



Ministry
of Defence

How Defence Works



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This document carries the full approval of the Secretary of State for Defence and the Defence Board. It is issued and controlled by the Defence Design Authority (D C-Strat).

While it should be considered authoritative, nothing in this document should discourage you from using common sense.

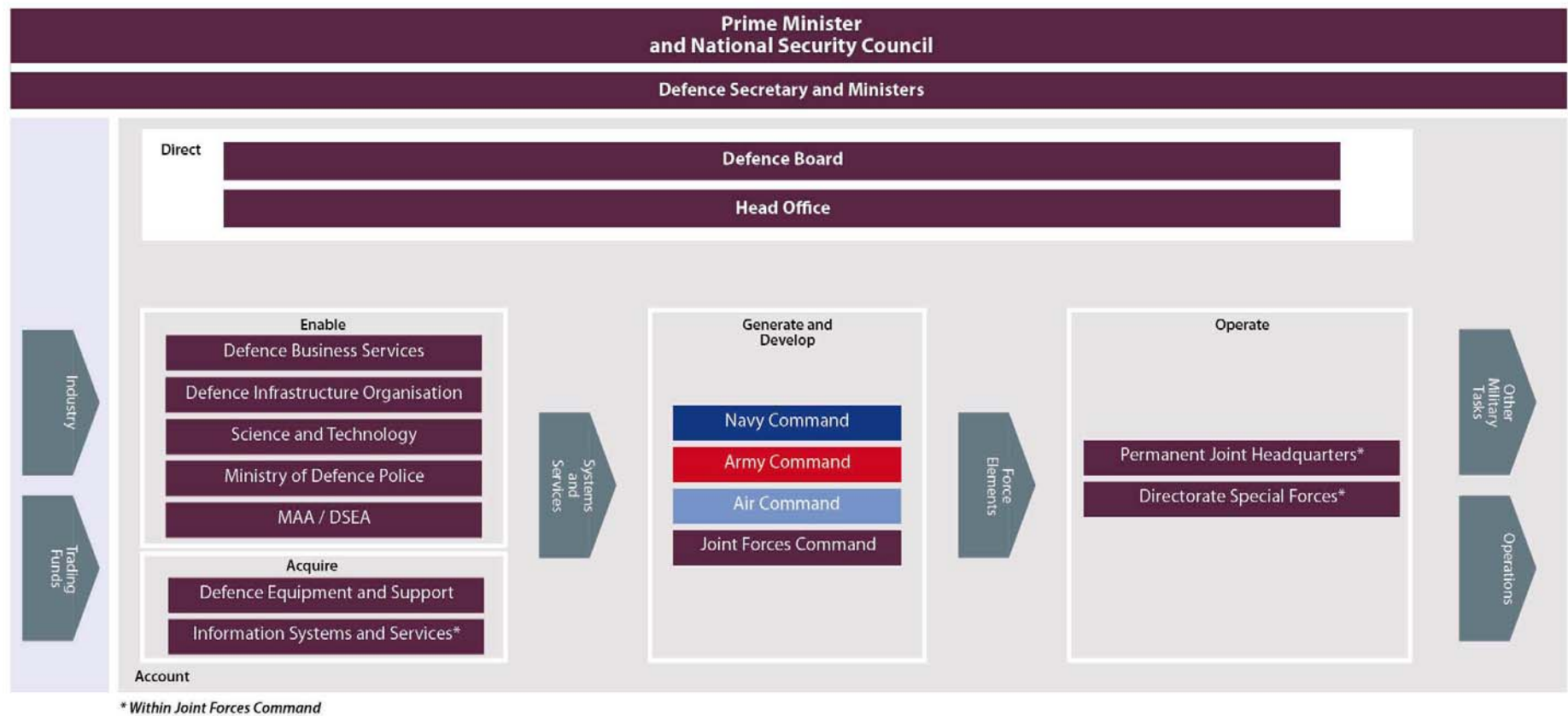


Figure 1: The Defence operating model

Introduction

1. Any large organisation needs both an operating model (the rules for how it works) and a control framework (the way in which it makes sure that it is meeting its business aims). 'How Defence works' brings these together into a single document carrying the full authority of the Defence Board.
2. 'How Defence Works' has gained Plain English Campaign's Crystal Mark (shown on the cover) because it needs to be understood by anyone with an interest in Defence, not just those who work in it. But it is much more than a description of how Defence works – it is direction that everyone in the department has to follow. Basically it is our core document – our 'constitution'. And, like a constitution, can only be amended through a formal process¹. And in line with our continued modernisation, 'How Defence Works' is best experienced using the online interactive version².
3. As well as routine updates, this version of 'How Defence Works' contains significant changes to the 'Acquire' section, and shows further developments around the status of the DE&S organisation. We have also added a new explanation of Defence's non-departmental public bodies and introduced the two new Defence Authorities (Acquisition and Operations).



Dr Roger Hutton
Director Corporate Strategy
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¹ Application to the Design Authority, Director Corporate Strategy.

² [The Defence Interactive Operating Model](#)

The operating model – making Defence work

4. Our operating model has its origins in Lord Levene's 2010 Defence Reform Review, and became fully operational on 1 April 2014. While we will continue to refine parts of the operating model, this is now the long-term basis on which we manage **Defence**.

Defence – what is it?

Defence covers all those matters that are the responsibility of the Secretary of State for Defence. In practice this means the business of the Secretary of State and his fellow ministers, of the Ministry of Defence as the department of state that supports them, and of the armed forces as constituted by an Act of Parliament.

5. The operating model is based on:

- simple structures;
- fair and transparent delegation of responsibility to those best able to deliver;
- strong organisational leadership, coupled with practical business skills;
- a culture of innovation and efficiency, removing needless process and flushing out bureaucracy; and
- joined-up corporate thinking and behaviour, placing the best interests of Defence at the heart of our business.

6. At the most basic level, Defence is made up of two things.

- A **Department of State**: the MOD is responsible for delivering defence. It is funded by and answers to Parliament, and to the Prime Minister, through the Secretary of State for Defence.
- The **armed forces**: the professional organisations delivering military capability.

7. The Department of State and the armed forces carry out **six 'core functions'** that:

- **direct** policy, military operations and our contribution to national security at the strategic level, as well as direct rules and standards applying to the whole organisation;
- **operate** our armed forces at home and overseas;
- **generate and develop** our armed forces so that they are ready for operations;
- **acquire** the equipment, systems and other items our armed forces need;
- **enable** and allow Defence to work properly by providing supporting services; and

- **account** for and report on defence activity and spending to Parliament and the public.

8. Defence is organised into **six 'Top Level Budgets' (TLBs)**:

- **Head Office and Corporate Services (HOCS)**, which is made up of the Head Office and a range of corporate support functions.
- The four **commands**:
 - Navy Command
 - Army Command
 - Air Command
 - Joint Forces Command
- The **Defence Infrastructure Organisation (DIO)**.

9. The head of each TLB – the 'TLB holder' – personally has to answer for the performance of their organisation. They have to deliver agreed outcomes as effectively, efficiently, safely, sustainably and economically as possible. They also have to protect regularity and propriety³; and stay within set financial limits (known as 'control totals').

10. Each TLB has a board chaired by the TLB holder. They decide on who will be members of the board. However, the Director of Resources must be a full and equal member of the board and there should be one – ideally two – non-executive members of the board. One non-executive should be from outside the department and the public sector, and should chair a TLB audit committee. The Defence Audit Committee chair must approve the appointment of new chairs to TLB audit committees.

11. Everyone in Defence should know what they are responsible for, and who they have to answer to. Authority should be given wherever possible, in writing to named individuals, who should confirm that they understand the nature and extent of their role.

12. To make sure that Defence operates in a safe, effective and joined-up way and sets clear responsibilities, we have set up a number of key roles.

- The '**defence authorities**'⁴ who set rules and standards to make sure they deliver a key function that cuts across Defence and which is critical to our outputs. A defence authority is formally appointed by the Permanent Under Secretary (PUS) and is held to account for how effective the function is, of how proportionate its rules are and its development in line with changes to regulation or changes to the strategic direction of Defence. TLBs must follow the direction provided by defence authorities which is set out in '**defence directives**'. We will assess that this is being done as part of the Defence Performance

³ 'Regularity' and 'Propriety' are HM Treasury terms which are explained in their 'Managing Public Money' guidance.

⁴ Replacing, but not directly comparable to, 'Process Owners'.

Framework and in an annual assurance report. You can find a full list of defence authorities in Annex B.

- The '**senior responsible owner**' who, on behalf of and appointed by PUS and TLB holders, is responsible for making sure that a specific programme meets its aims within agreed costs and timescales.
- The '**lead command**', which assumes a leading role for planning and delivering a change in capability that extends across more than one command.

13. You can see full terms of reference for each role in Annex A.

14. Some other important concepts of Defence are shown below.

- **Capability** – the combination of equipment, trained personnel and support that gives the armed forces the capacity to achieve the tasks they are given.
- **Force structure** – the way in which our armed forces and their equipment are organised into a clear set of 'capabilities'. The force structure that we plan for the future – 10 years from each Strategic Defence and Security Review – is known as the 'Future Force'.
- The **Defence Programme** – everything that we spend money on.
- '**Defence Lines of Development**' (DLODs), including training, equipment, personnel, information, doctrine and concepts, organisation, infrastructure and logistics. While the DLODs are not part of the operating model, they provide a useful summary of the range of factors that we need to consider when making decisions on capability and force structure.

15. Underpinning all of this are our people – regular and reserve service personnel, MOD civil servants, contractors and other civilians. Together these different groups form the '**whole force**' which delivers Defence outputs. Under the '**whole-force concept**' we aim to make sure we have the right mix of capable and motivated people now and in the future, and that people are managed as a strategic resource. As the **Defence Authority for People** the Chief of Defence Personnel (CDP) is responsible for setting and assuring policies and processes for people, including for training and education, to allow the TLBs to deliver a joined-up and effective whole-force capability.

The whole-force concept

The idea of a 'whole force' places human capability at the heart of our decision-making and makes sure that Defence outputs are delivered by the right mix of capable and motivated people now and in the future.

The control framework – making sure we succeed

16. To make sure we succeed, we have to know where we are heading and how we are doing in getting there. This means setting plans and holding individuals to account for meeting them (see the 'Direct' section below).

17. We focus in particular on managing **risk**, which begins by understanding our 'appetite' (or attitude) to risk, which is an expression of the types and amount of risk we are willing to accept while achieving our aims. We then monitor and report the risks we are taking against this benchmark. We need to take the right risks for the right benefits and returns, and take action to manage risks we do not want to be exposed to. The purpose of managing risk is not to make us afraid of risk – taking risks is something we must continue to do to succeed.

18. Our policy on managing risk defines the strategy, principles and requirements to manage risk effectively, as well as the governance, roles and responsibilities. We review this policy every year. We give specific strategic risks to individual 'risk owners', who are responsible for making sure they have appropriate structures, processes and activities in place to manage risk.

19. To make sure we are meeting our aims, we operate 'three lines of defence'.

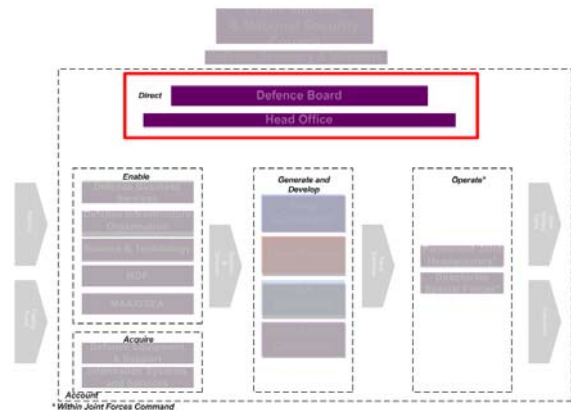
- First, the way the organisation controls and manages risk day-to-day.
- Second, the way we oversee our control framework so that it operates effectively, as set out in this document.
- Third, mainly through **audit**, we provide reasonable (not absolute) assurance to the PUS and Defence Board of the overall effectiveness of the control framework.

20. The control framework is present throughout 'How Defence Works', but is particularly relevant to the 'Account' section.

Direct – how we lead Defence

Head Office – leading Defence

21. **Head Office** leads Defence. It is a civilian-military organisation working to support ministers, the Permanent Under Secretary and Chief of Defence Staff. It does not get involved in the day-to-day management of TLBs (other than by appointing defence authorities). Head Office provides advice to Government and answers to Parliament (see 'Account' section below). It also:



- makes policy and sets strategy;
- plans and allocates resources;
- manages defence; and
- directs military operations at the strategic level.

