



National Audit Office

MINISTRY OF DEFENCE
Leaving the Services

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SUMMARY

1 The Ministry of Defence (the Department) needs to recruit around 20,000 men and women each year to the Armed Forces. The Department draws its workforce from a broad section of society including from areas of high unemployment and people with few qualifications. Recruits are required to adapt to military life and ethos and, where it is essential, give up a few of the freedoms they enjoyed as civilians. In order to equip personnel with the necessary skills and attitudes for the full spectrum of military operations including war fighting, the Services instil a culture of discipline; reliance on others; and acceptance of orders. Although Armed Forces personnel can have a long, fulfilling career, the majority of them will leave the Armed Forces at least 25 years before the current national retirement age and will need and wish to pursue a full second career.

2 The Department believes that “a robust and effective system of resettlement provision is a fundamental pillar of personnel support and a tangible manifestation of the Armed Forces’ commitment to be an employer of first choice”. Such provision should allow military personnel to serve secure in the knowledge that they will receive assistance to prepare them for life and future employment when they leave the Services. Of course, much of the ultimate responsibility for a successful return to civilian life rests with the individual Service Leaver who needs to exploit the opportunities offered by the Department’s resettlement provision.

3 The resettlement provision is tri-Service with a central Ministry of Defence directorate determining policy and administering the third tier of support which is mainly contracted out to a career consultancy, Right Management, and is called the Career Transition Partnership. The first two tiers of support are provided by the individual Services – the Royal Navy, Army and Royal Air Force. We looked at the arrangements for resettlement in other nations' Armed Forces and found that the Department's overall arrangements compared very favourably to those of other nations.

4 Some 24,600 personnel left the Armed Forces in 2006-07. Most had served for many years whilst others left before completing initial training. All Service Leavers have access to some assistance in returning to civilian life. The level of resettlement support is determined by the length of military service and is not dependent on the rank of the Service Leaver. Those Service personnel discharged for medical reasons are entitled to the highest level of support regardless of how long they have served. For the majority of Service Leavers, the resettlement assistance consists of the following elements:

- Support and advice on resettlement from staff in the Royal Navy, Army, or Royal Air Force;
- Coaching in CV writing and job interview techniques;
- Support from a career consultant before discharge and for two years afterwards;
- Access to internal and external vocational and management training and a contribution of up to £534 towards its costs plus the cost of associated travel and accommodation;
- Up to 35 working days of Graduated Resettlement Time to undertake training or other preparation for their return to civilian life; and
- Briefings on housing and on financial awareness.

5 Early Service Leavers¹ are not entitled to all of the above support but, since April 2004, they get a resettlement brief, which signposts assistance available from ex-Services welfare organisations and other Government Departments; information on preserved pension rights; and access to housing information. There is also a mandatory one-to-one interview which, amongst other aspects, is used to assess an individual's vulnerability to social exclusion and design a plan of action based upon the individual's needs. Individuals assessed as vulnerable are offered additional resettlement help.

6 The Department is always looking to improve resettlement provision within existing resources. Within its contract for the Career Transition Partnership, it has set financially-incentivised targets for improvement in in-house training take up rates and in employment and service satisfaction levels which have generally been met. The Department has improved the support for Early Service Leavers and is working to increase the Individual Resettlement Training Costs grant on a cost-neutral basis by reducing related travel and subsistence costs. It has identified issues with the take up by medically discharged Service Leavers and has resolved them. The Department is working closely with ex-Service charities to integrate some of their capabilities into resettlement provision.

7 Nearly three-quarters of Service Leavers reported that they found the return to civilian life as expected or easier. Surprisingly, it was those who had served a shorter time who found the transition most difficult. A small minority of Service Leavers do experience more severe difficulties such as homelessness.

8 Two-thirds of the Service Leavers we surveyed said that being in the Services had helped them in gaining employment. The Department finds in its surveys of Service Leavers that 94 per cent of those seeking work who used the Career Transition Partnership resettlement services are employed within six months of leaving the Services. Our survey showed similar results with only six per cent of all Service Leavers unemployed and seeking work.

