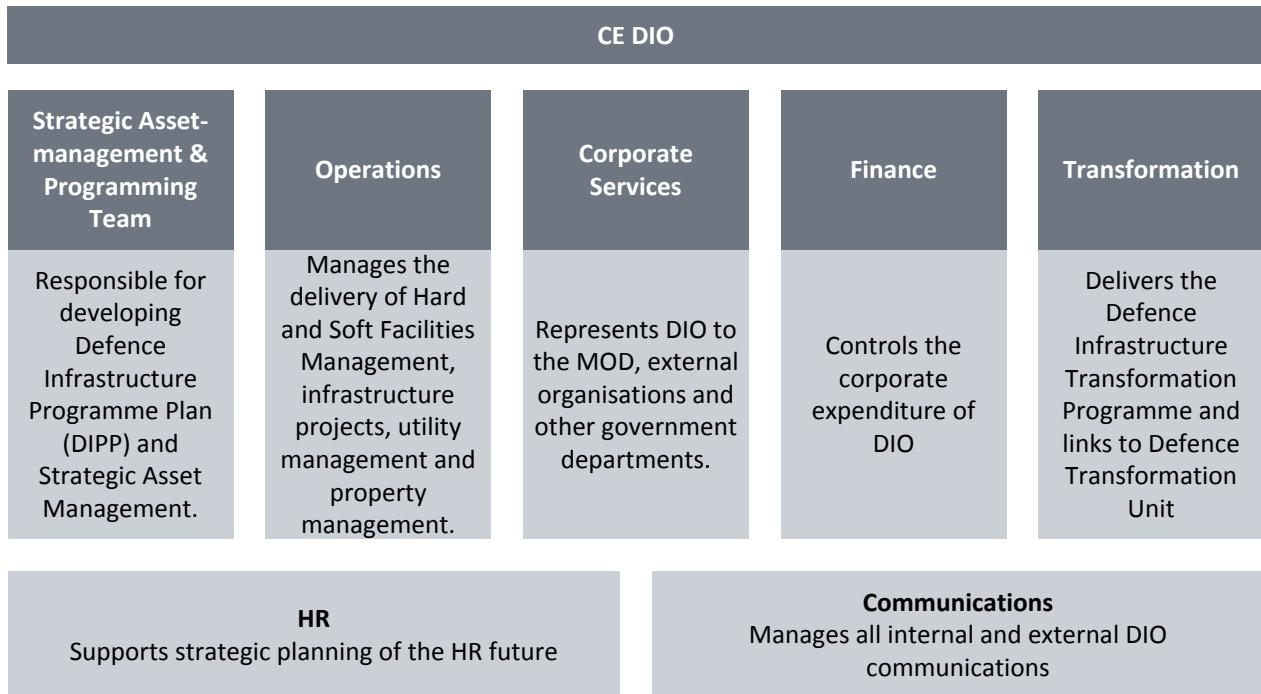


Figure 10: DIO organisational structure

Future DIO model

2.123 As part of a two year transformation programme, the DIO has reviewed and is revising its existing Operating Model, core business processes, management information requirements and organisational design, and will cut over to this 'enhanced Operating Model' by Apr 13. In parallel, the DIO is examining its future corporate structure (or 'strategic business model'), with analysis suggesting that best value for money for Defence could be achieved through either a partial or a full transfer of its operations to the private sector.

2.124 The Defence Board has agreed that the DIO should pursue commercial competition to develop these options, with a view to presenting a main gate business case in 2013 on which decisions on an alternative corporate structure can be made. Changes in the DIO's future corporate structure would have some implications for the ways in which TLB users engage with the DIO, though the largest impact would be on the operations areas; under any of the options, core elements of the strategic asset management and programming function and 'head office' function would remain in-house.

2.125 The DIO performs a strengthened prioritisation function in the form of a Strategic Asset Management and Programming Team (SAPT), one of the key roles of which is to coordinate TLB users' requirements into an affordable Defence Infrastructure Programme in the 20-30 year timeframe, with a detailed plan covering a 10 year period.

2.126 In the new model, infrastructure requirements will come from four main sources:

- Defence Strategy, which will be set out in the DIO's Command Plan.
- Command TLBs, addressing basing for example or doctrinal change issues and from April 2013 the need to support equipment and support capabilities.
- DIO, including to address facilities management issues and life cycle replacements.
- DCDS(Pers & Trg) who sets accommodation policy.

2.127 Following the individual TLB's internal prioritisation, the SAPT will work to prioritise the overall Infrastructure Programme. The prioritisation process will take into account operational factors, together with safety/legal, policy/strategy, moral component and business advantage factors.

2.128 An interim Defence Infrastructure Programme, a combination of existing infrastructure programmes across Defence, has been created, and the new prioritisation process is being developed and tested. Ultimately, the proposed Infrastructure Programme is endorsed by the Defence Infrastructure Board and the Defence Board. TLB users – at site level and TLB level – hold the DIO to account for delivery of the agreed programme.

Science and Technology

2.129 Science and Technology (S&T) continues to be a key element of our overall capability and the Department will continue to invest in essential S&T. Defence needs to balance long-term research focused on achieving operational advantage in potential conflicts and mitigating the risks of technological surprise with the immediate application of expertise on today's battlefield. It is essential that the benefits arising from S&T investment are in future realised in cost-effective equipment capability as well as in improved decision-making, policy development, acquisition and human capability.

2.130 The Chief Scientific Adviser (CSA) ensures that key strategic decisions made by Ministers, senior officials and the Armed Services are informed by high quality, expert scientific advice and analysis. He reports to PUS, and is the deputy chair of the Research and Development (R&D) Board, chaired by the Minister for Defence Equipment, Support and Technology (Min DEST). He also leads the Department's use of statistical and analytical services. He is a member of the Investment Approvals Committee and the UK technical lead for the 1958 UK-US Mutual Defence Agreement on nuclear issues. Given the range and depth of S&T expertise available to the Department, CSA also interacts across all S&T issues with Other Government Departments and with Cabinet Office.

2.131 The R&D Board is charged with delivering a focused S&T Programme and providing mechanisms for accountability and assurance that the budget is being spent appropriately. Together with the structures put in place within the Defence Science and Technology Laboratory (Dstl), this provides an effective means for tasking and contracting Dstl and Industry for the delivery of S&T output. Specifically, through the wide membership of the R&D Board, CSA is able to ensure the S&T Programme meets the broader needs of the Department. He is also able to use the Board to advise on value for money and the

scientific and technical competence of the programme. Furthermore, the Board provides greater engagement and independent scrutiny at the strategic level through two independent Non Executive Directors, one being nominated by Defence Industry.

2.132 Complementing these structures, the Defence Scientific Advisory Council, an independent Non-Departmental Public Body, remains a prime source of advice on S&T to CSA and Ministers.

2.133 Within the HOCS TLB, CSA is responsible for the S&T programme budget and accounts. His responsibilities and budget will continue to cover both nuclear and non-nuclear S&T. CSA is held to account for the delivery of the S&T Plan, driven by the quinquennial SDSR, that will ensure an appropriate level of investment for S&T in the long-term.

MOD Policing and Guarding Agency (MDPGA)

2.134 The MDPGA comprises the MOD Police – a statutory civilian police force operating within Defence, and the MOD Guard Service, which provides armed and unarmed guarding services to Defence establishments. It is part of the HOCS TLB, although future organisational arrangements from Apr 13 are under review: the MOD Police may remain within the HOCS TLB (but not in Head Office), with the MOD Guard Service moving to DIO. The Military Provost Guard Service, part of the Army TLB, will continue to provide armed guarding services to the Commands.

Military Aviation Authority and Defence Safety and Environment Authority

2.135 One of the key recommendations of the report by Charles Haddon-Cave QC on the loss of Nimrod XV230 in Afghanistan in 2006 was that, to avoid a conflict of interest, those responsible for the regulation of safety should be independent of those responsible for delivering output. MOD has implemented the principle of regulatory independence in aviation by setting up the Military Aviation Authority (MAA). The creation of the DSEA has extended this principle across other domains and Defence activities.

2.136 The DSEA sits alongside the MAA and regulates all other areas of Defence where we have exemptions from legislation. These exist because of the particular needs of Defence in areas such as nuclear, maritime, explosives, and fuels and gases. The Secretary of State's Policy Statement on Safety, Health and Environmental Protection requires that where MOD has such exemptions we should produce internal regulations that produce outcomes that are, so far as reasonably practicable, at least as good as those required by legislation. The DSEA is responsible for producing this internal regulation.

2.137 As well as being responsible for regulation, the DSEA is also responsible for overall Departmental policy on safety and environmental protection and carries out high-level assurance to establish whether TLBs, Trading Funds and Agencies are complying with the requirements of legislation, as well as internal regulation, in accordance with the Secretary of State's Policy Statement.

Trading Funds

2.138 The Department has three Trading Funds that provide enabling services to Defence.

2.139 **Defence Support Group (DSG)** provides an in-house strategic capability for equipment assembly, maintenance, repair, overhaul, technical upgrade and procurement support, primarily for land and air systems. As a result of the SDSR, the Department plans to sell DSG by 2014/15.

2.140 **Defence Science and Technology Laboratory (Dstl)** aims to maximise the impact of science and technology on the defence and security of the UK by:

- Supplying sensitive and specialist S&T services for MOD and wider government.
- Providing and facilitating expert advice, analysis and assurance to aid decision-making and to support MOD and wider government to be an intelligent customer.
- Leading the formulation, design and delivery of a coherent and integrated MOD S&T programme using industrial, academic and government resources.
- Managing and exploiting knowledge across the wider defence and security community, and understanding S&T risks and opportunities through horizon scanning.
- Acting as a trusted interface between MOD, wider government, the private sector, academia and allies to support military co-operation, capability delivery, diplomacy and economic policy.
- Championing and developing S&T skills across MOD, including managing the careers of MOD scientists.

2.141 The Chief Executive of Dstl is appointed by HM Treasury as an accounting officer and, acting within the authority of Min (DEST), is accountable to Parliament for high standards of probity in the management of public funds (which include, but are not exclusive to, those allocated for the S&T programme), and for accounting accurately and transparently for the organisation's financial position and transactions. The Dstl Owner's Council will continue to provide advice to the Min (DEST) on the review of and objective setting for Dstl. Dstl has aligned existing interfaces between Capability Planning, Delivery and Generation and has embedded S&T gateways within each Command.

2.142 **UK Hydrographic Office** provides navigation charts and other hydrographic information and services to Defence, primarily the Royal Navy, and commercial shipping. It also plays a central role in support of the Maritime and Coastguard Agency in discharging the UK's treaty obligations under the UN Convention on the Safety of Life at Sea.

