

A	2004 Spending Review Targets	200
B	Accountability to Parliament	201
C	Organisation and Management of Defence	205
D	Performance Management Systems	208
E	Defence Agency Performance	210
F	Government Standards	218
G	Defence Equipment Programme and Collaborative Procurement	225
H	Glossary of Terms and Abbreviations	229

# ANNEXES



## ANNEX A

### 2004 Spending Review Targets

#### 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 2008, deliver improved effectiveness of UK and international support for conflict prevention by 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 in Africa, Asia, the Balkans and the Middle East. (Joint with the Foreign and Commonwealth Office and the Department for International Development.)

**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 European Security and Defence Policy (ESDP) operating in strategic partnership with NATO, and enhanced European defence capabilities. (Joint with the Foreign and Commonwealth Office.)

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 the delivery of this PSA. The Secretary of State for Foreign and Commonwealth Affairs is jointly responsible for delivery of target 4 and, together with the Secretary of State for International Development, target 2. The Secretary of State for Defence is also responsible for delivering the agreed efficiency target set out in the Ministry of Defence chapter of the 2004 Spending Review White Paper.

##### EFFICIENCY TARGET 2005-06 TO 2007-08

The Ministry of Defence will realise total annual efficiency gains of at least £2.8 billion by 2007-08, of which three-quarters will be cash releasing, to be re-invested in defence capability and further modernisation initiatives.

# ANNEX B:

## Accountability to Parliament

1. Ministers have accounted to Parliament during 2004-05 on all aspects of the Department's business. 4,583 Parliamentary Questions were tabled, Defence Ministers led 14 debates on defence issues in the House of Commons and 7 in the House of Lords, responded to 22 Adjournment Debates and one urgent question in the House of Commons, and made 10 oral statements to the House of Commons and 5 to the House of Lords. They also made 144 written statements to the House of Commons and the House of Lords. Details are published in Hansard, and a full list of defence debates and oral and written statements is available on [www.mod.uk](http://www.mod.uk).

## Evidence to House of Commons Defence Committee

2. Since 1 April 2004 the Ministry of Defence has also given evidence to the House of Commons Defence Committee on a number of occasions covering a wide range of issues, and the Government has responded to a number of the Committee's reports. All Committee publications, including published evidence given to the Committee, are available at [www.parliament.uk/parliamentary\\_committees/defence\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/defence_committee.cfm).

## SESSION 2004/05

### Reports (Government Responses are listed in brackets after the report they relate to)

First Report HC 290	<b><i>Work of the Committee in 2004</i></b>	<i>published 10<sup>th</sup> February 2005</i>
Second Report HC 64 (Cm6619)	<b><i>Tri-Service Armed Forces Bill</i></b>	<i>published 14<sup>th</sup> March 2005</i>
Third Report HC 63-i, & ii (Cm6620)	<b><i>Duty of Care</i></b>	<i>published 14<sup>th</sup> March 2005</i>
Fourth Report HC 45-i & ii (Cm6616)	<b><i>Future Capabilities</i></b>	<i>published 17<sup>th</sup> March 2005</i>
Fifth Report HC 145	<b><i>Strategic Export Controls – HMG's Annual Report for 2003, Licensing Policy and Parliamentary Scrutiny</i></b>	<i>published 24<sup>th</sup> March 2005</i>
Sixth Report HC 65-i & ii (HC 436)	<b><i>Iraq: An Initial Assessment of Post-Conflict Operations</i></b>	<i>published 24<sup>th</sup> March 2005</i>

## SESSION 2003/04

Fourth Report HC 390	<b><i>Strategic Export Controls: Annual Report for 2002, Licensing Policy and Parliamentary Scrutiny</i></b>	<i>published 18<sup>th</sup> May 2004</i>
Fifth Report HC 465-i & ii (HC 1048)	<b><i>The Defence White Paper 2003</i></b>	<i>published 1<sup>st</sup> July 2004</i>
Sixth Report HC 572-i & ii (Cm 6338)	<b><i>Defence Procurement</i></b>	<i>published 28<sup>th</sup> July 2004</i>

3. The Defence Committee also undertook a number of visits to military establishments both in the UK and overseas as part of its inquiries, as shown in the table below.

**Table 22: Defence Committee visits to military establishments**

Date of Visit	Establishment	Related Inquiry
29 Apr 04	Fleet Command	Defence White Paper
11 May 04	Upavon and RAF Halton	Duty of Care
16-21 May 04	Iraq	Iraq: An Initial Assessment of Post-Conflict Operations
22 Jun 04	RAF Halton	Duty of Care
28 Jun 04	RSC Glencorse	Duty of Care
29 Jun 04	ATR Lichfield	Duty of Care
5-6 Jul 04	HMS Raleigh and CTC RM Lympstone	Duty of Care
2-13 Jul 04	AFC Harrogate and ITC Catterick	Duty of Care
26-27 Jul 04	RAF Halton	Duty of Care
19 Oct 04	DLC Deepcut & School of Defence Catering, St Omer Barracks	Duty of Care
9 Nov 04	HMS Sultan & HMS Collingwood	Duty of Care
15-16 Nov 04	Armour Centre, Bovington & DCCIS, Blandford	Duty of Care
25 Nov 04	AFCC Ampport House	Duty of Care
30 Nov 04	DCAE Cosford	Duty of Care
7-20 Jan 05	Cyprus	
25-25 Jan 05	N. Ireland	

## Evidence to Select Committees of the House of Commons and House of Lords

4. Since 1 April 2004 the Ministry of Defence has also given written and oral evidence on various issues to the following Select Committees of the House of Commons and House of Lords: All Committee publications, including published evidence given to the Committee, are available at: [http://www.parliament.uk/parliamentary\\_committees/parliamentary\\_committees16.cfm](http://www.parliament.uk/parliamentary_committees/parliamentary_committees16.cfm)

### SESSION 2004/05

ODPM: Housing, Planning, Local Government and the Regions Committee

Third Report  
HC 61-i & ii  
(Cm 6490)                      **Homelessness**                      *published 27<sup>th</sup> January 2005*

Lords EU Committee  
Ninth Report  
HL 76                      **European Defence Agency**                      *published 16<sup>th</sup> March 2005*

Constitutional Affairs and ODPM: Housing, Planning, Local Government and the Regions Committee  
First Joint Report  
HC 243-i, ii & iii                      **Electoral Registration**                      *published 24<sup>th</sup> March 2005*

Lords EU Committee  
Thirteenth Report  
HL 96                      **Preventing Proliferation of Weapons of Mass Destruction: The EU Contribution**                      *published 5<sup>th</sup> April 2005*

### SESSION 2003/04

ODPM: Housing, Planning, Local Government and the Regions Committee

Seventh Report  
HC 400-i & iii  
(HC 973)                      **Postal Voting**                      *published 20<sup>th</sup> May 04*

Lords Science and Technology Committee  
Fourth Report  
HL 126-i & ii                      **Renewable Energy: Practicalities**                      *published 15<sup>th</sup> July 2004*

Environment, Food and Rural Affairs Committee  
Fourteenth Report  
HC 475  
(HC 1255)                      **Sites of Special Scientific Interest: Conserving the Jewels of England's Natural Heritage**                      *published 15<sup>th</sup> July 2004*

Welsh Affairs Committee  
Fourth Report  
HC 759  
(HC1252)                      **Draft Transport (Wales) Bill**                      *published 19<sup>th</sup> July 2004*

## Evidence to Public Accounts Committee and Reports

### SESSION 2004/05

#### Reports (Government Responses are listed in brackets after the report)

Eighth Report  
HC 386

***Ministry of Defence: Battlefield Helicopters***

#### MoD Evidence

##### ***Major Projects Report 2004***

HC 294-i

Oral Evidence given by Sir Peter Spencer KCB, Chief of Defence Procurement and Lieutenant General Robert Fulton, Deputy Chief of Defence Staff Equipment Capability, Ministry of Defence.

##### ***The Rapid Procurement of Capability to Support Operations***

HC 70-i

Oral Evidence given by Sir Kevin Tebbit, KCB, CMG, Permanent Under Secretary of State and Lieutenant General Robert Fulton, Deputy Chief of Defence Staff Equipment Capability, Ministry of Defence.

### SESSION 2003/04

#### Reports (Government Responses are listed in brackets after the report)

Thirty-ninth Report  
HC 273  
(Cm 6355)

***Operation TELIC: United Kingdom military operations in Iraq.***

Forty-third Report  
HC 383  
(Cm 6416)

***Ministry of Defence: Major Projects Report 2003***

# ANNEX C:

## Organisation and Management of Defence

### Secretary of State and Ministers

1. The Secretary of State for Defence is responsible for the formulation and conduct of defence policy. He is supported by a Minister of State for the Armed Forces, and two Parliamentary Under-Secretaries of State (one for Defence Procurement and one for Veterans).

### Strategic Control

2. Beneath Ministers lies the top management of the MoD, comprising eleven senior officials and Service officers. The Secretary of State has two principal advisers: the Permanent Under Secretary of State (PUS), and the Chief of the Defence Staff (CDS). They share responsibility for much of the Department's business, reflecting the input that both military and civilian personnel make to political, financial, administrative and operational matters. The PUS has primary responsibility for policy, finance and administration in the Department. He is the MoD's Principal Accounting Officer and is personally accountable to Parliament for the expenditure of all public money voted for Defence purposes. CDS is the professional head of the Armed Forces and the principal military adviser to the Secretary of State and the Government. PUS and CDS each have a deputy; the Second Permanent Under Secretary of State (2nd PUS), and the Vice Chief of the Defence Staff (VCDS). They jointly head the Central Staff or Head Office.

3. Defence is managed through a system of high level boards and committees that provide corporate leadership, with strategic control and direction flowing from the Defence Council, the Defence Management Board (DMB) and the Chiefs of Staff Committee. This

ensures that the Department operates as one entity.

### The Defence Council

4. The Defence Council is the senior Departmental committee. It is chaired by the Secretary of State, and comprises the other Ministers, the PUS and CDS, and eight other senior Service officers and officials. It provides the formal legal basis for the conduct of defence in the UK through a range of powers vested in it by statute and Letters Patent.

### The Defence Management Board

5. The DMB is the highest, non-ministerial committee in the MoD. Chaired by PUS, it is essentially the main corporate board of the MoD, providing senior level leadership and strategic management of Defence. Its role is to deliver the Defence aim set out in the Public Service Agreement; it also owns the Defence Vision. The Board is made up of the non-Ministerial members of the Defence Council, the Department's Finance Director and two external, independent members. The DMB is responsible for:

- the role of Defence – providing strategic direction, vision and values;
- objectives and targets – establishing the key priorities and defence capabilities necessary to deliver the MoD's Departmental objectives;
- resource allocation and strategic balance of investment – to match Defence priorities and objectives; and
- performance management – managing and driving corporate performance.

### The Chiefs of Staff Committee

6. The Chiefs of Staff Committee is chaired by CDS and is the main forum in which the collective military



Members of the Defence Council May 2005

advice of the Chiefs is obtained on operational issues, and through which CDS discharges his responsibility for the preparation and conduct of military operations.

## The Service Boards

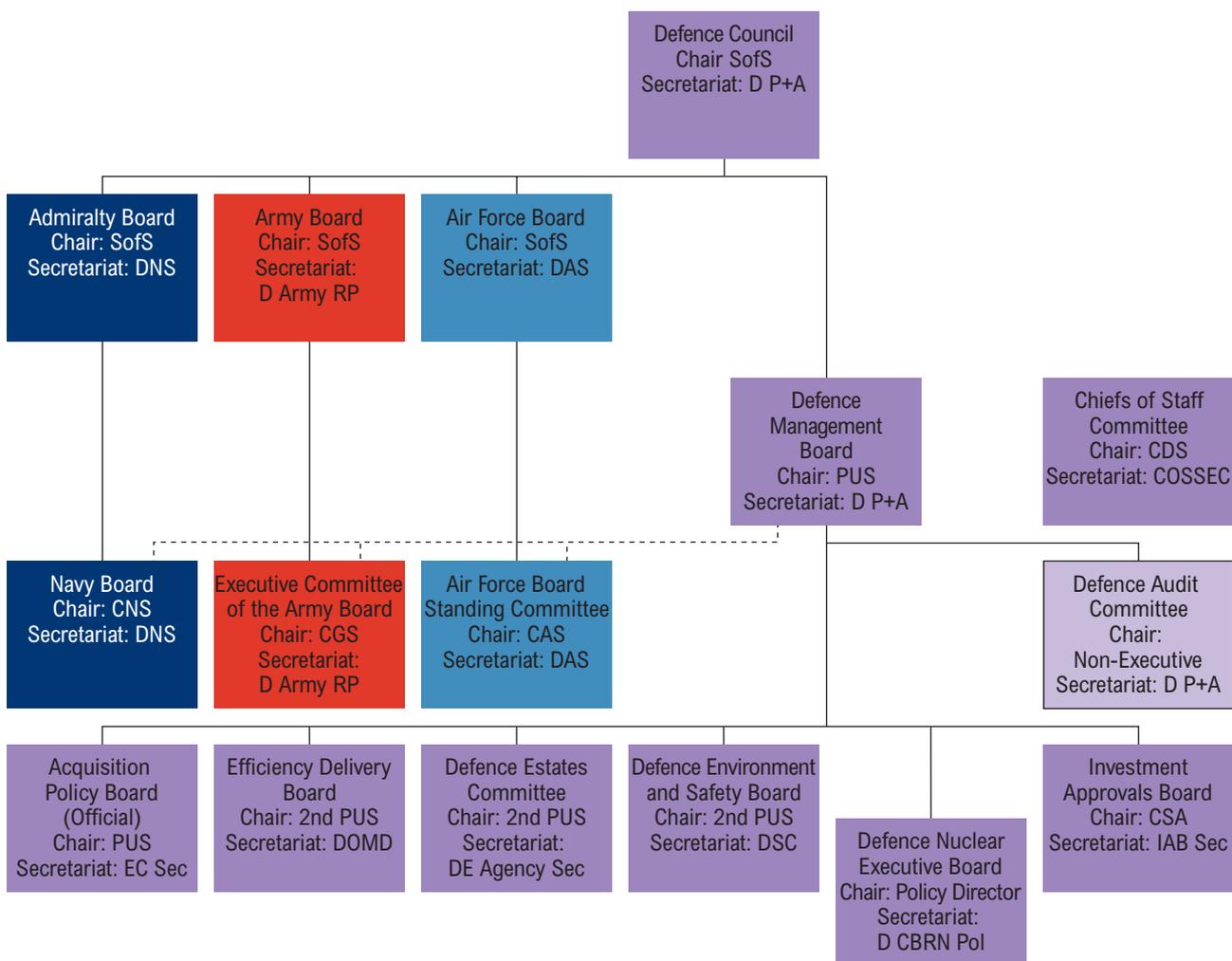
7. Whilst the DMB is responsible for managing the delivery of key Departmental outputs, the administration of the single Services and their personnel is delegated to the Service Boards (the Admiralty, Army and Air Force Boards) from the Defence Council. The Service Boards are chaired by Ministers and monitor Service performance as well as exercising quasi-judicial functions, such as discipline and redress of grievance.

## Service Executive Committees

8. Service Executive Committees (SECs) assist their Service Chiefs in their roles as members of the DMB and in their operational and management advisory roles within the Department. The Committees bring together, under their respective single Service Chief of Staff, the operational and personnel commanders for each service, and are responsible for translating defence wide objectives into priorities and targets for each Service. The Committees are:

- the Navy Board;
- the Executive Committee of the Army Board; and
- the Air Force Board Standing Committee.

Figure 13: Top level committee structure



## The Head Office

9. The Head Office is responsible for leading the Defence contribution to the development of the Government's foreign and security policy and wider HMG objectives, and for translating those objectives into departmental policy and the defence capability needed to deliver it. The Head Office has four main roles:

- advising government on defence
- making policy and setting departmental strategy
- planning and resource allocation
- management of defence

## Top Level Budgets and Agencies

10. Most defence activity takes place outside the MoD Head Office and is managed through twelve Top Level Budget (TLB) holders (thirteen from 1 April 2005), (shown in figure 14) and five Trading funds not included in the TLB structure. PUS grants each TLB holder extensive delegated powers over personnel, infrastructure and budget. The Navy, Army and Air Force each have two separate TLBs for their Operational and Personnel commands, and the Army has a third TLB for Northern Ireland.

11. The other TLBs are Defence rather than single Service organisations. These are:

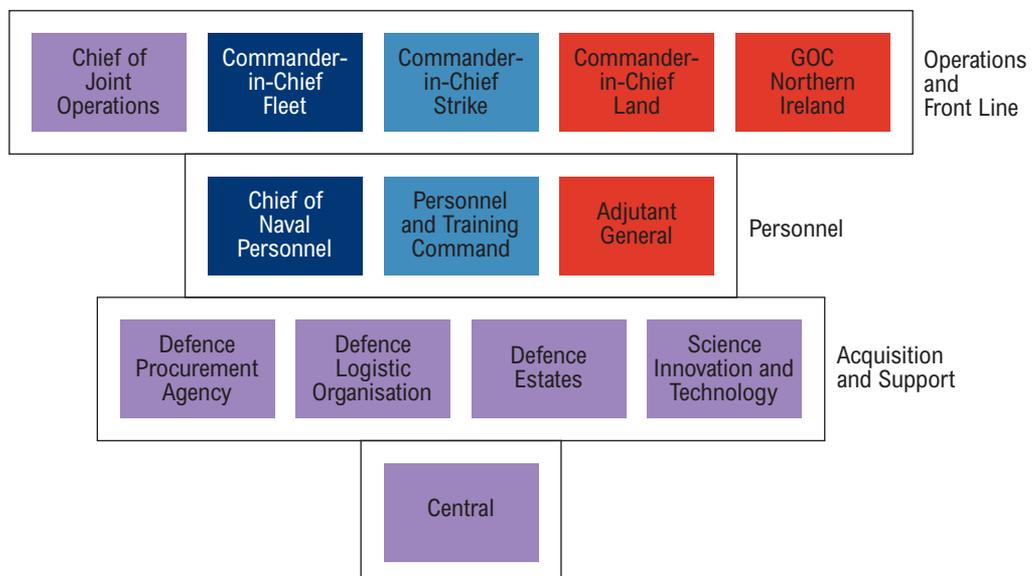
- Chief of Joint Operations, who is responsible for the planning and execution of joint (tri-Service) operations, and for the management of Permanent

Joint Operating Bases in Cyprus, Gibraltar, the Falkland Islands and Diego Garcia;

- the Defence Procurement Agency, which procures equipment for all three Services;
- the Defence Logistics Organisation, the sole authority for providing logistics support to the armed forces;
- the Central TLB, including the MoD Head Office and providing corporate services to other TLBs;
- the Science, Innovation and Technology TLB, headed by the Chief Scientific Adviser, who is responsible for delivering expert advice and developing scientific and technological solutions to satisfy MoD's needs and problems; and,
- Defence Estates, which delivers estate maintenance, works and services, and manages service housing.

