



# Ministry of Defence

## TOP LEVEL MESSAGES – DECEMBER 2012

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### AFGHANISTAN

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- British forces are in Afghanistan for one overriding reason: to protect British national security by helping the Afghans take control of theirs. This means building up the capability of the Afghan National Security Forces (ANSF) so that they can prevent Afghanistan from ever again becoming a safe-haven for international terrorist organisations, such as al-Qaeda (AQ) who would pose a threat to the UK and our allies around the world. The UK Government does not seek a perfect Afghanistan, but a stable Afghanistan, able to manage its own security effectively.

### TRANSFORMING DEFENCE

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- As set out in the [Defence Vision](#): 'Our mission endures - to protect our country and its values and interests abroad. To do this we must meet a complex range of threats and challenges in a rapidly changing world. We must adapt to stay ahead, configure our capability to address tomorrow's threats, build more versatile and agile forces for the future, and ensure our people have what they need to do what we ask of them.'
- The MOD is making this happen by Transforming Defence to deliver battle-winning Armed Forces, a smaller, more professional MOD, and a hard headed approach to what we can afford. This is underpinned by people who lead at every level, work together to make Defence as a whole stronger, and use modern, innovative ways of doing business.

### SUPPORT TO PERSONNEL AND MEDICAL

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- No matter what the size of the Armed Forces and despite the ongoing redundancy tranches there is a constant standing requirement to **recruit** around 10% of personnel per year to preserve future operational capability. The combined recruiting target for the three Services is in excess of 23,000 for the current year and is set to rise over the next three years to circa 28,000. This month the Royal Navy Reserves are running a local recruitment campaign.
- The **Reserve** Forces have a vital role in delivering the UK's national military capability and have made a substantial contribution to operations in the recent past. In the future the Reserves will be an integral part of the Whole Force. A [consultation on Future Reserves 2020](#) is currently running until January 2013.
- The MOD is **reducing the Armed Forces** by some 33,000 (19%) by 2020 (5,500 RN, 19,500 Army, 8,000 RAF). The civilian workforce is being reduced by some 32,000 (38%) by 2020.
- The **Armed Forces Covenant** recognises that the whole nation has a moral obligation to the Armed Forces Community, and it establishes how they should expect to be treated.
- The support to personnel injured on operations is of an excellent standard. All Armed Forces personnel are supported by dedicated and comprehensive **medical** services, including mental health support.

- The Armed Forces **Pension** Schemes are designed to reflect the special features of Service life, provide adequate retirement income and protection for dependants, and encourage retention as a key part of the overall remuneration package for Service Personnel. Final agreement has now been reached with the Government on the overall design of the new Armed Forces Pension Scheme and this was announced on 16 October 2012. A [Final Agreement document](#) was published on the same date.
- The Armed Forces Compensation Scheme provides **compensation** for injuries, illness and death arising from Service since 6 April 2005. War pensions are paid to veterans with injuries caused by their service prior to this date.
- The MOD recognises the importance of providing decent living standards in maintaining morale on the front line and, despite the current financial challenges, continues to invest and target efforts on the most pressing **accommodation** issues. Military accommodation arrangements continue to represent good value for money for members of the Armed Forces, with charges well below market rates.
- The **welfare** needs of Service personnel and their families remain a key priority. The Government is committed to providing the best possible support to deployed personnel and their families through the Deployed Welfare Package. For Christmas, the MOD is sending Christmas decorations and over six tonnes of festive food to personnel deployed in Afghanistan.

## **EQUIPMENT CAPABILITY**

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- Success in Afghanistan is the top priority for Defence and the Government is fully committed to ensuring that the campaign is properly resourced, funded and equipped.
- Through a series of tough but necessary decisions combined with radical reforms of the MOD's financial processes, the black hole in the defence budget has now been eliminated. It means that for the first time, the MOD's core equipment programme is fully funded and affordable.
- The MOD will spend around £160 billion on equipment and equipment support over the next ten years, investing in cutting edge equipment across the spectrum of capability areas, including:
  - 14 new Chinooks, Apache life-extension & Puma upgrade;
  - a programme of new armoured fighting vehicles worth around £4.5 billion over ten years, and a £1 billion upgrade of the Warrior Armoured Fighting Vehicle;
  - the building of the two Queen Elizabeth Class aircraft carriers; the remainder of the Type 45 destroyers and the new Type 26 frigates; the Astute class and Successor nuclear submarines;
  - investment in new Wildcat helicopters, the Merlin upgrade programme and the assessment phase for Merlin marinisation;
  - introduction into service of the Voyager Air-to-Air refueller & troop transporter, the A400M air transporter and the Air Seeker surveillance aircraft;
  - an additional C17 aircraft;
  - continued investment in Typhoon and Joint Strike Fighter;
  - £7 billion invested in complex weapons – the smart missiles and torpedoes that give our Navy, Army and Air Force their fighting edge.

