Ministry of Defence
Public Service Agreement 2005-06 to 2007-08

AIM

Deliver security for the people of the United Kingdom and the Overseas Territories by defending them, including against terrorism, and act as a force for good by strengthening international peace and stability.

OBJECTIVES AND PERFORMANCE TARGETS

Objective I: Achieve success in the military tasks we undertake at home and abroad.

1.   Achieve the objectives established by Ministers for Operations and Military Tasks in which the United Kingdom's Armed Forces are involved, including those providing support to our civil communities.

2.   By 2007-08, improved effectiveness of UK and international support for conflict prevention, through addressing long-term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular Africa, Asia, the Balkans and the Middle East. (Joint target with DFID and FCO.)

Objective II: Be ready to respond to the tasks that might arise.

3. Generate forces which can be deployed, sustained and recovered at the scales of effort required to meet the government's strategic objectives.

4.   Play a leading role in the development of the European Security agenda, and enhance capabilities to undertake timely and effective security operations, by successfully encouraging a more efficient and effective NATO, a more coherent and effective ESDP operating in strategic partnership with NATO, and enhanced European defence capabilities. (Joint Target with FCO)

5.   Recruit, train, motivate and retain sufficient military personnel to provide the military capability necessary to meet the Government's strategic objectives.

Objective III: Build for the Future.

6. Deliver the Equipment Programme to cost and time.

WHO IS RESPONSIBLE FOR DELIVERY?

The Secretary of State for Defence is responsible for delivery of this PSA. The Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for International Development are also jointly responsible for delivering Target 2.

PSA TECHNICAL NOTES

Target 1

Achieve the objectives established by Ministers for Operations and Military Tasks in which the United Kingdom's Armed Forces are involved, including those providing support to our civil communities.

Technical Note

1.   The MOD's primary objective is the successful completion of major operations. The objectives for each operation are captured in a Directive from the Chief of the Defence Staff to the Operational Commander.

2.   We will support and protect civil communities and their livelihoods through the conduct of search and rescue, fishery protection, bomb disposal, and counter-drugs operations, where appropriate under arrangements for repayment by the Department having the policy lead.

3.   We will achieve the objectives agreed by Ministers following formal requests for assistance from another Government department, Civil Power (eg. Police and Emergency Services, HM Customs and Excise) or Local Authority. In this way we will help to resolve civil crises successfully by using the available specialist skills and capabilities of the Armed Forces and MOD civilians.

4.   The success of operations or Military Tasks will be judged against the Military Strategic Objectives given to each relevant commander by the Chief of Defence Staff. UK forces constitute a contribution to an Alliance or Coalition for many operations and are therefore additionally subject to multinational political and military considerations and Command and Control arrangements.

5.   The assessment of success is performed through a formal review process under the Operational Tasking Group, under the chairmanship of the Vice Chief of Defence Staff, which assesses performance subjectively, using military judgement. Achievement of operational objectives is assessed under objective A of the Defence Balanced Scorecard "To achieve success in the Tasks we undertake".

6.   Historic performance on routine operations such as military assistance, search and rescue, fishery protection, bomb-disposal and counter-drugs operations activities is detailed in the annual compendium "UK Defence Statistics".

Target 2

By 2007-08, improved effectiveness of UK and international support for conflict prevention, through addressing long-term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular Africa, Asia, the Balkans and the Middle East.

Technical Note

1.   The PSA target requires the Foreign and Commonwealth Office (FCO), the Department for International Development (DFID), and the Ministry of Defence (MoD) to work together (and if appropriate with other Government Departments) to improve the impact of Her Majesty's Government's (HMG) overall effort in areas suffering from violent conflict, or where there is tension which might lead to violent conflict. It also requires them as part of this work to seek improvements in the effectiveness of the efforts of the international community to prevent or end violent conflicts. This covers work in all the areas of activity to which HMG contributes at different parts of the conflict cycle. (paragraphs 16-19 below).

2.   Conflict prevention is a complex area in which to measure outcomes. A peace settlement can take many years to be consolidated, progress is unlikely to be linear and even when it is clear that a settlement has been achieved, it is hard to attribute the specific contribution made by UK funded programmes and/or associated diplomatic, development or defence activity.