12. Each TLB holder has a 'contract' with MoD Head Office, known as a Service Delivery Agreement, which specifies the outputs required of that TLB, the resources they are given to deliver these outputs, and the authority delegated to TLB holders by the PUS. Within the TLB structure are a range of agencies, spanning the bulk of Defence support activity, including logistics, training and corporate services such as bill paying and policing (see Annex C). The Secretary of State owns and is ultimately accountable for the performance of Defence agencies and Trading Funds.

Figure 14: Top Level Budget structure of the Ministry of Defence



# ANNEX D

## Performance Management Systems

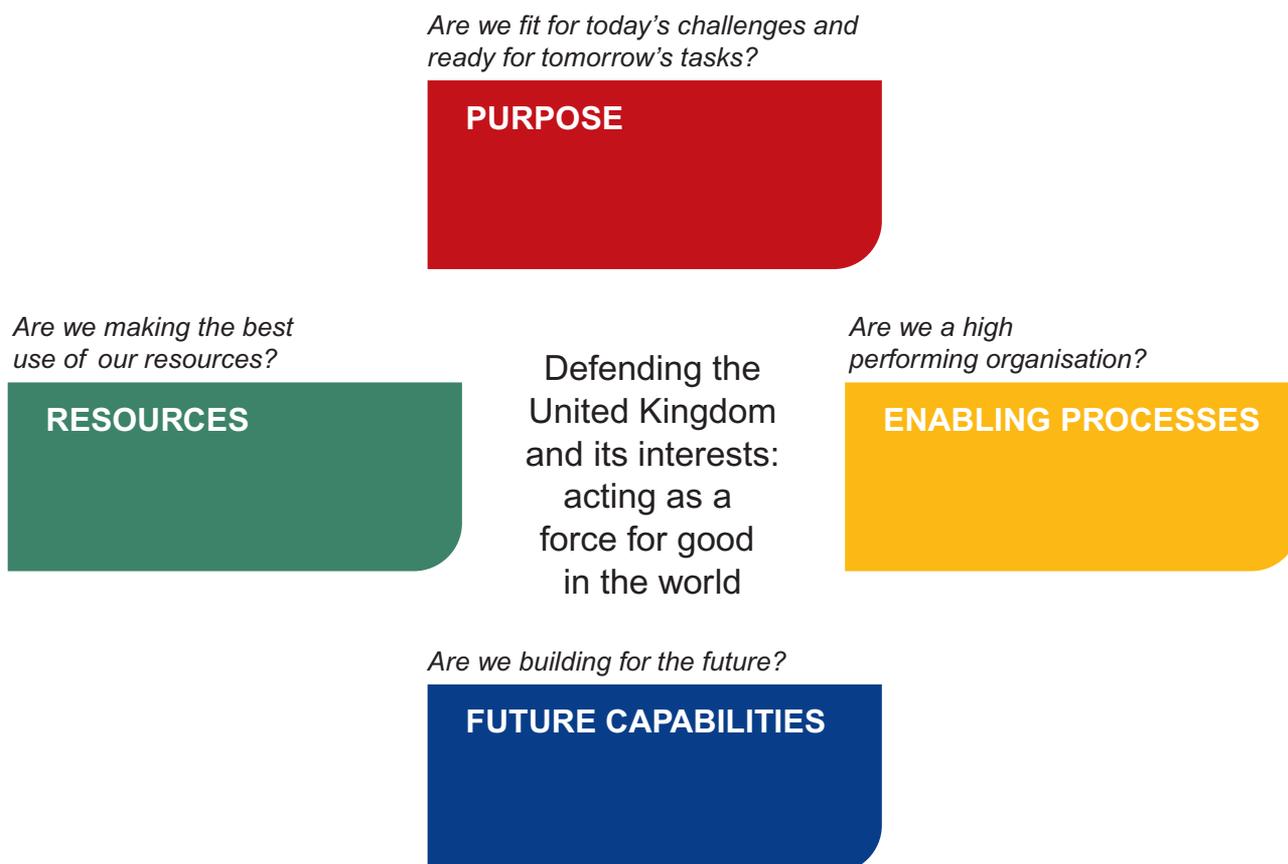
1. Performance management in the MoD continues to be based on the balanced scorecard approach. The Defence Balanced Scorecard sets out the department's top level strategic objectives, including our PSA targets. It enables the Defence Management Board (DMB) to monitor performance, both current and forecast, in pursuit of these objectives. The scorecard approach has formed the basis of performance management in MoD for around five years. During this time, it has evolved into a highly sophisticated and well-regarded management tool, providing the DMB with an extremely reliable insight into the department's ability to achieve the Defence Vision.

2. The balanced scorecard is based on a management theory expounded by Professor Robert Kaplan and Dr David Norton of the Harvard Business School. Following detailed studies, they argued that a characteristic of failing organisations is a tendency

to focus too much management attention on a narrowly confined set of objectives, most commonly associated with maximising short-term financial gain. By contrast, successful organisations concentrate their attention across a balanced range of key strategic activities, thereby safeguarding their long-term health. Kaplan and Norton's balanced scorecard approach provides a systematic framework in which to achieve this. It encourages management boards to view their business from a number of different perspectives which, when allied to a systematic performance reporting process, ensures that boards can keep track of how well the organisation is translating its high-level strategy into action.

3. The original Kaplan and Norton scorecard was devised with the needs of private sector organisations in mind. As a public sector organisation, we have adapted their model so that it better serves our own requirements. The Defence Balanced Scorecard has the four perspectives of Purpose, Resources, Enabling Processes and Future Capabilities as shown in Figure 15.

Figure 15: Top level 2004 Defence Balanced Scorecard



4. There are four key strategic objectives in each perspective. Looked at collectively, they cover the whole of the MoD's principal areas of business. Performance against each of the objectives is assessed on a quarterly basis. To allow this process to operate to best effect, targets setting out required levels of performance, primarily over the coming four years, are agreed with those in the department who are responsible for achieving the objectives. A series of detailed performance indicators and metrics, the means by which we measure performance, is also agreed. The performance indicators we use are a mixture of lag indicators (which inform the Board about actual achievements) and lead indicators (where the focus is on assessing the effectiveness of current progress). The metrics we use are tailored to provide the best available information about performance levels. In some cases, this means drawing on factual and statistical data, for others it may mean using written assessments, either provided by objective sources or subjected to lower level scrutiny and audit. Agreeing the objectives, targets, performance indicators and metrics is the subject of an annual exercise, conducted prior to the publication of the Departmental Plan.

5. The DMB receives a detailed performance report four times a year. The report uses a four colour traffic light coding system to illustrate which objectives are on track and where weaknesses of varying significance lie. In general, the report will include an assessment of actual performance from the previous and current quarter, and a forecast of performance against planned activity over the coming three to four years. High level strategic analysis of the issues underpinning the performance assessments also features in the report, together with an assessment of the key risks that could jeopardise the achievement of objectives. The information they receive is used to inform board discussion and decision – it may, for example, lead to adjustments in strategic direction and priorities, or the reallocation of resources. And as the department's performance against PSA targets is assessed in the Defence Balanced Scorecard, the data collected is also used to inform reports to Parliament, No 10, HM Treasury and the Cabinet Office.

6. Our performance management approach has been subject to thorough review over the last three years, first in 2002 by the department's internal auditors and then in 2003-04 by the NAO, who conducted an external review of our PSA reporting arrangements. Both reviews provided favourable assurance. During 2004-05, the NAO conducted a further review, this time looking specifically at our systems for assessing and reporting military readiness. They concluded that the Department has good system for reporting readiness levels that is continuously

improving. They also noted that recent operations have largely validated the accuracy of the readiness reporting system.

7. Our performance reporting approach continues to attract interest from wider audiences, including other Government departments, local authorities and international Defence departments. MoD performance management experts are regularly invited to address performance management events. And the work we have been conducting to explore the potential for selling our performance management tool into the wider commercial market is now at an advanced stage.

# ANNEX E:

## Defence Agency Performance

Table 22: Defence Agency Performance

Agency	Key Targets 2004-05						Key Targets 2003-04	
	Targets Met/ Targets Set	Proportion Met	Marginal Miss	Better Performance	Significantly Better Performance <sup>4</sup>	Targets not directly comparable to 2003-04 <sup>5</sup>	Targets Met/ Targets Set	Proportion Met
Armed Forces Personnel Administration Agency	7/7	100%	0	1	0	3	9/9	100%
ABRO Trading Fund	4/5	80%	0	0	0	0	5/5	100%
Army Training and Recruiting Agency	3/5	60%	0	0	0	3	4/5	80%
British Forces Post Office	5/6	83%	0	0	0	5	10/11	91%
Defence Analytical Services Agency	7/7	100%	0	3	0	2	7/8	88%
Defence Aviation Repair Agency (Trading Fund)	4/4	100%	0	2	0	2	4/4	100%
Defence Bills Agency	6/6	100%	0	3	1	1	6/6	100%
Defence Communication Services Agency	6/7	86%	1	2	1	1	6/7	86%
Defence Dental Agency <sup>6</sup>	4/6	67%	1	1	2	0	3/6	50%
Defence Estates	10/15	67%	3	5	4	1	10/11	91%
Defence Geographic and Imagery Intelligence Agency <sup>6</sup>	9/15	60%	0	0	2	7	6/8	75%
Defence Intelligence and Security Centre <sup>6</sup>	4/4	100%	0	4	0	0	2/4	50%
Defence Medical Education and Training Agency	5/7	72%	0	0	0	2	7/7	100%
Defence Procurement Agency	5/6	83%	1	1	2	2	2/5	40%
Defence Science and Technology Laboratory(Trading Fund)	7/7	100%	0	4	0	3	7/7	100%
Defence Storage and Distribution Agency	6/6	100%	0	1	0	1	2/6	33%
Defence Transport and Movements Agency	5/6	83%	0	0	0	1	3/3	100%
Defence Vetting Agency	6/12	50%	1	0	4	1	8/17	47%
Disposal Services Agency	4/5	80%	0	0	0	1	4/4	100%
Duke of York's Royal Military School <sup>6</sup>	7/8	88%	1	2	1	0	5/8	63%
Medical Supplies Agency <sup>6</sup>	3/4	75%	0	0	2	0	1/5	20%
Met Office (Trading Fund)	4/7	57%	0	1	2	4	6/7	86%
MoD Police and Guarding Agency <sup>7</sup>	4/8	50%	3	3	1	2	2/8	25%
Naval Recruiting and Training Agency	5/8	63%	1	3	0	0	4/7	57%

Table 22: Defence Agency Performance *continued*

Agency	Key Targets 2004-05						Key Targets 2003-04	
	Targets Met/ Targets Set	Proportion Met	Marginal Miss	Better Performance	Significantly Better Performance <sup>4</sup>	Targets not directly comparable to 2003-04 <sup>5</sup>	Targets Met/ Targets Set	Proportion Met
Pay and Personnel Agency	6/6	100%	0	3	0	3	5/6	83%
Queen Victoria School <sup>6</sup>	5/5	100%	0	0	2	0	5/5	100%
RAF Training Group Defence Agency	2/6	33%	1	0	0	1	5/7	71%
Service Children's Education	15/29	52%	9	0	0	26	5/16	31%
UK Hydrographic Office (Trading Fund)	8/9	89%	0	4	2	2	9/11	82%
Veterans Agency	7/7	100%	0	2	2	1	5/6	83%
Warship Support Agency <sup>6</sup>	5/11	45%	0	1	0	1	5/8	63%
<b>Total</b>		<b>78%</b>						<b>71%<sup>8</sup></b>

**Notes:**

- [1] Where there are multiple elements to a Key Target these have been counted separately.
- [2] Where a target is judged to be narrowly missed eg by a shortfall of under 2%.
- [3] Where outturn against a measure, or commentary on performance, indicates improvement over the previous year. Only applicable to Key Targets that have remained the same since 2003-04.
- [4] Where there were large changes in possible performance against comparable measures for the previous year. These have generally been taken as at least a 5% increment in performance.
- [5] Since the formation of the Directorate of Business Delivery in 2003, Agencies have been encouraged to re-assess key targets in order to make them more relevant/challenging.
- [6] De-agencified 1 April 05
- [7] Renamed Ministry of Defence Police and Guarding Agency in April 2004 after merging with the Ministry of Defence Guarding Service.
- [8] The total % figure for all agencies for 03/04 was given as 72% in the Defence Performance Report 03/04. The above table gives a figure of 71% because it excludes the three service manning agencies – they lost their agency status from 1 April 04.

**Background**

1. Despite continuing pressures caused by Op Telic and other commitments, Defence Agencies performed well in 2004-05, with 78% of the key targets being met – 6% better than 2003-04. Ten Agencies met all their key targets.

**Organisational Changes**

2. On 1 April 2004, the number of on-vote Defence Agencies reduced from 30 to 26 as a result of the merger of the **Defence Housing Executive Agency** with **Defence Estates** and the removal of agency status from the three single service manning agencies (**the Naval Manning Agency, the Army Personnel Centre and the RAF Personnel Management Agency**). From 1 April 05 agency status was removed from a further six on-vote agencies. These were the **Warship Support Agency, the Medical Supplies Agency, the Defence Dental Agency, the Queen Victoria School, the Defence Geographic and Imagery Intelligence Agency and the Defence Intelligence and Security Centre**.

3. In addition **Defence Estates** took on dual status as both an agency and a Top Level Budget. The **Disposal Services Agency** merged with the DLO's Head of Specialisation (Disposal Sales) and the enhanced organisation moved from under the ownership of MoD Centre to the Defence Logistics Organisation from 1 April 05.

4. An Agency Business Review in 2004 confirmed the **Defence Vetting Agency's** continuing status as an Agency, with aspirations and the ability to take on more government vetting work in the future. The **Armed Forces Personnel Administration Agency** assumed responsibility for the new Joint Casualty and Compassionate Centre and the tri-service MoD Medal Office.

**On-Vote Agencies**

**Logistics**

6. Ongoing operations continued to have a significant impact on many of MoD's agencies. For example demand for services provided by the **Defence Storage and Distribution Agency** increased by 3%. This equated to an additional 14,000 receipts which

were completed within the original budget and performance criteria.

7. Similarly the primary focus of the **Defence Transport and Movements Agency** has continued to be the provision of transport and movements services to emerging and enduring operations. The period was punctuated by a number of extremely short notice tasks including Op GARRON in support of the Indonesian Tsunami disaster. Whilst it marginally missed its average cost of output target, the agency has championed the use of electronic internet based Reverse Auctions as part of the procurement process. For example £6M of savings have been realised through the five year life of the European Freight Transportation Service contract.

8. The **Warship Support Agency** delivered the agreed number of vessels that were materially fit to meet their current operational tasking. They also exceeded target improvements in the quantity and standard of Single Living Accommodation and efficiency. However targets relating to vessels and readiness criteria were missed due to a mixture of one off system failures and persistent equipment problems. A number of unforeseen incidents also impacted on the quality of services provided at the Naval Bases.

9. The **Medical Supplies Agency** continued to support the considerable operational demands placed upon it. Whilst the organisation missed its target relating to the operational build programme, the Medical Support Agency Transformation Programme is on track to generate a £15M saving and a reduction in manpower of 60%. It has also developed the direct delivery of Health Care, Pharmaceuticals and Dental Products.

10. The **British Forces Post Office** missed its efficiency target although a reduction in manpower levels was achieved. All output related targets were met and the agency continued to deal with a wide range of operational areas including a free Christmas packet service for all service personnel deployed on operations.

## Recruiting and Training

11. Despite significant efforts by the **Naval Recruiting and Training Agency** Royal Naval Reserve and Royal Marine recruiting targets were not met. Although key target 1 (Outputs from Initial Training) was also missed, the performance was the best achieved since 1999-2000. The Defence College of Electromechanical Engineering stood up on 1 April 04 incorporating Army and RAF Training establishments at Bordon, Aborfield and RAF St Athan. Performance marginally improved over that achieved under single service management.

12. The **Army Training and Recruiting Agency** met the majority of its key targets. Nevertheless it suffered a 10.3% shortfall against its soldier recruiting targets mostly in the more technically demanding trades as well as short falls in officer recruiting. Output of soldiers from phase 2 training to the Field Army was 100% of target. There have also been improvements in first time pass rates and Churn compared to previous years. Wastage (loss to the Army) at phase 1 and 2 training has risen to 25.2% from last year's low of 22.4%. However this is still a reduction of 3% against the average wastage figures for all previous years. Low recruiting inflow coupled with current numbers in training means this trend will continue to have an impact on targets in future years.

13. The **RAF Training Group Defence Agency** met its RAF pilot output in full and generally overall pass rates were achieved or exceeded by four out of the five training streams improving pipeline efficiency. There have however been recruiting difficulties relating to airman aircrew which impacted on training targets. More generally work into the reduction in size of the RAF introduced uncertainty and difficulties in relation to recruiting and training targets.

14. The **Defence Medical Education and Training Agency** missed their target relating to individual military training due to lack of local service facilities. Plans to develop a stand alone output costing system were stopped part way through the year in order to de-conflict with several emerging Departmental level initiatives. The agency continued to meet 100% of the requirement placed upon it for secondary care medical personnel for operational deployment and exercise commitments.

15. The **Defence Intelligence and Security Centre** met all its key targets. The agency delivered some 152,000 Trainee Training days, completed the construction of 300 new Single Living Accommodation rooms, established the Defence College of Intelligence and engaged with the Defence Training Review Bidders at Invitation to Tender stage.

## Personnel Administration

16. The **Armed Forces Personnel Administration Agency** met or exceeded all its key targets including those relating to accuracy, timeliness of payments and unit cost. The Joint Personnel Administration modernisation project was developed successfully, enabling a contract to be signed for the system to enter service in 2006.

17. The **Pay and Personnel Agency** also met all its key targets. It successfully achieved Charter Mark accreditation, the government's national standard for excellence in customer service. Performance relating to average timeliness, accuracy and customer

satisfaction rates all improved and the agency achieved reductions in unit cost targets for payments and awards.