PART 2: THE NEW DEFENCE OPERATING MODEL

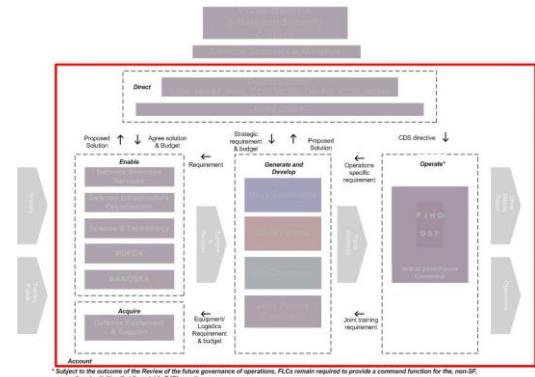
Section 7: ACCOUNT – How we ensure we are delivering our agreed outputs

Overview

2.143 The Secretary of State for Defence is accountable to Parliament for all the policies, decisions and actions of Defence except the professional command of military operations.

2.144 The Permanent Secretary (PUS) is the Departmental Accounting Officer and is personally accountable to Parliament for the economic, efficient and effective use of Defence resources, prudent administration and the regularity and propriety of Defence expenditure. Chief Executives of Trading Funds have similar accountabilities in respect of their Agencies.

2.145 TLB holders, empowered through greater delegation from the centre, will be accountable to PUS for their TLB's performance in delivering their Command Plans, including for those matters for which PUS is personally accountable to Parliament as Departmental Accounting Office.



Roles and Processes

Parliamentary Accountabilities

2.146 In practice, the Secretary of State for Defence is held to account by Parliament in five main ways:

- **Select Committees.** For Defence the primary select committee is the House of Commons Defence Committee (HCDC) which looks specifically at Defence. The Public Administration Committee (PASC) which reviews organisation and administration pan-Government, and the Joint Committee on National Security Strategy (JCNSS) which reviews the Government's National Security Strategy and considers the Prime Minister's Annual Report on SDSR implementation, both also routinely consider issues relevant to defence. Other Committees also take evidence from Defence Ministers, officials and senior officers from time to time when that is relevant to their inquiries. Select Committees may inquire into any issue within their remit. They take oral and written evidence before producing a report to which the Government will then respond.
- **The Public Accounts Committee (PAC).** This is a specific select committee appointed by the House of Commons. The role of the PAC is to investigate the accounting for, and the regularity and propriety of, public expenditure. It is supported in this by the National Audit Office.

- **Parliamentary Questions (PQs).** These are asked by Members of Parliament and Peers to seek information or to press for action, and which may require either an oral or written answer.
- **Parliamentary Debates.** The Government or Opposition may hold at their discretion, or limited debates on specific Defence issues in some circumstances when requested by a Member of Parliament or the HCDC. The Lords also hold debates on defence issues.
- **Ministerial Correspondence (MC).** When MPs write directly to Ministers about the concerns of their constituents or on a topic in which they have an interest. Peers also write to Ministers and will receive a formal Ministerial reply.

2.147 The Secretary of State is also required to produce an annual report to Parliament on financial and non-financial performance. The Annual Report and Accounts provides a comprehensive overview of Defence and how it has used the resources authorised by Parliament. The National Audit Office (NAO) under the Comptroller and Auditor General (C&AG) audits and certifies the Accounts and reports to Parliament on any qualification of the audit certificate. The HCDC invariably takes evidence on the Annual Report and Accounts from the PUS and DG Finance, and from SofS at its discretion, and reports on its conclusions.

The ‘Holding-to-Account’ Process

2.148 The Defence Reform report emphasised the need for the Department to focus on individual executive accountability as the basis for stronger decision-making and delivery, moving away from a default setting of decision-making by consensus and in committees. In line with this, the new Operating Model is predicated on empowered delegation and a clear understanding of what the most senior individuals in Defence are accountable for and to whom, in addition to being clear on their responsibilities and authority.

2.149 PUS will hold TLB holders to account quarterly. This will be a strategic conversation on the performance of the TLB against the Command Plan objectives, identifying specific concerns, issues and risks. It is intended to be a frank and honest conversation between senior leaders. It is also a forum at which TLB holders will ensure that accountability and risk are in balance and where they may expose issues and/or propose adjustments and reprioritisation of their plan (including interfaces with other TLBs) for consideration. PUS is supported by DG Fin, and CDS (for Command TLBs).

2.150 Whilst TLB holders will be held to account against their Command Plan objectives, in many cases these cannot be delivered in isolation. Recording and managing dependencies will therefore be important within the new delegated model. Significant relationships and dependencies will be explicitly recognised within Command Plans, and TLBs will wish to put in place the relevant and appropriate ‘contracts’ with DE&S, DIO and other TLBs, particularly in Lead Service conditions. The Command Plan should document these key interfaces and record, where critical, the performance against each ‘contract’.

2.151 The Holding-to-Account process also enables TLB holders to be held to account for the delivery of, and compliance with, the Department’s corporate policies and other direction set out in the DP, and reflected in Command Plans. On behalf of PUS, the

corporate policy sponsors – the Process Owners – will collate information on performance across the organisation from the Command's/TLB's quarterly and annual Performance and Risk reports. They are responsible for setting relevant and deliverable policies, supporting TLBs with delivery planning, and providing assurance to the Defence Board on delivery. Process Owners must ensure that activities are carried out consistently, to the same standards in different business units, coherently in a “joined-up” manner, and that what they are imposing on business units is reasonable, achieving objectives proportionately. They will be held to account for this through their performance appraisal/line management arrangements. They may also benchmark performance across the TLBs to encourage better performance. Any additional reporting from policy owners (outside the existing Departmental Performance Framework) should be by exception, for example in response to a particular risk, project or tasking from the Board.

Financial Management

2.152 The newly established Directors of Resources (D-Res) are the Senior Finance Officer in each TLB and sit on the TLB senior governance board and other appropriate bodies. As such, the D-Res is responsible for assuring the adequacy of arrangements within the TLB to execute financial management and stewardship responsibilities required to deliver the TLB's Command Plan. The D-Res will be given sufficient authority within the TLB to operate at the highest levels, both as DG Fin's representative within the TLB and as the senior financial advisor to the TLB Holder. They have access to all relevant information held within the TLB to enable them to discharge fully their responsibilities and have personal responsibility for the robustness of the financial elements of the Command Plan and some delegated responsibilities for approvals. TLB Holders must demonstrate their approach to costing information and other evidence in support of decision-making, as well as articulating their strategic cost drivers and their approach to efficiency to take cost out.

Programme and Project Assurance and Approvals

2.153 Thorough Portfolio Offices at Defence level and Sub-Portfolio Offices in the TLBs programme and project assurance will be applied consistent with MPA guidance and cross-government best practice. Portfolio/Sub-Portfolio managers will work closely with key business functions to support strategic development, financial and performance management, and approvals.

2.154 Approvals for TLB programmes and projects will be delegated progressively to Command TLBs from Apr 13. Each D-Res will chair TLB investment approvals committees to examine delegated programmes or projects on behalf of DG Fin. However the most strategic programmes and projects will continue to require endorsement from Ministers, on the basis of recommendations from the Defence Board or Investment Approval Committee.

2.155 Any proposal to exceed approved delegations must be gained through the relevant approvals committee, accompanied by proposals on how to manage an offset within control totals.

Performance Management

2.156 The Defence Performance Framework (DPF) comprises two elements:

- The Quarterly Performance and Risk Report (QPRR) to the Defence Board (tracking performance against the Defence Board Strategic Objectives articulated in the DP).
- Quarterly 'Holding-to-Account' sessions between TLB holders and PUS (tracking performance against Command Plans), to be introduced in FY13/14.

2.157 Where practical, quarterly reporting will be supported by robust data and metrics and demonstrate delivery against pre-agreed trajectories. Risk management is integral to the DPF. In the longer term and in the spirit of greater trust, we intend to review how we can reduce the burden of the detailed reporting requirement on TLBs (including the possibility of combining the QPRR and Holding-To-Account sessions).

Risk & Contingency

2.158 Risks to outputs and required operating standards, will be managed in line with the TLB's/Command's Risk Management Process and reported as part of Performance Management. Risk ownership will be agreed by Head Office and updated as part of the annual refresh and quarterly reporting process. TLBs will propose and record in their plans the remedial action they plan to take in the event that a risk or combination of risks materialises and threatens their ability to stay within their budget, deliver agreed outputs, or operate in accordance with required standards.

Audit

2.159 Government Internal Audit Standards mandate PUS to have an independent and objective internal audit function. This is responsible for measuring, evaluating and reporting on the effectiveness of the risk management, control and governance processes, and providing PUS with an annual audit and assurance opinion.

2.160 A 'single group' internal audit team will replace the multiple TLB assurance and audit teams previously set up throughout the organisation and it will report to the Defence Audit Committee, a sub-committee of the Defence Board, at year end (and by regular updates throughout the year), to inform the Governance Statement. TLBs will be expected to retain their own Audit Committees. Further guidance on their roles and relationship to the Defence Audit Committee will be issued in due course.

PART 3: OPERATING MODEL KEY ENABLING FUNCTIONS

Capability Management

A New Model for Capability Planning

3.1 The delivery of battle-winning capability requires carefully planned integration across all the DLODs. From Apr 13, Head Office will play a more strategic role and responsibility for detailed capability planning and delivery will pass to the Commands, together with associated budgets. The only exception to this principle will be the retention of a small number of strategic programmes and projects in the Head Office, for which VCDS will be the Capability sponsor. Capability Management responsibilities are set out in Annex B.

3.2 The need to retain a balanced, affordable programme is paramount. Accordingly, a simple process will be implemented across Defence to track the bidding for 'new funding for new requirements'. As new requirements become apparent the originator will apply to the relevant authority to secure either full or partial funding. These bids can be made within an SDSR, a Comprehensive Planning round or within a Command/TLB portfolio re-balance, however it is envisaged that the majority of significant strategic changes to the Defence core programme will take place during an SDSR³⁰.

Governance of Capability Management

3.3 The governance of capability management is delivered through the Defence Board, the AFC and the MCB (see Section Part 2 Section 2). DCDS(Mil Cap), working with DG Finance, is CDS's principal staff officer for military capability development and retains the Head Office overview and accountability as the Capability Coherence Authority (CCA). He is also the central provider of capability advice to CDS and the Defence Board.

Capability Coherence Authority

3.4 Capability Coherence is about ensuring that decisions taken by delegated authorities are aligned with the overall strategic direction of the Defence programme and, when taken together, maintain balance and coherence in the future force structure and are affordable: this is the basis of the Strategic Balance of Investment (Strat BOI) work. The CCA in Head Office, encompassing Strategy, Finance and Capability Management Functions, draws on DLOD-owner expertise to achieve this. Where the aggregate plan is found to be incoherent, or areas of disagreement exist, the CCA will either direct Commands to resolve the incoherence or will arbitrate and negotiate revised plans.