3.   Progress over the 3-year PSA period, whether positive or negative, may not therefore give an accurate picture of trends of longer-term progress. Additionally, since conflict is manifest in many different forms, its measurement cannot be standardised to fit all scenarios. This is explicit when looking at the number of deaths as a statistic. This may be a valid indicator for higher intensity violent conflict, as in parts of Africa, but is not so relevant for measuring low intensity structural violence such as in Georgia, or situations where violence has been completely averted.

4.   Accepting these limitations, progress towards the achievement of the PSA target will be assessed by analysis of the two types of target set out in the table below.

5.   At a country/region specific level, these targets are headline, aspirational objectives, showing the outcome the international community, with UK support, is seeking over the 3 year Spending Round (SR) 04 period and beyond. More detailed indicators showing steps towards these high level objectives which will support analysis of progress will be included in the PSA Delivery Plan. Indicators will be mixed, including where appropriate both quantitative and qualitative measures.

6.   The second set of targets measure increased UN and African conflict prevention and peace support capacity.

7.   In assessing progress, it is assumed that a peaceful settlement in a particular violent conflict or the avoidance of such a conflict, as judged by internal HMG and external international actors, is an indication that the efforts of the international community, and HMG's contribution to those efforts, have been a success. The targets in the Table should therefore be seen as proxy indicators for the UK's contribution to this work, accepting that precise measurement of the specific UK achievement is usually impossible.

Sub Target	Objectives
A. Progress towards durable peace in areas of priority:	
Afghanistan:	**By end 2007-08**: Accountable and democratic structures for Afghanistan's governing institutions and armed forces, representing Afghanistan's ethnic diversity, and operating with respect for human rights. **Baseline April 2004:**Current Afghan Government appointed following Emergency Loya Jirga; security situation requires continued Operation Enduring Freedom "war-fighting" primarily in South/South East; limited national governmental and security capacity requires expanded ISAF presence across Afghanistan; 6,000 Afghan National Army and 6,000 national police trained and deployed (Kabul Embassy reports of US/German (lead nation) figures; 6,000 militia processed through various DDR pilot projects. **Sources of data:** Assessment will be on the basis of HMG reporting and contacts with international partners including international organisations (e.g World Bank, UN, and NATO). This will be compared annually to reports from the media, UN agencies and NGOs in Afghanistan.
Balkans:	**By end 2007-08:** Western Balkan states at peace within and between themselves and continuing on the path to closer integration with the EU and NATO. **Baseline April 2004:** *Bosnia-Herzegovina* has made progress recently in defence and other reform, but still has over 9,000 NATO troops maintaining security, with the UN's High Representative/EU's Special Representative, Lord Ashdown, exercising oversight of the state. Over 18,500 NATO troops are deployed in *Kosovo*, which is also under UN governance; interethnic violence in March 04 displaced nearly 4,000 people. *Macedonia* has avoided a return to conflict and has made good progress in implementing the Ohrid Framework Agreement but

	the ethnic divide countries face serious economic difficulties, including low growth, relatively low GDP per capita, and high unemployment, and organised crime and corruption exert pernicious influence. There has been progress in democratic reforms and human rights issues, though problems with International Criminal Tribunal for Yugoslavia compliance, and minority rights, remain. **Source of data:** Assessments will be made on the basis of HMG reporting and dedicated desk officer knowledge and compared once a year to reports by international organisations such as the UN and World Bank, the media and academics.
DRC:	**By end 2007-08**: Reduced cross border interference in Eastern DRC, a stable government in Kinshasa overseeing accountable security services and a reduction in militia operating outside such democratic government control. (This target will focus on DRC but will necessarily take account of wider Great Lakes conflict dynamics). **Baseline April 2004:** Transitional government currently in place. Security services factionalised. A hard core of militia operating in DRC and high levels of Internally Displaced Persons. **Source of data:** EU monitors for election process. HMG and NGO reporting on security service. ISCR for number of IDPs. UN, HMG and NGO reporting on militia levels.
Iraq:	**By end 2007-08:** A stable, united and law abiding state, within its present borders, co-operating with the international community, no longer posing a threat to its neighbours or to international security, abiding by all its international obligations and providing effective, representative and inclusive government for all its people. **Baseline April 2004:** Occupation still in place; Iraqi security forces largely ineffective; political process for formation of Interim Government in early stages; security situation very unstable. **Source of data:** Assessments will be made on the basis of HMG reporting, and compare once a year to reports by international organisations, such as the UN and World Bank, the media, opinion polls, human rights organisations and academics.
Middle East Peace Process	**By end 2007-08:** Maximising the opportunity of Israeli withdrawal from Gaza and parts of the West Bank, significant progress towards a negotiated settlement resulting in the