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## **SECTION 1 – OPERATIONS**

### **AFGHANISTAN**

- The UK is part of a UN mandated NATO-led international mission in Afghanistan supported actively by 60 countries, including several Islamic countries. The UK's conventional force level in Afghanistan is drawing down from 9,500 to 9,000 by the end of this year. This is out of a total ISAF force of around 105,000 personnel from 50 troop contributing nations (source: ISAF).
- The international strategy involves protecting the civilian population from the insurgents, building up the Afghan National Security Forces (ANSF) and supporting more effective governance at every level.
- UK troops working alongside other ISAF and Afghan forces continue to make progress by driving out the insurgents and extending the authority and influence of the Afghan Government in Central Helmand. Helmand's security situation remains complex and there will be more tough fighting ahead as gains are consolidated.
- As of 30 Nov 2012, a total of 438 British forces personnel have died while serving in Afghanistan since the start of operations in October 2001. As of 31 Oct 2012, 289 personnel have been Very Seriously Injured or Wounded, and 298 have been Seriously Injured or Wounded.
- The Prime Minister has been clear that UK forces will not be in Afghanistan in numbers comparable to current levels or in combat role beyond 2014.
- While the UK continues to consider force trajectories through to the conclusion of the mission in 2014, and expects to be able to make further reductions to force levels next year, no further decisions have been made;
- The drawdown leading up to 2014 will be steady and measured. As the Prime Minister has said there should not be a cliff-edge reduction in 2011. Decisions will take into account military advice, the pace of transition and conditions on the ground.
- At NATO's Lisbon Summit in 2010, ISAF nations agreed the principles of transition, which espouse an "in together, out together" approach. As transition progresses, the mission will gradually change from combat to support and by the end of 2014 the Afghans will control their own security. For 75% of the Afghan population this is already the case.
- This process allows UK forces to shift their efforts from combat to a train, advise and assist role. But UK and International Security Assistance Forces (ISAF) will continue to operate in a combat role, albeit a reducing one, in support of Afghan forces until the end of 2014.

#### **ANSF/Transition:**

- ISAF report that the current strength of the Afghan National Army is 178,500; the Afghan National Police stands at 148,500, and the Afghan Air Force 6,300 as of 21 Oct 2012. ISAF report that the ANSF (less the Afghan Air Force) are expected to reach their fielded end-strength in Feb 2013.
- Developing strong and capable Afghan security forces that will help foster enduring stability in the country is critical to our long-term strategy in Afghanistan. At the Chicago Summit in May 2012 NATO and ISAF partners made clear that they would play their part in the financial sustainment of the ANSF in the years after 2014.
- The ANSF's effectiveness continues to improve; this is allowing them increasingly to take the lead in operations. In the first six months of 2012 the ANSF led over 80% of conventional operations.
- The ANSF have demonstrated that they can lead on security effectively and competently in areas that have already started the transition process. Following the third tranche of transition the ANSF now have the lead security responsibility for areas home to 75% of the population.
- As part of this process, in 2013, the 5th and final tranche of transition will begin. From this point the ANSF will have lead security responsibility across the country.
- As part of this the UK has announced it will contribute £70 million a year, from 2015, to help fund the ANSF in the years after our combat mission ends. The UK's level of funding will be kept under review and is expected to decrease over time as the Afghans' ability to fund their

own security forces increases. The UK's contribution will form part of a wider funding pool of \$4.1 billion that the international community and the Afghans are putting together to ensure that Afghan forces can maintain their national security.

- The UK will also, as part of our enduring legacy, take the coalition lead at the new Afghan National Army Officer Academy near Kabul.
- The UK remains committed to supporting the Government of Afghanistan in its efforts to achieve an inclusive and sustainable political settlement. This is a challenging process which will take time. We need a political process which ensures that all Afghans - if they give up violence, renounce terror and respect the Afghan constitution - can play a part in shaping a strong, democratic and constitutional state.

### **Insider Attacks**

- As with all UK military casualties, insider attacks are deeply tragic events. We and our ISAF and Afghan partners take these attacks and their causes extremely seriously and we are cooperating on a number of initiatives to tackle them. To reduce this risk, force protection measures are constantly reviewed and where necessary adjusted by operational commanders, but we accept that our mission will never be without risk.
- ISAF's analysis of this threat suggests that there is no single overriding factor which triggers them. But as NATO Secretary General Rasmussen recently said, insider attacks form part of a wider Taliban tactic to undermine trust and confidence between international forces and our Afghan partners. This will not succeed.
- The UK will not allow the insurgency to change our strategy or damage the trust and confidence we have built. We are making important progress and remain fully committed to Afghanistan and its people both now and in the long-term.
- Developing the ANSF is a key part of our strategy and partnering is essential to success. The overwhelming majority of UK and ISAF troops work well with their Afghan counterparts. Every day there are tens of thousands of successful interactions between ISAF and Afghan forces, without incident. We share the same mission and the same goals.