**18. The Defence Vetting Agency's** performance in completing the higher level Developed Vetting clearances significantly improved due to better case management and smarter working. Performance in completing the routine lower level Counter Terrorist and Security Checks was held back during the year due to ongoing staffing and retention problems, together with delays in obtaining Security Service checks.

**19. The Veterans Agency** met all its key targets with the average clearance time for claims to war pension reduced by 6.6% and for claims from war widows by 12%. Sick absence rates amongst staff reduced to an average of 8.88 working days per member of staff compared to 13.96 working days in June 2003. The agency was re-accredited against both the new Investors in People and Charter Mark standards in 2004. They were also the first Civil Service organisation to achieve the new IIP Leadership and Management model in March 2005.

#### Specialist Service Provision

**20. The Defence Analytical Services Agency** met all its key targets and achieved an overall rating of 97% for customer satisfaction. The merger with the Directorate of Economic Advice has strengthened the agency's quest to link more closely and have more impact on central policy making within the MoD.

**21. The Ministry of Defence Police and Guarding Agency** achieved a crime solving rate of 67% for Primary Crime against a target of 50% as well as consistently providing agreed levels of security at stations using its security contribution index. It also significantly reduced sickness and overtime rates. Despite strenuous efforts to encourage the recruitment of more women and ethnic minority community officers, the agency was unable to meet related targets.

**22. The Defence Geographic and Imagery Intelligence Agency** continued to provide support to a range of operations (Imagery Intelligence, Geographic information and Deployed Force Elements). The Agency also achieved a 36% increase in Geographic product outputs especially satisfying customer demand for digital products and made significant improvements in Imagery Exploitation Programme outputs against 03/04. There were geographic information shortfalls for Contingency and Strategic Planning due to resource pressures.

**23. The Defence Dental Agency** achieved the majority of its key targets – the attainment of Individual Training directives improved significantly

and the treatment needs index of the RN reduced by 13%. Against this the treatment needs index of the RAF rose by 7% and the percentage of Service personnel assessed as high dental risks rose by 1%.

**24. The Disposal Services Agency** exceeded its gross cash receipts target of £20M to achieve some £22M.

#### Children's Education

**25. The Service Children's Education** agency achieved or marginally missed 24 out of 29 individual targets. There is a high level of pupil mobility within SCE schools and the extended Military deployment of parents on Op TELIC has continued to have an impact on results. Notwithstanding this however SCE's notional position in the English Local Education Authority league tables remains high (ninth at key stage 1, twenty-fourth at Key Stage 2 and eighteenth at Key Stage 3 of 150 LEAs). Academic results for the **Duke of York's Royal Military School** and **Queen Victoria School** continued to improve year on year with both schools generally scoring well above the national average.

#### Defence Estates and Defence Procurement Agency

**26.** Further details relating to **Defence Estates** and the **Defence Procurement Agency** can be found in the body of the MoD Annual Report and Accounts.

#### Trading Funds and QinetiQ

**27.** An account of MoD's policy as a business owner towards its five Trading Fund Agencies and QinetiQ (a company formed from a former Trading Fund) is given at page 58. The following sections give an overview of the purpose, objectives, and performance of each business, and a survey of the current issues they face.

#### ABRO

**28.** ABRO is a defence engineering business that provides repair, re-manufacture and engineering of land based equipment in support of the UK Armed Forces, together with the provision of services to a number of fleet services and rail businesses.

**29.** ABRO has the following objectives:

- service to MoD customers. To provide a responsive, flexible and highly competitive service to the UK Armed Forces.

- grow the value of the business. Subject to delivering against its contractual obligations to the MoD, ABRO is required to extract maximum long-term value from its assets and capabilities by generating profitable revenue from customers outside Government.

**30.** ABRO continued its excellent operational performance in 2004/05, including the delivery of 600 unprogrammed urgent operational requirements. It exceeded its revenue target of £150M (2003/04: £150M), and delivered the required reductions in average equipment repair price (9% in 2004/05). However, overall financial performance was disappointing. Net income fell from £11.9M in 2003-04 to a loss of £5.3M in 2004-05, and the ROCE fell from 16.7% to -5.3%. The main reason behind the fall in profitability was a £10M provision for obsolete and surplus stock, which resulted from a programme to take control of ABRO's supply chain, including the implementation of a new materials-handling IT system.

**31.** New governance arrangements were also implemented in 2004-05, with a new independent chairman being appointed to the ABRO Board.

**32.** During 2004-05, the MoD conducted a review of ABRO which concluded that to improve its future prospects, ABRO needed to become significantly more competitive and diversify its revenue base. The challenge for the new Chief Executive will be to:

- improve the efficiency of the business;
- pursue, incrementally, profitable non-defence business streams that build on ABRO's core capabilities;
- make significant progress towards achieving a more arm's length contractual arrangement with ABRO's MoD customers;
- continue to make substantial progress towards improving the effectiveness and efficiency of ABRO's supply chain management.

## DARA

**33.** DARA provides deep-level maintenance, repair and overhaul services for military aircraft, systems and components. The MoD defence related work accounts for the vast majority of DARA's revenue, either directly from the MoD or as a sub-contractor to defence Original Equipment Manufacturers.

**34.** The objective of DARA is to provide a responsive, flexible and highly competitive service to the UK Armed Forces.

**35.** Against the background of a year in which DARA's future prospects became considerably more uncertain, the business performed well. It continued to deliver the key requirements of its MoD customers. There were only two major DARA attributable customer concerns. DARA also consolidated its St Athan facilities into the new Red Dragon superhanger. Despite revenue falling £19M to £171M in 2004-05, DARA cut costs more quickly such that net income increased from £6.5M to £7.5M in 2004-05. ROCE performance increased from 5.7% to 6.7%.

**36.** There are a number of factors impacting on DARA's future prospects:

- the End to End Review of Defence Logistics, announced in November 2004, concluded that maintenance, repair and overhaul work on DARA's most important platform, the Tornado GR4, should be transferred to RAF Marham. This followed the earlier decision to transfer Harrier work to RAF Cottesmore.
- DARA has secured additional contracts on VC10 and the Chinook, Lynx and Sea King rotary platforms. These are in the process of rolling back from Main Operating Bases to DARA Fleetlands.
- the Strategic Review of DARA conducted by the MoD in 2004-05 concluded that, in principle, there was no strategic imperative for DARA to remain in MoD ownership. Morgan Stanley was commissioned to consider the potential market interest in acquiring some or all of the DARA business units.

**37.** These changes have major implications for DARA, particularly its employees. The MoD recognises that on-going uncertainty is unwelcome, particularly for the DARA workforce, and is endeavouring to reach a properly considered decision on the future of DARA as soon as possible; this will be on the basis of an impartial assessment of what offers the best value for defence.

**38.** The challenge for DARA going forward is to maintain its professional and world class service despite the on-going uncertainty. It will also need to manage efficiently and effectively the implementation of any future decisions on corporate structure.

## Defence Science and Technology Laboratory

**39.** The Defence Science and Technology Laboratory's core role is to provide independent and objective, high-quality scientific, analytical, technological and engineering advice and services to the MoD and UK Armed Forces. Its mission is to create the winning edge for UK Forces and Government through the best use of science and technology.

**40.** The overall objective of the Dstl Trading Fund is to create and deliver value to the taxpayer by using its assets and capabilities to deliver timely advice and solutions to the Government's most important defence and national security related problems in the most efficient and effective manner.

**41.** Value is created and delivered to the taxpayer in the following areas:

- meeting the requirements of MoD;
- meeting the defence and national security-related requirements of other Governmental customers; and
- exploiting Dstl's intellectual property, in line with Government policy for technology transfer in order to generate value for money for the taxpayer.

**42.** To fulfil its role Dstl is expected to:

- maintain a high level overview of science and engineering;
- be world leading in areas such as systems and capability engineering advice;
- actively engage with industry, government laboratories and academia.

**43.** Turnover fell slightly in 2004-05, although Dstl has actually performed better than budgeted in terms of profit. Although ROCE has fallen from 11.9% to 9.4%, it is still well above target. Manpower charge-rates were maintained below target for the fourth consecutive year indicating a reduction in real terms of the cost to customers. Dstl has also continued to demonstrate improvements in terms of customer satisfaction targets and technical benchmarking.

**44.** During 2004-05 MoD has been developing new top-level-objectives with Dstl and a non-executive chairman has been recruited as part of the development of new corporate governance arrangements. Dstl has restructured its senior executive management team to align better the responsibilities of Dstl's directors with its major change programmes – introducing an Operations Director, a Director Future Business and two Programme Director posts. In April 2005 it set up a new wholly owned company Ploughshare Innovation Ltd to pursue Dstl's technology transfer agenda.

**45.** Dstl is undertaking a major change programme to create an integrated laboratory for the future known as "i lab". This links a number of strategic improvement programmes. A key challenge in

relation to this over the next three years will be to rationalise the Dstl estate to a small number of sites in order to:

- Reduce fragmentation of Dstl's science and technology base, thus maximising coherence, synergy and integration;
- Sustain Dstl's long-term future by minimising overheads and reducing unnecessary duplication;
- Rationalise the sourcing of facilities management services to one contract.

### Met Office

**46.** The Met Office provides the official national meteorological service for the UK, and is a world-leading provider of environmental and weather-related services in the UK and around the world.

**47.** The overall objective of the Met Office is to deliver value to the UK taxpayer in three distinct senses, which are reflected in its main objectives:

- services to the Public. To deliver efficiently, effectively and with value-for-money, a Public Met Service including free-at-point-of-use services to the public; and the underpinning capability to sustain and develop this in the future, including the science base and investment in key infrastructure.
- services to Central Government. To use weather-related information to assist government departments in achieving their objectives, in ways which do not lend themselves to direct competition. Key Customer departments include MoD and DEFRA.
- services provided on a commercial basis. Consistent with achieving the objectives above, the Met Office is to maximise the return to the taxpayer by drawing in profitable revenue from sources not directly funded by the Exchequer, including local government organisations, public bodies overseas, and private sector customers.

**48.** A reasonable trading performance in 2003-04 was overshadowed by the financial impact of its move from Bracknell to Exeter in 2004-05. Results were much more encouraging in 2004-05, however, reflecting some of the benefits of the relocation. Turnover increased by 3% to £165.6M in 2004-05 and there was a healthy operating profit of £9.5M. ROCE performance at 7.6% was respectable for an organisation the majority of whose services are delivered on an uncompleted basis to government customers and with constrained profit margins.

**49.** During 2004-05 the Met Office has been refining and refocusing its aims and the way it delivers its business. It has refreshed its vision, developed new top-level objectives and refocused its strategy and Corporate Plan. A new top-level Executive structure has also been put in place to drive the business forward. Over the coming year and beyond, the key challenges facing the Met Office are:

- improving its performance in generating commercial revenue. New strategies, management and organisational structures are being put in place to deliver this and reinforce compliance with competition law.
- improving the efficiency with which services are provided to Central Government.
- developing a stronger sense of customer-focus across the organisation as a whole.

## United Kingdom Hydrographic Office

**50.** The UKHO exists to help preserve life and safety at sea. The hydrographic information it provides is crucial to support operations by the Royal Navy around the world. The UKHO also plays a central role in discharging the UK's treaty obligations to provide hydrographic services for waters of UK national responsibility, as required under international convention.

**51.** The objectives of the UK Hydrographic Office are to deliver:

- operational Support to the Royal Navy. The UKHO provides value to Defence by delivering the hydrographic services which enable the Defence customer (principally the Royal Navy) to meet current and potential future operational tasks.
- support to 'Safety at Sea' Treaty Obligations. In support of the Maritime and Coastguard Agency, to discharge efficiently and effectively those actions required in order to support the UK's obligations under the United Nations International Convention for the Safety of life at Sea, and to promote hydrographic services.
- profitable Business Streams. Subject to maintaining the capability to deliver against the two objectives above, the UKHO is required to extract maximum value from its assets and capabilities by generating profitable revenue from customers outside Government.

**52.** Turnover increased in 2004-05 by 6.3% to £68M. Growth in commercial sector sales was particularly strong with a rise of 8.2% to £57M. ROCE performance remained strong with a return

of 16.2% from an organisation that generates some 84% of its revenue from the commercial sector. The financial strength of the organisation was such that a Special Dividend of £16.3M was paid to the MoD in addition to the agreed annual dividend of £4.3M.

**53.** During 2004-05 MoD has been developing new top-level objectives for the UKHO and the process to recruit a new non-Executive Chairman was initiated. A new strategy is being refined to enable the UKHO to fulfil the business objective by becoming more market facing, actively and closely engaged in determining and fulfilling the changing needs of marine customers for hydrographic information. A significant investment is being made in new technology to provide the UKHO with the scope and flexibility to develop new digital products and value added services. The major challenges facing the UKHO in the coming years are:

- supporting the plan for the Royal Navy to become fully digital.
- the delivery of the Production Systems Programme in order to improve the efficiency of gathering and assessing hydrographic data and compiling charts and publications.
- the incremental roll-out of the new strategy for the UKHO.
- re-orientating the UKHO to become more outward looking.
- ensuring that the UKHO continues to bring together international data and expertise to provide a seamless variety of safety-critical digital products and services for the mariner.

## QinetiQ

**54.** QinetiQ is a company incorporated under the Companies Act and is jointly owned by the MoD, The Carlyle Group and the employees of QinetiQ. It provides technological advice and services to MoD, other government departments, the US Department of Defence, and non-government customers.

**55.** The overall objective of QinetiQ is to deliver value to its shareholders. It aims to do this in two main directions as follows:

- services to customers. To grow the core business by continuing to deliver high quality services, advice and technologies to its customers.
- acquisitions. To deliver further profitable growth by acquiring profitable companies which fit strategically with QinetiQ's business, predominantly in the US but not exclusively so.

**56.** The results highlighted in QinetiQ's audited consolidated accounts and directors' report for 2004/05 reflect the further development of QinetiQ, with continued successful delivery in the core defence business, realisation of benefits from the commercialisation of intellectual property and growth in the key North American market through two successful acquisitions. Group turnover for the year grew 9.7% with acquisitions contributing £78.4M in the year; 10% of group turnover was derived from customers in North America (up from 2.1% the previous year). Operating margin increased from 6.6% to 8.0%, reflecting strong delivery performance from the growing volume of fixed price contracts in the UK business and the addition of higher margin product business in North America. This helped the operating profit grow 15% to £72M.

**57.** During 2004/5, QinetiQ undertook a major restructuring into three new sectors reflecting its three key areas of business: UK defence business, with responsibility for delivery to the MoD and the broader UK defence market; UK business activities in the commercial markets, including business in security and intelligence, space, energy, materials, and optronics; and its new North American Sector including Westar Aerospace and Defense Inc and Foster Miller Inc, companies acquired during the year, together with QinetiQ Inc, the Group's US focussed sales and marketing operation.

**58.** QinetiQ is now well-placed to grow its commercial defence and civil business while continuing to deliver value to its primary customer the MoD. The acquisitions of Westar and Foster Miller are intended to provide a springboard for further expansion in the North American markets.

### **Non-Departmental Public Bodies**

**59.** The Department currently has six Executive and twelve Advisory NDPBs. Further details on their purpose, size and funding can be found on the MoD website at [www.mod.uk](http://www.mod.uk). The Oil and Pipelines Agency (previously listed as both an NDPB and public corporation) is now formally classified as a public corporation only for Government purposes.

**60.** The Department's sponsored Executive NDPBs are museums and charities but retain close links with the Armed Forces. For example the RAF Museum has helped promote the RAF brand through a new range of RAF merchandising and the Royal Marines Museum has established a new Heritage Centre at the Commando Training Centre Royal Marines in Lympstone which will be used by all new recruits to learn about the history of the Corps.

**61.** The museums also contribute to the broader government agenda relating to heritage, education, veterans and social inclusion. For example the Royal Naval Museum has been a key contributor, nationally and locally to the planning of the Trafalgar Bicentenary celebrations and the National Army Museum ran a series of special programmes to mark the 90th Anniversary of the outbreak of the First World War. The Royal Navy Submarine Museum participated in the Museums and Libraries Association South East regional hubs schools project "Exploring Science" whilst the Fleet Air Arm Museum completed a forensic examination of a 1944 Chance Vought Corsair aircraft, developing techniques which have prompted world wide interest in the innovative nature of the project.

**62.** The Royal Marines Museum maintained its status as a Quality Assured Visitor Attraction. It also introduced free admission for children under 16 dramatically increasing child visits by 164%. The RAFM site at Hendon was nominated for European Museum of the Year.

### **Further Information**

**63.** Further details on agencies can be found in individual agency reports.

# ANNEX F

## Government Standards

### Fraud

1. The deterrence and detection of irregularity, fraud, theft and corruption continued to derive benefit from the 2003 re-launch of the joint Defence Fraud Analysis Unit (DFAU) and MoD Police Fraud Squad awareness programme. This prompted a 50% increase over 2003-04 in line management requests for awareness training and 154 presentations were undertaken during the year supported by the introduction of an interactive electronic learning module. This initiative helped to sustain a rising volume of whistleblowing disclosure which contributed significantly to the total of 374 cases of suspected irregularity, fraud, theft and corruption recorded in 2004-05 with an estimated value of £5.01M. Suspected contract fraud accounted for 60 cases but there was a decline in the volume of reported theft cases over the previous year. The recruitment of additional staff by the DFAU to support a proactive role and wider interaction with all business areas was completed during the year enabling the unit to investigate increased volumes of suspicions while undertaking a programme of 13 'spot checks' of business areas.

### Bill Payment

2. The table below shows the targets and performance achieved in settling bills relating to Defence.

	2004-05		2003-04	
	Target	Achieved	Target	Achieved
Defence Bills Agency	99.98% <sup>1</sup> Within 11 days	<b>99.98%</b> 5,210,131 invoices representing £19.16Bn	99.90%	99.98%
ABRO	100%	<b>96.00%</b> 75,332 invoices representing £108.1M	100%	91.00%
Defence Aviation Repair Agency	100%	<b>95.41%</b> 17,108 invoices representing £203.8M	100%	98.00%
Defence Science and Technology Laboratory	98.00%	<b>98.30%</b> 40,906 invoices representing £225.3M	100%	99.79%
Met Office	99.00%	<b>98.73%</b> 13,396 invoices representing £52.471M	100%	99.10%
UK Hydrographic Office	100%	<b>98.70%</b> 12,226 invoices representing £51.646M	100%	99.10%

<sup>1</sup>DBA's target is to pay 99.98% of correctly presented bills within 11 calendar days of receipt as part of the Department's 30 day payment target.