(MEPP):	emergence of an independent, democratic, and viable Palestinian state with a reformed security sector, living side by side in peace and security with Israel. **Baseline April 2004:** The Palestinian Authority (PA) has already made significant progress on financial management reform. Progress on other pillars of the reform agenda (e.g administrative reform, the judiciary, local government etc) is patchy. Escalation in violence in Gaza and the West Bank. Increased Israel Defence Force (IDF) operations in Gaza. Continued building of Israeli barrier and expansion of settlements in the West Bank. Humanitarian situation in the Occupied Territories (OT) worsening. Suicide bombers continue to attack Israeli targets. Law and Order breaking down in the OTs. No political negotiation between Israeli PM and Palestinian PM. Planned unilateral withdrawal from Gaza not being negotiated with the Palestinians. Significant escalation in violence against Israelis by Palestinian rejectionist groups and an increase in IDF operations resulting in death and injury of Palestinians. **Source of data:** Assessment will be made on the basis of HMG reporting and compared annually to reports from international organisations, NGOs and media.
Nepal:	**By end 2007-08:** A stable Nepal with a durable cease-fire in place with the Maoists, democratic institutions restored with respect for human rights and significant progress towards a constitutional settlement. **Baseline April 2004:** Political and security situations both continuing to deteriorate. Government unable to guarantee free movement along main national roads, including into the capital, or to stop large scale Maoist attacks on district headquarters. Impasse between king and main political parties. High number of human rights abuses and violations reported by both sides. Government restrictions on HR NGOs activities. Impeded ICRC access. **Source of data:** Public reports (UN, media) and HMG internal assessments that deaths have been reduced and government better able to protect civilians. Reports from international NGOs/UN in human rights and conflict resolution field.
Nigeria:	**By end 2007-08:** Local and central government effectively managing and resolving conflict and a reduction in the number of people affected by conflict. **Baseline:** Number of conflict related deaths in Nigeria in 2005 (to be confirmed from SIPRI/IISS reports for 2004).

	Source of data: HMG, Government of Nigeria and NGO reporting. For statistics on conflict related deaths, SIPRI and IISS.
Sierra Leone:	**By end 2007-08:** Ongoing stable and democratic government overseeing accountable security services and a reduction in regional militia. **Baseline:** fresh elections are scheduled to take place in 2006/07. Security services are currently reliant on donors and civilian oversight is limited. A hard core of militia operating regionally in Sierra Leone, Liberia and Cote d'Ivoire. **Source of data:** EU monitors for election process, HMG and NGO reporting on security services. UN, HMG and NGO reports on militia numbers.
Sudan:	**By end 2007-08:** A fully implemented comprehensive peace agreement between the Government of Sudan and the SPLM, progress towards a stable and democratic government, a reduction in militia operating outside democratic control, and a reduction in the number of deaths through violent conflict. **Baseline:** Partial peace agreement currently in place. Fresh elections are scheduled to take place in around 2007. Hard core of militia operating in Sudan. **Source of data:** EU monitors for election process, HMG and NGO reporting. UN, HMG and NGO reporting on militia levels. Number of conflict related deaths in Sudan in 2005 check (to be confirmed).