## **SECTION 2 – TRANSFORMING DEFENCE**

**Transforming Defence** will deliver:

- **Battle-winning Armed Forces**, smaller than before but able to reach across the world and operate across the spectrum from high-intensity combat to enduring stabilisation activity, who work with each other and with allies, equipped and trained for their task, their families well supported, trusted to shape their own future and manage their own resources within Defence;
- **A smaller, more professional Ministry of Defence** that supports Ministers in setting clear priorities for the outputs required of the Armed Forces and the Department, and holding them to account for meeting them; supports the Armed Forces in delivering what they are tasked to do; and reports honestly and openly to Parliament and the public;
- **A hard-headed approach to what we can afford**, now and in the future, getting the most value we can from each pound of taxpayers' money.

This is all underpinned by people who lead at every level, who work together to make Defence as a whole stronger, and who use modern, innovative ways of doing business.

### **Transforming the front line: Battle-winning Armed Forces**

- **The UK will remain one of the very few countries that can deploy and sustain a brigade sized force together with its air and maritime enablers, capable of both intervention and stabilisation operations almost anywhere in the world.** All three Services have implemented the early force structure and capability changes set out in the [Strategic Defence and Security Review \(SDSR\)](#).
- **[Army 2020](#)** sets out how the Army will become smaller, integrated and more adaptable. It will remain the most capable Army of its class in the World.

- At its heart will be a Reaction Force of three large, well equipped and trained armoured infantry brigades and 16 Air Assault Brigade; and
- an Adaptable Force of seven further infantry brigades, with the Reserve Forces as a core component, providing overseas capacity building to help prevent future conflict, military aid to homeland resilience, and follow-on forces for enduring operations.
- Supporting Force Troops, such as Artillery, Engineers and Medics.
- The MOD is upgrading maritime, land and air equipment to ensure the Future Forces have state-of-the-art capabilities (see [Section 4: Equipment Capability](#)).
- **The Reserves:** As set out in [Future Reserve Force 2020](#), Reserves will play a greater role in future and we are investing an additional £1.8 billion in them over the next 10 years. Reserves trained strength will grow by at least 50% by 2018 to 30,000 in the Territorial Army, 3,100 in the Royal Navy and Royal Marine Reserves and 1,800 in the Royal Auxiliary Air Force (see [Section 3: Reserves](#)).
- **Basing:** We are working on the Footprint Strategy to identify the most cost effective approach to Future Force 2020 basing and achieve strategic asset management of an affordable and sustainable infrastructure footprint of the right size and quality and in the right places to support operational capability.

### **Transforming the organisation: A smaller, more professional Ministry of Defence**

The MOD is implementing the recommendations of [Lord Levene's Defence Reform Review](#) to create a simpler, more effective organisation.

- We have set up a new defence operating model, new Joint Forces Command, new command structures for Navy, Army and RAF, and simplified Army regional structures.
- A smaller Head Office will focus on strategic direction. Commands and Top Level Budgets (TLBs) will be responsible and accountable for managing their own budgets.
- We have set up Defence Business Services in partnership with Serco. The New Defence Infrastructure Organisation is also developing private sector partnership arrangements.
- The Materiel Strategy work has made a compelling case for reform of acquisition. The Department is now focusing on developing the Government-Owned, Contractor-Operated (GOCO) option to see whether it would deliver value for money.
- The real, long-term challenge is to change behaviours, align incentives and shift the culture. This is the key task for the leadership of Defence in 2013.
- By 1 October 2012, the number of Armed Forces personnel has fallen by over 11,000 (6.3%) and the civilian workforce has been reduced by nearly 18,000 (21.5%) since April 2010.

### **Transforming the budget: A hard headed approach to what we can afford**

- **The Defence budget is now in balance.** The MOD is now living within its means and can plan for the future with a degree of certainty. Addressing the black hole in the defence budget, contributing to reducing the deficit, and ensuring an affordable and deliverable equipment programme meant reducing the defence programme by about £74 billion over ten years.
- We must give people the kit and equipment they need. This is a moral imperative. Around £160 billion will be spent on equipment and equipment support over the next 10 years, covering our current commitments, the major SDSR equipment programmers, the deterrent, and equipment support costs to deliver Future Force 2020.

## **SECTION 3 – SUPPORT TO PERSONNEL AND MEDICAL**

### **RECRUITMENT**

- The combined recruiting target for the three Services is in excess of 23,000 for the current year and this is set to rise over the next three years to circa 28,000. The increasing requirement is mainly driven by the significantly increased numbers of Reserve Forces required in support of Future Reserves 2020 as the three Services rebalance in terms of Regulars and Reserves and the overall capability and utility of the Armed Forces is enhanced.