## Open Government

3. Work continued throughout 2004-05 to prepare staff for full implementation of the Freedom Of Information (FOI) Act on 1 January 2005. This included participation by most management areas in an exercise to test their ability to handle requests in accordance with the Act. As well as reinforcing the understanding of core requirements, this provided useful experience in retrieving information, assessing the balance of public interest, interpreting the exemptions in the Act, and testing the utility of prototype guidance. Overall, the dry run proved to be valuable and some useful learning points emerged. These were shared through regular meetings with FOI practitioners and, where appropriate, reflected through amendments to the guidance issued for department-wide use.

4. Work to develop the Access to Information "Toolkit" was also a priority in the final count-down to full implementation of the FOI Act. Roll-out of this logging, management and performance monitoring system was completed in time for January. Some 850 staff are now using the system. General training on FOI was delivered through a 2 day course developed specifically for MoD staff. Some 900 staff attended this course between October and February with more sessions planned for new staff. More targeted training events were also arranged to address specific requirements. In particular it was decided that action should be taken to raise understanding of the responsibilities of senior managers: seminars targeted at this key group were held in October and November 2004.

5. Work has continued to raise the profile of record keeping across MoD in parallel with FOI awareness. Apart from the ongoing process of review and transfer of important records for public release at The National Archives (TNA), considerable effort was made in 2004 to re-consider and clear for early opening in Jan 2005 some 3,100 files which had already been transferred to TNA with later opening dates. Following FOI requests received by TNA since January, MoD has also considered the release of a significant number of records which remained closed on sensitivity grounds. As a result around 1,400 files in this category have been cleared for release by TNA.

6. Considerable progress has been made towards re-establishing access to the information in records sealed and removed from the archive of Top Secret and sensitive files in the Old War Office Building which have been seriously contaminated with asbestos. A purpose built facility has been established in compliance with health and safety asbestos regulations and a successful pilot project has been run to test possible processes for accessing these records. During this pilot it was possible to retrieve and produce clean copies of a number of documents urgently required for Departmental business. The Top Secret archive has now been re-opened for new deposits of records.

Table 24: Requests in 2004 for information under the Code of Practice on Access to Government Information (1)

Category	01/01/2004–31/12/2004	01/01/2003–31/12/2003
Number of Code requests dealt with over the period	1,630	1,941
Number of Code requests answered within twenty working days	1,621	1,867
Number of Code requests for which charges were made	1,534	1,324
Number of Code requests where some information was withheld	15	67
Number of internal reviews completed	8	3
Number of internal reviews completed within twenty working days	1	1
Number of internal reviews where the original decision was upheld (2)	5	0
Number of internal reviews where additional information was disclosed (2)	6	3
Number of investigations completed by the Parliamentary Ombudsman (3)	9	3
Number of Ombudsman investigations where MoD's decision was upheld (4)	9	0
Number of Ombudsman investigations where additional information was disclosed (4)	3	3

### Notes:

(1) These figures include MoD agencies, Trading Funds and Non-Departmental Public Bodies for the calendar year 2004.

(2) In three cases the decision was upheld, but a small amount of further information was disclosed.

(3) In four cases, the Ombudsman's final report was not received until January or February 2005.

(4) In three cases some further information was disclosed. The Ombudsman fully upheld MoD's decision in two of these cases, and partially upheld the third.

## Ministerial Correspondence

7. The table below shows Departmental and agency performance in replying to correspondence from Members of Parliament, Members of Devolved Legislatures, Members of the European Parliament, and Peers during 2004-05.

	Target set for despatch (working days)	Number of letters received for answer	Percentage of replies within target
Ministry of Defence (excluding Defence Agencies)	15	6224	62
<b>Defence Agencies</b>			
ABRO	15	1	100
Armed Forces Personnel Administration Agency	15	148	99
Army Training and Recruiting Agency	15	—	—
British Forces Post Office	15	6	83
Defence Analytical Services Agency	15	—	—
Defence Aviation Repair Agency	15	3	100
Defence Bills Agency	10	2	100
Defence Communication Services Agency	15	—	—
Defence Dental Agency	15	4	100
Defence Estates	15	12	92
Defence Geospatial Intelligence	15	2	100
Defence Intelligence and Security Centre	15	1	100
Defence Medical Education and Training Agency	15	—	—
Defence Procurement Agency	15	—	—
Defence Science and Technology Laboratory	15	—	—
Defence Storage and Distribution Agency	15	—	—
Defence Transport and Movements Agency	15	3	100
Defence Vetting Agency	7	4	75
Disposal Services Agency	15	2	50
Duke of York's Royal Military School	15	—	—
Medical Supplies Agency	15	2	100
Ministry of Defence Police	15	5	60
Naval Recruiting and Training Agency	15	2	100
Pay and Personnel Agency	10	7	100
Queen Victoria School	15	2	100
RAF Training Group Defence Agency	15	2	100
Service Children's Education	15	—	—
The Met Office	15	—	—
UK Hydrographic Office	15	2	100
Veterans Agency	15	272	99
Warship Support Agency	15	20	95

**Notes:**

- (1) Army Personnel Centre and RAF Personnel Management Agency de-Agencified on 1 April 2004.
- (2) Defence Geospatial Intelligence formerly named the Defence Geographic and Imagery Intelligence Agency.
- (3) Defence Housing Executive merged into Defence Estates on 1 April 2004.

## Sponsorship

Table 26: Sponsorship between 1 Apr 2004 and 31 March 2005

Activity	TLB	Individual Sponsors	Company Contribution £ VAT EX
Royal Naval Presentation Team	Fleet	Jaguar	25,532
RNAS Culdrose Air Days		Lockheed Martin	19,500
Yeovilton Air Day		Rolls Royce	12,500
		Westlands Helicopters	17,000
		Aerosystems	5,000
Trafalgar 200	2SL	Lockheed Martin	18,000
		BP Shipping Ltd	25,000
		Trinity House Maritime Charity	58,500
		Fujitsu	10,000
		Anonymous Benefactor	500,000
ASPT	AG	Technogym	10,000
RRW Regimental Promotion	Land	Brains Brewery	12,766
Exercise Cambrian Patrol		Red Bull	11,915
The Rheindahlen & Elmpt Bulletin		Mitsubishi Motors Bruggen	15,915
Exercise Rhino Caterer 04		ESS Support Services Worldwide	9,489
Exercise Ocean Guardsman		BAe Systems plc	25,532
Exercise Spartan Hike		NAAFI	21,277
RAF Aerobatic Display Team	PTC	BAE Systems	24,000
		Breitling	12,170
		Total/Fina/Elf	8,850
		BP Air	18,000
RAF Falcons Parachute Display Team	STC	AVIA Match Company	10,222
		MG Rover	22,956
		Sonic Communications	5,000
Battle of Britain Memorial Flight		MG Rover	7,658
Navy Days 2004	DLO	Interserve plc	20,000
DESO Symposium	Centre	Barclays Capital	10,000
60th Anniversary WW2		Royal British Legion	13,000
Commemoration Event July 2005		CBI	15,000
		Beacon Millennium ltd	5,000
Veterans Agency 60 <sup>th</sup> Anniversary Booklets		Big Lottery Fund	100,000
Veterans Agency Helpline		Big Lottery Fund	100,000

## Advertising

8. Over the course of the year, the three services have spent money on marketing and advertising. The total RAF marketing spend for FY04/05 was £9,365,099 and included within this amount is £3.2M spent on advertising. Marketing and advertising undertaken included a National TV Campaign, Local Marketing, Sponsorship, Exhibitions and Events, and Specialist Branch Marketing. The Army Recruiting Group marketing and advertising spend in FY 04/05, including costs associated with Territorial Army recruit marketing (responsibility for which was transferred from LAND in FY 01/02) was £85.381M. This figure encompasses the entire range of recruiting activity: marketing (national and local advertising, exhibitions, specialist advertising and market research), personnel (associated costs of recruiting staff), infrastructure (maintenance and rents/leases etc of Armed Forces Career Offices) and outreach activities (cost of face to face recruiting). Finally, the spend on marketing activity for the RN during the year was £11.693,334 in respect of advertising, events, sponsorship, local activity and promotional material.

## Better Regulation

9. There was no MoD sponsored legislation during 2004-05. The Department held one public consultation, on amendments to the schemes for financial assistance awards for Reservists and their employers during periods of mobilised service. It ran from 22 July – 15 October 2004, complying with the required 12 week consultation period. Copies of consultation documents are published on [www.mod.uk](http://www.mod.uk). Following the successful conclusion of the consultation, on 26 January 2005 the Department published a Regulatory Impact Assessment of the effect of the proposed new regulations.

## Safety, Health, Environment and Fire

10. MoD is committed to ensuring the health, safety and welfare of all members of HM Forces, civilian employees of the MoD, contractors and the public, and to protecting the environment. It recognises that the effective delivery of sustainable defence capability requires excellence in safety and environmental performance to provide a safe and healthy workplace and protect defence assets. Delivering excellence in safety, health and environmental performance is critical to the delivery of our core task to produce battle-winning people and equipment.

11. 2nd PUS chairs a Defence Environment and Safety Board which provides direction, sets objectives, monitors, reviews and reports to the DMB on safety and environmental performance. 2nd PUS appoints

specific individuals to chair Functional Safety Boards to assist in the development of policy, the setting of standards, and ensuring that suitable scrutiny and, where appropriate, regulation is applied to all defence activities.

12. A risk-based Annual Report on Safety and Environmental Protection in the MoD is agreed by the Defence Environment and Safety Board (DESB) and the Defence Audit Committee, and will be published in Autumn 2005. For the first time in 05/06, the DESB Annual Report will be considered in-committee by the Defence Management Board reflecting the importance which the Department attaches to health, safety and environmental protection. Moreover, roles and responsibilities have been clarified and authority for implementing safety and environmental policy is now delegated by PUS to Top Level Budget Holders through their Service Delivery Agreements, and to Chief Executives of Trading Fund Agencies through their Trading Fund Agreements.

13. Following extensive consultation within Government, the decision was taken by Minister (AF) in September 2004 to cancel the competitive elements of the Airfield Support Services Project and to opt for an in-house solution for the restructuring of the Defence Fire Services by implementing Fire Study 2000. This is aimed at delivering a single, totally integrated and regionally based service with significant attendant efficiency savings over the present Single Service-based arrangements. The efficiencies will extend to the front line, ensuring a more focused and effective service. Implementation is well underway, and regionally based operations will commence in September 2005, with the new organisation coming under the custody of Commander Regional Forces.

14. Three Crown Censures<sup>1</sup> were taken out by HSE against MoD in the reporting year. The first was for breaches of the Health and Safety at Work etc Act 1974 and Electricity at Work Regulations 1989 which resulted in the fatal electrocution of a contractor in MoD Main Building. The second was for breaches of the Health and Safety at Work etc. Act and the Management of Health and Safety at Work Regulations 1999, resulting in the death of a diver at the Defence Diving School in Portsmouth. The third was for breaches of the Health and Safety at Work etc Act, which resulted in the death of an Army recruit in a caving incident during Leadership training. All three censures were accepted by MoD and have resulted in improvements to systems, processes and working practices.

<sup>1</sup>Crown censure is an administrative procedure, whereby HSE may summon a Crown employer to be censured for a breach of the Act or a subordinate regulation which, but for Crown immunity, would have led to a prosecution with a realistic prospect of conviction.

**15.** Key initiatives and achievements over the last year were:

- completing audits of several MoD management areas (RAF, Army Land Command, Met Office, Army Base Repair Organisation and Defence Procurement Agency), all of which were able to demonstrate a high level of compliance with MoD policy and legislative requirements, and improved performance from their respective previous audits.
- completing a major study into the Control of Contractors on MoD Property. This revealed weaknesses in implementing MoD policy on communication and co-ordination with contractors working on MoD sites, which could and have led to serious accidents. Recommendations have been incorporated into an Implementation Plan and are being closely monitored.
- completing a joint Environment Agency/MoD Best Practice Review into the management and control of radioactive materials in MoD's non-nuclear areas. The main recommendations were aimed at improving accounting and movement control of radioactive materials.
- continuing work with the HSE to support and contribute to their 10-year Revitalising Health and Safety initiative.
- undertaking 14 exercises to test the capability of the MoD's nuclear accident response organisations.
- further developing the links between safety and claims to better align the risk-incident-claim cycle and ultimately reduce the cost of claims within MoD (currently running at around £100M per year)
- setting up of a Project to rationalise MoD's extensive documentation on safety and environmental protection, aimed at making the requirements on front-line Commanders far simpler and less onerous.
- enhancing MoD's reputation by providing swift and informative replies to FOI queries
- setting challenging targets for reducing injuries and ill health to enable more resources to be available to enhance operational capability
- continuing to promote joint working and best practice by liaison with other Government departments and agencies, NATO and other nations' Defence Departments, both in Europe and US/Canada/Australia.

- commencing a project to update and improve the existing MoD-wide accident reporting system, aimed at providing more accurate and relevant statistics for assessing performance.
- producing and issuing a detailed Sustainable Development report for the Department ([www.mod.uk](http://www.mod.uk)).

### **Civilian Recruitment**

**16.** The MoD has a legal obligation to the Civil Service Commissioners to publish summary information about our recruitment processes and the use of permitted exceptions to the principles of fair and open competition and selection on merit. The minimum information which must be published is set out in the Civilian Manning Table (see Table 27). The Department's recruitment figures for 2004/05 can be found at Page 66 of this report and include figures for permanent and temporary (casual) recruitment. The following information on the use of permitted exceptions has been collated separately and does not include figures for temporary (casual) recruitment. Table 27 contains information about the MoD's recruitment in the last 12 months; it includes details of the number of individuals that were appointed, their background and their appointment circumstances. The MoD is required to recruit under various Government initiatives such as New Deal. This scheme was introduced to give long term unemployed people the opportunity to be able to apply for a job without the minimum qualifications. The New Deal campaigns are run for New Deal candidates only.

**17.** The MoD also operates a Guaranteed Interview Scheme for disabled people. Applicants with a disability who apply for a vacancy in the Department have the opportunity to declare their disability on their application form, providing they meet the minimum entry requirements, they are able to claim a Guaranteed Interview.

**18.** All permanent recruitment campaigns are subject to fair and open competition; exceptions to this are short term casual staff that will not be eligible to apply for a permanent post or be established in their temporary role. Exceptions also apply to individuals with specialist knowledge of PPP/PFI which the Department needs to utilise.

**Table 27: Civilian Recruitment<sup>[1]</sup>**

	2004/05		2003/04		2002/03	
	Non-Industrial	Industrial	Non-Industrial	Industrial	Non-Industrial	Industrial
Appointments of less than 12 months in respect of those posts specified in Annex A of the CSCRC.	0	0	0	0	0	0
Extensions up to a maximum of 24 months, of appointments originally made for a period of less than 12 months (with reasons). <sup>[2]</sup>	28	3	21	1	15	4
Recurrent short term appointments.	31	60	21	40	0	0
Short term appointments where highly specialised skills are required. <sup>[3]</sup>	16	0	4	0	0	0
Appointments under Government programmes to assist the long term unemployed. <sup>[4]</sup>	1	0	5	0	8	0
Secondments. <sup>[5]</sup>	4	0	20	1	13	1
Extensions to secondments (with reasons). <sup>[6]</sup>	4	0	1	0	2	0
Re-appointments of former civil servants.	95	28	110	11	102	35
Transfers of staff with their work (not under TUPE).	20	1	28	3	0	0
Transfers of staff from other public services without work (excluding public bodies staffed exclusively by civil servants). <sup>[7][8]</sup>	78	0	95	0	38	2
Appointments of surplus acceptable candidates to shortage posts.	3	0	7	0	0	0
Appointments of disabled candidates under modified selection arrangements.	11	2	9	1	17	0
Supported employment appointments.	3	0	0	3	0	0
Number of exceptions reserved for the Commissioners' use.	0	1	0	0	0	0
Any appointments exceptionally approved by the Commissioners under the Orders in Council, outside the terms of the Code.	0	0	0	0	0	0

**Notes:**

[1] Figures for all years exclude Locally Employed Civilians and Royal Fleet Auxiliary. Figures for 2004/05 do not include ABRO. Historical data is provided where possible.

[2] Figures are compiled from questionnaires returned by individual recruits.

[3] The majority of these extensions were to meet short-term requirements to whilst permanent replacements were sought. Fair and open competition has been used wherever possible.

[4] This shows the number of staff recruited where the requirement was short term and required specialist skills and where holding an open competition would not have identified any further candidates.

[5] An exception approved by the Commissioners following the launch of the Governments Welfare to Work – New Deal Programme. Figures exclude those New Deal candidates recruited through normal open and fair competition.

[6] Excludes other Government departments, but includes for example, local authorities, hospitals, etc.

[7] Extensions owing to a requirement to utilise one individual's knowledge of PPP/PFI.

[8] Figures for 2002/03 include 32 MDP Police officers transferred from Home Office Police Forces. Figures for 2003/04 include 82 MDP Police officers transferred from Home Office Police Forces.

# ANNEX G:

## Defence Equipment Programme and Collaborative Procurement

1. The following tables show key performance information of Major Projects. Major Projects are defined as the 20 largest equipment projects that have passed their main investment decision point (Main Gate) and the 10 largest equipment projects that have passed their initial investment decision (Initial Gate), by value of forecast spend remaining. The list of Major Projects was set at 1 April 2004, and the list below includes information for the end of the financial year, 31 March 2005. The precise definition of in service date varies with different equipment although, in general terms, it can be taken to refer to the date on which the equipment is expected to be available and supportable in service

in sufficient quantity to provide a usable operational capability. The dates quoted for ships and submarines are based on the acceptance date from the contractor of the First of Class, not the date by which the equipment (or specified number of pieces of equipment) will contribute to the operational capability of the Royal Navy.

### Battlespace Manoeuvre

2. The Battlespace Manoeuvre area incorporates capabilities designed to provide direct battlefield engagement, tactical mobility, expeditionary logistics support, nuclear, biological and chemical defence, battlefield engineering, special projects and combat service support. While most of the equipment will be utilised by the Army, it also covers other Services and joint organisations, for example assets that will belong to the Joint Helicopter Command.