Ministers and senior officials

22. The **Secretary of State for Defence** (SofS) is the Cabinet Minister ultimately responsible to Parliament for all elements of Defence. SofS makes defence policy and makes it possible for it to be carried out through the armed forces. SofS chairs the Defence Council and its service boards, and the Defence Board.

23. SofS is supported by a number of ministers⁵:

- Minister of State for the Armed Forces
- Minister of State for Defence Personnel, Welfare and Veterans
- Parliamentary Under Secretary of State and Minister for Defence Equipment, Support and Technology (including Defence Exports)
- Parliamentary Under Secretary of State and Minister for Reserves
- Parliamentary Under Secretary of State and the Lords Spokesman on Defence

24. Ministerial posts may change if the Prime Minister decides. SofS is responsible for defining their individual responsibilities and directing the Ministerial team.

25. The main senior officials in Head Office are shown below.

⁵ You can find a full description of ministerial responsibilities at: <https://www.gov.uk/government/organisations/ministry-of-defence>

- **The Permanent Under Secretary (PUS)**, who is the head of the Department of State, leads on policy advice to ministers and is responsible for overseeing a balanced financial position.
- **The Chief of Defence Staff (CDS)**, the main military advisor to the Government and the main military voice on the Defence Board. As the military strategic commander, CDS is responsible for how operations are carried out.
- **The Vice Chief of the Defence Staff (VCDS)**, who is CDS' deputy for operational matters and acts as the Chief Operating Officer for the armed forces element of our business.
- **DG Finance**, who – to support stronger financial management across defence – has increased authority which he can use in his membership of the Defence Board. He owns the control framework, chairs the Investment Approvals Committee and shares line management of the TLBs' Directors of Resources with the TLB holder.

26. The Head Office is structured around three important 3* groupings.

- **Security Policy and Operations** jointly led by DG Security Policy (DG Sec Pol) and the Deputy Chief of the Defence Staff for Military Strategy and Operations (DCDS (MSO)).
- **Finance and Military Capability** jointly led by DG Finance and the Deputy Chief of the Defence Staff for Military Capability (DCDS (Mil Cap)).
- **People** led by Chief of Defence Personnel (CDP).

The star system

We use the 'star system' to talk about senior positions, whereby 4* equals the PUS or Chief rank; 3* the Director General, Vice Admiral, Lieutenant General or Air Marshal; 2* the Director, Rear Admiral, Major General or Air Vice Marshal; and 1* the Deputy Director, Commodore, Brigadier or Air Commodore.

27. **Director General Head Office and Commissioning Services (DG HO&CS)** **answers** to PUS for leading the work to improve how we manage Head Office, and governance of the Department's main arms-length bodies which include Defence Equipment & Support, DIO, Defence Business Services and the Trading Funds.

28. The main parts of the role are to:

- drive forward improvements to how Head Office operates in directing the rest of Defence and managing some of the corporate services in Head Office;
- make sure there is an effective and efficient commissioning and governance relationship with our main arm's-length bodies (ALBs); and
- continue to improve the way the new Defence Operating Model is embedded within the organisation and make sure we continue to benefit from its delivery and display the right processes and behaviours.

The top committees

29. The **Defence Council** provides the **formal legal basis** for Defence in the UK through a range of powers over the armed forces and, in particular, their command and administration. Parliament (through an Act of Parliament) and the Queen (through 'Letters Patent', and known as prerogative powers) give the Defence Council this power. The Defence Council does not take part in the strategic direction and oversight of Defence, which is provided by the Defence Board. The members of the Council are decided by the Letters Patent, which provide for it to be chaired by SofS. This is to reflect the constitutional principle that the armed forces are commanded by a Member of Parliament as a representative of the people. Its other members are the other Defence Ministers, CDS, PUS, VCDS, single-service chiefs of staff, Chief Scientific Advisor (CSA), Commander Joint Forces Command (Comd JFC), DG Finance and the Chief Executive of the DE&S (CE DE&S).

30. The Letters Patent state that the Council must have **three service boards** (the Admiralty Board, the Army Board and the Air Force Board), chaired by SofS, to whom the administration and command of the Royal Navy, Army and Royal Air Force are passed. The service boards each meet every year for the Service Chief to report to SofS on the health of their service.

31. The **Defence Board** is our senior organisation in Defence and the main decision-makers for non-operational matters. It is chaired by SofS, and also includes the Minister for the Armed Forces (who deputises when SofS is not present), PUS, CDS, VCDS, CE DE&S, Chair of DE&S, the DG Finance and four positions for non-executive board members (NEBMs), one of whom acts as our lead non-executive. It meets every month, and advises and helps the SofS and PUS in their duties, mainly by overseeing how we are managed, including strategy, performance, risk and plans.

32. The Defence Board is supported by three subcommittees.

- The **Investment Approvals Committee** (IAC), our senior organisation responsible for considering major investment proposals on behalf of the Defence Board. On particularly expensive, complicated, innovative, risky or contentious projects, the IAC makes recommendations to ministers. The IAC decides other cases itself or passes those decisions to a level consistent with the value or nature of the proposal. Investment decisions for smaller projects are given to the Director of Resources in each TLB (each of whom reports to DG Finance as well as to their TLB holder). DG Finance chairs the IAC, taking decisions or making recommendations (or both) in light of their advice. The other members are VCDS, CE DE&S, CSA, Director Corporate Commercial and Director Central Legal Services.
- The **Defence Audit Committee** (DAC) reviews and challenges the adequacy of internal controls and processes to deal with managing risk across Defence. The DAC is chaired by one of the NEBMs, supported by other NEMs.
- The **People Committee** supports the Board in overseeing appointments and the processes for managing the careers of senior military officers and senior

civil servants, including managing talent, behaviour and incentives. The committee is chaired by one of the Defence Board's NEBMs, who is supported by PUS and CDS.

33. The **Chiefs of Staff** (COS) Committee is the main forum through which CDS aims to gather the collective military advice of the service chiefs on operations and through which CDS is responsible for preparing and carrying out military operations. The COS Committee has seven full members (CDS, PUS, VCDS, the Chief of the Naval Staff (CNS), Chief of the General Staff (CGS), Chief of the Air Staff (CAS) and Comd JFC). It is routinely attended by other relevant senior MOD officials and other specialist advisors, including representatives from the Cabinet Office, the Foreign and Commonwealth Office, the Department for International Development, and the security and intelligence agencies. The frequency of the COS Committee meetings depends on the level of operational activity.

34. The **Armed Forces Committee** (AFC) allows CDS to gather the views of the chiefs in preparing military advice to ministers and the Defence Board on matters other than operations. CDS (supported by VCDS) also uses the committee to pass on the decisions of the Board to the armed forces. The AFC meets every month, including before meetings of the Defence Board. The members are Chief of Defence Staff, Vice Chief of Defence Staff, Chief of the Naval Staff, Chief of the General Staff, Chief of the Air Staff, Commander Joint Forces Command (Comd JFC) and Chief Executive of Defence Equipment & Support.

35. The **Defence Strategy Group** (DSG) supports the PUS and CDS in formulating advice on defence strategy. In particular, the group oversees our preparations for, and supports decision-making through, the National Security Strategy, Strategic Defence and Security Review and Spending Review processes, as well as overseeing how the outcomes of these are put into practice. PUS and CDS co-chairs, with Vice Chief of Defence Staff, Comd JFC, DG Security Policy, DCDS (Military Strategy & Operations), DCDS (Military Capability) and DG Finance as members.

36. The **Military Capability Board** (MCB) helps develop advice on military capability to CDS and VCDS through the AFC. Chaired by DCDS (Mil Cap), its main aims are to guide and inform strategic force development, balance investment and make sure people are clear on what is taking place and make recommendations to the Defence Board on carrying out investment decisions through the Single Integrated Capability Priority List. The **Strategic Stocktake**, chaired by VCDS, is the main way of reviewing and agreeing priorities for current and new operations.

37. The **Defence Communications Board** (DCB) is chaired by the Director of Defence Communications and oversees all aspects of communications across Defence, both civilian and military, internal and external. This oversight includes operational information activities as well as public relations and marketing.

38. Not every issue must pass through these groups. Some issues do not need, or cannot wait for, a formal meeting. PUS and CDS will ask for advice from the service chiefs on issues relating to their service, including through close and routine involvement between Head Office staff and the assistant chiefs, as the chiefs' representatives in Head Office.

Making policy, setting strategy

39. The **National Security Council** (NSC) is the main forum for setting national security strategy across Departments of State (including MOD) and other parts of the Government. The NSC meets every week, is chaired by the Prime Minister and attended by the SofS and, if necessary, the CDS. The NSC is supported by an 'NSC (Officials)' meeting, chaired by the National Security Advisor.

40. The Government's national security priorities are decided using the **National Security Strategy** (NSS)⁶ and by **Strategic Defence and Security Reviews** (SDSRs)⁷, both led by the NSC. The SDSR identifies the 'means' (resources) and 'ways' (or courses of action) across Government which are needed to deliver the 'ends' described in the NSS. The Government has committed to producing a new NSS and SDSR every five years.

41. Within the MOD, the process of the SDSR is overseen by the PUS and the CDS, supported by the VCDS. The DG Sec Pol, as the main senior Defence official working with the NSS, leads SDSRs for MOD, working very closely with the DG Finance, the DCDS (Military Capability) and DCDS (Military Strategy & Operations) to deliver our contribution. The Director of Strategic Planning, supported by the Head of Defence Strategy and Priorities, helps with our contribution to the SDSRs, working with the DSG. This is closely co-ordinated with other government departments through the cross-Whitehall National Security Strategy Network, and includes our contribution to reviewing the National Security Risk Assessment every two years. A central outcome for us from each SDSR is the **Future Force**.

The 'Future Force'

Each SDSR outlines the main parts of an affordable force structure which we will deliver in 10 years time, based on our planning assumptions: This is known as the 'Future Force'. We review this Future Force every five years, with each SDSR.

42. Each SDSR generates a **Defence Strategic Direction** (DSD) document, which translates the outcome into long-term planning direction for us. In rare circumstances, this document can be reviewed between SDSRs. The interpretation of this direction for the next five years, particularly in terms of allocating resources, is set out in the annual **Defence Plan** (DP). This in turn provides the direction for each TLB's yearly **Command Plan**, which is the delivery agreement between PUS and the TLB holder.

Command plans

43. Command plans set the outcomes and standards that the TLB holder will plan and deliver against in the short, medium and longer term, within agreed resources (an actual delegation for the period of the most recent spending-review period, where we have a defined budget, and a forecast budget beyond that point). In doing so they:

- explain the main risks and how they are to be managed;
- describe how the TLB holder will work within the corporate framework, including keeping to the defence directives; and

⁶ [A Strong Britain in an Age of Uncertainty: The National Security Strategy, Cm 7953, Oct 10.](#)

⁷ [Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review, Cm 7948, Oct 10.](#)

- describe how the TLB holder will encourage increased efficiency and awareness of resources throughout the top-level budget.

44. Each of the six command plans is proposed by the TLB holder, checked by Head Office and agreed between the TLB holder and PUS and CDS.

45. TLBs will continue to review their plans each year through the annual budget cycle process, within a framework set by Head Office. A full review is likely to be needed after each SDSR ends. However, in-between, the aim is to avoid carrying out full planning cycles each year, with significant control total adjustments. Instead, we will review plans if there are changes which have consequences for other TLBs.

46. We will measure how the Defence Plan and the command plans are put into practice by using the **Defence Performance Framework (DPF)**, which is made up of a monthly report to the Defence Board and 'holding-to-account' sessions every six months between both PUS and CDS, and TLB holders. Managing risk is at the heart of the DPF. Defence authorities also work with TLBs to produce assurance reviews every year for their function, drawing on evidence from the DPF.

Planning and allocating resources

47. **DG Finance** is the **Defence Authority for Financial Management and Approvals**, with responsibility for:

- financial planning, policy and assurance;
- our arrangements in terms of regulations and proprietary;
- leading Spending Review negotiations on the future size of the defence budget;
- overseeing and governing efficiency and value for money work across Defence;
- arrangements for managing the performance of the Defence Board;
- Treasury functions (including banking and managing cash);
- economic advice and statistical services;
- the strategic direction and performance of Trading Funds; and
- advice on corporate governance, internal control, internal audit and arrangements for managing risk.