9 Those Service Leavers eligible for the full resettlement package are generally satisfied. In particular, they value the support in writing CVs (86 per cent) and in interview techniques (79 per cent) given in the Career Transition Workshops and the time allowed for resettlement activities (88 per cent). Service Leavers reported that some aspects could be improved, in particular, the bureaucracy. Some nine per cent of entitled Service Leavers do not exploit the use of the Career Transition Partnership resettlement package. Many did so from choice either in exchange for a reduced notice period or because they did not feel it relevant to their needs. Others did so because of pressure of work or lack of awareness. The number of Service Leavers who stated that they were denied resettlement by pressure of work and operations is very small but it can have a very marked impact on the individual. In addition, other Service Leavers can have their resettlement disrupted by pressure of work.

¹ Early Service Leavers are those who have served less than four years or have been compulsorily discharged.

10 The Department has been improving the provision of resettlement support for those Service Leavers who serve less than four years or are compulsorily discharged. This is in recognition that these Service Leavers include individuals potentially more vulnerable to unemployment and homelessness. For example, 16 per cent of Early Service Leavers in our survey were unemployed and seeking work. Inconsistencies in the quality of support offered to these Service Leavers at Unit level undermine the overall provision made by the Department.

11 Most Service Leavers find suitable accommodation on leaving the Services and, indeed, many of them have this organised before they leave. The Department is increasingly encouraging Service personnel to buy a home either for current use or for when they leave the Services and this is one of the issues being considered in the Strategic Remuneration Review. The Department provides a reasonable level of support to those Service Leavers seeking accommodation including a contract with a housing organisation to assist single Service Leavers with finding accommodation. It could, however, improve awareness of the support available. Some Service Leavers who are unable to find accommodation and apply to a local authority for social housing may experience difficulties because their application attracts lower priority than other applicants. Some may be entitled to assistance under the homelessness legislation but face difficulties because a small number of local authorities may not accept them as homeless until an order for possession has been granted by the courts in respect of the property. The Department is actively working with Department for Communities and Local Government to improve eligible Service Leavers' ability to access to social housing.

12 Those Service Leavers who are medically discharged receive the Career Transition Partnership Full Resettlement Programme regardless of their length of service. This entitlement can be transferred to spouses and civil partners if the Service Leaver is unable to take it up. In addition, those with serious injuries or with mental health problems are given additional support. The Department has made some progress in providing a more co-ordinated support network to those Service Leavers with more severe injuries or illnesses.

13 The Army has to contend with particular challenges in resettlement compared to the Royal Navy and the Royal Air Force. The Army draws a large number of recruits from educationally and socially disadvantaged backgrounds who, in many cases, also join with weak basic skills. This is compounded by the nature of the operational exposure of soldiers, particularly in recent years, which places additional demands on both commanders

and soldiers and by the impact of a greater need for individuals to be mobile in their location. Together, and notwithstanding the lengths to which the Department goes to provide basic skills training, these lead to some significant differences in the nature and scope of issues to be addressed by the Army compared with the Royal Navy and Royal Air Force.

Overall Value for Money

14 The Department has sound management information on many aspects of its resettlement provision and outcomes and, in particular, on the performance of its Career Transition Partnership contractor. The Department collates little information about the support provided at single Service level, in particular, that at Army unit level although the Army has plans to introduce a quality assurance process.

15 The Department does not collate comprehensive cost data on the provision of resettlement services. In the absence of such data, it is difficult to quantify the cost effectiveness of the Department's resettlement support. We estimate the cost of resettlement in 2006-07 was nearly £115 million comprising some £36 million in direct costs and the remainder for Service Leavers' time in undertaking resettlement. The extent to which resettlement services impact on both recruitment and retention is difficult to assess and there are additional complications in determining where Department-sponsored life-long learning, which is of direct benefit to the Armed Forces as well as the individual, stops and resettlement begins. It is also difficult to separate out the impact of resettlement from that of other conditions and benefits of employment.

16 In 2006, around 1,600 (10 per cent) of personnel who had begun the Career Transition Partnership resettlement programme decided to remain in the Armed Forces for a longer period of service. The Department therefore saves at least £40 million a year in recruitment and initial training costs. It is difficult to attribute the relative influence of the advice given by the Career Transition Partnership. Nonetheless, the Department specifically tasks the Career Transition Partnership with advising Service Leavers of the benefits of re-engaging and for each person that is persuaded to serve for longer there is a clear financial benefit to the Department. The Department believes there is a net financial benefit to the United Kingdom attributable to resettlement provision arising from tax revenue generated from post-discharge employment by Service Leavers and the avoidance of public-funded benefits although it would be difficult to quantify this.