Table 28: Capability Manager Battlespace Manoeuvre Equipment Programme

Post Main Gate Projects				
Equipment	Description	Current Forecast Cost (£millions)	Current Forecast ISD	Quantity Required Current
<b>Ground Manoeuvre</b>				
C Vehicle PFI	Commercial provision of 'C' Class vehicles	710	2006	n/a
Terrier	Armoured earthmoving vehicle	299	2008	65
Light Forces Anti-Tank Guided Weapon System	Anti-armour firepower system	310	2005	378
Next Generation Light Anti-armour Weapon (NLAW)	Short range anti armour weapon	356	2006	14002
<b>Expeditionary Logistics &amp; Support</b>				
A400M	Heavy transport aircraft	2644	2011	25
Support Vehicle (Cargo and Recovery)	Cargo and recovery vehicles and trailers	1362	2008	4851 cargo 314 Recovery 69 Trailers
<b>Theatre Airspace</b>				
Beyond Visual Range Air-to-Air Missile (BVRAAM)	Air-to-Air missile	1204	2012	Note 1
Typhoon	Fighter Aircraft	Note 2	2003	232
Typhoon ASTA	Ground-based aircrew training equipment for Typhoon	211	2005	1

**Notes:**

(1) Weapon numbers are classified.

(2) Current forecast cost for Typhoon is classified due to commercial sensitivities.

## Precision Attack

3. The Precision Attack area covers the above-water and under-water battlespaces, and deep target attack. It therefore contains programmes ranging from Storm Shadow stand off missile to the nuclear submarines to artillery systems. Although most programmes will subsequently be delivered to the Royal Navy, it also includes substantial Army and Royal Air Force equipment. The table below does not reflect several major equipment programmes where orders have not yet been placed – for example, the future aircraft carriers, Joint Combat Aircraft, additional Astute Class Submarines, and Future Surface Combatants.

Table 29: Capability Manager Precision Attack Equipment Programme				
Post Main Gate Projects				
Equipment	Description	Current Forecast Cost (£millions)	Current Forecast ISD	Quantity Required Current
<b>Above-Water Effect</b>				
Type 45 Destroyer	Anti-air warfare destroyer	5896	2009	6
<b>Under-Water Effect</b>				
Astute Class Submarine	Attack submarine	3492	2009	3
Nimrod Maritime and Reconnaissance Attack Mk4	Reconnaissance and attack patrol aircraft	3808	2010	12
Sting Ray Torpedo Life Extension	Life extension and capability enhancement for Sting Ray Lightweight Torpedo	599	2006	Note 1
<b>Deep Target Attack</b>				
Guided Missile-Launch Rocket System	Rocket weapon system	263	2007	6204
Future Joint Combat Aircraft	Fighter/attack aircraft	1914	Note 2	Note 2
Precision Guided Bomb		352	2007	2303

**Notes:**

(1) Weapon numbers are classified

(2) Joint Combat Aircraft Main Gate Business Case was tailored for development only to match the US procurement cycle. ISD and quantities required approval will be sought as part of Main Gate Production Business Case; not until at least December 2006

## Information Superiority

5. This capability area covers intelligence, surveillance, target acquisition and reconnaissance, and command, control and information infrastructure. Most projects are inherently tri-service in nature.

Table 30: Capability Manager Information Superiority Equipment Programme				
Post Main Gate Projects				
Equipment	Description	Current Forecast Cost (£millions)	Current Forecast ISD	Quantity Required Current
<b>Intelligence, Surveillance, Target Acquisition and Reconnaissance</b>				
Airborne Stand-Off Radar (ASTOR)	Long range surveillance and targeting system	954	2006	5 aircraft 8 ground station
<b>Command, Control and Information Infrastructure</b>				
Bowman	Tactical voice and data communications	2007	2004	47000 radios
Common Battlefield Application Toolset, Infrastructure and armoured Platform Battlefield Information System Application	Bowman related hardware and software systems	338	2005	Not applicable
Skynet 5	Satellite communications systems	2775	2005	Not applicable

## Collaborative Procurement

6. We continued to sustain progress on a number of collaborative procurement issues. Key achievements in 2004-05 were:

### European Defence

- We continued to support the European Defence Agency (EDA) during its first full year of operation, primarily in a range of armaments and industry/market focussed tasks. In particular we contributed regularly to the EDA's efforts to establish a more effective, efficient and transparent defence equipment market in Europe.
- The European Commission issued its Green Paper on Defence Procurement on 23 September 2004, with the intention of prompting debate on how defence equipment procurement in the European Union could be improved. Following consultation with officials across the MoD and other Government Departments, we led on the preparation of the Government's response to the Green Paper which was submitted in February 2005 and broadly supported the Commission's aspirations.
- Defence Ministers decided in November 2004 to close the Western European Armaments Group (WEAG) by the end June 2005, following the transfer of useful WEAG activities to the EDA. We worked closely with other WEAG member states to influence the orderly transfer of WEAG outputs to the EDA.

### OCCAR (Organisation Conjoint de Cooperation en matiers d'Armement)

- We played a leading role in ensuring that work was completed on implementing the OCCAR effectiveness review recommendations, and also in making improvements to management processes, such as corporate performance management.
- On OCCAR managed programmes, we received the first deliveries of the COBRA (Counter-Battery Radar) system and we completed negotiations for our withdrawal from the trilateral BOXER multi-role armoured vehicle programme.

### Letter of Intent Framework Agreement (LoI)

- As part of the overall six nation LoI focus on recognising European industry's efforts to restructure we worked closely with our partners to secure agreement to the remaining Implementing Arrangement covering Export Procedures.

- Before and during the UK's chairmanship of the LoI Executive Committee we continued to pursue the assimilation of the LoI outputs into the EDA.

### United States of America

- We played the pivotal role which led to the Secretary of State for Defence and the US Secretary for Defense renewing the US/UK Defence equipment co-operation Memorandum Of Understanding in December 2004 for a further 10-years. This MOU serves as the inter-governmental basis for US/UK co-operation in equipment acquisition and a key aspect is the benefit it provides to UK industry through the continuing exemption from certain US "Buy National" regulations.
- Through a number of fora, including the Bilateral Defence Acquisition Committee, we continued to press for improvements in information and technology exchange which are essential on a number of programmes, most notably the Joint Strike Fighter.

### Collaborative Equipment Programmes

- We have continued to make progress across the wide range of collaborative equipment programmes (a list of collaborative programmes is published on the MoD website). Achievements included the signature of contracts for the second tranche of Typhoon aircraft (89 ordered for the Royal Air Force at a value of £4.3Bn in cash terms), and for a trilateral NATO Submarine Rescue System.

# ANNEX H

## Glossary of Terms and Abbreviations

**1SL/CNS: First Sea Lord and Chief of the Naval Staff.** Professional head of the Navy. Member of the Defence Management Board, the Admiralty Board and the Chiefs of Staff Committee and Chair of the Navy Board. Currently held by an officer of the rank of Admiral.

**2<sup>nd</sup> PUS: 2<sup>nd</sup> Permanent Under Secretary.** The Deputy to the Permanent Under Secretary. Member of the Defence Council and Defence Management Board, the Admiralty, Army and Air Force Boards and their executive committees, the Acquisition Policy Board, the Investment Approvals Board, the Defence Audit Committee, official chair of the Defence Environment and Safety Board, and joint head, with the Vice Chief of the Defence Staff, of the Central Top Level Budget organisation.

**2SL/CNH: Second Sea Lord and Commander-in-Chief Naval Home Command.**

a) The Royal Navy's Principal Personnel Officer, of the rank of Vice Admiral, and a member of the Admiralty and Navy Boards. Also known as the Chief of Naval Personnel. He has responsibility for maintaining operational capability by providing correctly trained manpower through recruitment into the Royal Navy and Royal Marines and individual training. He is also Commander in Chief Naval Home Command responsible for all non DLO Naval real estate.

b) The Top Level Budget (TLB) organisation managed by the Second Sea Lord. Being merged with the FLEET TLB into a single Royal Navy TLB from 1 April 2006.

**A&DC: Assessment and Development Centre.** The formal process used by the MoD to assess suitability of civil servants for promotion into junior management (Band D) and middle management (Band B) grades.

**ABRO: Army Base Repair Organisation.** A Trading Fund Agency of the MoD. ABRO provides engineering support (including complex repair and servicing, re-manufacture and assembly) and fleet management services to the MoD, the defence industry and other commercial businesses for land based equipment ranging from radios to main battle tanks.

**ACPP: Africa Conflict Prevention Pool.** The arrangements jointly run by the MoD, FCO and DfID to deliver the Government's conflict prevention objectives in Africa. The ACPP has an annual budget of £60M.

**Activity levels.** The proportion of regular military personnel deployed on operations and other military tasks.

**Admiralty Board.** The Admiralty Board is chaired by the Secretary of State for Defence and delegated by the Defence Council to administer the activities and personnel of the Royal Navy.

**AFB: Air Force Board.** The Air Force Board is chaired by the Secretary of State for Defence and delegated by the Defence Council to administer the activities and personnel of the Royal Air Force.

**AFBSC: Air Force Board Standing Committee.** The AFBSC conducts the day-to-day business of managing the Royal Air Force on behalf of the Air Force Board. It brings together, under the Chief of the Air Staff (CAS), the RAF operational and personnel commanders, and supports the CAS in his executive role, his management and operational advisory roles, and as the professional head of the RAF.

**AFPS: Armed Forces Pension Scheme.** The non-contributory defined benefits pension scheme covering all members of the Armed Forces.

**AG: Adjutant General.**

a) The Army's Principal Personnel Officer, of the rank of Lieutenant General, and a member of the Army Board and the Executive Committee of the Army Board. He has responsibility for providing trained army officers and other ranks through recruitment into the Army and individual training. He also provides education services to children of all members of the Services on long-term foreign postings.

b) The Top Level Budget (TLB) organisation managed by the Adjutant General.

**ALI: Adult Learning Inspectorate.** The ALI is a statutory non-departmental public body that inspects and reports on the quality of education and training for adults and young people funded by public money.

**AME: Annually Managed Expenditure.** Spending included in Total Managed Expenditure that does not fall within Departmental Expenditure Limits (DELs), such as nuclear provisions and War Pension Benefits. Expenditure in AME is generally less predictable and/or controllable than expenditure within DELs.

**AMP: Air Member for Personnel.** The RAF's principal personnel officer, of the rank of Air Marshal, a member of the Air Force Board and Air Force Board Standing Committee, and head of the RAF Personnel and Training Command. He is responsible for providing trained RAF officers and other ranks through recruitment into the RAF and individual training.

**Anti-surface weapons.** Weapons designed to attack targets on the surface of the land or sea.

**APB: Acquisition Policy Board.** The MoD's top level board, chaired by the Minister for Defence Procurement or, in his absence, the PUS. It oversees the development of defence acquisition policy and processes and defence industrial policy, and reviewing and monitoring the coherence of acquisition performance targets.

**Apprentices.** New entrants to the Armed Forces undertaking training in particular skilled trades.

**Appropriations-in-aid.** Receipts used to offset expenditure. They generally arise from the provision of repayment services, the sale of surplus goods or of equipment purchased on behalf of the Defence Sales Organisation.

**Army Board.** The Army Board is chaired by the Secretary of State for Defence and delegated by the Defence Council to administer the activities and personnel of the Army.

**Army Reserve** See **Regular Reserves.**

**ASLC: Accruing Superannuation Liability Charge.** An estimate of the cost of providing future superannuation protection for all personnel currently in pensionable employment.

**Assets.** Can be either financial or non-financial. Financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted bonds, shares, accounts receivable, and the value of the government's stake in public corporations. Non-financial assets consist of fixed capital (such as buildings and vehicles); stock, land and valuables.

**ASTA: Aircrew Synthetic Training Aids.** A Full Mission simulator that replicates all aspects of a real flying mission, allowing pilots to match the aircraft and its weapons against interactive attacks, whilst experiencing the pressures and demands of high speed jet flight. A Cockpit Trainer, a lower level device, is primarily used to introduce the pilot to the cockpit environment and procedures.

**ASTOR: Airborne Stand-Off Radar.** A new capability which will provide a long range all weather theatre surveillance and target acquisition system capable of detecting moving, fixed and static targets. Has an In-Service Date of September 2005 and full Operational Capability is to be achieved by 2008.

**AWE: Atomic Weapons Establishment.** One of the largest high technology research, design development and production facilities in the UK. Its primary task is to produce and maintain the warheads for the UK's independent nuclear deterrent.

**BAES: British Aerospace Systems.** An international company engaged in the development, delivery and support of advanced defence and aerospace systems in the air, on land, at sea and in space. It designs, manufactures and supports military aircraft, surface ships, submarines, fighting vehicles, radar, avionics, communications and guided weapons systems.

**Balance Sheet.** A financial statement showing the assets, liabilities, and net worth of a business on a specified date.

**Band B.** A grade in the civilian rank structure immediately below the Senior Civil Service.

**Battalion.** An Army fighting unit, usually comprising around 650 personnel, commanded by a Lieutenant Colonel. See Regiment.

**Berlin Plus arrangements.** Arrangements negotiated between the European Union and NATO to allow for the EU to have access to NATO's assets and capabilities so that NATO can support the EU, so that there's full transparency between the two organisations and so that we cooperate with the most efficient, the most effective mechanisms possible so that resources are used in the most efficient way.

**BOWMAN.** A tri-Service tactical communications and information system.

**BNFL: British Nuclear Fuel plc.** An international nuclear energy business, involved in fuel manufacture, reactor design and services, as well as decommissioning and environmental services; cleaning up the legacy of the Cold War.

**Brigade.** An Army Brigade is a collection of units that have been formally grouped together for a specific purpose, commanded by a Brigadier. A fighting Brigade will contain a mix of Infantry, Cavalry, Tank and Artillery units together with supporting specialist capabilities. The composition of a Brigade will differ depending on its responsibility but usually contains about 5,000 soldiers.

**BTEC.** Vocational qualifications to prepare students for employment or for progression to higher education, often taken as an alternative to A-levels.

**BVRAAM: Beyond Visual Range Air-to-Air Missile.** The next generation air-to-air weapon, also known as Meteor, which will provide Typhoon with the capacity to combat projected air-to-air threats throughout the life of the aircraft and contribute to the superiority requirements of UK and NATO operations.

**CAS: Chief of the Air Staff.** Professional head of the Royal Air Force, member of the Defence Council and Defence Management Board, the Air Force Board and the Chiefs of Staff Committee, and Chair of the Air Force Board Standing Committee. Currently held by an officer of the rank of Air Chief Marshal.

**CBRN: Chemical, Biological, Radiological and Nuclear materials.** Unconventional materials potentially capable of use in weapons of wide area impact, often collectively known as Weapons of Mass Destruction.

**CBW: Chemical and Biological Warfare.** The use of chemical and biological weapons in conflict. Possession and use of Chemical and Biological Warfare is illegal under the Chemical Weapons Convention and the Biological and Toxin Weapons Convention.

**CDL: Chief of Defence Logistics.** Head of the Defence Logistics Organisation TLB. Member of the Defence Council and Defence Management Board, Acquisition Policy Board and Investment Approvals Board.

**CDP: Chief of Defence Procurement.** Head of the Defence Procurement Agency TLB and member of the Defence Council and Defence Management Board, Acquisition Policy Board and Investment Approvals Board.

**CDS: Chief of Defence Staff.** The professional head of the UK Armed Forces and principal military adviser to the Secretary of State for Defence and the Government. Member of the Defence Council and Defence Management Board, and Chairman of the Chiefs of Staff Committee.

**CFE: Conventional Armed Forces in Europe.** The Conventional Armed Forces in Europe (CFE) Treaty is a treaty (widely regarded as the linchpin of European security) signed by NATO and Warsaw Pact representatives in November 1990 (and revised at the summit of the OSCE in November 1999) reducing the number of tanks, missiles, aircraft and other forms of non-military hardware held by signatory states.

**CFER: Consolidated Fund Extra Receipt.** Receipts realised in excess of amounts authorised as Appropriations in Aid of the supply Estimates, or of kinds which HM Treasury does not allow Departments to use in aid of expenditure. Such receipts are surrendered to the Consolidated Fund as Extra Receipts.

**CGS: Chief of the General Staff.** Professional head of the Army, member of the Defence Council and Defence Management Board, the Army Board and the Chiefs of Staff Committee, and Chair of the Executive Committee of the Army Board. Currently held by an officer of the rank of General.

**CJO: Chief of Joint Operations.**

a) the senior joint military operational commander, of the rank of Vice Admiral, Lieutenant General or Air Marshal, responsible for running all military operations other than those so large that a more senior officer is required, or those undertaken predominantly by one Service such that it makes sense for the operation to be commanded by the operational TLB led by that Service (CINCFLEET, Land Command, or Strike Command). Military assets are assigned to CJO only for the duration of the operation.

b) the Top Level Budget organisation managed by the CJO, including the Permanent Joint Headquarters, the Sovereign Base Areas in Cyprus and British forces in Gibraltar and the Falkland Islands.

**CINCFLEET: Commander-in-Chief Fleet.**

a) The Royal Navy's principal operational commander, of the rank of Admiral, and a member of the Admiralty and Navy Boards.

b) Top Level Budget Organisation managed by CINCFLEET responsible for delivery of warships and trained crews to CJO at agreed readiness states. Being merged with the 2SL/CNH TLB into a single Royal Navy TLB from 1 April 2006. CINCFLEET also maintains an operational command and control capability, in particular for the nuclear deterrent force.

**CINCLAND: Commander-in-Chief Land.**

a) The Army's principal operational commander, of the rank of General, and a member of the Army Board and Executive Committee of the Army Board.

b) Top Level Budget Organisation managed by CINCLAND responsible for the delivery of trained expeditionary armed forces to CJO at agreed readiness states.

**CINCSTRIKE: Commander-in-Chief Strike.**

a) The Royal Air Force's principal operational commander, of the rank of Air Chief Marshal, and a member of the Air Force Board and Air Force Board Standing Committee.

b) Top Level Budget Organisation managed by CINCSTRIKE responsible for the delivery of trained expeditionary air power to CJO at agreed readiness levels.

**CIS: Communication and Information Systems.**

**Civil Contingencies Act.** The Act, and accompanying non-legislative measures, will deliver a single framework for civil protection in the United Kingdom capable of meeting the challenges of the twenty-first century. The Act is separated into two substantive parts: local arrangements for civil protection and emergency powers. It became an Act of Parliament on 18 November 2004.

**Clutter.** Collection of objects that prevent the full extent of visibility of RADAR.

**CMS: Common Military Skills.** [Core military skills in which recruits are trained in the first stages of their training].

**CNP: Chief of Naval Personnel.** See 2SL/CNH.

**CNS: Chief of the Naval Staff.** See 1SL/CNS.

**COBRA: Counter-Battery Radar.** A 3-D phased radar system designed to locate enemy artillery at very long ranges.

**Commission.** The legal authority of an Officer's appointment to the Armed Forces. Precise terms vary according to Service and specialisation within each Service.