3.5 New requirements which are not funded in the programme will be recorded on a Command priority list and/or the Department's Single Integrated Capability Priorities List (the summation of the priority lists). This records the ongoing need for the requirement and opens up opportunities for funding by other means (e.g. unused financial contingency) and will inform decisions in the next SDSR.

3.6 VCDS, through DCDS(Mil Cap), is the lead for strategic force and capability development, and sets the high-level force structure and capability requirements for the

³⁰ The Finance Military Capability (Fin Mil Cap) Target Operating Model (TOM) outlines in detail the new Fin Mil Cap system and provides the detail underpinning this document. Where further clarity is required, the TOM should be consulted.

Commands to deliver, across the DLODs, within the resource constraints. Advice to CDS and the AFC will be conditioned by outputs from the MCB and the Strategic Stocktake³¹.

Capability Planning to Capability Delivery

3.7 In order to conduct Capability and Change Planning within the Commands, a Generic Capability Management (GCM) Model will incorporate mandated elements of effective Portfolio, Programme and Project Management (P3M):

- **Sub Portfolio Management (SPM).** The core Defence Portfolio (encompassing both Business and Capability Change Programmes) will be grouped into sub-Portfolios. These will be managed by the sub-Portfolio manager on behalf of the sub-Portfolio Sponsor (usually the TLB Holder). SPM will prioritise demand for change balanced against Business as Usual and will bid for resources to deliver change.
- **Develop.** This role plans, on behalf of the TLB Holder the future delivery of capability/business change over time including transition from the existing to the future force structure to meet strategy and affordability across all DLODs. It will produce the Change/Capability Management Strategy and Plan (CMS/CMP) as part of the Command Plan. It conducts capability audit and commissions studies and analysis to support decision making and de-risk future investment proposals.
- **Deliver.** Programme delivery will be conducted under the leadership of a Senior Responsible Owner (SRO)³² against a clear programme mandate, brief and supporting pan-DLOD business case. This will normally be in a Command. The SRO is responsible for the delivery of the bounded programme to meet the outcomes and benefits defined in the business case. The SRO will initiate and commission supporting projects and provide oversight and governance to ensure outputs are delivered to performance, time and cost. The Delivery Models are: Joint, Lead TLB/Service, Single TLB/Service. SPM will oversee and assure delivery activities within the Command; Defence-level portfolio management in Head Office will apply additional assurance to the most significant programmes (notably including all those where additional assurance is required by the government's Major Projects Authority).
- **Business as Usual.** This role forms part of the Generate and Develop (see Part 2 Section 4) function and encompasses the daily management and delivery of the core outputs of the TLB/Command to Defence as set out in the Command Plan for in service capability, support and operating costs (including overheads).

Capability Support

3.8 Support is required for maintaining military capability at required availability, readiness and sustainability levels. This includes equipment support, but also personnel, infrastructure and medical support. Support will be part of the strategic requirements set

³¹ The Strategic Stocktake is chaired by VCDS and is the primary mechanism to review and agree capability requirement priorities for current and emerging operations.

³² Or in the case of a standalone project a Project Executive.

by Head Office through the DCDS Mil Cap who will act as the strategic sponsor. The Commands will develop plans for delivering support in line with a number of key principles:

- A mindset of agile service provision and maintenance of affordability over time against financial planning assumptions.
- A Total Support Force (part of the Whole Force Concept) where industry and Reserves are integrated with Regular force structures against readiness assumptions for agile force generation.
- Employment models that enable a more flexible mix of Service personnel, contractor and civilian staff, on demand and through career.
- Large integrated Defence Bases, with the ability to project force from the UK Home Base direct to the operational area.

Command Plans

3.9 A Command Plan sets out the agreement between PUS and the TLB Holder. There will be seven Command/TLB Plans, covering Navy Command, Army Command, Air Command, Joint Forces Command, Head Office & Corporate Services, DE&S and Defence Infrastructure Organisation. The development of Command Plans is informed by DSD and the DP but they will be updated on an annual basis. Command Plans will:

- Set the outputs and standards that the TLB holder will plan and deliver against in the short, medium and longer-term.
- Set out the agreed resource envelope in which the TLB holder must work (an actual delegation for the period of the last Spending Review period, where the MOD has a defined budget settlement, and a forecast budget from year 5 onwards).
- Articulate key risks and how they are to be managed.
- Describe how the TLB holder will work within the corporate framework, including for driving the key Defence behaviours and ways of working.
- Describe how the TLB holder will drive increased efficiency and resource awareness throughout the TLB (a 'Cost Leadership Strategy').

3.10 The Command/TLB Plan is proposed by the TLB holder, assured by Head Office and agreed between the TLB holder and PUS (supported by CDS and DG Fin). It will be ratified by the Defence Board.

3.11 Initial Command/TLB Plans are being developed and used as core components to test the new capability and financial model. Command/TLB plans will be 'rolled-out' in full from 2013, although they will remain subject to further development.

3.12 A Command Plan will include the following elements, as shown in Figure 11.

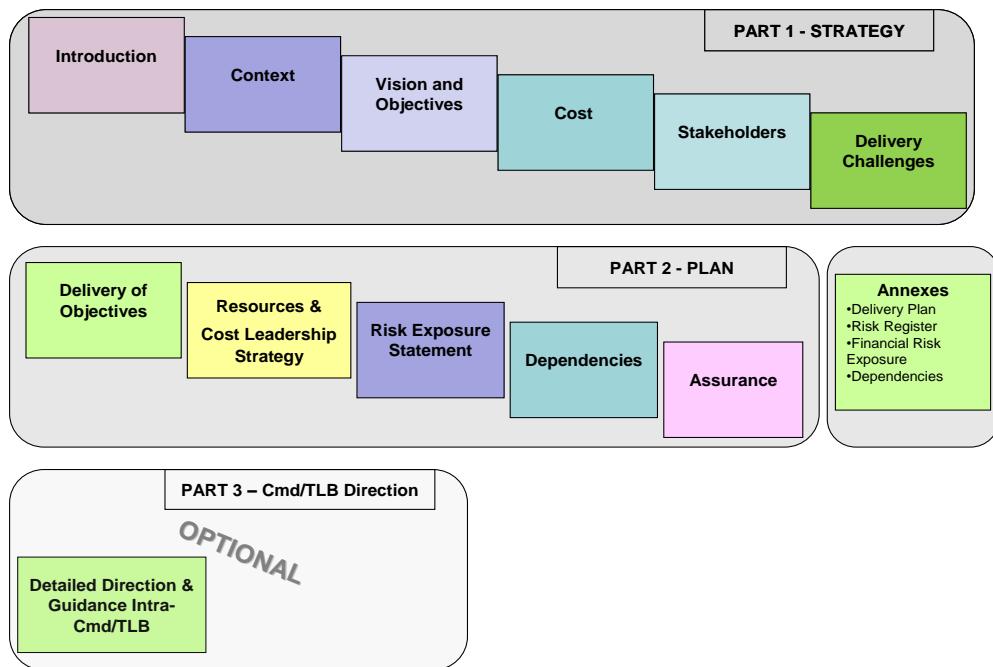


Figure 11: Command Plan contents

3.13 The Department also has a number of key corporate policies and processes that TLBs will need to demonstrate compliance with through their Command plans (and therefore will also be held to account for). These policies and processes will continue to have individual owners and any changes they wish to make will be moderated by Head Office in consultation with the TLBs, to ensure sufficient resources are available to meet requirements. However, it is recognised the burden that too many processes and constraints currently places on TLBs and D Strategy is leading a review that will reduce nugatory constraints and reporting, focusing on those processes critical to business outputs.

Adjustments to TLB/Command Plans

3.14 Between SDSRs, Commands and TLBs will review their plans annually. Head Office will facilitate these reviews, but will seek to avoid conducting centrally-run annual planning rounds and control total adjustments in the current form. Any changes resulting from a refresh with consequences for other TLBs fall initially to the proposing TLB to broker. Any changes must align with strategic balance of investment directions and appropriate resource and risk management awareness and controls. This process will be apparent to Head Office through the Holding-to-Account process.

Portfolio and Programme Management

3.15 Once Defence's core programme (investment Portfolio) has been agreed, programmes will be adjusted or established to deliver agreed change. Delivery will be overseen and assured by an extension of the existing Defence-level business change

portfolio management (covering the most critical business change and – in future – capability programmes, reporting to the Board and the Defence Strategy Group) supported by the introduction of TLB sub-portfolio offices to provide equivalent functions for the TLB holder.

3.16 As part of the 'Programme Approval Gate' mechanism and in line with departmental SRO policy, Commands will appoint an SRO accountable for delivery and produce a high-level business case. Programme business cases will identify changes across the DLODs, to include both benefits and costs. As far as possible, capital expenditure and resource for the programmes and associated projects will be managed by the SRO. This will provide alignment of authority with resources and an ability to hold the SRO to account. The aim is not to make the SRO responsible for the full cost of all DLODs, but rather ensure DLOD owners, within or outside the Command, are accountable to the relevant Programme Boards with a full understanding of the implications of the programme on their own plans and budgets.

Senior Military Career Management – the Joint Assured Model

3.17 The Service Chiefs are responsible for the career management of their senior cadre, delivered within a stronger Defence framework to ensure that single Service needs are balanced by a joint perspective. Senior officers are career managed by a process described as the 'Joint Assured Model'. This brings transparency and a Defence perspective to promotion and appointment boards.

3.18 Independent private sector representatives (IPSRs) sit on single Service senior promotion and appointing boards and on the Service Secretaries' Meeting to: increase transparency; broaden perspectives; and spread best practice. The IPSRs will sit on a selection of boards, moving between the Services and will provide an annual assurance report to the People Committee.

3.19 The Senior Appointments Committee (SAC) is responsible for senior Service appointments and will play an increased role in the identification and development of the top talent across the Armed Forces:

- In addition to the Chiefs of Staff (COS), its membership includes Comd JFC (to champion a joint perspective), PUS (for budgetary and management assessment of candidates) and a non-voting private sector member (to provide an independent view).
- Services may propose more than one individual for an appointment where they judge that they have suitable candidates. There will be input from future employing officers to inform SAC selections.
- The SAC will ratify all 3* and note key 2* single Service/Defence interface posts.

3.20 Responsibility for recommending future single Service Chief appointments to SofS sits with CDS, advised by the current incumbent.