B. Increased capacity and effective-ness of peace-keeping, conflict prevention and peace support work in:

The UN	**By end 2007-08:** All potential UN peacekeeping missions should follow the principles of integrated and comprehensive planning set out in the Brahimi Report of 2000 incorporating these from the onset of the planning process and carrying them forward into mission deployment with appropriate training of personnel and systematic processes for learning lessons and applying best practice. **By end 2007-08:** A 5% increase in the number of effective peacekeepers in regional and international Peace Support operations under a UN mandate, with adjustments where necessary for changes in the demand for peacekeepers. **During SR04 period:** UN Security Council agrees

	comprehensive and realistic mandates for all new complex UN peacekeeping missions. **Baseline April 2004:** UNSCR 1493 (2003), which established UNMIL in Liberia was the first resolution which contained all the elements for peace support operations proposed in the Brahimi Report and serves as the baseline for future mandates. February 2004, 94 countries were contributing to UN PSOs. Existing baseline for integration of policing and military requirements in needs assessments and mandates difficult to establish. But the assumption must be that such integration is a feature of <u>all</u> missions from pre-planning through to execution. **Source of data:** UN peacekeeping web-site and internal HMG reporting.
African Peacekeeping	**By end 2007-08:** Increased capacity in the African Union (AU) and sub-regional security organisations to manage peacekeeping missions. **Baseline:** There are currently no standby brigades in Africa. The AU Military Staff Committee has not yet been set up. **Source of data:** Reviews of implementation of joint G8/Africa Action Plan (Evian) and AU Common Defence and Security Policy: HMG, NGO and academic reporting.

* In ALL cases, after the first assessment, the same external data sources will be revisited annually.

Meeting the target

8.   At the end of Financial Year (FY) 07-08, a full assessment of progress against target will be made. The assessment will comprise a narrative, an overall traffic light indication for each of Sections A and B in the table above and an overall traffic light for the target as a whole. The traffic lights will indicate Red – Not Met, Amber – Partially Met and Green – Met.

9.   This assessment will be agreed between the FCO, MoD, DFID and the Treasury (HMT) before being made public.

10.   Interim reports will be published bi-annually and agreed between DFID, MoD and the FCO. They will contain a shorter narrative and traffic light symbol indicating the direction of progress.

11.   The 3 departments and HMT will agree in the PSA Delivery Plan how the judgement of progress at the end of 07-08 will be made. Details of this assessment will be made available to the House of Commons Select Committees on Development, Defence and Foreign Affairs.

Sub Target A: Durable Peace in Target Countries/Regions:

12.   Nine focus countries/regions have been selected as representation of HMG's conflict related priorities. The rationale for selection is based on the level of UK government expenditure; the potential for the UK to make a significant contribution; the potential risks of involvement; the UK's key priorities, and the political context within which we are working. For each of these country/regional targets, the high-level objectives and specific indicators have been selected and owned by those at desk/field level and have been scrutinised/quality assured by a joint FCO/MoD/DFID/HMT/Cabinet Office body.

Sub Target B: Increased capacity and effectiveness of Peacekeeping, conflict prevention and peace support work in:

The UN

13.   The UK is committed to helping the UN further strengthen its conflict prevention, peacekeeping and peace-building capabilities. Key to this will be more effective use of the UN Security Council and other UN mechanisms. We need to strengthen the role of the Economic and Social Council (ECOSOC) in Post-Conflict Peacebuilding; and ensure that the activities of the UN Funds and Programmes, as well as Bretton Woods Institutions, support the emergence of countries from conflict. We also need to ensure that the UN develops effective partnerships (e.g with the AU and the EU) as peacekeeping becomes increasingly regionalised.

14.   Another important element of work will be continuing implementation of the recommendations for future and current operations set out in the Brahimi Report on UN Peacekeeping Reform, in areas such as mission leadership, rapid deployment and logistics, training, complex peace operations and developing regional partnerships. The UK has developed an Action Plan to support UN activities in these areas. UK encouragement and support to enable states to increase to a more appropriate level the number of effective peacekeepers they provide for UN/other organisations' peace support tasks is also an important driver here. By helping to increase the pool of effective peacekeepers and peacekeeping contributing states, UK is effectively supporting the development of regional solutions to regional problems and reducing demand for expensive UK military interventions in developing crisis situations.

African Peacekeeping

15.   At Evian (June 2003) G8 leaders endorsed a joint Africa/G8 plan to enhance African capabilities to undertake peace support operations. The plan was formulated jointly with African partners and will be developed as the new African institutional architecture for peace and security evolves. A number of building blocks covering the range of activities important for peace support operations (not just peacekeeping) are included in the plan. The most specific

of these is the establishment, equipping and training by 2010 of coherent, multinational, multi-disciplinary standby brigade capabilities including civilian components at the AU and regional level. This responds to an African commitment to set up an African Standby Force (ASF) based on five regional brigades and established in two phases to 2005 and 2010. This is a very ambitious timescale. The UK, specifically through the work of the African Conflict Prevention Pool (ACPP), is supporting this.