- The Armed Forces depend on large numbers of young people wanting to join the Services every year and are still recruiting and training to replace those personnel who leave the Services at the end of their contracts.
- Even with the ongoing redundancy activity, marketing campaigns make it quite clear that all three Services, Regular and Reserve Army are 'open for business' despite perceptions that that is not the case.
- The Armed Forces are always seeking applicants from the UK Ethnic Minority (UK EM) Communities to increase representation from a pool of talent that is not fully tapped into by the Armed Forces at present.
- A vast range of qualifications is on offer in over 300 specialist employment areas and the MOD hosts the largest apprenticeship programme in the UK delivering about 13,000 completed apprenticeships per year, of which some 2,000 are advanced apprenticeships.
- Despite the challenge of meeting the combined recruiting target, the Armed Forces are looking to make significant savings in the cost of recruiting operations and the Army are now in partnership for the next 10 years with Capita under the Recruiting Partnering Project contract. This will deliver the right quantity of recruits at the right quality for the Army to enable it to meet its operational commitments and will achieve savings in the order of £250 million.
- As a result of advancements in recruiting the process is becoming increasingly digitised and the presence of recruitment offices on the high street is being reduced as more of the recruiting operation moves online.
- This month the Royal Navy Reserves are running a local recruitment campaign.

## RESERVES

- Following the decisions the Government has taken regarding the force structure of the future Armed Forces, the MOD is consulting the public and employers on how to achieve our vision for the Reserves. The needs and desires of employers and potential and existing reservists must be understood, respected and balanced with the requirements of Defence in order to achieve enduring support for the Reserves.
- A formal [consultation on Future Reserves 2020](#) was launched in November with the publication of a Green Paper detailing and requesting feedback on our suggested policy direction, and includes a series of national and regional events and other mediums of response. The online consultation closes on 18 January 2013. By Easter 2013, following analysis of responses, a White Paper detailing the future policy for Future Reserves 2020 will be published.
- The Government is investing an additional £1.8 billion in the Reserves over the next 10 years to stabilise, reinvigorate and grow the size of Reserve Forces by around 50%.
- The MOD will better harness the talents of the Reservists, expand their roles and deliver enhanced training and supporting equipment, thereby maximising their utility and enabling better integration with the Regular Force.
- At the same time, the MOD is developing a closer relationship with employers, based on a partnership approach, to better meet the needs of Defence, the employer and the Reservist; the Public Sector, as a major employer of Reservists, will play its full part in this.

## REDUNDANCY

- Whilst reduced recruiting and fewer extensions of service will account for some of the reductions, a redundancy programme is also underway to ensure the right balance of skills is maintained across the rank structures.
- In September 2011, 2,860 **Service personnel** were notified of their selection for redundancy in Tranche 1, of whom 62% were applicants. The vast majority of those selected left the Armed Forces left by the end of September 2012.
- On 12 June 2012, 3,800 Service personnel were notified of their selection for redundancy in Tranche 2, of whom 72% were applicants. Applicants will leave by 11 December 2012, while non-applicants will leave by 11 June 2013.



- Tranche 2 is the last major tranche for the Royal Navy / Royal Marines and RAF, although a small number of redundancies may be required for senior officers on completion of the Senior Liability Review and the Defence Medical Services 20 study.
- There is still some way to go to bring the size of the Army down to 82,000, but the mission in Afghanistan will not be compromised.
- Those serving in, preparing to go to, or on leave having returned from Operational Allowance (OA) earning locations such as Afghanistan on the notification dates were exempt from selection, unless they are applicants.
- Service personnel selected for redundancy will receive the resettlement package to which they would have been entitled if they had completed their entire engagement, to assist their transition to civilian life.
- For the **civilian workforce**, the Department is committed to achieving the necessary reductions without recourse to compulsory redundancy wherever possible. The first Voluntary Early Release Scheme (VERS) launched in spring 2011, attracted applications from almost 14,000 staff, around 7,800 of whom were offered early release and just under 6,300 accepted. A further two-year VERS was launched on 7 November 2011 and some 12,640 applications were received.
- Around 5,900 applicants for this second VERS have already been selected for release. It is expected that around 3,200 will have left under this second scheme by the end of March 2013.
- As a result of specific establishment closures and drawdowns and other discrete business changes some redundancies will occur where the required reductions cannot be made by voluntary early release. The Trade Unions are being consulted as these arise.

## THE ARMED FORCES COVENANT

- The [Covenant](#), published in May 2011, has two key principles: (1) the Armed Forces Community should not face disadvantage compared to other citizens in the provision of public and commercial services; (2) special consideration is appropriate in some cases, especially for those who have given most, such as the injured and the bereaved.
- The Covenant is a matter for the whole of Government and sustained progress requires both close working across Whitehall and clear Ministerial leadership. Therefore a new Cabinet sub-committee was established in February 2012, led by Minister for Government Policy Oliver Letwin, to oversee the Covenant programme of work and ensure that momentum is maintained.
- The Government has made good progress in delivering the commitments made under the Covenant. Some of the achievements so far include:
  - Changing the Schools Admission Code to allow schools to exceed class sizes to accept a Service child and providing extra money to schools attended by Service children;
  - Excluding Armed Forces Compensation Scheme payments from the means-test for social care purposes
  - Guaranteeing three free cycles of IVF for Service personnel with serious genital injuries and providing high quality prosthetics via the NHS;
  - Doubling the Families Welfare Grant, the Council Tax relief and the Operational Welfare allowance.
- 200 communities across the UK from Cornwall to Moray have now signed their own 'Community Covenants'. £30 million has been allocated to the Community Covenant Grant scheme over the four financial years from 2011-12 to 2014-15
- The Defence Secretary has a statutory obligation to report annually on the disadvantages faced by the Armed Forces community. The first Report will be published later this month.