The Whole Force Concept

3.21 The Whole Force Concept (WFC) is a specific recommendation of the Lord Levene Defence Reform Review and seeks to develop a process that allows TLBs to make decisions on the most cost effective balance of regular and reserve military personnel, MOD civilians and contractors. CDP will have responsibility for the WFC, drawing on the advice of DG Fin, the Service Personnel Process Owner and the Human Resources Director. This will place Human Capability at the heart of departmental planning. DCDS Mil Cap, with DG Fin, is responsible at the strategic level for advising on overall liability and funded personnel strength and for ensuring that the respective costs of different types of manpower are understood, to inform Departmental and TLB balance of investment decisions.

3.22 The precise roles and responsibilities of CDP and the process of transition to this new structure (including any requirements for Trades Union consultation) will be announced in early 2013 and incorporated into the 'on-line' version of this document.

Military and Civilian Tour Lengths

3.23 A further recommendation of the Levene Review was that the Department should move to a model where, as a principle, individuals stay in key posts for longer to allow the exploitation of their expertise, to enhance continuity and corporate perspectives, and to enable individuals to be held to account for their decisions and performance while remaining flexible enough to develop individuals through different postings and to meet individuals' reasonable expectations. As a guide, standard senior tenures will be:

- 4 to 5 years for the most senior posts (3 and 4*).
- 2 to 3 years for operational command appointments.
- At OF5/Band B up to 2*, the top talent and those in very high tempo posts will continue to serve for 2 to 3 years to ensure a breadth of experience or to avoid burnout. However, the remainder will move to 4 year tenures, allowing shorter or longer posts to meet key Defence outputs and allow talent management.

Technology

3.24 The new Operating Model will help to deliver the MOD Information Strategy (MODIS) and Information and Communications Technology (ICT) Strategy, which together aim to end the fragmented and ill-coordinated approach of the past and better exploit the power and value of ICT and information in the future.

3.25 The focus of the ICT strategy over the next 5 to 10 years is on increased use of common services across Government, with bespoke services only where absolutely necessary to achieve specific Defence objectives. The CIO is accountable for MOD commitment to the cross-Govt ICT Strategy. The Department will take an 'architectural' approach to acquiring and using ICT, allowing operational and business needs to be planned, understood and delivered coherently through common standards, services, applications, networks and infrastructure. The creation of a Chief Technology Officer

(CTO), accountable to both the CIO and Comd JFC, ensures that the new Operating Model drives the necessary level of information coherence.

3.26 The MOD will deliver the Departmental digital strategy by December 2012, consistent with the Government's wider Digital Strategy, including an action plan for implementation.

PART 4: CROSS TLB PROCESSES

Process Owners

4.1 Process Owners are senior individuals, appointed by the Defence Board and PUS as Departmental Accounting Officer, who are responsible for ensuring that activities which enable the wider business of Defence are conducted on a coherent and consistent basis, in order to maintain or improve overall effectiveness and efficiency, and/or to ensure compliance with legislation and other external requirements. Process Owners are also responsible for ensuring that suitable assurance regimes are in place for the processes for which they are responsible.

4.2 In order to do this, Process Owners will take the lead for the overall performance of their process and execute the following:

- Define (and keep under review) the boundaries of the process.
- Identify the value to Defence of the process, as well as the cost and full extent of administrative activity of the process.
- Develop the pan-Defence process strategy.
- Deliver the process strategy.
- Identify (and where appropriate help to shape) external compliance requirements.
- Set policies, standards and rules.
- Check pan-Defence compliance.
- Manage cross-cutting risks.
- Oversee/support major change programmes.
- Ensure that delivery of services supporting the process takes full advantage of the opportunities from shared services.
- Manage workforce skills.

4.3 The core processes and their owners are currently:

- Service Personnel - DCP³³.
- Service Training and Education - DCP.
- Civilian Workforce - Director Human Resources.

³³ The precise roles and responsibilities of CDP are yet to be announced and will be incorporated in future 'on-line' versions of this document.

- Healthcare and Medical Operational Capability - Surgeon General.
- Information Management - Chief Information Officer.
- Corporate Communications - Director Media and Communications.
- Logistics - Chief of Defence Materiel (supported by ACDS (Log Ops)).
- Financial Management - DG Finance.
- Commercial - DE&S Director Commercial.
- Safety and Environmental Protection - PUS (supported by Director Defence Safety and Environment Authority)
- Sustainable Development - Chief Executive Defence Infrastructure Organisation.
- Security - Director Business Resilience.
- Business Continuity and Resilience - Director Business Resilience.

4.4 D Strategy is actively reviewing the process owner framework with a view to reducing our processes to the minimum required to deliver our outputs while complying with statutory and regulatory requirements.

Service Personnel

4.5 From Apr 13 DCDS(Pers & Trg) will be renamed DCP, and is likely to remain the Service Personnel Process Owner and be responsible for directing the strategy, policies, rules and processes needed to deliver and sustain the human component of overall military capability now and in the future³⁴. In particular, he will be required to work with the single-Services to deliver sustainable, resilient and affordable manning of a force structure sufficient to meet current operations and standing tasks, while recuperating the force and reducing the force structure in accordance with SDSR and PR12 outcomes.

4.6 The Service Chiefs have full command of their Service people. However, they are managed within a Defence-wide framework, including policy standards and Terms and Conditions of Service (TACOS)³⁵.

4.7 Work on future strategic manpower planning is ongoing, and has the potential to change the current construct, but as yet the division of responsibilities between the Head

³⁴The future role of DCP in delivering the core Service Personnel functions has yet to be determined and will be announced in early 2013.

³⁵ **Terms of Service** are the rules and regulations which govern careers, detailing commissions, engagements and matters such as promotion and assignments. **Conditions of Service** are the financial conditions, such as pay pensions and allowances, and non-financial conditions, such as leave, accommodation standards, quality of catering and levels of harmony that SP receive or experience during their service.

Office and single-Services, delivered through the Principal Personnel Officers (PPOs) and other organisations has not changed significantly.

Harmonisation

4.8 The Armed Forces are moving increasingly to harmonised and simplified Service Personnel policies and processes. Some limited, tolerable variation between Services to allow for environmental requirements will continue. However, this will be the exception and only to ensure overall effectiveness and efficiency. The Service Personnel Process Owner is responsible for deciding where and to what extent tolerable variation is permissible. He will work closely with the civilian Human Resources Director to ensure that opportunities for common policies across the Armed Forces and Civil Service - for example, on equality and diversity – are pursued wherever possible through shared staffs.

Service Training and Education

4.9 Subject to decisions pending on the role and responsibilities of CDP, there remains an on-going requirement to provide a focus for Service training and education and the setting of overall policy, strategic direction, prioritisation, balance of investment across Defence that provides direction and prioritisation through the DTES on:

- Individual and collective training.
- Command and staff training.
- Training systems and learning technologies.
- Assurance.
- Wider education, including Personal Development.
- Adventurous training and sport.

4.10 The 3* Defence Training Board (DTB) ensures coherence within Defence Training & Education (DTE), acting as the central policy focus. Although there is no formal joint civilian/Service Process Owner for training across the Department, the DTB aligns DTE with operational output, defining and developing the future Defence T&E environment to ensure its relevance and utility for Defence and single-Service needs. The DTES, provides strategic intent for the period 2012-20.

4.11 Requirement setting for Training & Education will be delegated to the Commands and TLBs as appropriate. Comd JFC is responsible for setting the joint requirement and Defence training standards; the delivery of training for its allocated enabling capabilities and joint collective training, including the management and budget for the Defence Exercise Programme; and co-ordinating user requirements for the Defence Academy on behalf of Head Office. Other training responsibilities are distributed broadly, although there may be some scope for rationalization over time. Head Office (HRD) will retain the responsibility for setting the requirement for business process training, supported by the Skills Champions.

4.12 Budget holders will be accountable under the Holding-to-Account process for the assurance and management of risk within their respective areas of responsibility, but Head Office will set the requirements against which performance management and assurance is monitored. Independent confirmation that there is a safe training environment and that welfare and duty of care obligations are met will continue.

4.13 Delivery will generally be delegated to the Commands, with JFC delivering Defence and Joint Training and Education, principally via the Defence Academy.

Civilian Workforce

4.14 The Director Human Resources (HRD) is the Civilian Workforce Process Owner and is responsible through DGT&CS for advising the Defence Board and Ministers on civilian workforce strategy, civilian personnel policy, employee relations and for providing assurance on the integrity of HR delivery systems by the Defence Business Services organisation. This includes responsibility for enabling reductions in the size of the civilian workforce by TLBs mandated by SDSR and subsequent financial planning rounds, while maintaining the MOD's effectiveness within their delegations. HRD is also responsible for supporting PUS as 'Head of Profession' for all MOD civil servants.

4.15 The aim of the civilian workforce process is to ensure a diverse, affordable civilian workforce of sufficient numbers that is appropriately skilled, managed, and motivated to support Defence capability now and in the future. The MOD civilian workforce includes all MOD UK-based civil servants (both industrial and non-industrial staff), and Locally Engaged Civilians overseas, with the exception of staff in the Trading Funds. MOD civil servants are members of the Home Civil Service, under the Head of the Home Civil Service. The HR Director is the MOD representative in developing the Home Civil Service as part of the Civil Service Reform Agenda, on behalf of PUS.

4.16 TLB holders have delegated authority for civilian staff and have a Civilian Workforce Adviser to support them. This role will be combined increasingly with that of the Directors Resources for each TLB, enabling them to manage all of the resources available, both financial and personnel. They, and their subordinate line managers, are responsible for the efficient and effective management and development of their civilian staff. HR Business Partners support TLB Holders and Civilian Workforce Advisers in applying tools, policies and processes available to staff provided by the central HR policy team. HRD is responsible for ensuring that the tools, policies, and processes, maximise business benefit. DBS is responsible for delivering transactional services and working with HRD to ensure that the processes used to deliver these are fit for purpose. Finally, TLBs are responsible for the correct application of these tools to their civilian workforces.

Talent and Career Management of MOD Civil Servants

4.17 The Human Resources Directorate (HRD) is reforming the management of the civilian workforce to enable TLBs to manage talented individuals and to succession plan important roles: assuming greater responsibility for their human resources as well as their financial ones. This will include major changes to the way we promote our staff, as well as how we manage them within and between posts. Those Civil Servants between Band D and the Senior Civil Service (SCS) identified as being, or having the potential to be, senior

leaders in the MOD will be career-managed actively by MOD as a corporate resource, in addition to the profession-focused Integrated Talent Management scheme.

4.18 HRD enables Defence to manage its SCS cadre and identify and develop those with potential for senior leadership positions using a range of interventions. This will take account of developing work on the wider talent management and succession planning across Government, with increasing emphasis on using the SCS as a corporate resource and on the development of professional skills and qualifications.