48. The **defence programme** must be affordable, joined-up and aligned to policy. Head Office allocates most of our funding through the Command TLBs (Navy, Army, Air and JFC), including the bulk of equipment and support funding. Important exceptions are funding for the following.

- Particular strategic or sensitive equipment programmes, which the Director of Strategic Programmes at Head Office is responsible for.

- The operating costs of Defence Equipment and Support (DE&S), which are allocated direct to the Chief Executive of DE&S⁸.
- Infrastructure and operating costs, which are allocated direct to the Defence Infrastructure Organisation (DIO) which delivers an agreed infrastructure programme. The exception to this funding flow relates to infrastructure projects for new capabilities, where projects are given funding for their infrastructure needs and pass it to DIO at the appropriate moment.
- Head Office pay and non-equipment programmes (for example, the central science and technology budget) and organisations which help us operate (for example, Defence Business Services), which is allocated to the Head Office and Corporate Services budget.

49. Head Office and TLBs manage the way major programme spending is managed using a Portfolio, Programme and Project Management (P3M) approach, following best practice across government⁹. This supports a better, evidence-based balance of investment decisions clearly linked to aims, priorities and available resources. It also makes sure we can successfully deliver change programmes; and clarifies who has authority and accountability.

50. Within the direction set by Head Office, and Parliamentary and HM Treasury restrictions on the ways in which we can spend money¹⁰, TLBs can use their budgets flexibly to make sure they can deliver their outcomes on time, within budget, and in line with relevant responsibilities. Head Office tries to make best use of this delegation and reduce, as far as possible, restrictions. As a result, TLBs are encouraged to find efficiencies in their budgets so they can reinvest in their other priorities, or to deal with unfunded risks – this is known as cost leadership.

Capability and business change programmes are funded against approved business cases and defined benefits, set out in mandates for each senior responsible owner (SRO). Associated projects, depend on investment approvals and (depending on the size of them) need extra approval from Investment Approvals Committees or the **Major Projects Authority**.

Major Projects Authority

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

51. As part of the way programmes are approved, and in line with departmental SRO policy, commands will appoint an SRO who is held to account for delivering against an approved high-level business case. Programme business cases will identify changes across the Defence Line of Development (DLODs), to include both benefits and costs. As far as possible, the SRO will manage capital spending and resources for the programmes and associated projects. This will provide a way of holding the SRO to account. The aim is not to make the SRO responsible for the full cost of all DLODs, but rather make sure

⁸ This may be reviewed as funding arrangements change.

⁹ For example, PRINCE 2, Managing Successful Programmes (MSP), and so on.

¹⁰ [Managing Public Money](#)

that the owners of DLODs, within or outside the command, answer to the relevant programme boards with a full understanding of how the programme will affect their own plans and budgets.

Developing and managing capability

52. The VCDS leads the development and management of **military capability**¹¹ – the forces needed to deal with the range of threats, now and into the future – supported by the **DCDS (Mil Cap)** as **Defence Authority for Capability Coherence**. They:

- work with DG Finance and DG Security Policy to make sure that all our capability programmes are affordable, clear and aligned to policy;
- if this is not the case, arbitrate and negotiate revised plans, or direct commands to deal with capability issues themselves;
- keep a 'Single Integrated Capability Priorities List' (SICPL) for those new capability requirements which are not funded, but which could be included into the defence programme if resources become available; the SICPL also helps make capability decisions in each SDSR and commands can produce options within their own portfolio for new capabilities;
- help commands carry out planning work to develop their own force and capability in preparation for SDSRs (the commands recommend how best to deliver against Head Office's high-level requirements as options are developed); and
- plan and manage some projects which are of a particularly sensitive or strategic nature.

53. VCDS chairs a series of '**strategic stocktake**' meetings to assess the effectiveness of the current force structure; and '**Senior Judgement Panels**' to explore the likely effectiveness of the future force structure.

Developing and managing people

54. As the **Defence Authority for People** the Chief of Defence Personnel (CDP) is responsible for developing a framework of policies and processes which both:

- make sure people are seen as a central part of defence capability rather than as an overhead; and
- allow the TLBs to plan and deliver a 'whole force' approach – including regular and reserve service personnel, civil servants and other civilians, including contractors.

¹¹ The Defence Authority for Military Capability direction is in the Target Operating Model v3 dated Sep 13 which is planned to be replaced by the Financial Military Capability Operating Model in October 2014.

55. CDP achieves this by using defence directives and by publishing a Defence People Strategy. At the strategic level, CDP works closely with DCDS (Mil Cap) and DG Finance to provide advice on overall personnel numbers. They also make sure costs are properly understood and can be used to inform a balance of investment decisions. This includes reviewing the force mix as part of SDSRs, targeting resources to attract and keep capable and motivated people, and making sure risks are understood and managed across Defence. CDP also advises the Defence Board and ministers on service and civilian personnel policy.

56. CDP is also responsible for providing direction on Defence training and education. This includes setting the framework which supports individual career planning and managing talent, and championing training and education issues, understanding where and how risks should be managed and identifying opportunities for improvement.

57. The single services and the other TLBs are responsible for planning the workforce and managing their people on a day-to-day basis within the framework set by CDP (the service chiefs though have full command of their service personnel). The TLBs also have responsibility for delivering training and education, with CDP providing advice on defence-wide issues.

58. Military personnel, civil servants and contractors are covered by different management arrangements and codes of conduct reflecting their legal status.

Military personnel

59. For military personnel (including reserves), **Queen's Regulations** lay down the policy and procedures to be followed. They demand the highest standards of professionalism, individual behaviour and self-discipline, both on and off operations. The service values emphasise: moral courage; physical courage; discipline; mutual and self-respect; integrity; loyalty; selfless commitment; and pride.

60. To make sure that our senior leadership includes people who put Defence first, the careers of senior military personnel are managed by the '**Joint Assured Model**'. Independent private-sector representatives (IPSRs) sit on single-service senior promotion and appointing boards and on the service secretaries' meeting to:

- increase transparency;
- provide a wider viewpoint; and
- spread best practice.

61. The IPSRs sit on a selection of boards, moving between the services, and provide an assurance report each year to the People Committee.

62. The **Senior Appointments Committee** (SAC) is responsible for senior service appointments and aims to identify and develop the top talent across the armed forces. It does this alongside the single service chiefs. The members of the committee include Joint Forces Command (JFC) (to promote a joint perspective), PUS (for budgetary and management assessment of candidates) and a non-voting private-sector member (to

provide an independent view). Services may propose more than one person for an appointment if they judge that they have suitable candidates. The SAC approves all 3* and notes key 2* single-service and Defence interface posts.

63. The Chief of Defence Staff is responsible for recommending future **single-service chief appointments** (including the Commander of Joint Forces Command) to the Secretary of State, followed by approval from Her Majesty.

64. Each service manages the careers of officers (1* and below) and other ranks (sailors, soldiers and airmen) using their own career-management organisations. Based on fair and accurate appraisal of performance and potential, the aim is to fill positions in line with approved current and future service needs with suitable, trained personnel at the right time. They plan to encourage both recruitment and retention, and provide opportunities for personnel to make the most of their potential.

The civil service

65. The MOD civil service keeps to the **Civil Service Code**¹², which also demands the highest standards, particularly in terms of integrity, honesty and impartiality. Civil servants support the Government in developing and putting its policies into practice, and in providing public services. Civil servants answer to ministers, who in turn are accountable to Parliament.

66. Civilian appointments will generally be made through open or limited competition although, in some circumstances, people may be appointed direct into posts without competition. This may happen if a post is critical to the business and needs to be filled quickly, where highly specialised skills are needed or where rotation is considered appropriate for developmental reasons.

67. The civil service operates a number of staff-development schemes to manage its people. The main one is the Fast Stream, which is a cross-government scheme run by the Cabinet Office that rotates members through a series of high-quality postings in a selection of different departments so they can gain a breadth of experience. We also operate a similar internal scheme called MIDIT (Means of identifying internal talent) which is limited to moves within the organisation.

Contractors

68. The standards for contractors are included in their terms and conditions of contract. These can range from standard requirements for providing services that are fit for purpose through to specific undertakings such as signing non-disclosure agreements. We and our suppliers have agreed similar standards to the Civil Service Code in 'The Commercial Framework Codes of Best Practice', in other words, we and they will maintain the highest levels of honesty, integrity and impartiality. We and they must also agree to carry out our responsibilities efficiently and to the highest professional standards, treating each other fairly and politely.

¹² [Civil Service Code](#)

Managing Defence

69. Head Office has a central role in making sure there is consistency across the whole of our business. This is mainly done through defence authorities, for example the Financial Management & Approvals and Capability Coherence ones mentioned earlier. Other Head Office **defence authorities** are shown below.

- **Chief of Defence Personnel (CDP)**
 - **Service personnel.** CDP works with the single services to deliver the right mix of capable and motivated people to meet the Defence Plan and Future Force requirements. They make sure that the services are sustainable and affordable now and in the future, noting that the service chiefs have full command of their own personnel.
 - **Service training and education.** CDP also provides a focus for service training and education and sets the overall policy, strategic direction, prioritisation, balance of investment on individual and collective training, command and staff training, training systems and learning technologies, assurance, wider education (including personal development) and adventurous training and sport.
 - **Civilian workforce.** CDP also advises the Defence Board and ministers on civilian workforce strategy, civilian personnel policy and employee relations. He is also responsible for supporting PUS as 'Head of Profession' for all MOD civil servants.
 - The **whole-force concept** (WFC) will give TLBs clear policies and streamlined processes within which they can decide how best to deliver people as a whole force to set standards while achieving best value for money. CDP is the senior responsible owner (SRO) for the WFC and works closely with DCDS (Mil Cap) and DG Finance, who are responsible at the strategic level for advising on overall personnel levels, and for making sure that the costs of different types of personnel are understood, to inform departmental and TLB balance of investment decisions.
- **Director of Defence Communications (DDC)**
 - **Defence Communications.** DDC is the Head of Profession for Defence communications. He is responsible for formulating and developing the full range of our communications and strategy and helps formulate other communications strategies. He reports to PUS and through the Defence Board, to the SofS and CDS. Through the Armed Forces Committee, he also answers to the service chiefs.
- **Director Business Resilience (DBR)**
 - **Security.** DBR is the Departmental Security Officer, overseeing physical security, information security, personnel security, technical and industrial

security and policing. The TLB holders and Trading Fund chief executives are responsible for putting security policy and standards into practice.

- **Business Continuity and Resilience.** DBR develops and maintains a consistent system of policies, standards and work practices to deal with, manage and recover from a disruptive event. This allows us to continue with our critical outputs and activities. TLB holders and Trading Fund chief executives are responsible for maintaining business continuity in their organisations, in line with DBR policy.
- **Director Corporate Strategy (D C-Strat)**
 - **Corporate Design.** D C-Strat makes sure that the overall Defence Operating Model is coherent and effective, with particular focus on business structures, processes and behaviours.
- **Chief Statistician**
 - **Statistics.** The Chief Statistician is the Head of Profession for Defence statisticians and sets and enforces the standards around using and releasing statistical information across Defence.

Directing military operations

70. The decision to commit the armed forces to operations rests with the **Prime Minister**, informed by the Cabinet and the National Security Council (NSC), and with advice from the SofS and the CDS. Military operations within the UK also need to be formally authorised by the Defence Council. The SofS is responsible for directing and carrying out all operations and is accountable to Parliament for how they are resourced. In particular, SofS provides strategic direction, approves the allocation of resources and sets the limits on using force. Force levels and rules of engagement depend on ministerial policy decisions, taking into account legal advice at the start of an operation. These decisions are recorded in a **CDS Directive** supported by extra guidance, orders and so on.

71. CDS, VCDS and PUS are responsible for providing sound and timely advice to ministers to help them make these decisions. As a **Military Strategic Headquarters**, Head Office supports CDS and the COS Committee in developing military advice for ministers on current and possible military operations and directs the military chain of command. As a **Department of State**, Head Office also makes sure the way an operation is carried out reflects SofS' direction and is consistent with wider government policy. Its focus is at the strategic level. In other words, to define the ways in which military force will contribute to achieving the Government's current and future security aims and to decide on the military means needed to deliver them.

72. The **Defence Crisis Management Organisation** co-ordinates input from the COS Committee, Head Office, Joint Forces Command (JFC), the Permanent Joint Headquarters (PJHQ), Director Special Forces (DSF) and the service commands, and is the focus for providing advice in managing and resolving crises. They carry out all briefings to ministers and pass on details of strategic direction to the operational level of command.