**Conflict Prevention.** Early warning, crisis management, conflict resolution, peacemaking, peacekeeping, and peace-building activity and an associated strengthening of international and regional systems and capacity.

**Corps:**

a) An organised collection of Regiments or groupings of soldiers that share a common area of specialist expertise to ensure common practice and that common interests can be catered for efficiently.

b) An Army fighting unit comprising two or more divisions with associated specialist supporting units, commanded by a Lieutenant General.

**COS: Chiefs of Staff Committee.** The Chiefs of Staff Committee is chaired by the Chief of the Defence Staff. It is the main forum in which the collective military advice of the Chiefs of Staff is obtained on operational issues. The PUS attends the COS Committee.

**Cost of Capital Charge.** An annual non-cash charge applied to each department's budget. It is 6% of the net assets of the department and is used to make departments aware of the full cost of holding assets.

**CSA:**

a) **Chief Scientific Adviser.** The Ministry of Defence's senior expert scientific advisor, recruited externally, Head of Science Innovation and Technology TLB, member of the Defence Council and Defence Management Board and Chair of the Investment Approvals Board.

b) **Customer Supplier Agreement.** An agreement, usually between TLBs, detailing in terms of quality, quantity and timeliness the outputs required from the supplier to enable the customer to meet its defence outputs.

**CSP: Civil Service Pension scheme.**

**CTLB: Central TLB.** The Central Top Level Budget organisation has responsibility for the MoD Head Office, covering Defence policy as well as Departmental policy on the equipment programme, resources, finance, personnel and security, as well as a range of non-Head Office functions. The Central TLB provides a diverse range of corporate services for the MoD as a whole. These include pay, estate management, bill payment, consultancy services, accountancy, some training, statistical analysis, central IT systems, public relations, defence exports and policing. The Central TLB's remit also encompasses the management of Service housing and the provision of medical services.

**CTP: Career Transition Partnership.** A partnering arrangement between Right Management Consultants and the Ministry of Defence to successfully deliver enhanced resettlement services to all ranks from the Armed Forces.

**Current expenditure** on goods and services is the sum of expenditure on pay, and related staff costs, plus spending on goods and services. It is net of receipts from sales. It excludes capital expenditure, but includes expenditure on equipment that can only be used for military purposes since that is counted as current expenditure. It differs from final consumption in that capital consumption is not included.

**Current prices.** Prices prevailing at the time.

**CVR(T): Combat Vehicle Reconnaissance (Tracked).** A light tank used for reconnaissance.

**DAC: Defence Audit Committee.** The Defence Audit Committee is a subcommittee of the Defence Management Board, chaired by an independent non-executive member of the DMB. It reviews and constructively challenges the adequacy of internal controls, risk management and assurance processes within the Ministry of Defence. In particular it reviews the Department's assurance arrangements and Statement on Internal Control contained within the Departmental Resource Accounts (the DRAC) annually and reports on these to the Accounting Officer.

**DARA: Defence Aviation Repair Agency.** In 1999, DARA brought together the RAF Maintenance Group Defence Agency (MGDA) and the Naval Aircraft Repair Organisation (NARO). It is the largest Government owned aerospace repair facility within Europe, delivering one-stop-shop aerospace support to the MoD, overseas governments and Industry. DARA became a Trading Agency of the MoD in April 2001.

**DASA: Defence Analytical Services Agency.** DASA was created in July 1992 and provides National Statistics on Defence and other corporate information, forecasting and planning and consultancy, advice and research services to the MOD.

**DBA: Defence Bills Agency.** Primarily responsible for paying bills submitted to the Ministry of Defence by defence contractors.

**DCSA: Defence Communications Service Agency.** Provides telecommunications and related services to the MoD and is part of the DLO. Not to be confused with the DSCA.

**DE: Defence Estates.** Manages and maintains the MoD's estates in the UK and abroad. Previously part of the Central TLB, but from 1 April 2005 a Top Level Budget Organisation in its own right.

**Defence Aim.** The Defence Aim is set out in the MoD's Public Service Agreement. It is to 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 security.

**Defence Budget.** Under Cash Accounting, the amount of money planned to be spent during a financial year. Under Resource Accounting and Budgeting (RAB), the sum of resources planned to be consumed during a financial year. See Resource budgeting.

**Defence Council.** The Defence Council is the senior Departmental committee. Chaired by the Secretary of State it provides the formal legal basis for the conduct of Defence in the UK through a range of powers vested in it by statute and Letters Patent.

**Defence Estate.** The Defence estate comprises over 4,000 built and rural sites in the UK covering some 240,000 hectares. It includes 21 major Armed Forces training areas, 39 minor training areas, 289 Sites of Special Scientific Interest (SSSI), 48 special protection areas, over 650 statutorily protected buildings and almost 1,300 scheduled monuments.

**Defence Mission.** The objectives of the Ministry of Defence are to provide the capabilities needed: to ensure the security and defence of the United Kingdom and Overseas Territories, including against terrorism; to support the Government's foreign policy objectives particularly in promoting international peace and security.

**Defence Vision.** The Defence Vision set out by the Defence Management Board, is: *Defending the UK and its interests; Strengthening international peace and stability; A Force for good in the world. We achieve this aim by working together on our core task to produce battle-winning people and equipment that are: Fit for the challenge of today; Ready for the tasks of tomorrow; Capable of building for the future.*

**DEFRA: Department for Environment, Food and Rural Affairs.** DEFRA is the Government Department responsible for all aspects of the environment, rural matters, farming and food production.

**DEL: Departmental Expenditure Limit.** DELs are firm plans for three years for a specific part of a department's expenditure. In general the DEL will cover all running costs and all programme expenditure except, in certain cases, spending is included in departmental AME because it cannot be reasonably be subject to close control over a three year period. DELs are divided into current and capital budgets.

**Depreciation.** Also termed capital consumption. The measure of the wearing out, consumption or other loss of value of a fixed asset whether arising from use, passage of time or obsolescence through technological and market changes.

**DERA: Defence Evaluation and Research Agency.** On 2 July 2001 DERA was split into two parts: QinetiQ, and the Defence Science and Technology Laboratory (Dstl).

**DESB: Defence Environment and Safety Board.** Chaired by the Under Secretary of State or, in his absence, the 2<sup>nd</sup> PUS, provides direction, sets objectives, monitors, reviews and reports on performance with regard to the environment and safety in defence.

**Devolved Administrations.** The devolved administrations of Scotland, Wales and Northern Ireland have responsibility for certain defined areas of domestic Government in their parts of the UK.

**DFAU: Defence Fraud Analysis Unit.** A dedicated unit within the Defence Internal Audit organisation to evaluate suspected irregularities, support police authorities, promote risk awareness, record reported fraud and theft, liaise with the Treasury and provide advice on procedures and policy.

**DfES: Department for Education and Skills.** Government Department responsible for setting education and skills policy in England.

**DfID: Department for International Development.** Government Department responsible for the UK's development aid and work to get rid of extreme poverty.

**DH: Department of Health.** Government Department responsible for setting health and social care policy in England, and sets standards and drives Modernisation across all areas of the NHS, social care and public health.

**DIA: Defence Internal Audit.** The MoD's principal Internal Auditing body, whose primary role is the provision of independent and objective advice on the economy, efficiency and effectiveness of systems and controls at all levels of the Department. It reports directly to the Defence Audit Committee.

**DII: Defence Information Infrastructure.** A fully networked and managed information system being acquired to support Defence worldwide, underpinning much of the defence Change Programme.

**Direct Entry Officers.** Army officers (previously called Mainstream officers) who either come direct from civilian life or from the ranks of the Army, commissioned on completion of the 11 month Royal Military Academy Sandhurst (RMAS) Commissioning Course. They will normally be under the age of 29 on entry to RMAS.

**Division.** An Army Division made up of two or more Brigades depending on the specific role it is to undertake and is configured in a similar fashion to a Brigade but on a larger scale, commanded by a Major General. 1 (UK) Division and 3 (UK) Division are fighting Divisions. 2, 4 and 5 Division are responsible for administrative support of specific geographical areas within the UK.

**DLO: Defence Logistics Organisation.** The Top Level Budget organisation formed on 1 April 1999 to bring together the logistics support organisations in the Royal Navy, Army and Royal Air Force and Centre staff. It contains a number of specialist Defence Agencies.

**DLTP: Defence Logistics Transformation Programme.** A single coherent programme of work incorporating all logistic transformation activities across Defence to achieve improved operational effectiveness, efficiency and flexibility.

**DMB: Defence Management Board.** The Defence Management Board (DMB) is the highest, non-ministerial committee in the MoD. Chaired by PUS, it is essentially the main corporate board of the MoD, providing senior level leadership and strategic management of Defence. Its role is to deliver the Defence aim set out in the Public Service Agreement. It comprises the ten non-ministerial members of the Defence Council together with the MoD Finance Director and two non-executive members. It is responsible for the role of Defence, providing strategic direction, vision and values; for Objectives and targets, establishing the key priorities and defence capabilities necessary to deliver the MoD's Departmental objectives; for Resource allocation and strategic balance of investment to match Defence priorities and objectives; and for Performance management, managing and driving corporate performance.

**DMS: Defence Medical Services.** Comprises the Defence Medical Services Department and the three single Service medical directorates.

**DOC: Directorate of Operational Capability.** DOC provides an independent source of evaluation and audit within the Armed Forces on a range of issues, including operational lessons learnt studies and appraising the care and welfare of Armed Forces initial training establishments.

**DPA: Defence Procurement Agency.** The DPA is the Top Level Budget Organisation responsible for the procurement of equipment to meet new requirements. It is also a Defence Agency. It is located mainly at Abbey Wood, Bristol.

**DRDL: Devonport Royal Dockyards Ltd.** A company which runs and owns the Devonport Royal Dockyards in Plymouth.

**DSDA: Defence Storage and Distribution Agency.** The Defence Agency that provides the Armed Forces with storage and distribution services.

**DSL: Debut Services Ltd.** A joint venture between Bovis Lend lease Ltd and Babcock Infrastructure Services to provide property maintenance and capital works projects across Defence.

**DSTL: Defence Science and Technology Laboratory.** An agency and trading fund of the MoD created from part of DERA on 2 July 2001. It provides specialist scientific and technical support to the MoD.

**DTC: Defence Technology Centre.** A formal collaborative arrangement between industry and academic experts in a particular technology, funded jointly by participants and the MoD, who work together to generate and enhance the technology vital to the delivery of future UK Defence capabilities.

**DU: Depleted Uranium.** Uranium is a natural element found in soil, water and mineral deposits. It is a heavy metal, nearly twice as dense as lead, is radioactive and chemically toxic. DU is a waste product, (what is left after the removal of some of the more radioactive parts of natural uranium for use in the nuclear industry) and being a very dense and hard metal is an ideal core for tank shells designed to pierce armoured vehicles.

**DUOB: Depleted Uranium Oversight Board.** An independent panel of scientists and veterans' representatives appointed to oversee the MoD's depleted uranium (DU) screening programme.

**DWR: Deep Waste Repository.** A facility for the storage of nuclear waste deep underground.

**ECAB: Executive Committee of the Army Board.** ECAB conducts the day-to-day business of managing the Army on behalf of the Army Board. It brings together, under the Chief of the General Staff, the Army operational and personnel commanders, and supports the CGS in his executive role, his management and operational advisory roles, and as the professional head of the Army.

**Environment Agency.** The environmental regulator for England and Wales.

**ERW: Explosive Remnants of War.** Unexploded ordnance (such as bombs, missiles and artillery shells), which may be primed, fused, armed or prepared for use, and may have been abandoned.

**ESDP: European Security and Defence Policy.** The European Union has agreed on the establishment of a European Security and Defence Policy to ensure it has the tools to undertake crisis management operations, where NATO as a whole is not engaged, in support of its Common Foreign and Security Policy.

**Ethnic Minority.** A group within a community which differs ethnically from the main population.

**EU: European Union.** The framework for economic and political co-operation between 25 European countries. It began as a post-war initiative between six countries pooling control over coal and steel to guarantee a more peaceful future for Europe. It now manages co-operation on issues as wide-ranging as the environment, transport and employment, and has increasing influence in defence and foreign policy.

**EUFOR.** The EU-led peacekeeping force responsible for security in Bosnia-Herzegovina.

**FCO: Foreign and Commonwealth Office.** The Government department responsible for UK foreign and security policy.

**Finance Director.** The MoD's senior finance officer, responsible for all aspects of the Department's financial performance and a member of the Defence Management Board.

**FOI: Freedom of Information.** An Act giving a right of public access to recorded information held by public authorities subject to certain defined exemptions.

**FRES: Future Rapid Effects System.** A project to enhance the deployability of UK Land Forces by delivering a family of medium weight, network capable armoured vehicles, such as armoured personnel carriers, reconnaissance, command and control, and or ambulance vehicles. The project is currently in the Assessment Phase.

**Full-Time Equivalent.** A measure of the size of the workforce that takes account of the fact that some people work part-time.

**Full-Time Reserve Service.** Individuals on FTRS fill Service posts on a full-time basis while being a member of one of the reserve services, either as an ex-regular or as a volunteer. In the case of the Army and the Naval Service, these will be posts that would ordinarily have been filled by regular service personnel, in the case of the RAF, FTRS personnel also fill posts designated solely for them.

**GDP: Gross Domestic Product.** The sum of all output (or income or expenditure) in the economy, excluding net property income from abroad.

**GOCNI: General Officer Commanding Northern Ireland.**

a) The senior military officer in command of the Armed Forces in Northern Ireland, of the rank of Lieutenant General. He is responsible for military aid to the civil power and counter terrorist operations in Northern Ireland;

b) The joint-Service Top Level Budget organisation managed by GOCNI.

**Gurkhas.** Citizens of Nepal recruited and employed in the Army under the terms of the 1947 Tri-Partite Agreement. They remain Nepalese citizens but in all other respects are full members of HM Forces.

**GWMB: Guided Weapons, Missiles and Bombs.** Explodable munitions which incorporate guidance mechanisms.

**HCDC: House of Commons Defence Select Committee.** The Defence Committee is appointed to examine on behalf of the House of Commons the expenditure, administration and policy of the Ministry of Defence and any associated public bodies.

**Heavy Equipment Transporter.** A 120 tonne tractor and trailer unit tank transporter, capable of carrying battle tanks and fighting vehicles straight to the front line at speeds of up to 50 mph on road or off road over harsh terrain.

**HMG:** Her Majesty's Government.

**HNBS:** Harrier Night Bombing System.

**HOME: Head Office Modern Environment.** The HOME programme was a comprehensive Modernisation package using the redevelopment of MoD's Main Building as a catalyst for organisational and cultural change to make the MoD Head Office a better, more streamlined, organisation in which to work and enable it to provide more effective support and leadership for UK Defence capability.

**HQ: Headquarters.**

**HR: Human Resources.** Civilian personnel management, organisation and arrangements.

**HSE: Health and Safety Executive.** The Health and Safety Executive is responsible for regulation of risks to health and safety arising from work activity in Britain.

**Hydrographic Office.** See **UK Hydrographic Office.**

**IAB: Investment Approvals Board.** The Investment Approvals Board (IAB) is responsible for central scrutiny of equipment requirements, major capital works and Information Technology projects. It makes recommendations to Ministers on the procurement of major defence equipment. The IAB is chaired by the Chief Scientific Adviser and includes the Vice Chief of the Defence Staff, 2nd Permanent Secretary, Chief of Defence Procurement and Chief of Defence Logistics.

**ICT: Information and Communications Technology.**

**ICT FS: Information and Communications Technology Fundamental Skills.**

**Industrial staff.** Civilian staff paid in certain pay bands often performing manual work.

**Insensitive munitions.** Munitions incorporating design features to reduce the risk of inadvertent reaction to specified stimuli, such as heat, shock and impact.

**In-Service Date.** The date on which equipment being procured is expected to be available and supportable in service in sufficient quantity to provide a valuable operational capability.

**ISAF: International Security Assistance Force.** The NATO controlled peacekeeping force providing security in Kabul since the fall of the Taleban in 2001. More than 30 countries contribute troops.

**IS: Information Systems.**

**Intake.** Those entering the Armed Forces or Civilian workforce.

**IT: Information Technology.**

**JPA: Joint Personnel Administration.** A modern commercial information system enabling provision of pay, pensions and administration services for military personnel, JPA is being introduced in the RAF in late 2005, the RN in Spring 2006 and the Army in late 2006.

**JRRF: Joint Rapid Reaction Forces.** A substantial pool of capabilities, composed of all readily available forces, from which tailored force packages of up to Brigade level or equivalent for operations on land, sea and air can be assembled and deployed quickly.

**KFOR: NATO Kosovo Force.** The International NATO led peacekeeping force whose main role is maintaining a secure civilian environment.

**LAN: Local Area Network.** Two or more connected computers in a room or building.

**Land Command.** See CINCLAND.

**Locally Entered/Engaged Personnel.** Civilian personnel working for one of the Armed Forces or directly for the Ministry of Defence who are recruited at overseas MoD locations normally for work at those locations. Also includes Gurkhas.

**LS: Large Scale.** Operational deployments of division size or equivalent for warfighting or other operations.

**Main Gate.** The main investment point for a procurement project, comprising In-depth review timed to coincide with the most critical point of the project – the point at which the “Assessment” phase ends and user requirements, system requirements, time and cost can be set with confidence.

**MAMBA weapon locating radar.** Mobile Artillery Monitoring Battlefield Radar, a radar system that can instantly track incoming mortars, shells and rockets and will help troops pinpoint the enemy’s position for rapid counter attacks.

**MANPADS: Man Portable Air Defence Systems.** Systems designed for military air defence use, and are surface to air missiles, usually shoulder launched and fired by an individual or more than one individual acting as crew.

**MDP: Ministry of Defence Police.** The non-regional, national police force headed by a Chief Constable, responsible for providing effective policing of the Defence Estate.

**Memorandum of Understanding.** A formal signed agreement between partners setting out how they will work together in a process to achieve agreed goals.

**MIDIT: Means of Identifying and Developing Internal Talent.** The MoD's internal corporate development scheme for civilian personnel.

**Military Tasks.** The framework on which the MoD bases its detailed planning for the size, shape and capabilities of the Armed Forces, reflecting the broad types of tasks and operations in which they are likely to be involved.

**MoD: Ministry of Defence.**

**MS: Medium Scale.** Operational deployments of brigade size or equivalent for warfighting or other operations.

**NAAFI: Navy, Army and Air Force Institutes.** Official trading organisation of HM Forces, providing retail and leisure services to the Services and their families.