4.19 The processes for managing the SCS and its feeder grades are being refined, within the constraints of pan-Government requirements, including:

- The development of a centralised appointing process which reduces the scope for local decisions on whether to use competition or managed moves.
- A return to the use of past annual reports in selections.
- Initiatives to develop and map talent for the top tier, specialists and key Band B posts are being delivered, including a pilot High Potential Development Scheme for Band Bs and reform of the Faststream and MIDIT schemes.
- Increased transparency and sharing of best practice for all SCS appointments by managing them through the Civil Service Leadership Group.
- Introduction of a formal mechanism for the involvement of military reporting officers in the civil service appointment. CDS or VCDS will be involved in the most senior civilian appointments in a manner that has equivalence with the level of appointments to which PUS is able to contribute in the SAC process – i.e. 3*.

4.20 The procedures for open competition, where posts can be filled by either civilian or Service candidates, will be refined by HRD and DCDS(Pers & Trg) to provide clear and standardised rules for all candidates.

Service Healthcare and Medical Operational Capability

4.21 The uniformed medical and dental personnel from all three Services are known collectively as the Defence Medical Services (DMS). The DMS are grouped under the Headquarters Surgeon General (HQ SG), which includes the Joint Medical Command (JMC), Assistant Chief of Defence Staff (Health) and the three single Service medical organisations. From Apr 13 DMS will also include Defence Primary Health Care, a joint organisation under SG's command. This will be formed from the three single Service primary healthcare organisations and will include responsibility for healthcare in the permanent overseas bases.

4.22 The primary role of the DMS is to ensure that Service personnel are medically fit to deploy where and when required in the UK and overseas.

4.23 The Surgeon General is the 3* professional head of the DMS and the Process Owner for end-to-end Defence healthcare and medical operational capability. He is accountable

to the Defence Board, reporting routinely through the Service Personnel Board. He will continue to deliver functions in support of the Head Office as the military medical officer with responsibilities for policy making and provision of high level medical and strategic advice to ministers, the Defence Board and CDS. His responsibilities will include:

- Providing specialist advice to ministers and Head Office.
- Development of Defence medical policy.
- Process Owner for end-to-end healthcare and Medical Operational Capability.
- Provision of Joint operational medical policy and operational medical advice to the DCMO, DCDS Mil Strat & Ops, CJO and DSF.
- Provision of health advice to DCDS Pers & Trg to enable him to discharge his responsibilities for the health, well-being and welfare of Service Personnel.
- Advice to Service Chiefs on the promotion and maintenance of health and prevention of injury and disease, assurance of the quality of healthcare, and oversight and governance policy to the single Services.
- Departmental external engagement with OGDs, professional and regulatory bodies and internationally.
- Defence Primary Healthcare across Defence.

4.24 The Surgeon General is accountable to Comd JFC for the outputs of his area and for the efficient and effective management of his budget and resources, including in delivering his role as the SRO for the Defence Health Change Programme and the use of resources in discharging his leadership of the DMS and for assuring external and internal medical training and education³⁶.

4.25 He will continue to be the Medical Joint User in the capability management process, responsible for coherence across the Commands and DLODs, providing oversight of medical capability definition, planning, generation and delivery: in this, he supports DCDS Mil Cap, the single Services, DE&S, PJHQ and DSF. Comd JFC will act as the 4* proponent of DMS as a key joint enabler.

Information Management

4.26 The Chief Information Officer (CIO) is the Information Process Owner with overall responsibility for the Department's Information strategy, policy and assurance. He is empowered to enforce standards and protocols through his core role in the Fin Mil Cap governance and balance of investment processes and, when necessary, the Investment Approvals Committee (IAC). He will assure the Information and Information and Communications Technology (ICT) components of Command Plans and approvals. Head Office will allocate the funds for military capability and common infrastructure to Comd JFC, and for Corporate Service systems to TLB holders and Process Owners. A Charter

³⁶ SG's budget area now constitutes an HLB within the JFC and the Surgeon General is a member of the JFC Board.

will be developed describing the CIO's critical leadership role in driving the changes required to address the department's Information challenges. CIO will chair the Systems Direction Group, with senior JFC membership, to continue to drive the transformation of the systems approach across Defence. His principal responsibilities will be:

- Providing the Department's framework, strategy and policy for Information and ICT to meet pan-Government requirements.
- Assuring and enforcing end-to-end coherence of Information.
- Overall ownership of the Network Authority.
- Overall management of Defence's Information Risk as the Senior Information Risk Owner.

4.27 Comd JFC will be the Defence Authority for C4/ISTAR, conducted by CDI on his behalf, and will be responsible for the delivery of the Single Information Environment providing a robust Joint User function and acting as the Network Capability Authority. He will:

- Inform the development of future Capability and provide advice to DCDS Mil Cap's Balance of Investment role.
- Manage Information Superiority as a Portfolio and ensure coherent integration of all Defence Information capability.
- Delegate programme delivery to the Service Commands and, in the case of common infrastructure, to the CIO.

4.28 In general, single Services will retain the Delivery function and the cross-DLOD trading implicitly held within it. The JFC, in conjunction with Head Office, will ensure pan-Defence information coherence and will balance and establish priorities. Balance of investment will take place at all levels and will be pivotal to the Holding-to-Account process. Additionally, single Services will have freedom to propose trades between Information and other DLODs to ensure delivery of a balanced force subject to overall strategic balance of investment.

4.29 The establishment of a Chief Technical Officer (CTO) responsible for driving standards and coherence across Defence, and with dual reporting to CIO and Comd JFC, will be pivotal in delivering this unity of approach. Figure 12 outlines the Information Operating Model (IOM) structure.

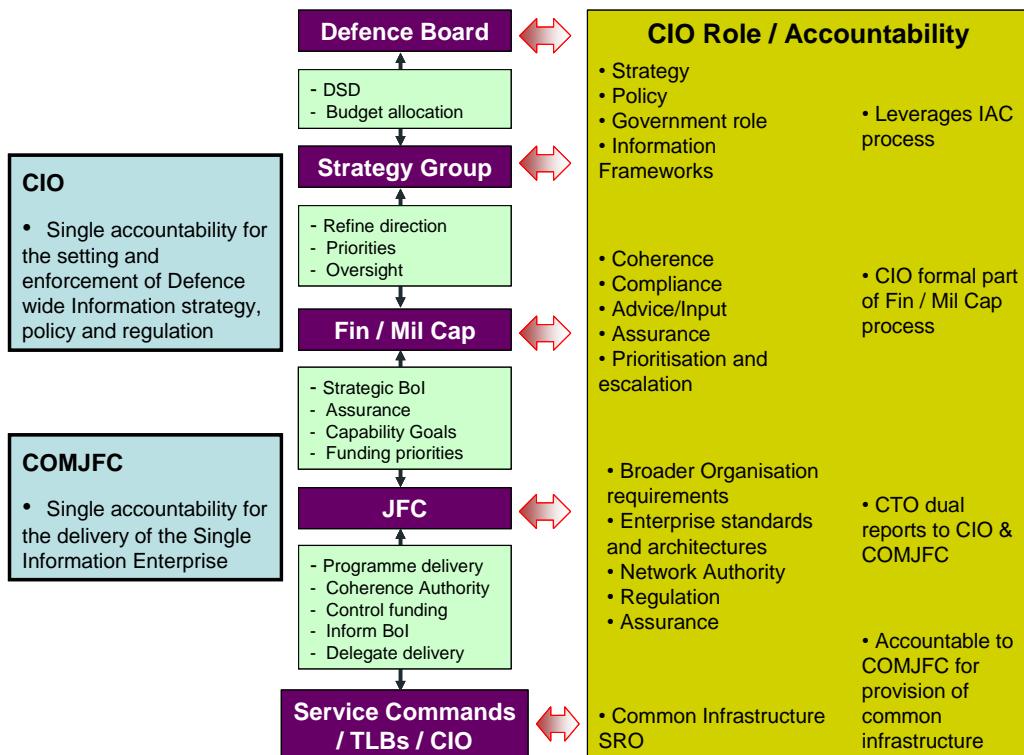


Figure 12: Information in the Defence Operating Model

Objectives of the New Information Model

4.30 Over the next 3 years, the new Information model will deliver:

- A single focus in JFC for all military C4/ISTAR joint enablers and coherence across the Commands.
- A single trading environment across IS, led by JFC, but accommodating Corporate Service requirements.
- A CIO held to account for the definition, regulation, assurance and enforcement of information and ICT strategies and policies across the Defence enterprise and the management and implementation of the cross-government ICT requirements.
- A common infrastructure agenda that will meet the variety of needs across Defence, whilst driving substantial efficiency benefits.

Corporate Communications

4.31 The Director Media and Communications (DMC) is the internal and external corporate communications Process Owner and Head of Profession. DMC sets the overall policy, strategy and direction for the internal and external media and communications efforts across the MOD, the single Services and executive agencies. DMC responsibility extends across a number of corporate MOD communications channels and disciplines, including national and regional news and non-news media, speechwriting, imagery,

branding, research and planning, external publications, PR and public events, and digital communications including social media.

4.32 The overall aim of Defence external communications is to sustain and where possible enhance the reputation of the Armed Forces and the MOD in a manner consistent with the facts. Key audiences include all internal personnel, the UK public and industry and other stakeholders. Within the obvious security constraints, the MOD operates a policy of openness. It is important that the Armed Forces and MOD are able to explain their roles and Government policies and decisions relating to Defence. Defence communications activity is governed and administered through a series of processes, documented in and promulgated through formal Defence Instruction Notices (DINs) and other guidance – these include the processes governing contact with the media and communicating in public, external expenditure on advertising and marketing and defence branding.

4.33 There is a strong relationship between the central DMC and the TLB media and communications leads, with constant dialogue on a variety of issues, including strategy development, media management, PR activities and internal communications. The TLBs are represented on a range of DMC-led steering groups and formal planning meetings covering the priority areas of operations, transformation, personnel and equipment. As Process Owner DMC sets the media and communications requirements across Defence. However, while DMC has responsibility for the process, he/she does not hold the budget or exercise management control for communications activity outside Head Office where the delivery of communications is the responsibility of TLB holders, change programme and project managers and operational chains of command. Delivery is often at unit and establishment level. The corporate communications community comprises multiple elements:

- **DMC (Head Office)** – responsible for Communications Strategy and Policy. Also for the provision of corporate services such as the Press Office, including 24/7 cover and crisis handling, corporate PR and Defence-wide comms planning and supporting the Transforming Defence internal communications campaign, including by coordinating internal communications activity across TLBs.
- **TLB Comms leads (various)** – supporting the TLB Holders in internal communication and some external communications activity, in-line with DMC delegation and direction. Also actively supporting Transforming Defence internal communications campaign and TLB and wider Defence change management programmes.
- **Media Operations (PJHQ)** – operational command of deployed communications personnel.