73. Following SofS' direction, CDS as the military strategic commander is responsible for planning, directing and carrying out all military operations. The PUS provides policy advice to ministers on current and possible operations. CDS, advised by VCDS, the service chiefs and Comd JFC, both individually and through the COS Committee, is responsible for formulating military strategy and how it is aligned with government policy. Through a **CDS Directive**, CDS:

- appoints the operational commander;
- provides strategic direction;
- identifies the military conditions for success;
- designates the 'theatre' of operations and the joint operational area;
- sets forces levels and resources;
- communicates details on the restrictions on using force; and
- sets the requirements for strategic intelligence.

74. **DG Sec Pol** and Deputy Chief of Defence Staff for Military Strategy and Operations (**DCDS(MSO)**) lead the development of:

- security policy;
- strategic relations and planning with allies, other nations and international organisations; and
- the strategic aspects of operations involving the UK armed forces.

75. They also lead interaction with other government departments at the strategic level to make sure our activity is co-ordinated with delivering national security aims.

76. Head Office, as a rule, does not command forces directly or involve itself in the day-to-day running of operations. However, it is responsible for carrying out strategic-level operations which have a global effect (including counter proliferation, nuclear deterrence, strategic influence and strategic targeting). The Head Office passes to Permanent Joint Headquarters (PJHQ) and Comd JFC separately some activities which do not relate directly to the strategic level.

77. The **Defence Strategy Group** leads our policy on international involvement within Defence. An **International Defence Engagement Strategy**, developed with the Foreign and Commonwealth Office (FCO), brings together all the levers we have available to deliver the relevant NSS aims. This includes (but is not limited to) bilateral and multilateral defence relationships, exports, senior visits, capacity building, maritime deployments, military exercises and Defence Attaché business and the role of non-operational staff overseas. The strategy guides and shapes our contribution to a number of other cross-government strategies, including:

- the Building Stability Overseas Strategy (a joint Foreign and Commonwealth Office (FCO)/Department for International Development (DfID)/MOD strategy for preventing conflict, which includes managing the separate tri-departmental fund known as the 'conflict pool');
- CONTEST (the UK's counter-terrorism strategy);
- the Emerging Powers strategy, which is overseen by a subcommittee of the NSC; and
- groups at 3* and 1* levels, co-chaired with FCO, make sure it is clear and co-ordinated.

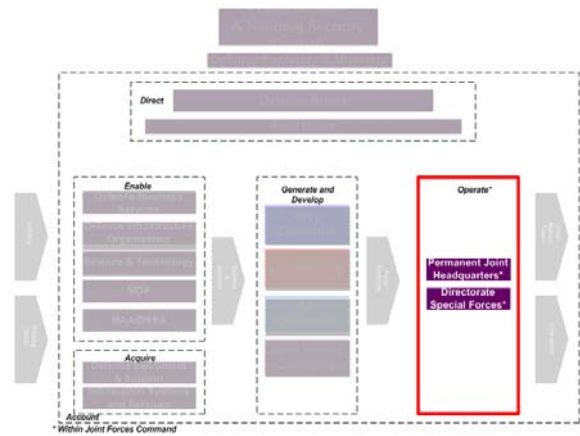
Managing the business of Defence

78. The aim of strategic planning is to translate the strategic direction into specific aims, measures, targets and initiatives that guide our actions. The strategic planning process is a 'top down' process, which passes down targets and the requirements for outputs to TLBs and defence authorities, with clear authorities against which progress will be assessed to allow intervention when needed. The Defence Plan summarises the aims for us, which in turn are reflected in individual command and TLB plans.

Operate – how we use the armed forces

Operational Command

79. The 3* Chief of Joint Operations (CJO) and the Permanent Joint Headquarters (PJHQ) in Northwood command forces deployed on joint operations overseas. The single services are still responsible for specific maritime operations, and security of the UK's airspace. The Head Office directs and prioritises how military capability is used on other, non-operational activity, as described by the **military tasks**, such as defence diplomacy and international engagement. It does so drawing on advice from Joint Forces Command (JFC) who co-ordinate activities based on the Head Office priorities. Operational command of discrete Special-Forces operations is carried out by the Directorate of Special Forces.



80. How we use military capability is described using seven **military tasks**.

- **Providing strategic intelligence** to help policy and decision-makers across all the operations and military tasks. Strategic intelligence comes from a variety of sources.
- **Providing nuclear deterrence**, through continuous at-sea deterrence, which is delivered by the Royal Navy under the command of the Chief of Naval Staff (CNS), in line with the Prime Minister's direction. This task also includes our contribution to disarmament and counter-proliferation activities (preventing the spread of nuclear weapons in other countries).
- **Defence of the UK and its overseas territories** – standing tasks to protect the UK and to provide security for overseas territories and permanent joint operating bases (PJOB).
- **Supporting civil emergency organisations in times of crisis** – known as 'military assistance to the civil authorities' (MACA). This task covers our peace-time contribution to other government departments in protecting our citizens and their interests and occasional support to civil emergency authorities in times of crisis.
- **Providing a defence contribution to UK influence** – covers our involvement in international defence engagement, defence diplomacy and defence sales, preventing conflict and building security-sector capability in priority countries.
- **Defending our interests by using power strategically and through expeditionary interventions** – covers the threat or actual use of lethal military

force overseas, either on a national basis or as part of a co-ordinated international effort with allies and partners.

- **Providing security for stabilisation**, in support of other government departments' strategic aims. The precise nature of our involvement depends on whether conflict is imminent, underway or recently finished, and can range from 'policing' to high-intensity combat, sometimes at the same time.

81. The chain of command for joint operations is shown below. The Head Office is also involved in targeting decisions by ministers and senior officers and strategic communications, including in particular information operations.

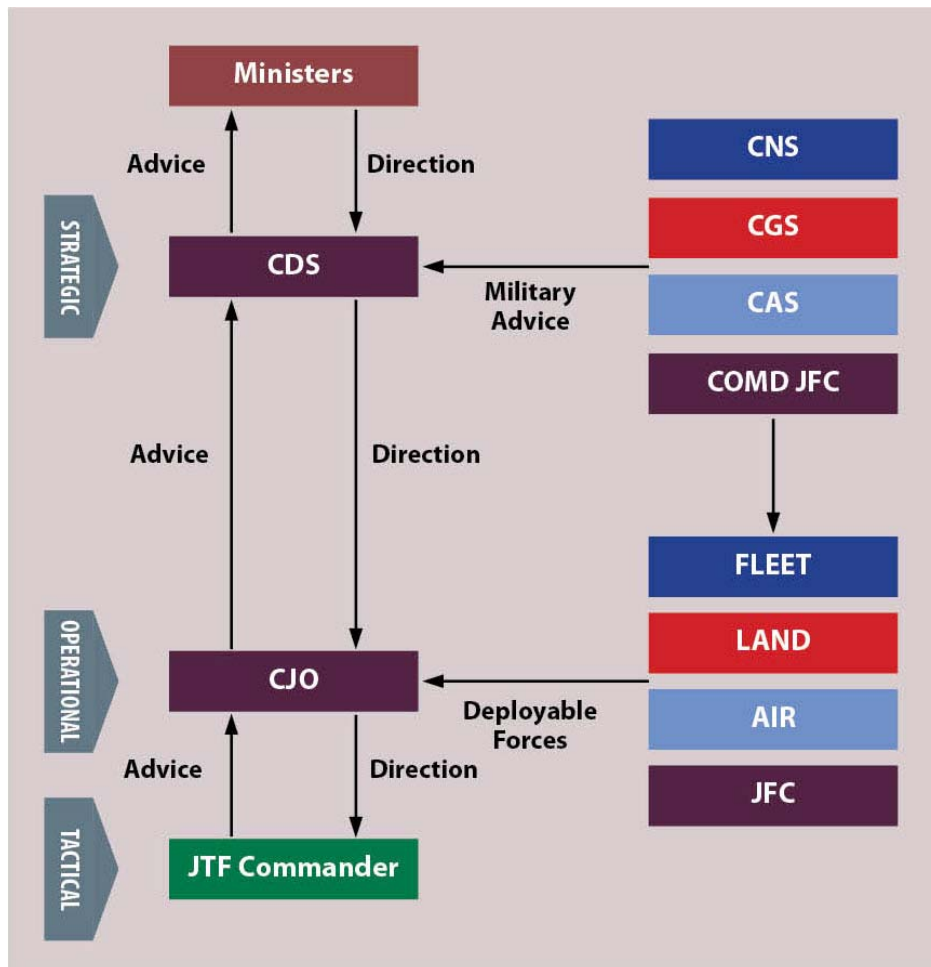


Figure 2: Chain of command for joint operations

82. The PJHQ is the **national operational level command**. The Commander of Joint Operations (CJO) is responsible for planning and carrying out joint, or potentially joint, national and UK-led multinational operations which are carried out outside the UK. CJO reports direct to CDS for contingency planning and advice on carrying out current operations or standing commitments and for providing resources for them, other than for routinely running the PJOs, which is the responsibility of Comd JFC. Wider responsibilities for developing policy for joint warfare belong to Comd JFC. CJO has operational command of UK forces assigned for a specific operation and is responsible at the operational level for deploying, directing, sustaining and bringing back deployed forces.

CJO acts as the Joint Force Commander, generally from Northwood. Comd JFC also commands the PJOBS overseas and supports activities carried out outside CJO's area of operations.

83. Recent operational experience has led to setting up a National Contingent Commander (NCC) role to make sure that, for certain operations, parts of the UK force are directed appropriately by the coalition and national command chains in line with national aims. This also means that Head Office should receive timely advice to help develop national policy. Taken together, this structure provides an effective combination of:

- policy guidance and direction from Head Office;
- national command authority exercised through CJO, including providing UK operational campaign continuity to support command from the coalition; and
- influence and advice by the NCC.

84. The Contingency Planning Team at PJHQ make sure that commands are appropriately involved in planning and decision-making processes for both potential and current operations. This also feeds into the Defence Crisis Management Organisation.

85. Unless there is an immediate threat to life, **deploying the armed forces in the UK** involves an official request for help from a civil authority and specific authorisation from the Defence Council. Policy advice to the Government and direction to the armed forces is delivered in the same way as for overseas operations. Commander Land Forces in the Army Command as Standing Joint Commander (UK) carries out command at an operational level. Commander Land Forces has a similar function to that of PJHQ for overseas operations, using the regional chain of command to contact local civil authorities. Similarly, command for operations beyond the 12-nautical-mile limit of UK territorial waters is delivered by the Royal Navy through the Maritime Operations Centre and, in exceptional circumstances, within this limit. The RAF command the security of UK airspace.

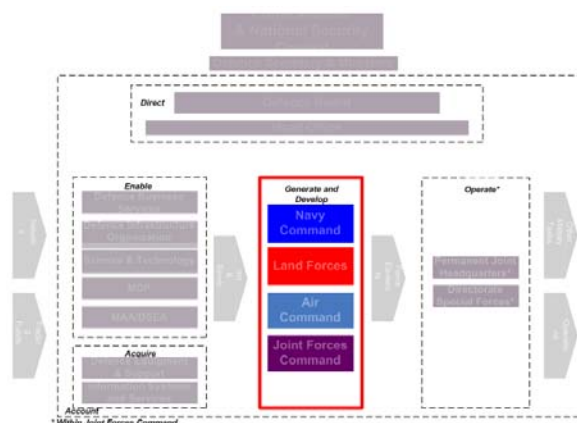
86. The 3* **Chief of Defence Intelligence** (CDI) within JFC, is responsible for **Defence Intelligence**, and continues to be the Defence provider of intelligence and assessments to customers within MOD, across the Government and the international community. CDI is also responsible for cyber operations although Head Office is still responsible for formulating cyber policy, delivered through the Deputy Chief of Defence Staff for Military Strategy and Operations (DCDS (MSO)). The Cabinet-Office-funded Defence Cyber Security Programme and the Joint Force Cyber Group sit within JFC. CDI, on behalf of the commander of Joint Forces Command, commands all cyber operations, with cyber defence delivered by the Information Systems and Services (ISS) organisation. Head Office may keep responsibility for some sensitive operations through DCDS (MSO).

87. **The Assistant Chief of Defence Staff for Operations** (ACDS (Ops)) is the **Defence Authority for Operations** and is responsible for the regulations and standards around subjects such as rules of engagement, arms control and targeting policy.