Sphere of activity

16.   The UK cannot solve violent conflict single-handedly. Work should focus on areas (regional and thematic) where the UK can make a difference. UK prioritisation is set by way of analysis of any given conflict and its impact upon regional stability, its effect on vulnerable populations and poverty reduction and on UK security, economic and social factors. In turn, consideration is given to the impact of any contribution, its own expertise, the chances of success, and what efforts can be made to galvanise other international/bilateral efforts.

17.   This PSA covers the range of conflict related work across the three departments, including diplomatic efforts on both a bilateral and multilateral level; peacekeeping and other peace support operations; and long-term development work which tackles the structural causes of conflict. It also includes the specific work of the tri-departmental Africa and Global Conflict Prevention Pools, and of the new tri-departmental Post Conflict Reconstruction Unit.

18.   The **Africa and Global Conflict Prevention Pools** were set up in April 2001 to be a key part of UK efforts towards achieving the conflict prevention PSA. They bring together the conflict prevention work of FCO, DFID and MOD and are intended to develop strategic/policy thinking as well as manage related programmes. The pools are an innovative way of inter-departmental working.

19.   The **Post Conflict Reconstruction Unit** (PCRU), which will be set up in 2004 to co-ordinate FCO/DFID/MOD post conflict work aims to ensure better planning, implementation and management of the UK's contribution to post conflict situations, primarily when UK forces are deployed. The PCRU will involve officials principally from the three departments, but will draw on other government departments as appropriate. It will gradually become operational and reach its full capacity in early 2006.

Definitions:

20.   For the purposes of the Pools the following definitions shall apply:

- **Conflict:** A perceived incompatibility between two or more parties, each of which aims to gain advantage of some kind – power, resources, interests, values, needs, for example. At least one of the parties believes that the conflict is over a set of mutually incompatible goals.

- **Violent Conflict:** Denotes conflicts where parties on both sides resort to the use of force. This encompasses situations ranging from a military attack on a civilian by a single soldier to an all-out war with massive casualties. It also includes one-sided violence such as genocides against unarmed civilians[1] - and violent conflict between two or more civilian groups.

- **Conflict Prevention:** Actions, policies, procedures or institutions intended to avoid the threat or use of armed force, and related forms of coercion by states or groups, to settle political disputes that can arise from the destabilising effects of economic, social, political and international change, or to avoid the recurrence of violent conflict.[2] For example, settling disputes through international courts; building government institutions that provide better human security for citizens in the affected area; respecting human rights in legislative systems and government operations.

- **Conflict Resolution:** Efforts to increase co-operation among the parties to a conflict and improve their relationship by addressing the conditions that led to the dispute, fostering positive attitudes and allaying distrust through reconciliation initiatives, and building or strengthening the institutions and processes through which the parties interact. Conflict resolution can be used to reduce the chances of violence or to consolidate the cessation of a violent conflict in order to prevent re-escalation.[3] For example, mediation between two conflicting parties, diplomatic efforts to bring such parties to the negotiating table and peace negotiations.

- **Post-Conflict Reconstruction:** An umbrella term covering a range of activities required in the immediate aftermath of conflict.

- **Peacebuilding:** Efforts to encourage the development of structural conditions, attitudes and modes of political behaviour that permit peaceful, stable and ultimately prosperous social and economic development. Activities include the provision of security, the establishment of socio-economic foundations of long-term peace, the establishment of a political framework for long-term peace and reconciliation.[4]

- **Durable Peace:** A post conflict settlement that is unlikely to relapse into violent conflict and also addresses structural causes of conflict.

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[1] Miall, Ramsbotham and Woodhouse, *Contemporary Conflict Resolution,* Polity, 1999

[2] Alex Schmid, *Thesaurus and Glossary of Early Warning and Conflict Prevention Terms* PIOOM and FEWER

[3] Lund, M *Preventing and Mitigating Violent Conflicts: A Revised Guide for Practitioners (*Washington DC, Creative Associates International, April 1997

[4] Dan Smith*, Getting Their Act Together: Towards a Strategic Framework for Peacebuilding*, Joint Utstein Study Synthesis Report, November 2003.