## MEDICAL SUPPORT

### Seriously Injured Personnel

- Medical care for wounded personnel is of a very high standard. The extraordinary quality of care given to the Armed Forces was recognised by the House of Commons Defence Committee in its [December 2011 report](#). A [CQC report](#) in June 2012 recognised as exemplary the management of trauma at the field hospital in Afghanistan and the subsequent rehabilitation of patients, both at Regional Rehabilitation Units and at the Defence Medical Rehabilitation Centre (DMRC) at Headley Court. Overall the CQC found areas of good practice across all of the services inspected with the highest levels of compliance with standards relating to respecting and involving people, the provision of effective, safe and appropriate care and treatment, and in all aspects of dental and mental health services.
- Operational casualties whose injuries are serious enough to require further treatment back in the UK are aeromedically evacuated as a matter of priority. The Queen Elizabeth NHS Hospital in Birmingham is the primary reception hospital for military patients evacuated to the UK from overseas. The state-of-the-art facilities, operating in partnership with the NHS, offer injured troops the best possible care in a Military Ward, subject to clinical need.
- Patients requiring further rehabilitation care (including prosthetics) can be referred to the DMRC at Headley Court in Surrey. DMRC has recently benefited from the delivery of the Jubilee Rehabilitation Complex. This bespoke two-building complex provides an additional 48 beds, allowing the Unit to accommodate a total of 144 ward-based patients and the associated rehabilitation facilities. This new build will enhance DMRC's capability to meet the Services' rehabilitation needs to the end of current operations.

### Prosthetics

- Recent Service leavers who have lost a limb while serving will, where clinically appropriate, be entitled to receive from the NHS equivalent standard prosthetic care to that provided by Defence Medical Services. Dr Andrew Murrison MP led a review on [A Better Deal for Military Amputees](#) in 2011 to examine NHS prosthetics services for veterans now and for the future. The Prime Minister announced that the Government is investing up to £15 million over three years to support Dr Murrison's key recommendations, including the introduction of national specialist prosthetic and rehabilitation centres for amputee veterans. Interim arrangements are now in place, but the specialist centres will be open next year.

### Mental Health: Service Personnel

- The Armed Forces Mental Health Strategy provides a framework for the Chain of Command, DCDS (Personnel & Training) staffs and Defence Medical Services to coordinate policy and focus efforts and resources to optimise levels of mental health in the Armed Forces. It also covers the duty to ensure that Service families receive appropriate support and that veterans in need of help are appropriately catered for through the NHS and in partnership with others.
- The MOD provides mental healthcare for those Armed Forces personnel who need it, primarily through 15 military Departments of Community Mental Health (DCMH) across the UK (plus centres overseas), providing out-patient treatment. In-patient care, when necessary, is provided in specialised psychiatric units under contract with the NHS.
- In May 2010, the latest phase of a King's College study into the effects of deployment on mental health confirmed continuing low incidence rate of probable post-traumatic stress disorder (PTSD) for the UK Armed Forces. Alcohol misuse and common mental disorders were the most prevalent mental health problems. Service personnel are generally no worse off as regards mental health disorders compared with available data for the civilian population. Deployment on operations was associated with a small increase in symptoms of PTSD in Reservists, and Regular personnel in combat roles were more likely than those in support roles to report probable PTSD. The number of times that a member of the Armed Forces deploys to theatre does not increase their risk of developing common mental health disorders.



### **Mental Health: Veterans**

- The NHS delivers veterans' healthcare, with priority treatment for Service-related conditions, subject to the clinical needs of all patients.
- MOD complements NHS services by providing a Medical Assessment Programme (MAP) and £3 million annual funding of treatment by the Combat Stress charity of war pensioners with service-related mental health disorders.
- The Veterans and Reserves Mental Health programme for Reservists who have deployed on operations since 2003 provides a full mental health assessment by military specialists carried out at the Reservist and Mobilisation Centre at Chilwell, Nottinghamshire.
- Armed Forces Networks bring together the NHS, MOD and military charities. They champion the Armed Forces, their families and veterans within their areas, ensure veterans are able to access services, that they are not at a disadvantage and, where appropriate, that veterans are given special treatment in accessing health and social care services. The Armed Forces Networks, MOD and the Department of Health work closely with the Devolved Administrations who have their own arrangements.
- Where a Serving person has had a mental health problem identified at the time of discharge that requires referral to a DCMH, that person may access [care in a UK DCMH](#) for up to 6 months beyond their discharge date.