Generate and develop – how the commands deliver capability

Generating forces

88. The commands have main responsibility for generating ‘force elements’ – these are the units and formations we hold ready to deploy on operations. The requirements for force elements are set out in the Defence Strategic Direction (DSD) and the Defence Plan (DP). How they are delivered is described in the command plans.



89. **Force generation** covers:

- recruiting service personnel;
- basic and unit training;
- integrating equipment into the joint force; and
- delivering force elements ready for operations.

90. The services generate their forces alongside Joint Forces Command (JFC) for the Commander of Joint Operations (CJO) to use alongside other nominated joint commanders, or in some circumstances a single-service commander. Specific operational requirements come from Permanent Joint Headquarters (PJHQ) or JFC for joint contingent requirements, or the relevant service in the case of service-led operations.

91. The ‘Force Element At Readiness’ (FE@R), shows the level of each force element to deploy on a scale of 0 to 9, where 0 is deployed and 9 is effectively in storage. The higher the readiness, the more a force element costs as it needs to be increasingly prepared for operations, particularly in terms of training and equipment. Once deployed, an FE@R becomes a Force Element At Sustainability (FE@S). This shows the level of resources needed to maintain each force element when they are on operations. FE@R and FE@S together make up packages to meet specific threats or tasks.

92. Each service generates forces in broadly similar ways, but each has to meet specific environmental needs. We have not just to deliver trained units which are ready to operate, but also be able to deploy, sustain and get them back from operations. **Royal Navy** force generation is driven largely by the need to maintain and deliver ships and their crews at readiness. The **Army** operates a force operational readiness mechanism, with units and formations moving through stages of preparation and contingency, before being deployed. **RAF** processes are driven by the need to train and maintain aircraft and aircrews at readiness.

Developing forces

93. The commands also develop their future force structure and capabilities. They do this in the following ways.

- 'Force testing', assesses the effectiveness of the planned Future Force and what it will be capable of, as agreed at the previous Strategic Defence and Security Review (SDSR), against a set of agreed scenarios (for example, a hypothetical intervention overseas). This leads to insights into the strengths and weaknesses of the Future Force and where there are risks which we can use in developing the next SDSR. The scenarios themselves are developed over time to keep pace with policy.
- Each command manages a '**sub-portfolio**' of change and capability programmes. Each sub-portfolio includes a plan, which is matched to policy and affordable, for the move to the Future Force. Each command will audit capability and carry out analysis to support decision-making and reduce the risk involved with future investment decisions. This forms part of the command plan.

The single-service commands

94. The **single-service chiefs** lead their services, and generate and develop forces to meet Defence needs. The chiefs' advice helps with decision-making, but they have no main responsibility for Defence strategy, allocating resources or managing Defence at a business level. They keep their constitutional responsibility as professional heads of the individual services and continue to have full command over their people. The chiefs have specific responsibility for the following.

- Operational command of some operations, for example, security of UK airspace is commanded by the RAF.
- They have full command over all personnel of their service (wherever employed), including for the welfare and morale of all personnel, military and civilian, employed within their command.
- Individually, and collectively through the COS Committee and the Armed Forces Committee, they are responsible for providing advice on the operational use of their service. They also provide advice to the Chief of Defence Staff (CDS) to help him formulate military strategic advice, and advise the Defence Board on decisions about departmental strategy and the high-level requirements for their service.
- They carry out their own force development process to propose, in their draft command plan, the most effective, affordable force structure and capabilities needed to deliver Defence requirements in the best way possible.
- They develop their service to deliver Defence outputs now and in the future. This includes recruiting, educating, training, equipping, preparing and sustaining their service.

- They run their service and the command TLB. They have to answer for delivering agreed outcomes within their delegated budget but have the freedom to make choices, within the control framework, about the best balance between manpower, training, equipment, support, and other areas and between different areas of capability.
- Along with JFC acting as a customer of Defence Equipment and Support (DE&S), they set the detailed equipment and support requirements and budgets. They also tell the Defence Infrastructure Organisation (DIO) about the infrastructure they need them to deliver.
- They support the CJO to deliver environmental aspects of operations.
- They are responsible for appropriately prioritised international involvement to support the International Defence Engagement Strategy. They also represent their service both at home and abroad.
- They maintain the long-term health of the service including its fighting effectiveness, its safety (as senior duty holders), including managing careers, professional standards, reputation, ethos, welfare and morale.
- They deliver programmes through the senior responsible owners (SROs)¹³ against a clear programme, brief and supporting business case across the Defence Lines of Development (DLODs). The SRO is responsible for delivering the programme to meet the outcomes and benefits defined in the business case. The SRO will arrange supporting projects and oversee how it is governed to make sure the outcomes are delivered in terms of performance, time and cost. The two delivery models are: single command or lead command, with the command responsible overseeing the activities. Defence-level portfolio management in Head Office also assures the most significant programmes (notably including all those where extra assurance is needed by the Government's Major Projects Authority).
- They maintain Defence outputs by providing ongoing support to military capability. This will likely be a mix of equipment support, providing commodities, personnel support (for example, medical) and infrastructure. The command will plan, over time, to meet the requirements set by Head Office through the Deputy Chief of Defence Staff for Military Capability (DCDS (Mil Cap)). The commands develop plans for delivering support in line with a number of important principles.
 - By being flexible in providing the service and making sure it stays affordable over time against financial planning assumptions.
 - Providing a total support force (part of the Whole Force Concept) where industry and reserves are included in the regular force structures to make sure they are ready to deploy.

¹³ Or in the case of a standalone project a project executive.

- Using employment models that allow for a more flexible mix of service personnel, contractors and civilian staff, on demand and throughout their careers.
- Having large integrated Defence bases, with the ability to send forces from the UK home base direct to the operational area.

95. As guardians of their service, the chiefs have access to the Prime Minister as a last resort, though they normally report and provide any advice on their service through the CDS to the Secretary of State.

96. The service chiefs' main supporting staff are based at their command headquarters, with a small number in Head Office led at 2* level to help with decision-making and to make sure that each service is aware of developments at the strategic level. The top structure of the new commands is based around the following.

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

97. The structure of each command headquarters is necessarily different, reflecting their outputs and needs, but they are standardised, where possible, to make sure there is a common link with Head Office¹⁴, Defence Equipment and Support (DE&S), Defence Infrastructure Organisation (DIO) and each other. The structure of the commands will evolve, and may need to adapt in the future to the other models for DE&S and DIO currently being developed.

98. The service chiefs each chair a Service Executive Committee, which they use to manage their service, and they are supported in the day-to-day running of the command by other groups. Each Director of Resources or Finance Director is a member of their own Service Executive Committee.

99. The commands agree with Head Office in a command plan how they will deliver their agreed outputs; balance and prioritise spending; drive efficiency and improvement; and take on responsibility from Head Office for deciding what equipment and support is needed¹⁵ from the DE&S and manage their budget to pay for it.

¹⁴ Particularly the DG Finance and DCDS (Mil Cap) areas, including through each 2* Director of Resources which report jointly to the Service Chief and DG Finance.

¹⁵ Apart from the nuclear deterrent and some special projects.

Joint Forces Command

100. The main purpose of the Joint Forces Command is to make sure the Joint Force is consistent and to use **joint enablers** to support current and contingent operations. They monitor and manage performance and risk against current and contingent Defence capability. They also make sure they prioritise joint training and joint and single-service capabilities to deliver most effectively. The Commander of JFC (Comd JFC) is also responsible for certain enabling capabilities, and acts as the lead command for joint and enabling capabilities across Defence. Comd JFC, supported by the Assistant Chief of Defence Staff for Logistic Operations (ACDS (Log Ops)), is responsible for:

Joint enablers

'Joint enablers' are defence capabilities which two or more parts rely on. Joint enablers help with carrying out operational tasks critical to the success of a mission.

- advising on the integration of logistic joint enablers;
- prioritising requirements; and
- jointly employing joint enablers.

101. The Commander of Joint Operations (CJO) is responsible for deploying, directing, sustaining and bringing back all forces he is responsible for and is the supported commander for logistics activity in the home base to support operations. The single services take on this role for designated operations.

102. Comd JFC reports to CDS and, as a TLB holder, answers to the Permanent Under Secretary (PUS). Comd JFC commands allocated units and organisations within JFC and is responsible for their generation and development. PJHQ and the Director of Special Forces (DSF) are within JFC, but report directly to the CDS through the Deputy Chief of Defence Staff for (Military Strategy and Operations) on how operations are planned and carried out.

103. Comd JFC's status is similar to that of the single-service chiefs, although he has no 'right of access' to the Prime Minister. Comd JFC sits on all committees that include the single-service chiefs, including the Armed Forces Committee (representing joint requirements) and on the Chiefs of Staff Committee. Comd JFC operates a JFC Board with the JFC D-Res as a member.

104. JFC's responsibilities and functions, and in particular delegating delivery functions in a logical and consistent way, allow a smaller Head Office to focus at the planning level. A number of functions are carried out by JFC organisations direct on behalf of Head Office, such as developing defence medical and healthcare policy by the Surgeon General, and intelligence policy by the Chief of Defence Intelligence. These responsibilities are set out in Defence Strategic Direction (DSD) and agreed in the JFC command plan.

105. Part of JFC, Information Systems and Service (ISS) has a role to play in each section of the Defence Operating Model. ISS is responsible for setting strategy, policy and guidance for ICT and managing information across Defence (a 'direct' function) and acts as Skills Champion for information across Defence (a 'generate and develop' function). As

an acquisition delivery agent (see the 'Acquire' section), it is also responsible for satisfying corporate and operational requirements for ICT capabilities (joint enablers) and for making sure they are delivered on a day-to-day basis and maintained on behalf of Defence customers (an 'Operate' function). ISS also carries out network management and defensive cyber operations.

Defence authorities within Joint Forces Command

106. The **Surgeon General (SG)** is the **Defence Authority for Healthcare & Medical**. SG is the professional head of Defence Medical Services, whose main role is to make sure that service personnel are medically fit to deploy where and when needed in the UK and overseas.

107. The **Chief Information Officer (CIO)** is the **Defence Authority for Information**, which includes information and communications technology (ICT). They have overall responsibility for our information strategy, policy and assurance as well as enforcing standards and procedures. They own the **network authority** and act as senior information risk owner. CIO assures the information and ICT parts of command plans and approvals. Head Office allocates the funds for military ICT and common infrastructure to Comd JFC, and for corporate service systems to TLB holders and service deliverers. CIO chairs the Systems Direction Group, with senior JFC membership, to continue to transform the systems approach across defence. The CIO is responsible for the definition, regulation, assurance and enforcement of information and ICT strategies and policies across the organisation as well as managing and putting into practice the cross-government ICT requirements.

Network authority

The network authority acts under the direction of the Chief Technology Officer (CTO). It is responsible for all aspects of the defence network, and the information that is provided through it, to support our operational and business needs.

108. The **Chief Executive of Defence Equipment & Support (supported by Assistant Chief of Defence Staff for Logistic Operations)** is the **Defence Authority for Logistics**. This involves setting the boundaries and scope of the logistics process. They also make sure there is a link with other processes and that this is managed appropriately. They manage and improve the process, set rules and standards and identify when people are not keeping to them. They also manage risk, identify and manage the information needed for, or generated by, the process, and advise Head Office on strategic logistics issues, particularly related to current operations, supporting the Deputy Chief of Defence for Military Strategy and Operations.

109. The **Chief of Defence Intelligence (CDI)** is the **Defence Authority for Cyber & C4ISR** (that is: Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) and is responsible for delivering operational information. They:

- help develop future capability and provide advice to the Deputy Chief of Defence Staff for Military Capability to help them with their 'balance of investment' role;
- make sure there are clear links with all defence information capability; and

- when appropriate, pass responsibility for delivering programmes to the service commands and, in the case of common infrastructure, to the CIO.

110. In line with the lead command model, JFC has responsibility for developing the capability, but will mainly pass responsibility for delivering it to the single-service commands. The JFC makes sure information systems are logical and consistent across Defence and balances and sets priorities. Single services also have the freedom to propose trades between information and other Defence Lines of Development (DLODs) to make sure a balanced force is delivered.