**NAO: National Audit Office.** The independent organisation responsible for scrutinising public spending on behalf of Parliament, reporting to the Public Accounts Committee. It audits the accounts of all government departments and agencies as well as a wide range of other public bodies, and reports on the economy, efficiency and effectiveness with which government bodies have used public money.

**NATO: North Atlantic Treaty Organisation.** A regional defence alliance formed in 1949 under the Washington Treaty. Its general aim is to "safeguard the freedom, common heritage and civilisation" of its members by promoting "stability and well-being in the North Atlantic area". Members agree that an armed attack against one shall be considered an attack against them all, and that they will come to the aid of each other. Currently there are 26 member countries with the headquarters in Brussels.

**Naval Manning Agency.** Created on 1 July 1996 and dissolved as an agency 1 April 2004. Its mission was: to ensure that sufficient manpower is available on the trained strength and deployed effectively in peace, transition to war or war.

**Naval Service.** The Royal Navy (including QARNNS) and the Royal Marines together.

**Navy Board.** The Navy Board conducts the day-to-day business of managing the Royal Navy on behalf of the Admiralty Board. It brings together, under the Chief of the Naval Staff, the Royal Navy's operational and personnel commanders, and supports the CNS in his executive role, his management and operational advisory roles, and as the professional head of the Royal Navy.

**NCO: Non-commissioned officer.** Ratings of Leading Hand and above in the Royal Navy, other ranks of lance corporal and above in the Army and other ranks of corporal and above in the Royal Marines and Royal Air Force.

**NDA: Nuclear Decommissioning Authority.** The body within the DTI responsible for nuclear clean-up issues.

**NDPB: Non-Departmental Public Bodies.** Public bodies carry out a wide range of functions on behalf of government. As part of the commitment to transparency and accountability, the Cabinet Office collects and publishes annually information about public bodies as a whole, to supplement information about individual bodies already contained in departmental annual reports.

**NEC: Network Enabled Capability.** A programme to enhance military capability through the exploitation of information. Implemented through the coherent and progressive development of Defence equipment, software, processes, structures and individual and collective training, NEC will enable the MoD to operate more effectively in the future strategic environment by more efficient sharing and exploitation of information within the UK Armed Forces and with our coalition partners.

**NED: Non Executive Director.** Non Executive Directors serve on various boards and audit committees within the Ministry of Defence, providing independent scrutiny and advice on defence business from their experience in Industry.

**Net Cash Requirement.** The amount of actual money that MoD requires from the government in order to fund its activities. The NCR takes account of the movements in working capital levels (debtors, creditors and stocks) but not non-cash costs.

**NHS: National Health Service.** Set up on 5th July 1948, the NHS provides healthcare for all citizens, based on need, not the ability to pay, and is funded by the tax payer and managed by the Department of Health, which has the responsibility to provide healthcare to the general public through the NHS.

**Non-cash items** in Annually Managed Expenditure include various notional transactions such as depreciation and cost of capital that appear in the operating cost statement under RAB and which are recorded in AME for the period of Spending Review 2000, rather than in DEL.

**Non-industrial staff.** All Civil servants who are not Industrial staff.

**NRA: Net Recoverable Amount.**

**NRF: NATO Response Force.** Giving NATO a significant crisis response capability, the NRF is a powerful multi national military force with land, air, maritime and command elements, designed to stand alone for up to 30 days. It is not a permanent or standing force.

**NRTA: Naval Recruiting and Training Agency.** The Defence Agency within the 2SL Top Level Budget Organisation responsible for recruitment and training of Royal Navy and Royal Marines personnel.

**NRV: Net Realisable Value.** The estimated disposal sale value of an item of materiel not expected to be used or sold in the ordinary course of business. The estimated disposal sale value may be nil or scrap in appropriate circumstances, and will be net of any costs incidental to the sale, e.g. agent's fees, to the extent that these are identifiable to individual items or sales contracts and are deducted from the sales proceeds on a net receipt basis.

**Nursing Services.** Queen Alexandra's Royal Naval Nursing Service, Queen Alexandra's Royal Army Nursing Corps, and Princess Mary's Royal Air Force Nursing Service.

**OCCAR: Organisation Conjoint de Cooperation en matiers d'ARmement.** An Administrative Arrangement established on 12th November 1996 by the Defence Ministers of France, Germany, Italy and the UK. Its aim is to provide more effective and efficient arrangements for the management of certain existing and future collaborative armament programmes.

**OECD: Organisation for Economic Co-operation and Development.** The OECD comprises 30 countries sharing a commitment to democratic government and the market economy. Its work covers economic and social issues from macroeconomics, to trade, education, development and science and innovation.

**Officer.** A member of the Armed Forces holding the Queen's Commission. Includes ranks from Sub-Lt/2<sup>nd</sup> Lt/Pilot Officer up to Admiral of the Fleet/Field Marshal/Marshal of the Royal Air Force. Excludes NCO's.

**Officer cadet.** An entrant from civil life to the officer corps of the Armed Forces.

**OGC: Office of Government Commerce.** An independent Office of the Treasury which aims to work with the public sector as a catalyst to achieve efficiency, value for money in commercial activities and improved success in the delivery of programmes and projects.

**Operating Cost Statement.** The statement in departmental resource accounts that shows the current income and expenditure on an accrual basis. It is similar to the profit and loss statement on commercial accounts. This is the Public Sector's equivalent of a commercial organisation's Profit and Loss Account.

**Operational TLBs.** The TLBs directly responsible for the planning and management of military operations and the delivery of front-line capability. They are CJO, CINCFLEET, STC, LAND and GOCNI. Operational personnel are those working in these TLBs plus some other small groups.

**OPG: Office of HM Paymaster General.** The Office of HM Paymaster General is part of HM Treasury. It is responsible for holding the working balances of Government Departments and other public bodies in accounts at the Bank of England and making them available to the National Loans Fund overnight to reduce the government's borrowing costs, and provides cash flow information to the Treasury.

**OSCE: Organisation for Security and Co-operation in Europe.** With 55 States drawn from Europe, Central Asia and America, the OSCE is the world's largest regional security organisation, bringing comprehensive and co-operative security to a region that stretches from Vancouver to Vladivostok. It offers a forum for political negotiations and decision-making in the fields of early warning, conflict prevention, crisis management and post-conflict rehabilitation, and puts the political will of the participating States into practice through its unique network of field missions.

**Other Ranks.** Members of the Royal Marines, Army and Royal Air Force who are not officers. The equivalent group in the Royal Navy is known as "Ratings".

**Outflow** Those leaving the Armed Forces or Civil Service for any reason. Those who rejoin and then leave again will be counted twice if the time period includes both exit dates.

**Outturn** and **estimated outturn** describe expenditure actually incurred, or estimated on the basis of actual expenditure to date.

**Part-time.** Civil servants working fewer than 37 hours a week (36 hours in London), excluding meal breaks.

**PCPF: Parliamentary Contributory Pension Fund.** The fund of the parliamentary pension scheme.

**PFI: Private Finance Initiative.** A system for providing capital assets for the provision of public services. Typically, the private sector designs, builds and maintains infrastructure and other capital assets and then operates those assets to sell services to the public sector. In most cases, the capital assets are accounted for on the balance sheet of the private sector operator.

**PPA: Pay and Personnel Agency.** Provides pay and personnel administration services for MoD's Civil Servants.

**PPA: Performance Partnership Agreement.** An agreement between the Cabinet Secretary (the Head of the Civil Service) and the Permanent Under Secretary of the Ministry of Defence which forms the single, agreed vision of how the Ministry of Defence needs to develop to meet the challenges it faces, and the priority actions that need to be taken to achieve that vision.

**PPP: Public Private Partnership.** An initiative through which the private sector is involved in the delivery of public services by providing management and service delivery expertise and sometimes the provision of assets. Improved value for money is the essential prerequisite, with better quality of service provision a highly desirable addition. It is delivered through several mechanisms including Private Finance Initiative, Partnering, Wider Markets Initiative and Contractor Logistic Support.

**PSA: Public Service Agreement.** An agreement between HM Treasury and each Government Department setting out each department's aim, objectives and key outcome-based targets. They form an integral part of the spending plans set out in Spending Reviews.

**PSI: Proliferation Security Initiative.** The Proliferation Security Initiative is a global effort that aims to stop shipments of weapons of mass destruction, their delivery systems, and related materials worldwide. It was announced by President Bush on May 31, 2003.

**PSG: Professional Skills for Government.** Professional Skills for Government is a key part of the Government's Delivery and Reform agenda. It is a major, long-term change programme designed to ensure that civil servants, wherever they work, have the right mix of skills and expertise to enable their Departments or agencies to deliver effective services.

**PTC: RAF Personnel and Training Command.** The Top Level Budget organisation managed by the RAF's Principal; Personnel Officer, the Air Member for Personnel. PTC provides trained personnel to Strike Command and other TLBs.

**PUS: Permanent Under Secretary.** PUS is the Government's principal Civilian advisor on Defence and has the primary responsibility for Policy, Finance, Management and Administration in the department. He is the MoD Accounting Officer reflecting his responsibility to the Secretary of State for the overall organisation, management and staffing of the department and financial procedures and other matters. He is personally accountable to Parliament for the expenditure of all public money voted for defence purposes and chairs the Defence Management Board.

**PVR: Premature Voluntary Release.** Those who leave the Armed Forces voluntarily before the end of their agreed engagement or commission period are said to leave on PVR or VR (Voluntary Release).

**QARNNS: Queen Alexandra's Royal Naval Nursing Service.** The Royal Navy's internal nursing service.

**QinetiQ.** A defence technology and security company, formerly part of DERA, partially owned by the MoD.

**RAB.** Resource Accounting and Budgeting.

**RAF:** The Royal Air Force.

**Rank.** Grade within the Military structure.

**Ratings.** Junior military personnel in the Royal Navy.

**Real terms** figures are amounts adjusted for the effect of general price inflation relative to a base year, as measured by the GDP market price deflator.

**Regiment.** A formed unit of personnel sharing a common identity and area of expertise, carrying the spirit of the people who have gone before.

**Regular Reserves.** Former members of the UK regular forces who have a liability for service with the Reserve forces. Includes the Royal Fleet Reserve, Army Reserve and Royal Air Force Reserve as well as other individuals liable to recall.

**RES: Race Equality Scheme.** The MoD Race Equality Scheme sets out how the Department is fulfilling its obligations under the Race Relations (Amendment) Act 2000.

**Resource Accounting.** The accounting system that will henceforth be used to record expenditure in the departmental accounts instead of cash accounting. It applies generally accepted accounting practice (GAAP) used in private industry and other Government departments to departmental transactions. Spending is measured on an accruals basis.

**Resource Budget.** The sum of a department's resource Departmental Expenditure Limit and resource Annually Managed Expenditure. It is the budget for current expenditure on an accruals basis.

**Resource budgeting.** The budgeting regime adopted for the spending plans set in the 2000 Spending Review. It is derived from resource accounting rules, but there are several differences in treatment between resource accounts and resource budgets.

**RFA: Royal Fleet Auxiliary Service.** The civilian manned fleet, owned by the Ministry of Defence. Its main task is to supply warships of the Royal Navy at sea with fuel, food, stores and ammunition which they need to remain operational while away from base. It also provides aviation support for the Royal Navy, together with amphibious support and secure sea transport for Army units and their equipment. Its employees are full-time civil servants, but who come under the Naval Discipline Act when deployed to sea under naval command.

**RfR: Request for Resources.** An accruals-based measure of current expenditure which forms part of a Resource Estimate. It represents the basic unit of Parliamentary control.

**RM: Royal Marines.** Sea-going soldiers who are part of the Naval Service.

**RMR: Royal Marines Reserve.** The volunteer reserve service of the Royal Marines. See **Volunteer Reserves**.

**RN: Royal Navy.** The sea-going defence forces of the UK, including ships, submarines, Naval aircraft and their personnel, and Queen Alexandra's Royal Naval Nursing Service, but excluding the Royal Marines and the Royal Fleet Auxiliary Service (RFA).

**RNAS: Royal Naval Air Station.** An air base operated by the Fleet Air Arm.

**RNR: Royal Naval Reserve.** The volunteer reserve service of the Royal Navy. See **Volunteer Reserves**.

**RO-RO Shipping.** Ships designed to allow cargo, such as vehicles, to be loaded by being rolled instead of lifted, often with a drive-through concept with bow and stern doors. It is commonly used in the in the ferry trades to transport cars and goods vehicles, but also used to transport military vehicles.

**RPC: Regional Prime Contracts.** Five regionally-based contracts for the provision of construction and maintenance services on the Defence Estate across Great Britain, where stand-alone arrangements are not appropriate. The objective of Regional Prime Contracting is to achieve better long-term value for money through improved Supply Chain Management, incentivised payment mechanisms, continuous improvement, economies of scale, and partnering.

**RRUs: Regional Rehabilitation Units.**

**SALW: Small Arms and Light Weapons.** Personal weapons, such as pistols, rifles and light machine guns.

**SC: Supply Chain.**

**SCS: Senior Civil Service.** The senior management of the Civil Service.

**SDR: Strategic Defence Review.** The Defence Review conducted in 1997-98 which reassessed Britain's security interests and Defence needs and set out objectives designed to enhance the Armed Forces.

**SEC: Service Executive Committees.** The three committees that conduct the day-to-day business of managing the Services on behalf of the Admiralty, Army and Air Force Boards. They bring together, under the Chief of Staff, the Service's operational and personnel commanders, to support the Chief of Staff in his executive role, his management and operational advisory roles, and as the professional head of his Service. See Navy Board, The Executive Committee of the Army Board; and The Air Force Board Standing Committee.

**Senior Non-commissioned officer.** Senior members of the Ratings/Other Ranks, including Warrant Officer (all classes), Charge Chief Petty Officer, Chief Petty Officer, Colour sergeant, Staff Sergeant, Flight Sergeant/Chief Technician, Petty Officer, Sergeant.

**SFA: Service Family AccomMoDation.** Housing for service personnel with families.

**SFOR: NATO Stabilisation Force.** The International NATO led peacekeeping force, responsible for security in the Balkans, before handing over to EUFOR in December 2004.

**SIC: Statement of Internal Control.** The formal statement in the resource Accounts by the Accounting Officer, that effective systems are in place for managing the organisation.

**SIT: Science Innovation and Technology.** The Top Level Budget organisation managed by the Chief Scientific Advisor providing science and technology advice and solutions.

**SLAM: Single Living Accommodation Modernisation.** A project to raise the standard of single living accommodation for service personnel by delivering over 30,000 new or refurbished bed-spaces from 2003-2013.

**Smart Acquisition.** Smart Acquisition is a policy which aims to acquire Defence capability faster, cheaper, better and more effectively integrated. The objectives of Smart Acquisition are to deliver and sustain defence capabilities within the performance, time and cost parameters approved at the time the major investment decisions are taken; to acquire defence capabilities progressively, at lower risk; to optimise trade-offs between military effectiveness, time and whole life cost are maximised; and to cut the time for (key) new technologies to be introduced into the frontline, where needed to secure military advantage and industrial competitiveness.

**SNM: Special Nuclear Materials.** Plutonium, uranium-233, or uranium enriched in the isotopes uranium-233 or uranium-235.

**Sovereign Base Areas.** The UK Overseas Territory in Cyprus, which is the joint responsibility of the Foreign and Commonwealth Office and the Ministry of Defence.

**SS: Small Scale.** Operational deployment of battalion size or equivalent.

**SSRB: Senior Salaries Review Body.** The independent body advising the Government on Senior Civil Service pay.

**SSSI: Sites of Special Scientific Interest.** Protected sites of particular environmental and scientific importance, including wetlands, rivers, heathlands, meadows, beaches, moorland and peat bog. The Defence Estate contains 289 SSSIs.

**STC: Strike Command.** The RAF's operational Top Level Budget organisation, providing aircraft and trained aircrews to CJO.

**TLB: Top Level Budget.** The major organisational grouping of the MoD. There are three types: "Operational", "Military Support" and "HQ and other support". Operational TLB's include, CINCFLEET, GOCNI, LAND COMMAND, STC, and CJO. Military Support TLB's comprise the PPO's of the three Services (2SL/CNH, AG, and PTC) and the DLO. Other TLB's are Central, Defence Estates, the DPA, Science, innovation and Technology.

**TNA: The National Archives** is responsible for looking after the records of central government and the courts of law, and making sure everyone can look at them.

**Trading Fund.** Trading Funds were introduced by the Government under the Trading Funds Act 1973 as a 'means of financing trading operations of a government department which, hitherto, have been carried out on Vote'. They are self-accounting units that have greater freedom, than other government departments, in managing their own financial and management activities. They are also free to negotiate their own terms and conditions with their staff and for this reason their grading structures do not always match that of the rest of the Ministry, and this is reflected in some of the tables. MoD Trading Funds are ABRO, DARA, DSTL, the Meteorological Office, and the UK Hydrographic Office.

**UAV: Unmanned Aerial Vehicle.**

**UKAEA: United Kingdom Atomic Energy Authority.** A non-departmental public body, responsible to the Department of Trade and Industry. Its primary task today is managing the decommissioning of its nuclear reactors and other radioactive facilities used for the UK's nuclear research and development programme in a safe and environmentally responsible manner and to restore its sites for conventional use.

**UKHO: UK Hydrographic Office.** A trading fund agency of the MoD responsible for surveying the seas around the UK and elsewhere to aid navigation.

**UOR: Urgent Operational Requirement.** Additional capability requirements for specific operations met using a streamlined version of the Department's normal procurement procedures. This provides speedy and flexible procurement of capabilities.

**UNFICYP:** The United Nations Mission in Cyprus

**VAT: Value Added Tax.**

**VAW: Veterans Awareness Week.** A week to raise the profile of veterans. The first took place in July 2005.

**VCDS: Vice Chief of the Defence Staff.** The deputy to the Chief of the Defence Staff. Joint head of the Central Top Level Budget organisation with the 2<sup>nd</sup> PUS, and a member of the Defence Council, Defence Management Board, Chiefs of Staff Committee and Investment Approvals Board.

**Veterans Agency.** Formerly the War Pensions Agency. Responsible for veterans' affairs, including war and service pensions, service records, military graves, medals and welfare issues.

**VFM: Value for Money.**

**Voluntary Release.** See **Premature Voluntary Release.**

**Volunteer Reserves and Auxiliary Forces.** Civilian volunteers who undertake to give a certain amount of their time to train in support of the Regular Forces. Includes the Royal Naval Reserve, the Royal Marines Reserve, Territorial Army and the Royal Auxiliary Air Force. Does not include Royal Fleet Auxiliary Service (RFA). Some Volunteer Reservists undertake (paid) Full-Time Reserve Service.