- **Free and Fair Elections:** As judged by UN/EU Principles and their associated monitoring bodies - Article 21 of the Universal Declaration of Human Rights.

- **Accountable and Democratic Security Forces:** Established and subject to legislation, civilian control of the military through elected civilian officials; civilian defence management, functioning parliamentary oversight mechanisms, parliamentary debates, publication of Defence White papers, budget accountability, open and transparent procurement processes, adherence to IHL and relevant conventions.

- **Militia Figures:** Working out baseline figures for numbers of militia involved in African conflicts is highly complex. The definition of a militia member can extend from highly motivated individuals to those who have been forced into militia activities to those who are merely opportunistic. Numbers of militias therefore tend to fluctuate. The status of militia forces as a whole is also difficult to define with paramilitary organisations being absorbed from rebel movements into national armies or simply demobilised.

Target 3

Generate forces, which can be deployed, sustained and recovered at the scales of effort required to meet the government's strategic objectives.

Technical Note

1.   The MOD aims to maintain forces and supporting assets to be able to undertake Military Tasks at the scales of effort set out in the Defence White Paper 'Delivering security in a changing world' dated 11 December 2003.

2.   To achieve this the Armed Forces are funded to maintain force elements (FEs), e.g. Submarines, Army brigades, RAF Tornado fighter aircraft at specific readiness levels defined by the appropriate numbers of days that would be needed to enable a unit to be ready to deploy on operations in its primary role. The Department will also maintain robust plans to generate these forces, to deploy them into an operational theatre, to sustain them there and subsequently recover them back to their home base. Generating, deploying and sustaining forces will, however normally require the provision of additional funding either from the Conflict Prevention Fund or the Government's Contingency Reserve.

3.   Performance under this target will be measured against the following criterion:

- By 2008, ensure that the peacetime readiness of all the force elements required to conduct operations at the scales of effort set out in the Defence White Paper, shows a 5% increase in the numbers reporting no serious or critical weakness compared with the average number reported in 2004/05.

4.   In addition, the MOD will each quarter separately report on progress on its planning and contingency preparations for generating, deploying and sustaining forces on contingent operations, as judged against the following criteria:

- By 2008, ensure that the assessed ability of force elements to generate from peacetime readiness to immediate readiness for deployment on operations at what is likely to be the most demanding level for many enabling functions (2 medium scales and a small scale concurrently) shows a 5% increase in the numbers reporting no serious or critical weakness compared with the average number reported in 2004/05.

- By 2008, ensure that the assessed ability of the Department physically to deploy its forces on operations at what is likely to be the most demanding level for many enabling functions (2 medium scales and a small scale concurrently), sustain them in theatre and thereafter recover them to their home bases shows a 5%

improvement in the numbers of serious or critical weaknesses reported across the key components (Land, Sea, Air, Strategic Lift) compared with the average reported for 2004/05.

Notes to the Technical Note

5.   A force element is defined as being at its required state of readiness when it has achieved the required standards in the following areas:

- Manpower: the provision of sufficient fit for purpose manpower, appropriately trained both tactically and technically, as individuals and with high morale.

- Equipment: the possession of the necessary range and quantity of suitable, reliable and maintainable equipment.

- Collective Training: A proven ability to apply current doctrine in the full range of combined and joint operations.

- Logistic Support: (during peacetime and generation for operations only) the possession of appropriate holdings of supplies and spares to enable a unit to fulfil its funded commitments and to be ready, at the required readiness level, to generate for operations.

- Logistic Sustainability: (during operations only) the possession of appropriate holdings of combat supplies and equipment support spares, and the ability to deploy them to an area of operations, move them within that area of operations and generate (or regenerate) sufficient reserves of manpower and materiel to sustain the operation for an appropriate period.

- Deployability/Recovery (to and from operations only): the ability to Deploy and Recover forces and associated support to, from and within the desired area of operations within the required timescale.

5.   Weaknesses are assessed on the basis of weighted scores against defined requirements from manpower, equipment, collective performance, logistic support/sustainability and deployability/recovery.