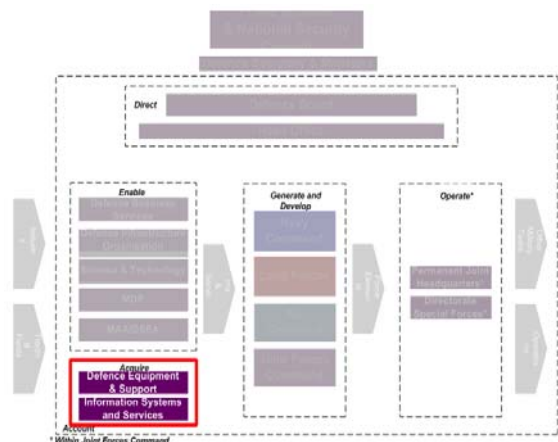
111. JFC also supports the delivery of joint capability more generally through joint education, training (through the Defence Exercise Programme and higher tier exercises) and validation.

Acquire – buying and supporting military equipment

The acquisition system

112. The acquisition system is the way we buy equipment and logistic support and services to deliver the military capability our Armed Forces need.

113. We are changing the system and these changes will be overseen by PUS through the Acquisition Architecture Board which he chairs. In July 2014, version 2 of the Acquisition System Operating Model was published. This contained details of the new design for the system which is founded on two main principles building on the Defence Operating Model – simplicity of approach and clarity of accountability. The organisations involved in the new acquisition system are divided into three groups.



- A **Head Office** that is focused on setting strategy and allocating resources, making high-level investment decisions, and holding the customers and the delivery agents to account. Head Office will encourage organisations within the acquisition system to make effective financial and programming decisions within their delegations; and focuses on the big issues, holding people to account for their decisions.
- **Customers** (the four commands and the Director of Strategic Programmes in Head Office) that are accountable for making informed, economically rational and evidence-based decisions about the equipment, logistic support and services they need to generate military capability to meet the direction and guidance set by Head Office. The customers will have clear requirements about the resources they need after consulting the delivery agents whom they hold to account for delivery.
- Defence Equipment and Support and Information Systems and Services¹⁶, as **delivery agents**, support the customers to make economically rational and evidence-based decisions, by providing consistent and reliable financial, commercial, industrial and technical advice and information. The delivery agents manage the relationship with suppliers in industry, delivering best value for Defence, to meet the customers' needs.

114. As the **Defence Authority for the Acquisition System**, **DG HO&CS** is accountable to PUS for making sure that the acquisition system performs as effectively and efficiently as possible. He is supported in this by the **Customer Design Programme**, responsible for driving the changes needed by April 2015. From that date the **Acquisition System**

¹⁶ Information System and Services is part of Joint Forces Command and delivers information capabilities to the MOD including through suppliers in industry.

Authority (ASA) will provide support in setting the standards and practices for the acquisition system to make sure that it meets the needs of Defence. They will regularly review the health of the system to make sure that it is operating as it should, and setting skills standards with the appropriate heads of profession for those working within the acquisition system. The ASA will start up in October 2014 with a view to being fully operational by April 2015 when the Customer Design Programme formally ends.

115. The MOD **Director Commercial** is the **Defence Authority for Commercial**, responsible for:

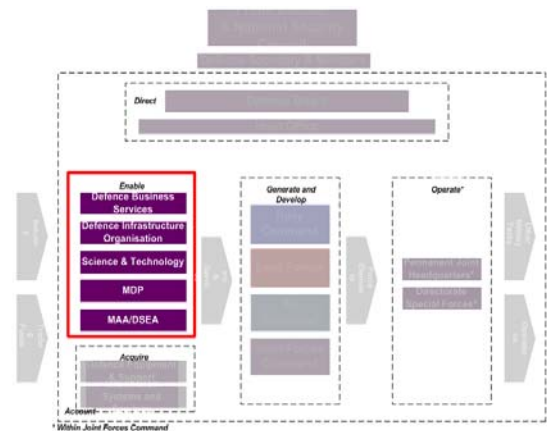
- developing procurement strategies;
- negotiating and managing contracts to meet agreed requirements for equipment, goods and services to support military capability throughout their life at best long-term value for money;
- developing a single clear framework of policies, standards and approaches to achieve consistency, efficiency and economy across all commercial activity;; and
- developing and deploying the skilled commercial workforce across Defence.

116. He also has delegated authority to enter into contracts and to pass commercial licences to senior commercial personnel and then to commercial staff across the TLBs.

Enable – How Defence delivers corporate support and services

Enabling Defence

117. A number of organisations provide enabling services across Defence. These are services that indirectly allow others to deliver Defence outputs. While the Defence Infrastructure Organisation (DIO) is a top-level budget (TLB) in its own right, Defence Business Services (DBS), the MOD Police (MDP), the Military Aviation Authority (MAA), the Defence Safety & Environmental Authority (DSEA) and the Science and Technology budget are managed as part of the Head Office and Corporate Services (HOCS) TLB.



Defence Business Services

118. **Defence Business Services** provides a service to organisations and individuals across Defence and a number of other government departments. The suite of services currently includes civilian HR, service personnel and veterans, finance, security vetting, and knowledge and information. Working with its strategic partner¹⁷ DBS is led by a Chief Executive, who answers to DG Finance and the Corporate Service Board (CSB). The CSB sets the direction for Defence corporate services and decides its priorities for delivering within its budget.

The Defence Infrastructure Organisation

119. The purpose of the **Defence Infrastructure Organisation** (DIO) is to deliver the infrastructure needed so that the people of Defence can live, work, train and deploy at home and overseas. DIO's long-term aim is to deliver infrastructure to Defence in the most effective, efficient and sustainable way to meet Defence needs. Its roles include:

- managing facilities, both 'hard' (for example, maintaining property) and 'soft' (for example, cleaning, catering and grounds maintenance);
- delivering infrastructure projects;
- managing utilities, including energy, water and waste water; and
- managing our estate and working with Top Level Budget (TLB) customers to develop their infrastructure needs into an affordable infrastructure programme.

120. Infrastructure needs come from four main sources:

¹⁷ The strategic management partner role is currently provided by Serco / Accenture under a contract that ends in 2016.

- Defence Strategy, as set out in the Defence Infrastructure Command Plan;
- Command TLBs, for example the need to support basing for new equipment (where new equipment will be kept);
- DIO, including to deal with issues related to managing facilities and life-cycle replacements; and
- The Chief of Defence Personnel (CDP), who sets accommodation policy.

121. The commands and other TLBs give DIO the task of delivering infrastructure services at TLB and site level. Under the Chief Executive, the DIO answers to Front Line Commands (FLCs) for the service they provide and is structured around three main functions:

- Managing strategic assets and programming (responsible for developing the infrastructure programme).
- Operations (responsible for working with industry to deliver infrastructure services).
- DIO corporate and enabling services (corporate services, finance, transformation, HR and communications).

122. In June 2014, Capita (working with URS and PA consulting) were appointed as the DIO's strategic business partner (SBP) to lead and manage DIO for a 10-year term. Because of this we have put a revised governance structure in place.

123. Strategic direction for infrastructure planning is provided by the Infrastructure Joint Committee (IJC) chaired by DCDS (Mil Cap), which helps to develop the Defence Infrastructure Command Plan (DICP). The DICP is owned by Director General Head Office and Commissioning Services (DG HO&CS) who will be held to account by the Permanent Secretary (PUS) for its delivery. The 3* Chief Executive of the DIO (CE DIO), who is appointed by Capita, is responsible for delivering the DIO's aims, as set out in the DICP. An Infrastructure Implementation plan, which is updated each year, sets out how the SBP will manage DIO to deliver its outputs and create a more efficient estate.

124. The Defence Infrastructure Governing Authority (DIGA) manages how the contract operates on behalf of DG HO&CS. This includes monitoring performance against the current programme, standards and Key Performance Indicators (KPIs). The Owner's Strategy Board (OSB), chaired by DG HO&CS, also oversees performance and assures the Department that the DIO can deliver what is expected of it now and in the future.

Science and technology

125. The 3* Chief Scientific Advisor (CSA) heads **science and technology** (S&T), and makes sure the main decisions made by ministers, senior officials and the armed services are informed by high-quality, expert scientific advice and analysis. CSA reports to PUS and is responsible for the S&T programme budget within the HOCS TLB. CSA also

oversees our use of statistical and analytical services, is a member of the IAC and the UK technical lead for the 1958 UK-US Mutual Defence Agreement on nuclear issues and works with other government departments and the Cabinet Office on wider S&T issues.

126. The **Research and Development Board** is chaired by the Minister for Defence Equipment, Support and Technology, with CSA as deputy chair. It makes sure that the S&T budget is being spent appropriately and meets our needs. It governs tasking and contracting for the Defence Science and Technology Laboratory (DSTL) and industry to deliver S&T outcomes, and provides independent scrutiny through two independent non-executive board members, one being put forward by the defence industry.

127. The **Defence Scientific Advisory Council**, an independent non-departmental public body, is still an important source of advice on S&T to CSA and ministers.

Policing and guarding

128. The **MOD Police** are a civilian police force operating within Defence. Their budget lies within the HOCS TLB. The **MOD Guard Service**, which provides unarmed guarding services to our establishments, is part of DIO. The **Military Provost Guard Service**, part of the Army TLB provides armed guarding services to the commands.

129. The Secretary of State (SofS) issues a policy statement on Health, Safety and Environmental Protection (HS&EP) in Defence. The PUS is appointed as the senior official responsible for putting the policy statement into practice. TLB holders and Trading Fund Agency chief executives are senior duty holders and are responsible for choosing the **duty holders** in their organisation who manage activities which could be a risk to life. PUS holds TLB holders to account for their performance in terms of health and safety within the Defence Performance Framework (DPF).

Duty holders

Duty holders are created within each TLB, alongside the command or management hierarchy, so they can provide the necessary separation between safety and delivery. They are responsible for managing 'risk to life' activity, and have a personal duty of care for people who come within or are affected by their area of responsibility.

130. The policy statement also says that where we have exemptions, we should produce departmental arrangements that produce outcomes that are, as far as reasonably practical, at least as good as those needed by law. This includes regulating Defence activities if that is a departmental responsibility. The policy statement also says that there has to be organisational separation (and so independence) between those carrying out Defence activities and those within MOD providing regulation. This was an important recommendation of the report by Charles Haddon-Cave QC on the loss of Nimrod XV230 in Afghanistan in 2006. The **Military Aviation Authority** (MAA) regulates aviation safety, drawing its authority from a charter signed by SofS. Within the **Defence Safety and Environment Authority** (DSEA) other regulators manage all other areas (nuclear, maritime, land systems, explosives, transport and movements, and fuels and gases). The **Director DSEA** is also the **Defence Authority for Health, Safety and Environmental Protection** and he provides the PUS with corporate policy and assurance including an annual report for the Defence Board. MAA and DSEA are planning to merge in April 2015 to create a single Defence safety regulator.

Trading Funds

131. **Trading Funds** are organisations owned by a government department that mainly finance their operations from income generated through trading activity¹⁸. They are under the control and management of the responsible Minister. Trading Funds are needed to achieve agreed financial targets and pay the Department a dividend each year. The Chief Executive, who is appointed as its Accounting Officer, is accountable for the Trading Fund's performance and responsible for making sure that it meets the requirements of managing public money and secures regularity, propriety, value for money and feasibility in handling the public funds dealt with by the Trading Fund. It produces its own annual report and accounts which are audited by the National Audit Office. The PUS is responsible for making sure that the **framework document** is prepared. The Trading Fund produces a Corporate Plan¹⁹ that sets out its strategy.

Framework document

A framework document is an agreement between the Trading Fund and the department which owns it. It sets out the monitoring, accountability and reporting patterns the department need, the Chief Executive's financial and personnel management responsibilities, and the governance, policy and financial framework under which the Trading Fund operates.

132. We have three Trading Funds that provide services to Defence:

- The **Defence Support Group** (DSG) assembles, maintains, repairs, overhauls and upgrades equipment and provides support, mainly for land and air systems. Preparations continue for selling DSG as a land business before March 2015. The electronics components business unit, which is mainly air-focused, is likely to stay in-house.
- The **Defence Science and Technology Laboratory** (DSTL) makes best use of science and technology for the defence and security of the UK. It formulates, designs and delivers a clear and joined-up Defence Science and Technology Programme of work using industry, academic organisations and government resources. It champions and develops science and technology skills across the MOD, including managing the careers of MOD scientists.
- The **UK Hydrographic Office** (UK HO) provides navigation charts and other hydrographic information and services to us, mainly the Royal Navy, and commercial shipping. It also plays a central role in supporting the Maritime and Coastguard Agency in carrying out the UK's treaty obligations under the UN Convention on the Safety of Life at Sea.