4.34 The entire Defence communications function underwent an extensive external Capability Review in early 2012. This Review, managed by the Cabinet Office and staffed by experts from industry and Government, examined the effectiveness of current structures. It has proposed some significant adjustments to the delivery of communications activities, including a strengthening of governance and the establishment of a new Defence Communications Strategy Board to tie the TLBs (at 2* level) into the strategic development of the Department's communications approach. The

implementation of the Review will be a priority for the new Director of Media and Communications in 2013.

Logistics

4.35 The pan-Defence logistics model uses an end-to-end process, which seeks to maximise the freedom of action of operational commanders at all levels. In the new model, CDM remains the Logistics Process Owner, although this is subject to the outcome of the Materiel Strategy. He is responsible for:

- **Process definition** – defining the boundaries, scope and baseline of the process and ensuring interfaces with other processes are managed appropriately.
- **Process management and improvement** – establishing the long-term strategic objectives of the process and ensuring its effectiveness and efficiency.
- **Compliance and Assurance** – setting rules and standards for the process and identifying non-compliance.
- **Risk management** – in accordance with Defence risk management arrangements.
- **Information management** – identifying information needed for, or generated by, the process and managing that information.
- **Strategic logistics advice** to the Head Office will continue to be provided by ACDS(Log Ops), who as the Logistics Process Architect, is charged with designing and implementing a Logistics Process that best enables military tasking and delivers through-life effectiveness and efficiency. He currently sits within the DE&S TLB and is answerable to CDM. He supports DCDS(Mil Strat & Ops) through the provision of logistics advice to military strategic planning and strategic command of operations (including the strategic logistics direction to current operations, the Defence Crisis Management Organisation and for the drawdown and redeployment of Op HERRICK over the period to 2015).

4.36 ACDS Log Ops now acts as Joint Logistics user on behalf of JFC, and from Apr 13 will transition fully to JFC, while continuing to provide support to CDM and DCDS(Mil Strat & Ops) as before.

4.37 The logistics process is governed by the Defence Logistics Board chaired by CDM. Comd JFC will be responsible for advising on the capability integration of Joint Logistic enablers, prioritisation of requirements and the Joint employment of Joint Enabler capabilities.

4.38 CJO remains responsible for deploying, directing, sustaining and recovering all forces assigned to him and is the Supported Commander for Logistics activity in the home base to support operations. This role sits with the single Services for designated operations. Along with the JFC, the single Services are the other key users and are core to the delivery of the Logistics process provided by CDM.

Financial Management

4.39 The Director General Finance (DG Fin) is the principal financial advisor for Defence and reports to the PUS. He is the Process Owner for Financial Management and has responsibility for the planning and forward financial management process including:

- Setting financial policy and advising on assurance.
- Ensuring that the financial, regularity and proprietary responsibilities of the PUS as Accounting Officer are translated into appropriate organisational arrangements.
- Leading Spending Review negotiations to agree the future size of the Defence budget.
- Advising PUS and Ministers on the acceptable level of financial risk arising from the Defence programme.
- Oversight and governance of efficiency and value for money work across Defence.
- Ensuring the Defence Board performance management arrangements are delivered and remain relevant to the needs of the Board.
- Treasury functions (including banking and cash management).
- Economic advice and statistical services.
- Strategic direction and performance of Trading Fund Agencies.
- Advising on corporate governance, internal control, internal audit and risk management arrangements as appropriate.

4.40 As the Process Owner for Financial Management, DG Finance tasks the Defence Business Services organisation (in relation to finance) to direct standards, procedures and staffing across the Department.

Commercial

4.41 The commercial process encompasses the development of procurement strategies and the negotiation and management of contracts to meet agreed requirements for equipment, goods and services to support military capability through-life at best long-term value for money. The commercial process is supported by a single coherent framework of policies, standards and approaches to achieve consistency, efficiency and economy across all commercial activity, and throughout the CADMID/T cycle.

4.42 DE&S Director Commercial is the Process Owner of the single high-level commercial process which applies across all TLBs. He has delegated authority from PUS (as Accounting Officer) to enter into contractual commitments and to delegate commercial licences to senior commercial personnel and then to commercial staff across the TLBs. The Process Owner is also the overall head of the commercial function, with responsibility for the development and deployment of the skilled commercial workforce across Defence.

Safety and Environmental Protection

4.43 Responsibility for safety matters within Defence rests ultimately with the Secretary of State for Defence, who delegates to PUS the duty of ensuring that effective management arrangements are in place for ensuring compliance with his Policy. PUS delegates authority for implementing the Policy to TLB Holders and Trading Fund & Agency Chief Executives, who are also responsible for conducting an internal assurance process to assess performance. PUS will hold TLB Holders to account for their safety and Environmental Protection (EP) performance as part of the Departmental Performance Framework's Holding-to-Account process.

4.44 The Director General Military Aviation Authority (DG MAA) and Director Defence Safety and Environment Authority (Dir DSEA) regulators are responsible for the regulation of safety and EP in Defence where this is a MOD responsibility (e.g. because of legal exemptions). They are independent of those delivering Defence capability and provide independent challenge and comment on TLBs' and Trading Fund & Agencies' assurance reports on safety and EP performance.

Sustainable Development

4.45 CE DIO is the Process Owner for sustainable development, and as such, is responsible for ensuring that strategy and policy are delivered and co-ordinated across all parts of Defence business. Sustainable Development is one of the Defence priorities with key TLB responsibilities³⁷ set out in the Defence Plan, albeit that all staff in the Department have a responsibility to consider the benefits and improved efficiency it can bring. Sustainable development needs to be embedded into all Defence strategies, policies, decision-making processes and associated programmes, projects, activities and behaviours.

Security

4.46 There are three main strands of the Defence-wide security process, which apply to physical security, information security, personnel security, technical and industrial security and policing:

- Formulation and promulgation of security policy and standards.
- Implementation of security policy and standards.
- Security assurance and compliance.

4.47 Director Business Resilience (DBR) is the Departmental Security Officer and Process Owner for security. TLB holders and Trading Fund Chief Executives are responsible for implementing security policy and standards.

4.48 There are a number of specialist providers of civil policing and armed/unarmed guarding services at UK Defence establishments: the MOD Police (armed policing and civil

³⁷These responsibilities include building sustainable practice into TLB Command Plans to drive mainstreaming and the measurement of performance against a MOD SD maturity matrix that focuses on embedding and championing good sustainable practice.

policing); the MOD Guard Service (unarmed guarding); the Military Provost Guard Service (military personnel providing armed guarding); the Northern Ireland Security Guard Service, and contract guards.

4.49 The security Process Owner is SRO, in consultation with the Defence Police Federation and the Trades Unions representing the MOD Guard Service, for a programme to implement changes to the provision of guarding and policing. The programme takes account of proposed organisational changes.

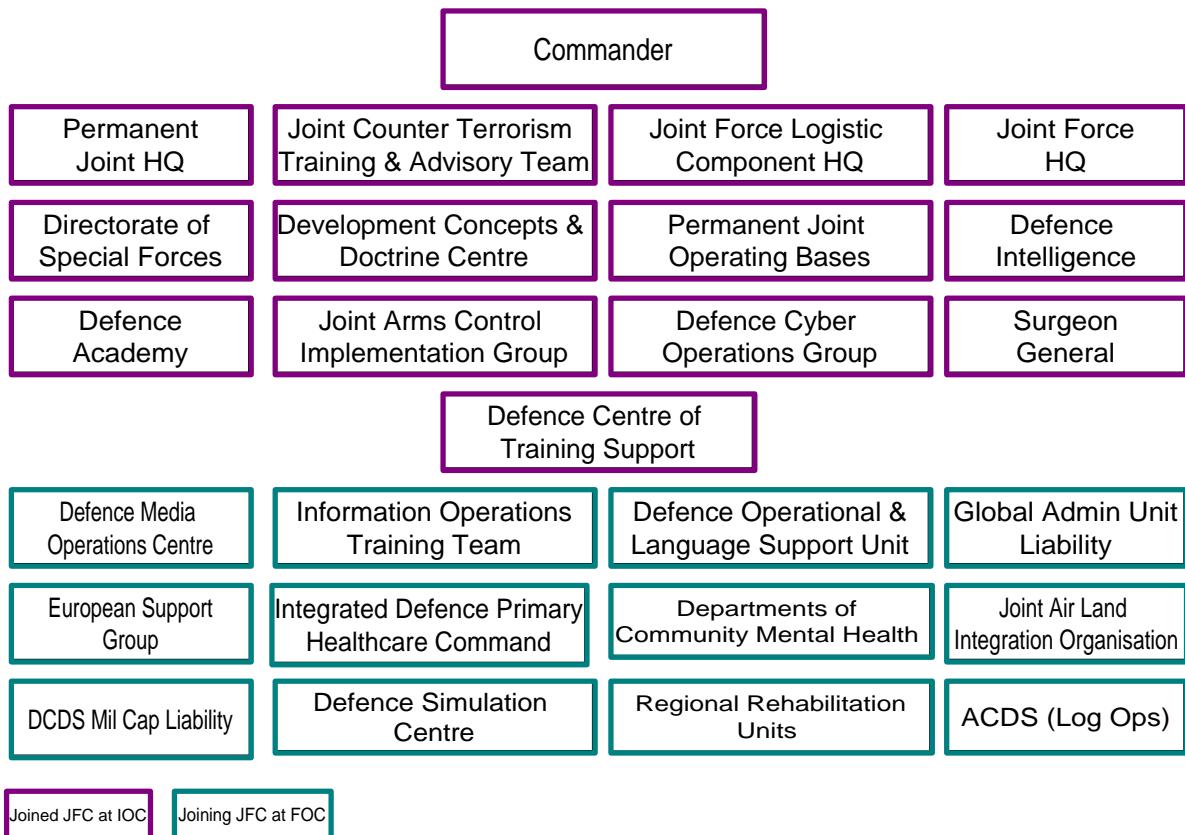
Business Continuity and Resilience

4.50 Defence resilience is the ability of Defence assets/infrastructure, networks and systems, and processes and people to anticipate, mitigate, manage and recover from a disruptive event, thereby enabling the continuation of Defence critical outputs and activities. Business continuity management is a key contributor to Defence resilience, focusing on the impact of disruption, on identifying the products and services essential for an organisation's survival, and determining what is required for the organisation to continue to meet its obligations and deliver its outputs.

4.51 DBR is Process Owner for Defence resilience and business continuity, and develops and maintains a consistent system of policies, standards and work practices.

4.52 TLB holders and Trading Fund chief executives are responsible and accountable for maintaining business continuity management in their organisations, in line with DBR policy. They must have a published business continuity strategy giving their subordinate units clear direction on which functions are critical and how business continuity principles are to be applied to protect them. They must also ensure that business continuity plans are in place throughout their organisations, and that the risks to continuity are managed effectively. They are required to report on business continuity management as part of their corporate governance statements of internal control and their 'Holding-to-Account' with PUS.

