MINISTRY OF DEFENCE

Assessing and Reporting Military Readiness

EXECUTIVE SUMMARY

1 Readiness is the term used to describe the means by which the Ministry of Defence (the Department) holds its military forces at varying levels of preparedness to respond to emerging operations. An effective system for assessing and reporting readiness is essential for all modern day Armed Forces. A readiness system gives a snapshot but also indicates trends which enable action to be taken to mitigate risks, tackle any deficiencies and plan for the future.

2 Ultimately, perfect readiness - having sufficient, well equipped, well supplied people in the right place at the right time to deal with any given situation which, in all probability, will have been unforeseen, is not achievable or even desirable. The cost of keeping forces 'ready' for contingencies has to be balanced against the likelihood of such contingencies occurring and the warning and preparation time available to respond. The Department, therefore, plans on maintaining forces at a variety of 'peacetime' readiness states and to be able to reconfigure forces to respond to contingencies within specific readiness times.

3 The ability to be ready has become increasingly demanding over the last three years and this trend is likely to continue. A good readiness reporting system is particularly important given the unpredictable nature of today's security environment, coupled with a high operational tempo. This has been confirmed in recent operations, including Operation TELIC in Iraq.

4 Against this background we examined whether the Department has a clear view of its readiness to undertake emerging operations. The methodology we adopted is set out at Appendix 1.

5 We found that the Department has a good system for reporting the readiness levels of the Armed Forces. It is continuously improving; it is used by commanders who have expressed confidence in it; recent operations have validated it, and it compares well with systems used in other countries. Reporting of readiness to external stakeholders has also developed but there is scope for further improvement. In addition, given the unpredictable security environment and high operational tempo, the Department needs to continue to develop its arrangements for addressing risks to readiness.

The Department has a good system for reporting the readiness of its Armed Forces

6   The Department has developed a sophisticated system for defining, measuring, and reporting the readiness of the Armed Forces. It assesses the readiness of individual Force Elements (for example, an armoured brigade, a ship or squadron of aircraft) which are then aggregated to give an assessment of the readiness of larger units or even the Armed Forces as a whole.

7   Measuring and aggregating readiness is a complex business. For 'peacetime' readiness requirements the three Services each set specific parameters for key elements of readiness such as manning levels, equipment support and collective training (that is the training units do together to ensure they can fight effectively as part of a larger force) which, if achieved, should allow them to deploy for their primary role within a set period. Assessments can be made against this firm baseline.

8   Measuring how ready forces are in reality for contingent operations is intrinsically more challenging, not least in answering the question 'ready for what'? As part of its planning process the Department has developed a number of planning assumptions. These are, in turn, based on a range of potential future scenarios, which are used to estimate the level of forces that might be required for contingencies at the 'scales of effort' described in the December 2003 Defence White Paper[1] and the additional training, manpower and logistic support that might be required to deploy and sustain them on operations.

9   The actual state of readiness against both peacetime requirements and future contingencies is then reported through a 'traffic light' information system which, depending on the reported state, shows the readiness state as being Green (satisfactory), Yellow (minor weakness), Amber (serious weakness) or Red (critical) and gives an accompanying explanation.

10   The readiness reporting system is continuously evolving and has proven itself over time. Military commanders who use the information to assess whether deployments can be made, or where there are problems to the readiness of forces, have expressed confidence in it. Recent operations have also largely validated the accuracy of the readiness reporting system in that readiness issues experienced on operations were largely those identified in advance. The system is also broadly similar to those used in other countries, for example, Australia, Denmark and the United States, and compares well with them.

Reporting of readiness to external stakeholders has improved but there is scope for further improvement

11   Reporting readiness states to those outside the Department is difficult, not least because readiness is a complex subject and because of security issues. The Department, nonetheless, has negotiated a Public Service Agreement target for readiness with the Treasury and reports progress against that target publicly on the Treasury and Departmental website and in its annual report and accounts. The Department has improved the target over the last few spending rounds and introduced a new target in April 2005. This target will cover the readiness of all Force Elements, and the various criteria against which readiness is assessed will be explained and reported more explicitly **(Figure 1)**.

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1   Secretary of State for Defence, *Delivering Security in a Changing World,* London, The Stationery Office, 2003.

1	Public Service Agreement readiness target from April 2005

The readiness target for the three years from April 2005 covers a wide range of activities.

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

Performance under this target will be measured against the following criteria by 2008:

■ Peacetime readiness of all the Force Elements required to rapidly conduct the most demanding scale of effort shows a five per cent increase in the numbers reporting no serious or critical weakness, compared with Quarter 4 of 2004-05.

■ Ability of Force Elements to generate from peacetime readiness, to immediate readiness for deployment on operations shows a five per cent increase in the numbers reporting no serious or critical weakness, compared with Quarter 4 of 2004-05.

■ Ability of the Department to deploy its Force Elements, sustain them in theatre and thereafter recover them shows a five per cent increase in the numbers reporting no serious or critical weakness, compared with Quarter 4 of 2004-05.