¹⁸ [Managing Public Money para 7.8.1](#)

¹⁹ In some instances, the Corporate Plan will not be published because it contains commercially sensitive information.

Defence Equipment and Support – a bespoke trading entity

133. The Defence Equipment and Support (DE&S) organisation is a bespoke central government trading entity of the MOD and is responsible for delivering the equipment programme by:

- buying and supporting equipment, services and commodities (materiel) in line with the requirements and associated budgets set by Head Office and the commands, who they have individual customer and supplier agreements with;
- providing effective costings for Head Office and commands on the equipment and support elements of their command plans, and confirmation that they can be delivered;
- leading Defence relationships with industrial suppliers, particularly in relation to any commercial negotiations (though the customer can also consult industry at the 'concept' stage to explore the possibility for providing creative solutions); and
- representing the UK's defence acquisition interests internationally, as the National Armament Director.

134. The Secretary of State is accountable to Parliament on all aspects of DE&S' performance, including its strategy, operation, performance and the effectiveness of its governance arrangements. He passes the day-to-day ownership responsibilities for DE&S to the Minister for Defence Equipment, Support and Technology but still has to answer to Parliament. The full arrangements are set out in the DE&S Framework Document.

Non-departmental public bodies

135. **Non-departmental public bodies (NDPBs)** are organisations that sit at 'arm's length' from ministers and have varying degrees of operational independence from ministers. They are sponsored by the Department and fall within the Departmental accounting boundary. They have differing roles, including those that advise ministers and others which carry out executive or regulatory functions, and they work within a strategic framework set by ministers.

136. We have four executive non-departmental public bodies (e-NDPBs)²⁰:

- National Army Museum
- National Museum for the Royal Navy
- Royal Air Force Museum
- Single Source Regulations Office

²⁰ [National Army Museum](#); [National Museum of the Royal Navy](#); [Royal Air Force Museum](#)

137. There are also 22 advisory NDPBs:

- Advisory Committee on Conscientious Objectors
- Armed Forces Pay Review Body
- Defence Nuclear Safety Committee
- Defence Scientific Advisory Council
- Independent Medical Expert Group
- National Employer Advisory Board
- Nuclear Research Advisory Council
- Review Board for Government Contracts
- Science Advisory Committee on the Medical Implications of Less-Lethal Weapons
- Veterans Advisory and Pensions Committees (of which there are 13 individual ones)

138. Plus an Independent Monitoring Board:

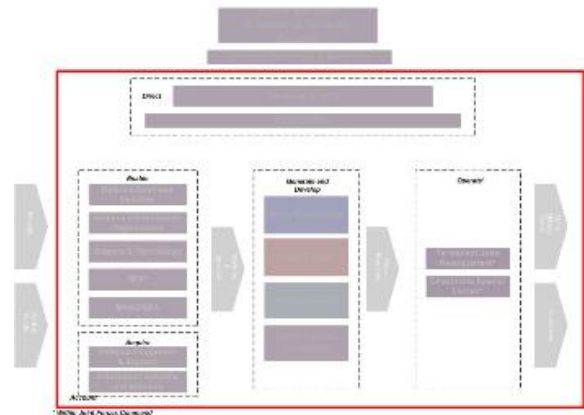
- Independent Monitoring Board for the Military Corrective Training Centre

Account – how we make sure we are delivering our outputs

Defence spending

139. Defence fits within a broader public spending framework of planning, control and accountability. This means the following:

- The Defence budget is set by the Government's **Spending Reviews**, led by HM Treasury, which sets firm and fixed spending budgets over several years for each department.
- The Defence budget from the Spending Review is approved by Parliament and depends on legal limits.
- Defence spending is monitored and controlled to make sure that it stays within the administrative controls set by HM Treasury and the legal limits set by Parliament.



Who is held to account?

140. The Secretary of State (SofS) is accountable to Parliament for all our policies, decisions and actions except for planning, directing and carrying out military operations which is the responsibility of CDS.

141. The Permanent Under Secretary (PUS) is the **Departmental Accounting Officer** and personally accountable to Parliament for the economic, efficient and effective use of our resources, prudent administration and the regularity and propriety of our spending. Chief executives of Trading Funds have similar responsibilities in terms of their organisations.

142. TLB holders answer to the PUS for the performance of their TLB in delivering their command plans, including for those matters for which PUS is personally accountable to Parliament as Departmental Accounting Officer.

143. Accounting officers in all government departments must sign a **governance statement** each year, which is part of the annual reporting of the department, and is presented as part of the accounts. It is a high-level summary by PUS of the ways in which risk has been identified, evaluated, managed and controlled. It also confirms that we have reviewed the effectiveness of the system of internal control and that the results have been discussed by the accounting officer with the Defence Board and the Defence Audit Committee.

144. The **SofS Chief of Staff** is the **Defence Authority for Public & Parliamentary Accountability**. The SofS is held to account to Parliament in five main ways.

- **Select committees** – our main select committee is the House of Commons Defence Committee (HDCD), which looks specifically at Defence. The Public Administration Committee (PASC), which reviews organisation and administration across government, and the Joint Committee on National Security Strategy (JCNSS), which reviews the Government's National Security Strategy and considers the Prime Minister's Annual Report on putting the SDSR into practice, both also routinely consider issues relevant to Defence. Other committees also take evidence from Defence ministers, officials and senior officers when relevant to their inquiries. Select committees may inquire into any issue within their remit. They take spoken and written evidence before producing a report to which the Government will then respond.
- **The Public Accounts Committee (PAC)** – investigates the accounting for, and the regularity and propriety of, public spending. It is supported in this by the National Audit Office (NAO).
- **Parliamentary questions (PQs)** – asked by Members of Parliament and Peers to gather information or to press for action, and which need either a spoken or a written answer.
- **Parliamentary debates** – held at the discretion of the Government or the Opposition, or asked for by a Member of Parliament, the HDCD or Peers, on specific defence issues.
- **Ministerial correspondence (MC)** – in which MPs write direct to ministers about the concerns of their constituents or on a topic in which they have an interest. Peers also receive a formal ministerial reply if they write to ministers.

145. The SofS has to produce the **Annual Report and Accounts** to Parliament on our performance. This provides a thorough overview of Defence and how we have used the resources authorised by Parliament. The NAO, under the Comptroller and Auditor General, audits and certifies the accounts and reports to Parliament on any concerns with the audit certificate (these are known as 'qualifications'). The House of Commons Defence Committee normally takes evidence on the Annual Report and Accounts from the PUS and DG Finance, and from SofS if they decide, and reports on its conclusions.

146. We emphasise individual executive accountability as the basis for stronger decision-making and delivery, rather than decision-making by agreement and in committees.

147. Along with all other government departments, we also publish a 'Business Plan' each year²¹ as part of the Government's Transparency Framework. Although it is not a business plan in the traditional sense, it supports transparency and allows us to answer to the public for our work. We publish a report every month on the No 10 website and SofS and PUS can be held to account by the Chief Secretary to the Treasury and the Minister for the Cabinet Office for our performance against this plan.

²¹ [MOD Business Plan 2012-2015 published on 31 May 2012.](#)

TLB accountability

148. In holding **TLB holders** to account every six months, PUS and CDS focus on the performance of each TLB against the aims of the command plan. They will concentrate on the latest estimate for the performance in-year and across the planning period compared with the targets laid down in the command or TLB plan and identifying specific concerns, issues and risks. It is a frank and honest conversation between senior leaders, at which TLB holders can make sure that accountability and risk are balanced. There is also the opportunity to expose issues or propose adjustments to their plans, with an emphasis on early action. DG Finance also attends the meetings, along with the Director of Resources (D-Res) from the TLB.

149. While TLB holders are held to account against the aims of their command plan, in many cases these cannot be delivered alone. As a result, significant relationships are clearly recognised within command plans, and TLBs must put in place the relevant and appropriate arrangements with other organisations, particularly in lead command conditions. The command plan should document these important links and record, where critical, the performance against each '**joint business agreement**'. The holding-to-account process also allows TLB holders to be held to account for delivering and meeting the defence directives issued by each defence authority, by using information generated by the DPF. Each TLB also has a process for managing risk, in which they propose and record in their plans the action they plan to take if a risk or combination of risks arises.

Joint business agreements

A joint business agreement (JBA) is a document that formalises an agreement between two TLBs, particularly where one depends on the outcome or service provided by another. It is used to document and govern the agreed levels of performance, cost and time of that agreement and will feature in command plans.

150. Extra **functional** or **business reviews** may be regularly carried out to allow timely action to take place if delivering the Defence Plan or command plans is at risk. They allow us to make best use of new opportunities or to consider whether specific strategies (whether relating to a TLB, defence authority or corporate service) will still be appropriate to deliver the overall Defence Plan. These reviews can be held by the PUS, DG Finance or DG Head Office and Commissioning Services.

151. The D-Res (or Finance Director) is the senior finance officer and DG Finance's representative in each TLB. They sit on the TLB senior governance board and other appropriate bodies (including TLB investment approval committees, which each D-Res chairs). Each D-Res is responsible for making sure the TLB arrangements are adequate to manage its finances and to deliver its command plan. They have access to all relevant information within the TLB, and are personally responsible for the financial parts of the command plan and have some responsibilities for approvals. Any proposal to go over approved delegations must be gained through the relevant approvals committee, accompanied, where necessary, by proposals to offset the extra cost.

Audit

152. Government audit standards mean that the Permanent Under Secretary must have an independent **internal audit** function, responsible for measuring, evaluating and reporting on the effectiveness of the way we manage risk and over the control and governance processes. They must also give PUS an annual audit and assurance opinion.

Defence Internal Audit (DIA) provides independent advice on the economy, efficiency and effectiveness of systems and controls at all levels of the department, and reports to the **Defence Audit Committee** (DAC) at the end of the financial year (and by regular updates throughout the year). Over the course of the year the DAC is given:

- annual assurance reports (AAR) from each of the TLBs, providing assurance on how they are keeping to rules and standards;
- assurance reports from each of the defence authorities;
- the Head of DIA's Annual Opinion and Report;
- the draft annual accounts; and
- reports produced by the NAO.

153. Each TLB should also have an audit committee which follows the appropriate standards and guidance²².

154. Our external audit function is provided on behalf of Parliament by the **Comptroller and Auditor General**, supported by staff from the National Audit Office (NAO). NAO see all Defence Audit Committee and TLB Audit Committee papers and go to their meetings.

Personal performance

155. In line with the emphasis on individual accountability, military and civilian personnel are covered by a **personal appraisal** system, which we use to build a two-way commitment between us and our people. It is focused on driving business success through individual performance. Line managers will agree individual yearly targets with staff members to help deliver the TLB and defence authority aims for the year. Performance appraisals against these targets are carried out to a common standard and performance reward processes are used consistently across the department.

156. To improve personal accountability, senior military personnel and civil servants are expected to stay a reasonable length of time in non-operational posts (the average now should be four years). This also benefits continuity, allowing us to benefit from the experience gained by staying longer in post. For senior posts, standard times in post are: four to five years for the most senior posts (3* and 4*); and two to three years for operational command appointments. At OF5/Band B up to 2*, the top talent and those in very demanding posts will continue to serve for two to three years to make sure they have a breadth of experience or to avoid burning out.

²² Audit committee rules and guidance: JSP 525 Corporate Governance; JSP 892 Risk Management and [NAO Audit Committee checklist and Handbook](#)

Other controls

157. We use a number of further **control activities** to make sure compliance with the rules, for example:

- **Investment approvals**, which provide assurances that the investment will provide value for money and is affordable within the department's financial resources. DG Finance and each TLB Director of Resources, supported by their relevant Investment Approvals Committee, approve investment decisions.
- **Authorisations**, which confirm that a transaction is valid (in other words, it represents an actual economic event). An authorisation usually takes the form of an approval by a higher level of management.
- **Verifications**, which compare two or more items with each other or compare an item with a policy, and carry out a follow-up action when the two items do not match or the item is not consistent with policy.
- **Physical controls**, by which equipment, inventories, and other assets are secured physically (for example, in locked or guarded storage areas with access restricted to authorised personnel only) and are periodically counted and compared with amounts shown on control records.
- **Automated controls**, in which control activities are partially or totally controlled using technology.
- **Divided or separated duties**, in which different people share responsibility to reduce the risk of mistakes or inappropriate or fraudulent actions (for example, separation of powers when placing a contract).
- **Comparison** of two or more data elements and, if differences are identified, action is taken to reconcile (identify mistakes, make corrections and then balance) the data.