Composition of JFC at FOC in April 2013



Future responsibilities for capability planning, management and delivery

Ser	Command	Plan	Sub Portfolio Management	Deliver	Remarks
(a)	(b)	(c)	(d)	(e)	(f)
1	Navy	<ul style="list-style-type: none"> • Above Water • Maritime Rotary Wing • Littoral Manoeuvre • Theatre Maritime Sustainment • Under Water Warfare 	<ul style="list-style-type: none"> • Above Water • Maritime Rotary Wing • Littoral Manoeuvre • Theatre Maritime Sustainment • Under Water Warfare 	<ul style="list-style-type: none"> • Above Water • Maritime Rotary Wing • Littoral Manoeuvre • Theatre Maritime Sustainment • Under Water Warfare • Maritime Elements of C4ISR • Maritime Elements of CBRN Protect • Maritime Elements of Med 	All elements of Under Water Warfare that are not directly part of the Nuclear Enterprise will be managed by Navy Comd
2	Army	<ul style="list-style-type: none"> • Ground Manoeuvre • Joint Land Forces Engagement • Land RW • Theatre Ground Sustainment • EOD • Search • CIED Detect 	<ul style="list-style-type: none"> • Ground Manoeuvre • Joint Land Forces Engagement • Land RW • Theatre Ground Sustainment • EOD • Search • CIED Detect 	<ul style="list-style-type: none"> • Ground Manoeuvre • Joint Land Forces Engagement • Land RW • Theatre Ground Sustainment • EOD • Search • CIED Detect • Land Elements of Military Working Dogs • Land Elements of C4ISR 	Army Command will deliver elements of its portfolio on a Lead Service basis.

Ser	Command	Plan	Sub Portfolio Management	Deliver	Remarks
(a)	(b)	(c)	(d)	(e)	(f)
				<ul style="list-style-type: none"> • Land Elements of Complex Weapons • Land Elements of GBAD • Land Elements of CBRN Protect • Land elements of Med 	
3	Air	<ul style="list-style-type: none"> • Theatre Airspace • Joint Strike • Strategic Mobility • Combat Air (inc JCA) • GBAD 	<ul style="list-style-type: none"> • Theatre Airspace • Joint Strike • Strategic Mobility • Combat Air (inc JCA) • GBAD 	<ul style="list-style-type: none"> • Theatre Airspace • Joint Strike • Strategic Mobility • Combat Air (inc JCA) • Air Elements of GBAD • Air Elements of Military Working Dogs • Air Elements of C4ISR • Air Elements of Complex Weapons • Air Elements of Under Water Warfare (MPA) • Air Elements of Med • CBRN Protect 	Air Command will deliver elements of its portfolio on a Lead Service basis.
4	Joint Forces Command	<ul style="list-style-type: none"> • C4ISR • ECM • Disablement • SF • Common elements of 	<ul style="list-style-type: none"> • C4ISR • ECM • Disablement • SF • Common Elements of 	<ul style="list-style-type: none"> • Jt Enablers • Elements of C4ISR • ECM • Disablement • SF • Common elements 	JFC Manage and Plan the C4ISR Sub Portfolio on a Lead Service basis. Whilst elements of this may be delegated out COM JFC retains responsible and accountable for its delivery.

Ser	Command	Plan	Sub Portfolio Management	Deliver	Remarks
(a)	(b)	(c)	(d)	(e)	(f)
		Med • CBRN Protect • Elements of JTES	Med • CBRN Protect • Elements of JTES	of Med • CBRN Protect • Elements of JTES • SF Elements of Military Working Dogs	
5	D Strat Prog	• Nuclear Enterprise • Complex Weapons • Elements of JTES	• Nuclear Enterprise • Complex Weapons • Elements of JTES	• Complex Weapons • Elements of JTES	D Strat Prog remains Coherence Authority/Defence Sponsor for Carrier Strike and CEPP. The constituent elements will be managed, planned and delivered by the appropriate Comd.

Ministerial Responsibilities

Position	Responsible for
Secretary of State for Defence	<p>Making and executing Defence policy, providing the means by which it is executed through the Armed Forces and accounting to Parliament for the resources used to do so.</p> <p>Chairing the Defence Board and the Defence Council and its three delegated Service Boards.</p> <p>Providing strategic direction on:</p> <ul style="list-style-type: none"> - Operations; - Personnel; - SDSR Implementation; - Defence planning, programme and resource allocation; - Defence Policy; - International relations; - The nuclear programme; - Acquisition; and - Parliamentary business and communications.
Minister of State for the Armed Forces	<p>Deputising for SofS.</p> <p>Operations, operational policy and force generation (including readiness, recuperation, key enablers, deployed operational logistic delivery and operational training exercises)</p> <p>Leading on:</p> <ul style="list-style-type: none"> - The operational aspects of SDSR implementation; - Force generation (incl Reserves, mission-specific and collective training); - Detention issues; - Operations (excluding Afghanistan) including Counter-Terrorism, Counter-Piracy, UK Operations, Northern Ireland, Iraq, and the Balkans; - Judicial engagement, including Judicial Reviews, Public Inquiries, Inquests and Service Inquiries policy and operational casework; - Permanent Joint Operating Bases and Overseas Territories; - Defence Training Review and Borona Programme (re-basing from Germany); and - Counter-proliferation, arms control and disarmament.

Minister of State for Defence Personnel, Welfare and Veterans	<p>Leading on:</p> <ul style="list-style-type: none"> - Department's approach to Service personnel and civil servants; and the wider service family, including Reserves, Cadets, veterans and families. - MOD Police and Guarding Agency, Service Children's Education and UK Hydrographic Office.
Parliamentary Under Secretary of State and Minister for Defence Equipment, Support and Technology	<p>Leading on:</p> <ul style="list-style-type: none"> - The through life equipment procurement and support programme, including the Joint Supply Chain, and commercial policy; - Defence Equipment and Support organisation; - Atomic Weapons Establishment; - Science and technology, including Defence Science and Technology Laboratory; and - Defence Support Group and Oil and Pipelines Agency. - Defence exports (save Typhoon – SofS lead)
Parliamentary Under Secretary of State and Minister for International Security Strategy	<p>Leading on:</p> <ul style="list-style-type: none"> - International Defence strategy and relations, - Defence Diplomacy - International defence institutions;
Under Secretary of State and the Lords spokesman on Defence	Lords spokesman on all Defence policy, operations, personnel, equipment and legacy issues.

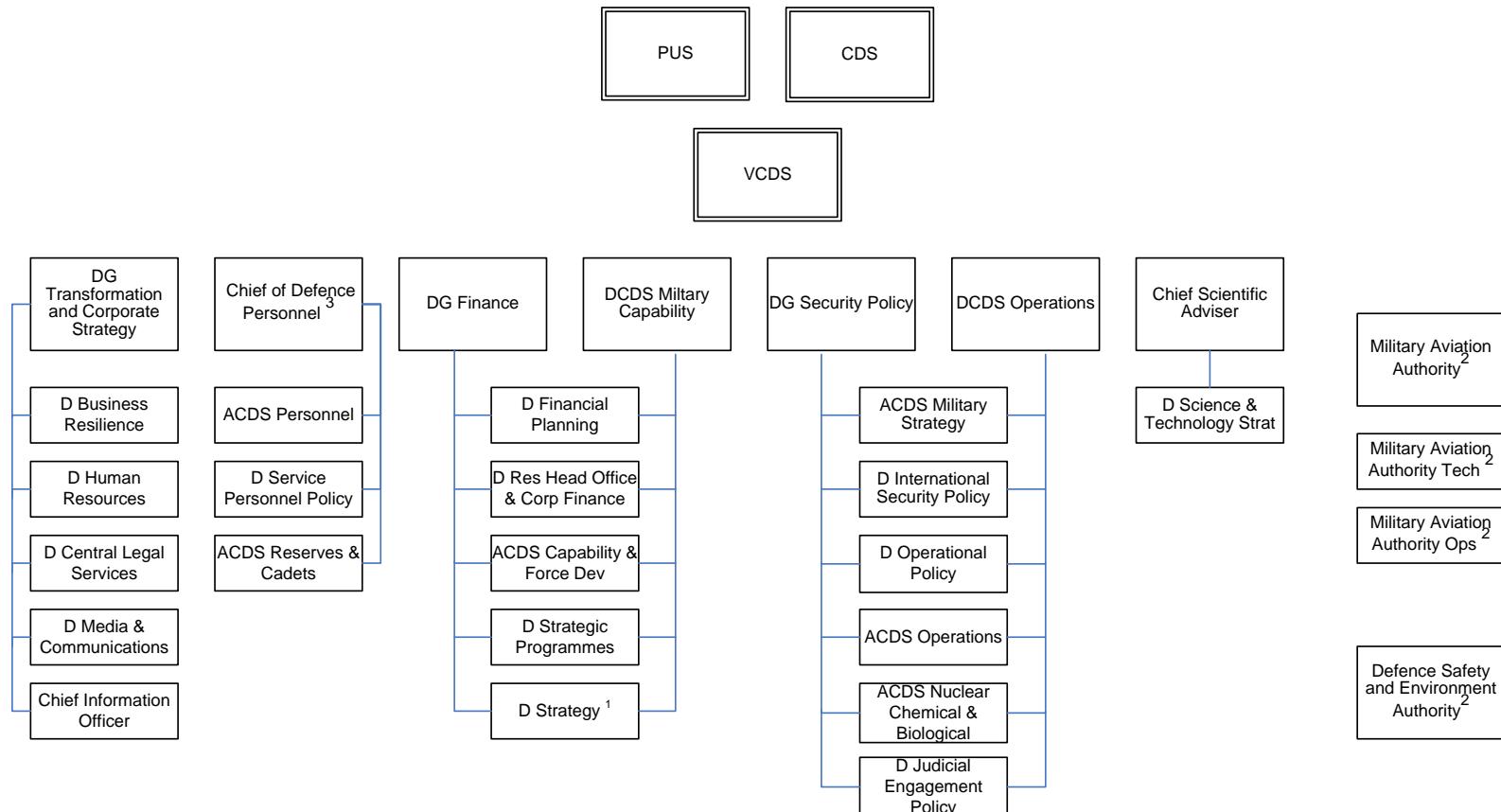
Core Responsibilities & Accountabilities of Top Posts