### **PAY AND ALLOWANCES**

- The Government is determined that members of the Armed Forces should receive a remuneration package commensurate with the vital role they play. The outcomes of the SDSR and the Spending Review are having far-reaching consequences in reducing Defence expenditure, although the full impact on pay and allowances is not yet clear. It is critical that change in these areas does not impact on the MOD's ability to attract, recruit and retain high calibre individuals.
- As part of the Autumn Statement announced on 29 November 2011, the Chancellor confirmed that the two-year public sector pay freeze will end in 2013/14. However, pressures on the public finances and the need to protect jobs means that public sector pay awards, including those for the civil service and Armed Forces, will average at 1% for the two years following the pay freeze. Incremental progression will continue for eligible Service personnel during the pay freeze and the further period of pay restraint. The 2013 Armed Forces' Pay Review Body (AFPRB) report is expected to be published in March 2013.

### **PENSIONS**

- A new Armed Forces Pension Scheme will be introduced from April 2015. A Consultation exercise was launched on 29 March 2012 during which Service personnel were asked their views on the new scheme. External stakeholders, including the Central Advisory Committee on Pensions and Compensation, the Forces Families Federations and the Forces Pension Society, were also consulted.
- Final agreement has now been reached with the Government on the overall design of the new Armed Forces Pension Scheme and this was announced on 16 October 2012. A [Final Agreement document](#) was published on the same date.

### **ARMED FORCES COMPENSATION SCHEME (AFCS)**

- The AFCS provides compensation for members of the Armed Forces where illness, injury or death is caused by service. All awards provide a tax-free lump sum for pain and suffering, the size of which reflects the severity of injury or illness. Lump sum awards range from £1,200 to £570,000.
- For those with serious injuries and illness, the AFCS also provides a tax-free, index-linked monthly payment, paid from discharge until death known as the Guaranteed Income Payment.

- The AFCS also provides benefits to eligible partners and children of Service personnel who die as a result of service.
- An Independent Medical Expert Group (IMEG) was established during the Lord Boyce Review of the Scheme in 2010 to advise on the appropriate levels of compensation for several specific injuries and illnesses, including mental health. The IMEG's first report was published on 9 May 2011. The IMEG is now looking at how to best compensate for hearing loss, mental health problems and service-caused illnesses. Its findings will be published this year.

## HOUSING

- In 2011, some upgrade funding was removed for Single Living Accommodation (SLA) and Service Family Accommodation (SFA) for a three year period beginning in 2013 to assist in balancing of the Defence budget. However, this has now been partially offset by the March 2012 budget, which provided investment of £100 million for the improvement of Service accommodation, and other investment from the MOD which continues to fund improvement works and purchase new properties for Service Families in areas of high demand.
- A £20 million, four-year pilot Armed Forces shared equity home ownership scheme was launched in January 2010 to enable full-time permanent members of the Armed Forces who wish to remain in the Forces, and who have between four and six years' service, to buy a property in England. As at end of September 2012 (FY 2012/13), the scheme had attracted 2,630 applicants who were assessed as being eligible in principle. Of these, 219 had completed by 30 September 2012.
- Some £100 million of further investment in SFA and SLA will be available for Financial Year 2013-14. It should be noted that 94% of UK SFA is at the top two standards (of four) for condition. MOD no longer allocates the lowest two standards, although some military personnel choose to remain in them. When these properties become vacant, they are removed from the allocation stock. Investment continues across the estate to improve properties through major upgrades (until April 2013) and asset replacement projects. The MOD is also in the process of purchasing some 600 new properties in areas of high demand to reduce reliance on privately-rented Substitute SFA.
- The MOD continues to develop SLA where funding permits and has a world-wide stock of around 160,000 bed-spaces. Modernised SLA is either new build or refurbished and upgraded, is delivered through a number of projects. These include Project Single Living Accommodation Modernisation (SLAM), a tri-Service programme delivering modern accommodation for Armed Forces personnel across Great Britain. SLAM covers different types of accommodation for different ranks across around 80 individual projects totalling some 18,090 bedspaces at over 40 establishments across Great Britain. Private Finance Initiatives (PFIs), such as Project Allenby/Connaught and the Colchester Garrison PFI, plus separate projects in Faslane, Plymouth, and Northwood, also provide modernised SLA.

## EDUCATION

- **Free Further or Higher Education:** Service leavers with six years' service, and who have previously been members of the Enhanced Learning Scheme, can apply for funding to cover tuition fee expenses for an additional qualification. This is up to and including degree level courses.
- **School Place Allocation:** The School Admissions Code is designed to recognise the needs of Service children.
- **Special Educational Needs:** local authorities and schools have received guidance reminding them of their obligation to ensure continuity of support.
- **Troops to Teachers:** as part of the Schools White Paper, released in November 2010 by the Department for Education, the Government has developed a '[Troops to Teachers](#)' programme which is sponsoring Service leavers to train as teachers.