6.   Each quarter we will assess performance and give a projection of our progress against the target.

Target 4

Play a leading role in the development of the European Security agenda, and enhance capabilities to undertake timely and effective security operations, by successfully encouraging a more efficient and effective NATO, a more coherent and effective ESDP operating in strategic partnership with NATO, and enhanced European defence capabilities. (Joint Target with FCO)

Technical Note

Progress against this target will be measured against classified scorecards (agreed between FCO, MOD and HMT) covering the three elements of the target: (a) a more efficient and effective NATO; (b) a more coherent and effective ESDP; and, (c) enhanced European defence capabilities.

Target 5

Recruit, train, motivate and retain sufficient military personnel to provide the military capability necessary to meet the Government's strategic objectives

Technical Note

1.   The 2004 Paper – *Delivering Security in a Changing World* – set out force structure and other changes to meet the challenges identified in the 2003 Defence White Paper. These changes will involve a period of restructuring and drawdown across the Royal Navy, Army and Royal Air Force in order to achieve the appropriate manning balance for the new force structure by 1 April 2008. This will present many challenges across the people line of development.

2.   Performance against this target will be assessed against the achievement of manning balance in each of the three Services, considered separately, by 1 April 2008. Manning balance gives a picture of the overall strength of the Armed Forces against the requirement. It therefore subsumes both inflow or recruitment, and outflow including retention. In reporting performance against the target, both in quarterly reports on the Treasury performance website and the MOD website the Department will however additionally report achievement against internal targets or guidelines (published in the MOD Departmental Plan) for:

- Gains to Trained Strength (GTS)[5] (covering numbers of trained recruits being provided to the front line);

- Medically Fit For Task[6];

- Premature Voluntary Release (PVR) Exits[7];

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[5] Gains to Trained Strength reflect the numbers of new recruits entering the Service and completing Phase 1 and 2 of training and thus becoming part of the trained strength.

[6] This is measured as the percentage of trained strength who are medically fit for the task that they were posted to the unit/ship/establishment to perform.

[7] Whilst natural wastage rates can be forecast and thus reflected in recruitment targets, exits by Premature Voluntary Release are less predictable. The Services do not have specific targets for PVR, as these vary with age and trade groups, but have historical thresholds that ideally should not be breached. In terms of reporting, the Services will report against the impact on manning balance and structure of early voluntary releases.

- Levels of Individual Separated Service against Harmony Guidelines.[8]

These subsidiary targets or guidelines may however vary both in-year and from year to year to reflect what is required to maintain manning balance in changing circumstances and do not form part of the quantitative assessment of performance against this target. In addition, the Department's ability to achieve Harmony Guidelines will be dependent upon the level of operational activity that the Armed Forces are asked to undertake. Taken together with assessments of manning balance they will however provide a comprehensive picture of the Department's performance in recruiting, training, motivating and retaining service personnel.

3.   The key management information for this target will be drawn from the Service Personnel Balanced Scorecard (SPBSC), which informs both the Defence Management Board and the Service Personnel Board. Moreover, the Scorecard will also help to inform the priorities of the Service Personnel Plan (SPP), which builds upon the Armed Forces Overarching Personnel Strategy, incorporates the key elements of the Pay and Workforce Strategy (PWS) and is closely linked to the individual Services' Management and Business Plans, the Strategic Plan for Defence Individual Training and Education and the Defence Health Programme.

4.   The SPBSC provides a far broader and more harmonised picture than has hitherto been available for the 'people' area. The SPP will enable the Department to take a coherent, long-term look at 'people' needs; provide a mechanism to inform the DMB and other Process Owners of the opportunities and threats arising from or to the people line of development; ensure better delivery and management of outputs; and provide the starting point for the 'people' contribution to the Departmental Process Review.

5.   Whilst manning balance is the headline target, it is equally important that we achieve the correct structural balance and this will require careful management of the necessary levers (recruitment, training and retention). This is what the SPP describes as "sufficient, capable and motivated" and the embedded Programmes and Projects (many of which are entering the delivery phase) will be the means by which we ensure that the people component of operational capability is sustained in the long-term.