Position	Responsible for	Accountable to
Permanent Secretary	<p>Leading Defence, with CDS.</p> <p>Defence and nuclear policy advice to Ministers and the Board.</p> <p>Accounting Officer duties, including Defence organisation and management and holding TLB holders to account.</p> <p>Developing an affordable programme.</p> <p>Formulating Defence strategy (with CDS).</p> <p>Acting as head of profession for MOD Civil Servants.</p> <p>Co-ordinating delivery of top level decision making and running the Head Office (with VCDS).</p>	SofS SofS SofS/Parliament SofS SofS SofS SofS SofS
Chief of Defence Staff	<p>Leading Defence, with PUS.</p> <p>Planning, direction and conduct of all military operations as Military Strategic Commander.</p> <p>Professional head of the Armed Forces.</p> <p>Providing military advice, including single Service views, to Ministers, wider Government and the Board.</p> <p>Formulating Defence strategy (with PUS).</p>	SofS SofS/wider Government SofS SofS/wider Government SofS
Vice Chief of the Defence Staff	<p>Deputising for CDS (in particular as Military Strategic Commander).</p> <p>Co-ordinating delivery of top-level decisions-making, implementation and monitoring progress.</p> <p>Leading senior military judgement for the future development of the Armed Forces including the definition and delivery for military capability requirements; and being capability sponsor for capital projects and programmes.</p> <p>Defence Board lead for military personnel and training (including Reserves).</p> <p>Leading the preparation of the Armed Forces input to SDSRs.</p> <p>(With CDS) Conduct of the military strategic dialogue.</p>	CDS PUS/CDS PUS/CDS CDS CDS CDS
Service Chiefs	Operational command of those Operations for which they are currently responsible.	CDS

	<p>Advising CDS/Ministers on the operational employment of the Service and contributing to CDS's formulation of military strategic advice.</p> <p>Exercising full command for all personnel of their Service.</p> <p>Conducting of TLB force development process to propose, in their draft Command Plan, the optimum, affordable force structure (including equipment).</p> <p>Developing and generating forces from the Service.</p> <p>Managing Command TLB to deliver specified outputs in the Command Plan within delegated budget and corporate framework.</p> <p>Commissioning DE&S for equipment and support outputs.</p> <p>Leading and ensuring the long term health of the Service, including professional standards, reputation, ethos, welfare and morale.</p>	<p>CDS/SofS</p> <p>CDS</p> <p>PUS, supported by CDS</p> <p>CDS, supported by PUS</p> <p>PUS, supported by CDS</p> <p>PUS</p> <p>SofS</p>
Chief of Defence Materiel	<p>As a Board member, advising in particular on equipment and support issues.</p> <p>Delivering equipment and support to meet the requirements of Commands.</p> <p>Managing DE&S TLB to deliver the TLB plan within delegated budget and corporate framework.</p> <p>Providing logistic support to current operations.</p> <p>Defence commercial and industrial policy advice.</p> <p>Leading MOD relationship with industrial suppliers.</p> <p>As National Armaments Director, representing UK acquisition interests internationally (e.g. NATO and EU).</p>	<p>SofS</p> <p>Service Chiefs/Comd JFC</p> <p>PUS</p> <p>CDS</p> <p>PUS</p> <p>PUS</p> <p>PUS</p>
Commander Joint Forces Command	<p>Commanding JFC with responsibility for the development and generation of allocated capabilities.</p> <p>Managing TLB to deliver specified outputs within the Command Plan within delegated budget and corporate framework.</p> <p>Commissioning DE&S for equipment and support outputs relating to allocated capabilities.</p> <p>Advising CDS on the operational employment of allocated capabilities.</p> <p>Integrating, championing and supporting the development of enabling capabilities held within the single Services.</p>	<p>CDS</p> <p>PUS, supported by CDS</p> <p>PUS</p> <p>CDS</p> <p>CDS, supported by PUS</p>

	<p>Leading joint warfare development to ensure the effective delivery of joint operational capability including D&P.</p> <p>Contingency in the first epoch and reporting against DBSO3.</p> <p>Joint Education and Training</p>	<p>CDS</p> <p>DCDS (MSO) and DCDS Mil Cap</p> <p>PUS and CDS</p>
Director General Finance	<p>As the Department's principal financial adviser and a Board member, advising Ministers, PUS and the Board on the development of an affordable programme, the allocation of resources and financial management.</p> <p>As chair of the Investment Approvals Committee, deciding on or advising Ministers on investment proposals.</p> <p>Also supporting the PUS as Accounting Officer by:</p> <ul style="list-style-type: none"> - Leading Spending Review negotiations with HM Treasury over the future size of the Defence budget; - Ensuring effective performance management and corporate governance arrangements, including internal control, audit and risk management; - Leading on financial policy and directing standards, procedures and staffing for the finance function. 	<p>PUS</p> <p>PUS</p> <p>PUS</p>
Chief Executive Defence Infrastructure Organisation	<p>Managing the DIO to deliver the TLB Plan within delegated budget and corporate framework.</p> <p>Developing infrastructure policy and strategy.</p> <p>Developing a cost-effective infrastructure asset management plan and an affordable Defence infrastructure programme.</p> <p>Delivering infrastructure services to meet Command/TLB requirements.</p>	<p>PUS</p> <p>PUS</p> <p>Commands/TLBs</p>
Director General of Transformation and Corporate Strategy	<p>Managing the Strategic Head Office and Corporate Services budget to deliver its plan within delegated budget and corporate framework.</p> <p>Leading Defence Transformation (with VCDS).</p> <p>Lead on strategic level engagement with TUs.</p>	<p>PUS</p> <p>PUS</p> <p>PUS</p>

Head Office Structure Apr 13



1 Post moved from 2nd PUS to DG FIN/DCDS(Mil Cap), but with functional accountability also to DG Sec Pol, DCDS(Ops) and DG T&CS.

2 The MAA and DSEA organisations and posts are subject to review. They are considered part of corporate services, not 'core' Head Office in the HO&CS budget.

3 From April 2013 the DCDS(Pers & Trg) post will be renamed Chief of Defence Personnel, and expanded to include the responsibility for driving forward the Whole Force Concept.

Abbreviations List

ABC	Annual Budget Cycle
ACDS	Assistant Chief of Defence Staff
AFC	Armed Forces Committee
BOI	Balance Of Investment
C4	Command, Control, Communications and Computers
CADMID	Concept, Assessment, Development, Manufacture, In-service, Disposal
CADMIT	Concept, Assessment, Development, Migration, Termination
C&AG	Comptroller and Auditor General
CAS	Chief of the Air Staff
CBRN	Chemical, Biological, Radiological, Nuclear
CCA	Capability Coherence Authority
CDI	Chief of Defence Intelligence
CDP	Chief of Defence Personnel
CDM	Chief of Defence Materiel
CDS	Chief of Defence Staff
CE	Chief Executive
CEPP	Carrier Enabled Power Projection
CIED	Counter IED
CIO	Chief Information Officer
CGS	Chief of the General Staff
CJO	Commander of Joint Operations
CMS	Capability Management Strategy
CMP	Capability Management Plan
CNS	Chief of the Naval Staff
Comd JFC	Commander Joint Forces Command
COS	Chiefs of Staff (committee)
CSA	Chief Scientific Advisor
CSB	Corporate Service Board
CSR	Comprehensive Spending review
CTO	Chief Technology Officer
DAC	Defence Audit Committee
DBR	Director Business Resilience
DBS	Defence Business Services
DBSO	Defence Board Strategic Objective
DCDS	Deputy Chief of Defence Staff
DCMO	Defence Crisis Management Organisation
DE&S	Defence Equipment and Support
DIO	Defence Infrastructure organisation
DfID	Department for International Development
DMC	Director Media and Communications
DTES	Defence Training and Education Strategy
DG Sec Pol	Director General Security Policy
DPA	Defence Planning Assumptions
DSD	Defence Strategic Direction
DP	Defence Plan
DSTL	Defence Science and Technology Laboratory
DSF	Director Special Forces
DSEA	Defence Safety and Environment Authority
D-Res	Director of Resources
DG Fin	Director General Finance
DG T&CS	Director General Transformation and Corporate Strategy
DG Fin	Director General Finance
DLOD	Defence Line Of Development
DMS	Defence Medical Services
DP	Defence Plan
DPF	Defence Performance Framework
DSD	Defence Strategic Direction
DSG	Defence Support Group
DTB	Defence Training Board
DTE	Defence Training and Education
ECM	Electronic Counter Measures
EP	Environmental Protection
ENDPB	Executive Non Departmental Public Body
EOD	Explosive Ordnance Disposal

FE@R/FEARS	Force Elements At Readiness [and Sustainability]
FF20	Future Force 2020
FLC	Front line Command
FM	Facilities Management
FOC	Full operating Capability
GBAD	Ground Based Air Defence
GCM	Generic Capability Model
GOCO	Government Owned Contractor Operated
HCDC	House of Commons Defence Committee
HO	Head Office
HOCS	Head Office and Corporate Services
HRD	Human Resource Directorate
IAC	Investment Approvals Committee
ICT	Information and Communications Technology
IPSR	Independent Private Sector Representative
ISS	Information Services & Systems
ISTAR	Intelligence, Surveillance, Target Acquisition and Reconnaissance
IOC	Initial Operating Capability
IOM	Information Operating Model
IS	Information Systems
JCA	Joint Combat Aircraft
JFC	Joint Forces Command
JMC	Joint Medical Command
JTES	Joint Training and Education System
MAA	Military Aviation Authority
MACA	Military Aid to the Civil Authorities
MDPGA	Ministry of Defence Police and Guarding Agency
MI	Management Information
Min(ISS)	Minister for International Security Strategy
MinAF	Minister of state for the Armed Forces
MCB	Military Capability Board
MIDIT	Means of Identifying Internal talent
MODIS	MOD Information Strategy
MPA	Maritime Patrol Aircraft
NAO	National Audit Office
NEBM	Non-Executive Board Members
NCC	National Contingent Commander
NSC	National Security Council
NSS	National Security Strategy
OGD	Other Government Departments
OPCOM	Operational Command
PAC	Public Accounts Committee
PJOB	Permanent Joint Operating Base
PPO	Principle Personnel Officer
P3M	Portfolio, Programme and Project Management
PJHQ	Permanent Joint Head Quarters
PR12	Planning Round 2012
PUS	Permanent Under Secretary
QPRR	Quarterly Performance and Risk Report
R&D	Research and Development
SAC	Senior Appointments Committee
SAPT	Strategic Asset Management and Programming Team
SCS	Senior Civil Service
SDSR	Strategic Defence and Security Review
SfD	Strategy for Defence
SG	Surgeon General
SPM	Sub Portfolio Management
SPB	Service Personnel Board
S&T	Science and Technology
SofS	Secretary of State
SPVA	Service Personnel and Veterans Agency
STRIDE	Strategic Regional International Defence Engagement
TLB	Top Level Budget
TSG	Transformation Steering Group
VCDS	Vice Chief of Defence Staff
WFC	Whole Force Concept

© Crown Copyright 11/12
Published by the Ministry of Defence UK
This document is available at www.mod.uk

Produced by DMC Secretariat Graphics, Tel: 020 72186045