## WELFARE

- The Armed Forces have long-standing welfare structures in place to support Service families, including welfare officers, information and advice offices, chaplains, trained social workers, and other specialists.
- **Operational Welfare:** the Deployed Welfare Package is kept under constant review to ensure it meets the needs of both the Service person and their dependants. Free phone calls are available for 30 minutes per week. Wi-Fi access has been extended in operational areas, texting and internet facilities have been improved in Forward Operating Bases and the Families Welfare Grant doubled in the April 2012 Budget to provide an additional £2 million per year to support families of those deployed.
- **Christmas arrangements:** the operational welfare package is enhanced over the Christmas period (22 Dec – 2 Jan inclusive). Personnel on operations are given an additional 75 minutes of telephone calls and the MOD will send over six tonnes of festive food, as well as Christmas decorations, to Afghanistan so that deployed personnel can have Christmas dinner and share in the festive cheer. In addition, Christmas boxes from the charity UK4U – Thanks! will be issued to all service personnel deployed overseas on operations, on Christmas day.
- **Post:** MOD and the Royal Mail continue to operate the Enduring Families Free Mail Service (EFFMS) for friends and families to send packages of up to 2 kg to named personnel in Afghanistan as well as HM Ships in support. In April 2012, the Royal Mail issued 'shadow post codes' for all BFPO locations to help personnel serving overseas, or on ships and submarines, and families by improving access to products and services from the internet. It will also help personnel maintain a UK credit history recognised by financial service providers.

## SECTION 4 - EQUIPMENT CAPABILITY

- Through a series of tough but necessary decisions combined with radical reforms of the MOD's financial processes, the vast black hole in the defence budget has now been eliminated.
- This means that for the first time, the MOD's core equipment programme is fully funded and affordable. This fully costed programme provides the Armed Forces with the stability and assurance they need for the future and it means the MOD can now confidently invest in new equipment, knowing its delivery is guaranteed.
- The MOD will spend around £160 billion on equipment and equipment support over the next ten years. This means the Department will invest in cutting edge equipment across the spectrum of capability areas.
- Significant improvements have been made in the equipment provided to UK Armed Forces on operations. Operational Commanders have a wide range of helicopters, protected vehicles, weapons, Remotely Piloted Air Systems (RPAS) and other key equipments at their disposal.
- On 1 February 2012 the MOD published a White Paper on ["National Security Through Technology"](#), setting out the Government's approach to acquiring equipment, support and technology in the defence and security domain over the next five years.

### Afghanistan Operations

- Around £5.6 billion has been approved through the Urgent Operational Requirement (UOR) process on equipment to meet emerging threats and requirements for Afghanistan since Operation HERRICK began.
- The Defence Secretary has reaffirmed the government's commitment to the MOD's **counter-IED** policy, including the enhancements agreed by the previous Government. C-IED capabilities continue to be bolstered, and work to institutionalise C-IED within wider defence is progressing well.
- The **helicopter** fleet in-theatre includes the Chinook, Merlin and Sea King Support Helicopters, upgraded Lynx Mk9A Utility helicopters and the Apache Attack helicopter.
- The UK Reaper **Remotely Piloted Air System** (RPAS) programme has now provided over 38,500 hours of high quality, persistent armed Intelligence, Surveillance and Reconnaissance

support to UK and ISAF forces in Afghanistan. The Hermes 450 unmanned air system has provided over 60,000 hours of support to UK Forces since it entered service in 2007.

## **ROYAL NAVY**

- The introduction into service of the six Type 45 Destroyers and seven Astute class submarines is progressing well, as is the construction of Queen Elizabeth Class Aircraft Carrier programme.
- On 19 September 2012, Ambush, the second of the Astute class submarines, arrived in MH Naval Base Clyde to begin sea trials.
- Defence Secretary Philip Hammond during a visit to HM Naval Base Clyde on 29 October 2012 announced an additional £350 million of funding for the next stage of design work for Successor, the future generation of UK nuclear-armed submarines. The investment will sustain 1,200 UK jobs and makes clear the Government's firm commitment to maintaining continuous at sea deterrence for future decades. The funding follows the initial £350 million of design work announced earlier this year.

### **Expenditure over the next 10 years:**

#### **Ships - £18 billion**

- Completion of the two Queen Elizabeth aircraft carriers;
- Completion of 6 state-of-the-art Type 45 Destroyers with the Samson RADAR and Aster missile combining to offer an unparalleled air defence capability;
- Design and development of the Type 26 frigate, which will replace the Type 23;
- Further work on the Maritime Afloat Reach and Sustainability programme, which will provide a fleet of new, modern vessels for the Royal Fleet Auxiliary.

#### **Submarine and Deterrent - £37 billion**

This covers all costs relating to the submarines themselves, nuclear propulsion costs and the costs of the strategic weapon system. This includes:

- The completion of the remaining 6 Astute Class attack submarines;
- Necessary costs arising from the requirement to replace the Vanguard class ballistic missile submarines, subject to a decision to be taken in the next Parliament;
- The ongoing costs of the strategic weapon system;
- A small amount of money at the end of the decade allocated to the requirement to scope a potential future underwater capability to replace Astute.