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[8] The level of commitment we expect from Service personnel will influence the prospects for longer term retention. Therefore, each Service has guidelines which set acceptable levels of Unit Harmony and Individual Separated Service. Individual Separated Service targets are reported against by the RAF with systems under development in the Royal Navy and the Army. Unit Harmony targets are reported against by the Royal Navy and the Army with systems under development in the RAF. These levels should not be exceeded during routine activity as set out in Defence Planning Assumptions.

Definition:

6.   Manning balance is the prevailing trained strength requirement within a tolerance band of +1% to -2% to reflect routine structural and organisational change within the Armed Forces. Whilst this tolerance level excludes periods of major structural change to the Armed Forces, the Services will continue to aspire to remain within manning balance throughout the current drawdown period to 1 April 08.

Target 6

Deliver the Equipment Programme to cost and time.

Technical Note

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

2.   Average In-Year variation of forecast In Service Dates, for all Category A to C Projects that have passed Main Gate Approval, to be no more than 0.7 months in FY05/06, 0.5 months in FY06/07 and 0.4 months in FY07/08.

3.   Average In-Year variation of forecast costs for Design and Manufacture (D&M) phase, for all Category A to C projects that have passed Main Gate approval, of less than 0.4% in FY05/06, 0.3% in FY06/07 and 0.2% in FY07/08.

4.   The equipment provided must meet the customer's requirements, on budget, when the customer needs the equipment.

5.   Performance against the PSA will be measured against all Category A to C projects that have passed Main Gate and are yet to achieve ISD at the start of the financial year. A proportion of the population will change each year as a result of new projects passing Main Gate and existing projects achieving ISD, but these changes are not reflected until the following financial year. Similarly projects that achieve ISD remain within the population until the start of the next financial year.

Measurement

6.   Achieve at least 97% of Key User Requirements for all Category A to C Projects that have passed Main Gate Approval, to be achieved throughout the PSA period. Performance will be measured against all post-Main Gate/pre-ISD Cat A to C projects, the number of approved Key User Requirements that are either achieved or forecast to be met is measured as a percentage of the total number of approved Key User Requirements. The result will be calculated by averaging these percentages across all the post-Main Gate/ pre-ISD Cat A to C projects.

7.   Average In Year variation of forecast In Service Dates to be no more than; 0.7 months in FY05/06, 0.5 months in FY06/07 and 0.4 months in FY07/08, for all Category A to C Projects that have passed Main Gate Approval. Performance will be measured by comparing a project's 50% confidence forecast for ISD at the start and end of the year to derive in-year variation in ISD for each project. The in-year variation in ISD is averaged

across the project population to derive the average in-year variation in forecast ISD – for all post-Main Gate/pre-ISD Cat A to C projects. (See Note).

8.   <u>Average In-Year variation of forecast costs for Design and Manufacture (D&M) phase of less than 0.4% in FY05/06, 0.3% in FY06/07 and 0.2% in FY07/08, for all Category A to C projects that have passed Main Gate approval.</u> Performance will be measured by comparing a project's 50% confidence forecast for Design and Manufacture (D&M)

9.   Phase costs at the start and end of the year to derive in-year variation. The aggregate in-year variation in forecast costs across the project population is expressed as a percentage of aggregate forecast D&M phase costs at the start of the year. The calculation is conducted for all post-Main Gate/pre-ISD Cat A to C projects.

Notes

10. The target levels for ISD variation are based on an allowance for Smart and Legacy projects which is averaged across the numbers of projects in the population of post-Main Gate/pre-ISD Cat A to C projects. The allowance for Legacy projects is 28 days and for Smart projects 21 days in FY05/06, 14 days in FY06/07, 10 days in FY 07/08. The target levels are based on the projected future project population, significant changes to which may occur due to revisions in the departments planned Equipment Programme. Such changes can affect the future ratio of Smart to Legacy projects and may result in minor changes to the target levels.

Definitions

11.   Slippage. Slippage against the declared ISDs is reported based on the revised project forecasts agreed with the customer

12.   In-Service Dates. The definition of In-Service Date (ISD) is project specific and is defined at Main Gate and approved by Ministers.

13.   Key User Requirements (KUR): Capability requirements or constraints identified from within the wider set of user requirements which are assessed as key to the achievement of the mission, or which are for any other reason assessed as of particular importance to top level management. KURs are used to measure project performance.