**VOP: Variation of Price.** A contractual provision providing for variation in contract prices if inflation over the period of the contract falls outside defined bands.

**Vote.** An individual Supply Estimate by Parliament. Replaced by Requests for Resources since the introduction of Resource Budgeting in 2001, except for Votes A setting maximum numbers of personnel to be maintained by the Armed Forces.

**WAN: Wide Area Network.** A computer network covering a large geographic area, such as the internet or a network of bank cash dispensers.

**War Pensions Agency.** See **Veterans Agency.**

**WEAG: Western European Armaments Group.** A group of European countries established in 1993 with the objective of more efficient use of resources through, inter alia, increased harmonization of requirements; the opening up of national defence markets to cross-border competition; to strengthen the European defence technological and industrial base; and cooperation in research and development. The group closed in May 2005 with many of its activities now undertaken by the European Defence Agency.

**WPB: War Pensions benefits.** A non-contributory financial benefit paid to people who have been disabled as a result of conflict, or to dependants of those killed in conflict.

# INDEX

Summary of Progress against Spending Review 2002 Public Service Agreement Objectives and Targets .....	12
2004 Spending Review.....	56
Accountability to Parliament .....	201
Accounts.....	125
<i>Operating and Financial Review</i> .....	131
<i>Statement of Accounting Officers Responsibilities</i> .....	133
<i>Statement of Internal Control</i> .....	134
<i>The Certificate of the Comptroller and Auditor General to the House of Commons</i> .....	137
<i>Report of the Comptroller and Auditor to the House of Commons</i> .....	125
<i>The Accounting Schedules</i> .....	139
<i>Notes to the Accounts</i> .....	147
Activity and Concurrency Levels of Armed Forces .24	
<i>Army</i> .....	25
<i>Royal Air Force</i> .....	25
<i>Royal Navy</i> .....	25
<i>Number and Scale of Contingent Operations</i> .....	26
Acquisition Reform .....	103
<i>Key Supplier Management and Improved Performance Measurement</i> .....	103
<i>Main Gate Submissions to Investment Approvals Board</i> .....	103
Advertising.....	222
Afghanistan.....	21
Agency Performance .....	210
Agency Organisational Changes .....	211
Analysis of income payable to the Consolidated Fund .....	159
Balance Sheet .....	142
Balkans.....	22
Battlespace Manoeuvre.....	225
Better regulation .....	222
Bill Payment.....	218
Capital commitments .....	176
Career Satisfaction .....	85
<i>Civilian Personnel</i> .....	86
<i>Performance Pay</i> .....	86
<i>Service Personnel – Army</i> .....	85
<i>Service Personnel – RAF</i> .....	86
<i>Service Personnel – RN</i> .....	85
Cash at Bank and in Hand .....	172
Cash Flow Statement .....	144
Change and Development.....	109
<i>Efficiency Gains</i> .....	109
<i>Modernisation of the Armed Forces</i> .....	109
Chief of Staff Committee .....	205
Civil Emergency Response .....	38
Civilian Recruitment.....	66
Civilian Manpower .....	65
<i>Civilian Contribution to Operations</i> .....	65
<i>Civilian Employment</i> .....	65
<i>Civilian Post Reduction</i> .....	66
<i>Civilian Progression</i> .....	67
<i>Civilian Recruitment</i> .....	66
<i>Civilian Skills Shortages Programme</i> .....	66
<i>Civilian Staff Sickness Absence</i> .....	67
<i>Managing Sickness Absence</i> .....	67
<i>Recruitment of all permanent and temporary (casual) civilian personnel including Trading Fund</i> .....	66
<i>Royal Fleet Auxiliary Service</i> .....	65
<i>Staff Numbers</i> .....	65
Civilian Personnel Developments .....	118
<i>Investors in People (IIP)</i> .....	118
<i>People Programme</i> .....	118
Civilian Training .....	92
<i>People Portal on Defence Information Infrastructure Skills Champions</i> .....	92
Civilian Training Initiatives .....	93
Collaborative Procurement .....	225
Communicating the Work of the Department .....	79
<i>Freedom of Information Act</i> .....	79
<i>Work with public, schools and exhibition events</i> .79	
Conflict Prevention and Defence Diplomacy .....	37
<i>Economic Community of West African States</i> .....	37
<i>Global and Africa Conflict Prevention Pools</i> .....	37
<i>International Humanitarian Law</i> .....	38
<i>Post Conflict Reconstruction</i> .....	38
<i>Security Sector Development Advisory Team</i> ....	37
<i>Small Arms and Light Weapons</i> .....	38
Contingent Liabilities and Contingent Assets .....	180
<i>disclosed under FRS12</i> .....	180
<i>not required to be disclosed under FRS12</i> .....	181
Counter Proliferation and Arms Control .....	38
<i>Biological Arms Control</i> .....	39
<i>Chemical Arms Control</i> .....	39
<i>Conventional Counter Proliferation and Arms Control</i> .....	39
<i>Export Controls</i> .....	40
<i>Domestic Export Licence Applications by British Industry</i> .....	40
<i>North Korea and Iran</i> .....	39
<i>Nuclear Arms Control</i> .....	39
<i>Proliferation Security Initiative</i> .....	40
Counter-Terrorism Policy .....	38
<i>Civil Emergency Response</i> .....	38
Creditors .....	173
<i>amounts falling due within one year</i> .....	173
<i>amounts falling due after more than one year</i> .174	
Crisis Response Operations: Cote D'Ivoire and Tsunami Relief .....	23
Debtors .....	171

Defence Budget and Spending .....	53	<i>Interdepartmental Working Group on</i>	
<i>Additional Resources for Operations</i> .....	53	<i>Childcare Provision</i> .....	70
<i>Government Departmental expenditure limits</i> .....	54	<i>Race Equality Scheme</i> .....	67
<i>Expenditure Plans 2004/05 to 2005/06</i> .....	53	<i>Recruiting</i> .....	67
<i>Further Potential Losses</i> .....	55	<i>Service Equal Opportunities/Diversity</i> .....	68
<i>Losses and Write-Offs</i> .....	55	DLO Stakeholders .....	98
<i>MoD expenditure summary against</i>		<i>Defence Procurement Agency</i> .....	99
<i>primary PSA objectives</i> .....	54	<i>Front line Commands</i> .....	98
Defence Change Programme.....	109	<i>Industry</i> .....	99
<i>Business Management System</i> .....	111	Efficiency Programme .....	113
<i>Defence Change Programme Board</i> .....	109	<i>Efficiency Delivery Board</i> .....	113
<i>DII Programme</i> .....	110	<i>MoD's Efficiency Technical Note</i> .....	113
<i>Enabling Infrastructure</i> .....	110	Entities within the Departmental Boundary .....	197
<i>Head Office Modern Environment</i>		Equipment Disposals .....	99
<i>and Headquarters Collocation</i> .....	110	Estates Management .....	73
<i>&gt;home programme success</i> .....	111	<i>2004 Customer Attitude Survey</i>	
<i>Managing People</i> .....	110	<i>DE Results Estates</i> .....	74
<i>Other programmes</i> .....	111	<i>Estates Disposals</i> .....	73
<i>Service review of Headquarters and</i>		<i>Lyons Review</i> .....	73
<i>Top Level Budget organisations</i> .....	111	<i>Management of Housing</i> .....	74
Defence Council .....	205	<i>Maintenance of the Estate</i> .....	72
Defence Estate .....	72	<i>Modernise SLA Projects in Scotland,</i>	
<i>Defence Estates</i> .....	72	<i>Northern Ireland and overseas</i> .....	72
<i>The Overseas Estate</i> .....	72	<i>NAO Report on Housing Overseas</i> .....	74
Defence Equipment Programme and		<i>Prime Contracts</i> .....	74
Collaborative Procurement .....	225	<i>Prime Contract for Housing in England</i>	
Defence Exports.....	105	<i>and Wales Progress made in 2004-05</i> .....	74
Defence in the Wider Community .....	45	<i>Project Aquatrine</i> .....	74
<i>Public Partnership Agreement</i> .....	45	<i>Project MoDEL</i> .....	73
Defence Management Board .....	205	<i>Project SLAM</i> .....	72
Defence Procurement Agency.....	99	<i>Rationalisation</i> .....	73
Defence Relations in Sub-Saharan Africa.....	43	<i>Service Family Accommodation</i> .....	73
Defence Training Initiatives.....	116	<i>Single Living Accommodation</i> .....	72
<i>Defence e-learning Delivery</i> .....	116	<i>Through-life Value for Money (VFM) efficiencies</i> .....	74
<i>Duty of Care and Welfare in Initial Training</i> .....	116	Evidence to House of Commons	
<i>Joint Personnel Administration</i> .....	118	Defence Committee .....	201
<i>Progress</i> .....	116	Evidence to Select Committees of House of	
<i>Rationalisation of Specialist Training</i> .....	116	Commons and House of Lords .....	203
<i>Professionalism of our People</i> .....	119	Evidence to Public Accounts Committee .....	204
Deterrence and Defence .....	40	Financial Commitments .....	177
<i>Chemical Biological Radiological</i>		Financial Instruments .....	189
<i>and Nuclear Defence Deterrence</i> .....	40	Force Capability Changes .....	112
<i>Missile Defence</i> .....	41	<i>Force Structure Changes</i> .....	112
<i>NATO Feasibility Study into</i>		<i>Force Structure Changes – RN</i> .....	112
<i>Missile Defence for NATO territory</i> .....	41	<i>Force Structure Changes – Army</i> .....	112
Diversity .....	67	<i>Force Structure Changes – RAF</i> .....	113
<i>Buddhist Hindu Muslim and</i>		<i>Progress since 'Future Capabilities'</i>	
<i>Sikh chaplain appointments</i> .....	69	<i>announcement</i> .....	112
<i>Civilian Equal opportunities</i>		Fraud .....	218
<i>and Diversity</i> .....	69	Future Capability .....	121
<i>Diversity Communications Strategy and Plan</i> .....	70	<i>SIT support of Future Capability</i> .....	121
<i>Ethnic Minority Representation in Armed Forces</i>	68	Glossary .....	229
		Government Standards .....	218

Harmony Guidelines .....	85	European Defence Agency .....	36
<i>Army position</i> .....	85	<i>Programme to Modernise</i>	
<i>Operation Pinch Point Working Group</i> .....	85	<i>Central Administration</i> .....	35
<i>RN and RAF position</i> .....	85	<i>NATO Response Force</i> .....	35
Head Office .....	207	<i>NATO Summit at Istanbul</i> .....	35
Health: Improving Clinical Support.....	46	<i>United Nations</i> .....	36
<i>Health Concordat between MoD and DH</i> .....	46	Net interest payable.....	160
Improving Logistic Efficiency		Networked Enabled Capability .....	122
and Effectiveness .....	97	<i>Current major programmes</i> .....	122
ABRO .....	97	<i>Sharing Information within the Armed Forces</i> ..	122
<i>Defence Logistics Organisation Restructuring</i> ...	98	<i>Significant achievements during 2004-05</i> .....	123
<i>Defence logistics Organisation Strategic Plan</i> ...	98	Non-operational Heritage Assets .....	196
<i>Defence Logistics Transformation</i> .....	97	Notes to Schedule 5.....	185
<i>Improved Logistics delivery</i> .....	97	On-vote agencies .....	211
<i>Op TELIC Supply Chain (SC)</i> .....	98	Open Government.....	219
<i>Savings in Operating Cost</i> .....	97	Operating Cost Statement.....	142
<i>Whole Fleet Management Programme</i> .....	98	Operating income .....	159
In-year Delivery of Logistic Support.....	96	Organisation and Management of Defence .....	205
<i>Logistic Recuperation</i> .....	97	Other Military Tasks.....	23
<i>Logistic Sustainability and Risk Management</i> ....	97	<i>Independent Nuclear Deterrent</i> .....	23
<i>Performance against Customer</i>		<i>Security to Overseas Territories</i> .....	23
<i>Supplier Agreements</i> .....	96	Other Operating Costs .....	158
<i>Supporting Operations</i> .....	96	Perceptions of Defence.....	79
Information Superiority .....	227	Performance Management Systems .....	208
Intangible Assets .....	161	Post Balance sheet events .....	184
Internal Communication .....	79	Precision Attack.....	226
<i>Communication Channels</i> .....	80	Private Finance Initiative .....	104
Investments .....	165	Private Finance Initiative Commitments .....	177
Iraq .....	19	Procurement Performance .....	101
<i>Civilians</i> .....	21	<i>Deliveries and Key contracts placed</i> .....	101
<i>Lessons Learnt Programme</i> .....	21	<i>DPA Forward</i> .....	103
<i>Iraqi Security Forces</i> .....	20	<i>DPA Key Target Performance against</i>	
<i>Reconstruction</i> .....	20	<i>2002 Spending Review</i> .....	102
<i>Reserves</i> .....	21	<i>Key Targets</i> .....	102
Joint Civilian Military Training .....	92	<i>NAO Report on procurement programmes</i> .....	103
<i>Acquisition Leadership Development Scheme</i> ...	92	<i>Urgent Operational Requirements</i> .....	103
<i>Defence Academy</i> .....	92	Provisions for liabilities and charges .....	174
Joint Rapid Reaction Forces.....	30	Purpose .....	19
<i>JFHQ tempo of operational and training</i>		QinetiQ .....	216
<i>activity</i> .....	30	Quality of Our Equipment.....	106
<i>JRRF level of commitment</i> .....	30	Readiness.....	29
Logistic Support .....	96	<i>Army Readiness</i> .....	30
Losses and Special Payments .....	190	<i>NAO Report</i> .....	30
Military Aid to the Civil Authorities.....	23	<i>RAF Readiness</i> .....	30
<i>Counter Drugs Operations</i> .....	24	<i>Reporting no critical or serious weakness</i> .....	29
<i>Fisheries Protection</i> .....	24	<i>RN Readiness</i> .....	30
<i>Northern Ireland</i> .....	23	Readiness Reporting System.....	32
<i>Op FRESCO Zulu II</i> .....	24	Reconciliation of Net Operating Cost to	
<i>Search and Rescue</i> .....	24	Control Total and Net Resource Outturn.....	160
Ministerial Correspondence.....	220	Related Party Transactions .....	169
MoD as a Business Owner.....	58		
NATO, European Defence and			
the United Nations.....	35		
<i>Civil/Military Cell</i> .....	36		
<i>ESDP</i> .....	35		

Reputation among Service and Civilian Personnel .....	80	Service Personnel Plan .....	116
Reputation among UK Public .....	79	Service Training .....	90
Reserves (financial) .....	176	Sixtieth Anniversaries of the end of the Second World War .....	49
Reserves Manpower .....	63	Spending Review 2004 PSA Targets .....	200
<i>Civil Contingency Reaction Force (CCRF)</i> .....	65	Sponsorship .....	221
<i>Future Role and Shape of Reserves</i> .....	65	Staff numbers and costs .....	152
<i>Improve Support to Reserves</i> .....	65	Statement of Accounting Policies .....	147
<i>Types and Structure</i> .....	64	Strategic Control .....	205
Resource Outturn .....	139	Stocks and Work in Progress .....	150
Resources by Departmental Aim and Objectives ..	146	Structure of Service Training .....	94
Safety Health Environment and Fire .....	222	Sustainable Development in Defence .....	75
Science and Technology .....	121	Sustainability and Deployability .....	31
<i>Defence Technology Centres (DTCs) and Towers of Excellence</i> .....	122	<i>Logistics: moving equipment, personnel and supplies</i> .....	31
<i>Our successes</i> .....	122	<i>Logistic Sustainability and Deployability Audits</i> ..	31
<i>Research procurement</i> .....	121	Tangible fixed assets .....	148
<i>The Science and Tecnology Organisation</i> .....	121	Top Level Budgets and Agencies .....	207
Secretary of State and Ministers .....	205	Trading Funds .....	213
Segmental Analysis of Net Resource		UN Peacekeeping Operations .....	23
Outturn by TLB Holders .....	187	Veterans: Support for Ex-Service Personnel .....	46
Service Boards .....	206	<i>Independent Epidemiological Study Strategy for Independent research programme</i>	
Service Collective Training .....	91	<i>1990-91 Gulf Conflict</i> .....	48
<i>Joint Collective and Exercise Policy</i> .....	91	<i>Veterans</i> .....	46
Service Executive Committees .....	207	<i>National Radiological Protection Board studies</i> ..	48
Service Individual Training .....	90	<i>Provision of Support to Veterans who need it</i> ..	47
<i>Basic Skills – Information and Computer Technology Fundamental Skills</i> .....	90	<i>Recognition and status of Veterans in society</i> ..	46
<i>Basic Skills – Literacy and Numeracy</i> .....	90	<i>Research programme (Op TELIC)</i> .....	47
<i>Common Military Skills</i> .....	90	<i>Retrospective Depleted Uranium screening programme</i> .....	48
<i>Defence Adult Basic Skills Implementation Group</i> .....	90	<i>Sixtieth anniversaries of the end of Second World War</i> .....	47
<i>Efficiency</i> .....	91	<i>Transition from Service to civilian life</i> .....	46
<i>Specialist Training</i> .....	91	<i>The Veterans Agency</i> .....	47
Service Manpower .....	60	<i>Veterans' Health Issues</i> .....	47
<i>Critical Shortage in Defence Medical Service</i> ..	62	Votes A Statement – Statement of Approved	
<i>Defence Mental Health Services</i> .....	63	Maximum Armed Forces Numbers .....	198
<i>Fast Track Access at Regional Rehabilitation Units</i> .....	63	Young People: Building Skills and Expectations ...	45
<i>Fast Track Programme 2004-05</i> .....	63	<i>Cadet Forces</i> .....	45
<i>Health of Service Personnel</i> .....	63	<i>Cadets Vocational Training Programme Improving Skills</i> .....	45
<i>Manning Levels</i> .....	60	<i>London 2012 Olympic Games</i> .....	46
<i>Overview against manning targets – RN</i> .....	60	<i>Social Inclusion and Personal Development</i> .....	45
<i>Overview against manning targets – Army</i> .....	60		
<i>Overview against manning targets – RAF</i> .....	60		
<i>Premature Voluntary Release</i> .....	62		
Service Personnel Developments .....	117		
<i>Operational Welfare Package</i> .....	117		
<i>Adaptability of Operational Welfare Package</i> ..	117		
<i>Pension and Compensation Reviews</i> .....	117		
<i>Pay As You Dine</i> .....	117		