Preventing fraud

158. We have zero tolerance towards **fraud** and everyone in the department has a part to play in preventing it. Those with responsibility for managing personnel, both service and civilian, have a particular responsibility to make sure that where there is evidence of fraud, identified locally or following investigation by the service or civilian police or the Defence Fraud Analysis Unit, they take appropriate action, in line with the relevant policies.

Terms of reference for defence authorities, senior responsible owners and lead commands

A defence authority:

- Has a letter of authority from the PUS, which defines his/her area of responsibility, and is identified in 'How Defence Works' and the MOD Internal Control Framework.
- Manages corporate-level risks and enables coherence across the defence enterprise in relation to his/her area of responsibility.
- Establishes and monitors necessary internal controls (usually rules and standards) that apply to the whole organisation, which are articulated through Defence Directives²⁴.
- Authorises temporary/local exemptions from these internal controls on the basis of a risk-balance assessment where this supports the delivery of defence outputs.
- Owns a delivery strategy and plan (as appropriate); and a set of 'how to' guides where required²⁵.
- Manages a stakeholder group to ensure the proportionality of the Defence Authority direction and its deliverability, with a particular emphasis on balancing corporate and TLB needs, as well as driving efficiency and good business practice of relevant processes.
- Defines (and keeps under review) the boundaries of their authority, consulting with other Defence Authorities as necessary on interfaces and where there may be overlaps of responsibility.
- Ensures the ongoing development and improvement of related functions and services that enable other parts of MOD to deliver Defence outputs, including the efficiency, effectiveness, and coherence of the underpinning processes²⁶.
- Sets skills standards in conjunction with the appropriate Heads of Profession for those elements of the Defence workforce delivering the strategy.

²³ Plain English Campaign's Crystal Mark does not apply to this annex.

²⁴ A single Defence Directive for each Defence Authority signposts the relevant rules and standards (e.g. Joint Service Publications (JSPs)).

²⁵ Embedded within the Interactive Operating Model

²⁶ This role will form part of the wider governance arrangements for individual enabling services under the new operating model (e.g. a number of Defence Authorities will have a direct interest in the provision of services by the Defence Business Services organisation, but will not be responsible for them).

- Supports TLBs with delivery and assurance planning; and benchmarks across TLBs to encourage better performance.
- Monitors operating risks and performance & compliance across the whole organisation, using the quarterly H2A performance and risk reporting mechanisms, escalating the reporting of any cumulative risk within his/her area of responsibility to the corporate risk system.
- Assures the controls he/she is operating and submits an annual assurance report to the Head Office Management Group, which will hold Defence Authorities to account in the first instance before forwarding the report to the Defence Audit Committee.

A **senior responsible owner**:

- is given a programme mandate and oversees all aspects of delivering a programme, accounting for cost and benefit trade-offs within the programme budget and makes sure that the business case for continuing with the programme is still valid at all stages from start to delivery;
- carries out responsibilities on behalf of PUS and may be called to account by Parliament for managing and delivering their programme;
- sets up and chairs a Programme Board and should aim to get appropriate assurance, from Defence Internal Audit and through OGC Gateway™ reviews, that the programme, including managing risk, control and governance issues, is being managed in an appropriate and effective way²⁷; and
- is responsible for delivering a programme's benefits, even after the programme has ended.

A **lead command**:

- only exists if identified in Annex C of this document;
- will take the lead responsibility for planning and delivering a capability where aspects of it fall to more than one command;
- will, in all cases, carry out capability planning and force development (however it may, through negotiation and agreement, give the task of delivering some of the capability to another appropriate command);
- will grant permission for another dependent command to authorise spending using the lead command's budget allocation;

²⁷ [SRO policy and guidance](#)

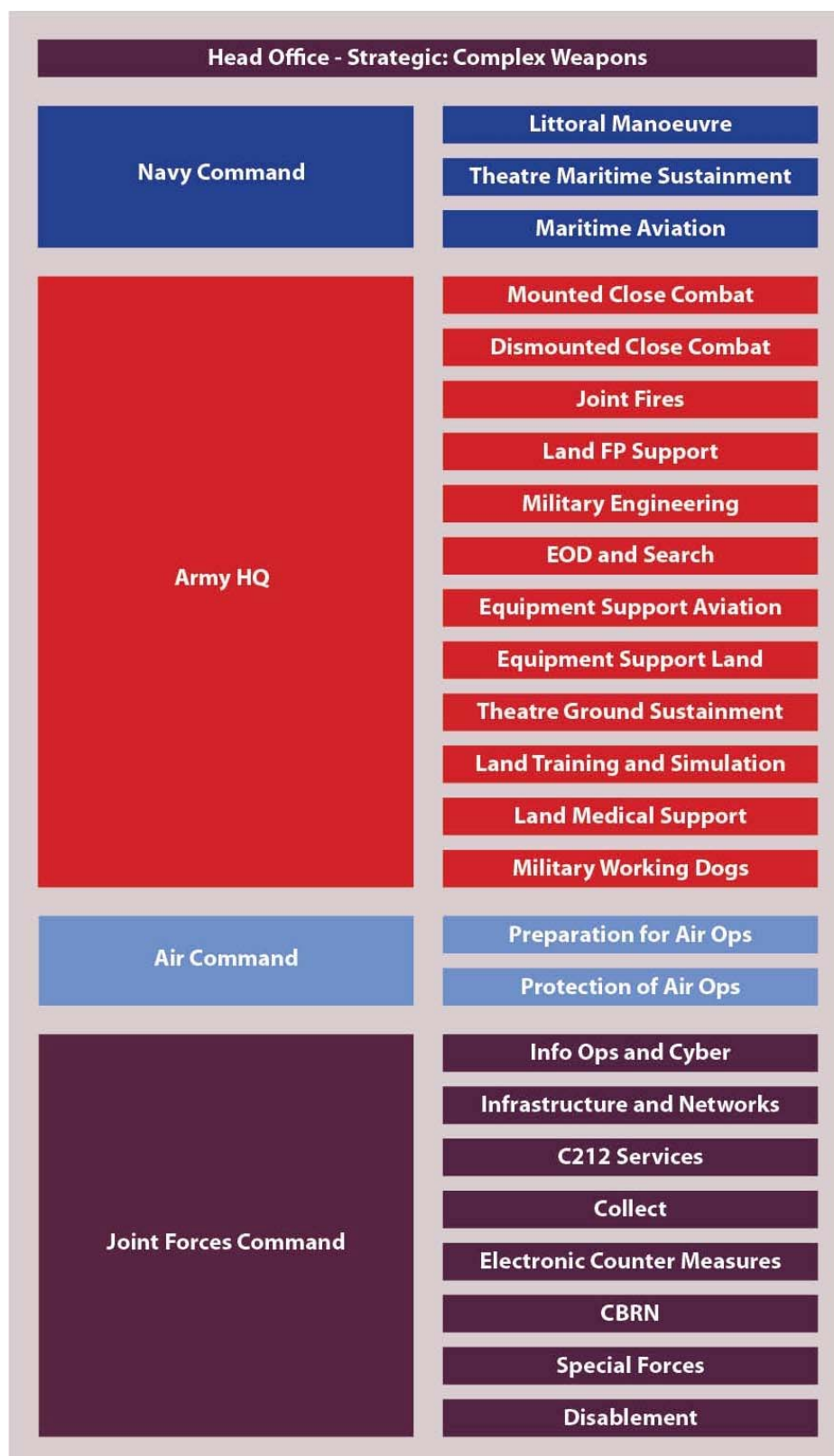
- will be responsible for applying formal scrutiny and approvals across all DLODs of the whole proposal; and
- will act as the sponsor and appoint the senior responsible owner who, no matter what their parent command, is responsible to the lead command for delivering programme outcomes and benefits.

Index of defence authorities

Function	Defence Authority
Corporate Design	Director Corporate Strategy
Financial Management & Approvals	Director General Finance
People ²⁸	Chief of Defence Personnel
Health, Safety & Environmental Protection	Director Safety & Environment Authority
Healthcare & Medical	Surgeon General
Logistics	CE DE&S, supported by ACDS Log Ops
Capability Coherence	DCDS Military Capability
Security	Director Business Resilience
Business Resilience	Director Business Resilience
Commercial	Director Commercial
Communications	Director Defence Communications
Statistics	Chief Statistician
Information	Chief Information Officer
Cyber & C4ISR	Chief of Defence Intelligence
Public & Parliamentary Accountability	SofS Chief Of Staff
Technical & Quality Assurance	Director Technical
Acquisition System	DG Head Office and Commissioning Services
Operations	ACDS Ops

²⁸ CDP's role as Defence Authority for People encompasses all aspects of personnel management, training and education.

List of lead commands



Abbreviations list

AAR	Annual assurance report
ACDS	Assistant Chief of Defence Staff
AFC	Armed Forces Committee
ALB	Arms-length bodies
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance
CADMID	Concept, Assessment, Development, Manufacture, In-service, Disposal
CADMIT	Concept, Assessment, Development, Migration, Termination
CAS	Chief of the Air Staff
CDI	Chief of Defence Intelligence
CDP	Chief of Defence Personnel
CDM	Chief of Defence Materiel
CDS	Chief of Defence Staff
CE	Chief Executive
CGS	Chief of the General Staff
CIO	Chief Information Officer
CJO	Commander of Joint Operations
CNS	Chief of the Naval Staff
Comd JFC	Commander Joint Forces Command
COS	Chiefs of Staff (committee)
CSA	Chief Scientific Advisor
CSB	Corporate Service Board
CTO	Chief Technology Officer
DAC	Defence Audit Committee
DBR	Director Business Resilience
DBS	Defence Business Services
DCB	Defence Communications Board
DCDS	Deputy Chief of Defence Staff
DCDS (MSO)	Deputy Chief of Defence Staff for Military Strategy and Operations
D C-Strat	Director Corporate Strategy
DDC	Director Defence Communications
DE&S	Defence Equipment and Support
DfID	Department for International Development
DG HO&CS	Director General Head Office and Commissioning Services
DG HOCS	Director General Head Office and Corporate Services
DG Sec Pol	Director General Security Policy

DIA	Defence Internal Audit
DICP	Defence Infrastructure Command Plan
DIO	Defence Infrastructure Organisation
DLOD	Defence Line of Development
DP	Defence Plan
DPF	Defence Performance Framework
D-Res	Director of Resources
DSD	Defence strategic direction
DSEA	Defence Safety and Environment Authority
DSF	Director Special Forces
DSG	Defence Strategy Group or Defence Support Group
DSTL	Defence Science and Technology Laboratory
FCO	Foreign and Commonwealth Office
FE@R	Force Elements at Readiness
FE@S	Force Elements at Sustainability
FLC	Front Line Command
HCDC	House of Commons Defence Committee
HOCS	Head Office and Corporate Services
IAC	Investment Approvals Committee
ICT	Information and communications technology
IJC	Infrastructure Joint Committee
IPSR	Independent Private-Sector Representative
ISS	Information Systems and Services
JCNSS	Joint Committee on National Security Strategy
JFC	Joint Forces Command
JTES	Joint Training and Education System
JTF	Joint Task Force
KPIs	Key Performance Indicators
MAA	Military Aviation Authority
MACA	Military Aid to the Civil Authorities
MC	Ministerial Correspondence
MCA	Military Capability Board
MIDIT	Means of identifying internal talent
MDP	Ministry of Defence Police
MOD	Ministry of Defence
MPA	Major Projects Authority

NAO	National Audit Office
NCC	National Contingent Commander
NDPBs	Non-departmental public bodies
NEBM	Non-executive board members
NSC	National Security Council
NSS	National Security Strategy
OSB	Owner's Strategy Board
P3M	Portfolio, programme and project management
PAC	Public Accounts Committee
PASC	Public Administration Select Committee
PJHQ	Permanent Joint Headquarters
PJOB	Permanent Joint Operating Base
PQs	Parliamentary questions
PUS	Permanent Under Secretary
S&T	Science and technology
SAC	Senior Appointments Committee
SBP	Strategic business partner
SDSR	Strategic Defence and Security Review
SICPL	Single Integrated Capability Priorities List
SG	Surgeon General
SofS	Secretary of State
SRO	Senior responsible owner
TLB	Top level budget
UKHO	UK Hydrographic Office
VCDS	Vice Chief of Defence Staff
WFC	Whole force concept