## **ARMY**

- The Department plans to spend £5.5 billion on the Army's core armoured vehicle programme over the next ten years. This programme includes the Warrior Capability Sustainment Programme, the SCOUT Specialist Vehicle, and in due course, a Utility Vehicle, and improvements to the Challenger 2 Main Battle Tank.
- Forces in Afghanistan have benefited from over £2.8 billion of investment in protected and armoured vehicles, significantly improving protection levels for those troops deployed.
- MOD has recently announced a contract for an additional tranche of Foxhound Light Protected Patrol Vehicles, taking the total to around 376 vehicles and £340 million in total. The Foxhound was deployed to Afghanistan in June 2012. Foxhound's V-shaped hull helps it withstand explosions and provides unprecedented levels of blast protection for its size and weight. It is light and agile and designed to move freely through the narrow alleyways, tracks, bridges and culverts in Afghanistan.

### **Expenditure over the next 10 years:**

#### **Land Equipment - £12 billion**

- An upgrade to the fleet of Warrior Infantry Fighting Vehicles, to maintain that capability with enhanced lethality until 2040;

- Continued development of Scout specialist and Utility vehicles, which will replace a wide range of legacy armoured and protected vehicles.

## **ROYAL AIR FORCE**

- The RAF continues to move towards a combined fleet of Typhoon and Joint Strike Fighter, two of the world's most modern and capable multi-role combat aircraft. The Joint Strike Fighter is a fifth-generation stealth aircraft which will represent a step-change in the UK's combat air capability. Typhoon is already delivering Air Defence for the UK and the Falkland Islands, and its ground attack capabilities were instrumental to allied operations over Libya.
- The Tornado GR4 has been successfully deployed in operational theatres since 1990. It has seen action under various operations in Iraq, Kosovo, Afghanistan and most recently over the skies of Libya.
- Defence continues to invest in its strategic and tactical air mobility fleet. The addition of the eighth aircraft to the C-17 fleet in May 2012 boosted the UK's strategic airlift capability and plays a vital role in sustaining the UK's air bridge to Afghanistan. Work continues to prepare for the introduction into service of the A400M Atlas aircraft in 2014 and the Voyager aircraft continues to make progress on its trials programme for its air-to-air refuelling capability as well as being prepared to take over the air-bridge to Afghanistan.
- The RAF also flies Reaper remote Piloted Systems (RPAS) which provides essential intelligence contributing to the safety of UK and coalition forces on the ground, together with those of ordinary Afghans. It is only operated within Afghanistan, primarily in the surveillance and reconnaissance role although it can also be used to provide a precision attack capability if necessary.

### **Expenditure over the next 10 years:**

#### **Combat Air - £18 billion**

This sector covers fast jets, Unmanned Aerial Vehicles and military flying training, including procurement of training aircraft. This investment includes:

- continuing investment in Typhoon to bring Tranche 2 & 3 aircraft fully into service. Further investment to develop and further enhance the aircraft's multi-role and ISTAR capabilities is a priority for the future;
- increasing investment in the F35 Joint Strike Fighter.
- a growing investment in unmanned aerial vehicles, including through co-operation with France.

#### **Air Support - £14 billion**

This sector covers all large aircraft, including transport, air-to-air refuelling and large ISTAR platforms. This investment includes:

- The A400M future generation of strategic/tactical air transport aircraft;
- Bolstering our strategic airlift capability with the purchase of an additional C17 to bring the fleet up to 8 aircraft;
- The brand new Voyager aircraft, which will replace the VC10 and TriStar fleets;
- New Rivet Joint Intelligence, Surveillance and Reconnaissance aircraft will provide us with a state of the art airborne SIGINT collection capability following the retirement from Service of the Nimrod R1 last year.

#### **Helicopters: - £13 billion**

- The purchase of an additional 14 Chinook helicopters as confirmed by the Secretary of State in July 2011;
- Completion of the Life Extension Programme for Puma;
- An upgrade of our Apache attack helicopters, to maintain their capability until 2040;
- The completion of the Wildcat programme, which will replace our existing Lynx helicopters, with separate variants for the Navy and Army.



**Weapons - £11 billion**

- Investment of around £7 billion in the complex weapons sector which will deliver a wide range of weapons, in the short term including the Future Local Area Air Defence System, which will be based on the Sea Ceptor missile, and the Future Air-to-Surface Guided Weapon (heavy) which will equip the Royal Navy's new Wildcat Helicopters.

**Joint and other**

The MOD is spending over **£4 billion** on C4ISTAR capabilities over the next ten years, including significant investment in new Cyber capabilities.

In addition:

- Information Systems over £15 billion
- Naval Bases £4.3 billion
- Joint Supply Chain £1.1 billion
- Logistics & Commodities £400 million
- Safety & Engineering £300 million.