Source: Ministry of Defence

12 The target introduced in April 2005 is a substantial improvement over previous Public Service Agreement readiness targets. It does, however, retain some limitations. For example, it requires a five per cent improvement in the number of Force Elements that have no "serious" or "critical" weaknesses to their readiness by March 2008 but, given the need to protect sensitive information about the state of units, it does not disclose the baseline performance. It is difficult, therefore, for external stakeholders to assess how significant such an improvement is. The target itself also offers no means for outsiders to assess at any point before March 2008 the extent to which the Department is on track to achieve its target, although in common with other Public Service Agreement targets the Department will provide a quarterly assessment of the degree to which it assesses it is on course to achieve these targets. And it is not clear how meaningful a five per cent target is when the proportion of Force Elements without "serious" or "critical" weaknesses can vary by more than 10 per cent within any one year.

Given the unpredictable security environment and high operational tempo, there are risks to the readiness of the Armed Forces for contingent operations that need to be managed

13 Any system based on graduated readiness – having forces ready at varying numbers of days notice – has inherent risks, the principal risk being that some factor will make it impossible for the forces to be ready for a new operation in time. Consequently, effective risk management is an essential component of readiness management.

14 The Department has a risk reporting system that includes readiness risks. The primary risks are reported quarterly to the Defence Management Board. The Department's risk management system has compared well in bench-marking exercises with other Departments. Below that, risk management arrangements across the Department are at various levels of maturity and further development is required to make best use of IT based systems, define more clearly mitigation actions and those who are responsible for managing particular risks. The Department has work in place in these areas.

15 Risks to readiness are managed against the background of an unpredictable security environment and military activity levels that for the last three years have exceeded the routine scale of effort envisaged in Defence Planning Assumptions. This position is expected to continue for the foreseeable future.

16 The Department has done well to identify the main areas of risk to readiness for contingent operations. It has also identified areas where more work needs to be done. For example, in aligning more closely the levels of support that the Defence Logistics Organisation provides with the levels front line forces require to meet readiness targets, the risk that increased operational tempo prevents adequate training and the need to define more clearly the 'Total Logistic Requirement' that might be implied by the scales of effort in Defence Planning Assumptions.

17 In addition, our examination indicated that more work could be done to:

a assess the degree of confidence that the risks identified are being successfully managed. For example, the Department is relying on urgent procurements to fill gaps in equipment levels within readiness timescales. As Operation TELIC showed this can be very successful, but current risk reporting arrangements do not provide any feel for the confidence that the Department has that the proposed mitigation measures will reduce the risk;

b evaluate the longer term risks to readiness of the practice of redistributing personnel and equipment from non-deploying units to those Force Elements required for operations. The Department currently relies heavily on redistributing people and equipment to bring Force Elements up to sufficient strength to deploy on operations and expects to continue to do so in the future. This practice is known colloquially as "cannibalisation". It is particularly marked in the case of the Army as a result of the high pace of operations and is becoming more prevalent in the Royal Navy. While the practice may be a useful measure of last resort it could have consequences for value for money and there may be longer term problems. For example, cannibalisation is often inefficient and reduces the Department's ability to generate forces quickly for larger scales of effort. In the longer term it may reduce the pool of equipment available for other operations or training, while the constant pull on people may result in retention difficulties and shortages of key skills within the Services; and

c evaluate and, where necessary, manage the cumulative risk to readiness for further operations presented by numerous minor risks reported across the Department. The Department's management boards rightly focus on those risks that appear to present the greatest threats to their business objectives. But there is a potential danger that the cumulative effect of a series of minor risks within and between the various Departmental reporting chains could have serious impacts on the readiness of Force Elements for further operations.

RECOMMENDATIONS

18   Our recommendations are that the Department should:

- In taking forward proposed changes to the new Public Service Agreement targets on readiness, develop supporting material that:

    - makes information publicly available that, as far as possible, indicates the broad baseline from which improvements will be made;

    - provides information in its regular published performance reports by which the public can periodically assess whether the Department is on course to meet the targets (for example, milestones or a planned trajectory of improvement); and

    - uses a measure that does not fluctuate too widely in year, thus rendering achievement of the target too dependent on non-controllable events.

- Continue work to develop and improve readiness risk management in accordance with the wider governmental risk improvement agenda and, in particular, to:

    - Estimate and include in management reports, for each risk, the level of confidence that the Department has that the proposed mitigation action will address the risk in question, and the level of residual risk that remains. For example, the degree of confidence that urgent procurement action can fill gaps within readiness timescales, if required;

    - Take into account the potential longer term risks of relying on redistribution of people and equipment (in particular, cannibalisation) to the Department's ability to generate forces for the larger scales of effort envisaged in Defence Planning Assumptions when planning operations and reviewing the Assumptions;

    - Consider ways of designating a single risk owner for groups of related risks that are individually too small to feature in high level reports and which may cross management boundaries to ensure that they do not collectively constitute significant risk to readiness.

19   The Department has already initiated work in response to these recommendations. In particular, it is drawing up additional information that will enhance the reporting of the Public Service Agreement readiness targets.