17 The cost of resettlement support needs to be seen against the Department's commitment to provide such services as part of its overall remuneration package for Service personnel. The Department offers a good range of resettlement support, using an appropriate combination of providers. Most Service Leavers gain employment and have an otherwise smooth transition to civilian life, and the majority are happy with the quality of resettlement services. In seeking to make further improvements, the Department needs to ensure better and more consistent implementation of support at first line and identification of those at risk of social exclusion. The Department also needs to continue to work with other parts of the public sector to ensure effective cross-government provision of social housing and temporary accommodation to those Service Leavers who are eligible.

Recommendations

Recommendation 1: The Department should review its requirement for management information on all aspects of resettlement. In particular, it should:

- conduct an exercise to identify the full costs of resettlement including the costs of the support provided at the individual Service level and then determine what cost information it needs to collate on a regular basis;
- examine how it can demonstrate the impact of providing a good resettlement package on recruitment and retention beyond its effect on re-engagement; and
- extend its existing arrangements for seeking feedback on the support offered, and employment and housing outcomes, to include Early Service Leavers.

Recommendation 2: The existing provision of a career consultant for each Service Leaver during resettlement and for two years after leaving is an important one. The Department should ask Right Management to develop its quality assurance process for the career consultants and share best practice.

Recommendation 3: The Department should monitor carefully its funding of the support of external training for Service Leavers. In particular, it should:

- complete its work in asking its preferred suppliers of external training to provide the costs of their courses with and without accommodation and exclude from its list any training provider company that does not comply; and
- examine the scope for combining the existing funds for academic and vocational training (Standard and Enhanced Learning Credits) with the Individual Resettlement Training Costs grant to fund external training provided such training met the vocational requirements of those credits.

Recommendation 4: The Department should identify the scale of disruption to individual resettlement preparation arising from the high operational tempo, including those Service Leavers unable to attend resettlement activities or those forced to do so late in the process. Whilst recognising the priority Units necessarily give to current workload and operations, the Department should investigate whether an appropriate balance between that work and individual Service Leavers' entitlement to resettlement is being achieved. This should provide a better service to Service Leavers and reduce any adverse impact on the reputation of the Department and on recruitment and retention.

Recommendation 5: The Department should revise and integrate, where practicable and appropriate, the administrative processes underpinning resettlement with the new Armed Forces' personnel system, the Joint Personnel Administration system. In particular, it should ensure that the processes are Service Leaver focused; reliable and timely; electronic, where possible; and as simple as possible. Approvals should be minimised to the level necessary for financial control and the information needs of the various parties should be met without creating undue delay in access to resettlement services.

Recommendation 6: The Department should improve the quality of the first line support in the Army. In particular, it should:

- decide how best to deliver the support without incurring unsustainable additional resource costs by considering the many options such as first line staff having longer postings and more appropriate job combinations; or making some jobs dedicated to resettlement but covering more than one unit; employing civilians; or moving some aspects of support to the second line;
- ensure the timely, mandatory training of all first line staff to a common benchmark standard, including those Officers who interview Early Service Leavers to ensure that they are competent and equipped to identify Service Leavers vulnerable to social exclusion;
- implement the new quality assurance manual; and
- increase the oversight of resettlement support independent of the chain of command.

Recommendation 7: The Department should further strengthen resettlement support for Early Service Leavers. In particular, it should:

- monitor the resettlement outcomes of Early Service Leavers; and
- ensure that all single Service Leavers are briefed on the additional support provided by SPACES and, where individuals consider their post-discharge plans are unsatisfactory, particularly where they put them at risk of homelessness or social exclusion, are offered referral to the organisation.

Recommendation 8: The Department should identify which Service Leavers do not take up elements of resettlement support due to lack of awareness and take any necessary action to enhance the way it communicates the availability of such resettlement support.

Recommendation 9: The Department should continue to monitor the impact of the current and planned schemes introduced to increase home ownership amongst serving personnel and, in particular, assess the impact on the accommodation needs of Service Leavers. It should use this information to inform its Strategic Review of Remuneration.

Recommendation 10: The Department should continue its dialogue with the Department for Communities and Local Government to improve the process through which the small proportion of Service Leavers who meet the appropriate statutory criteria can secure assistance under the homelessness legislation at the end of their Service. In particular, agreement should be reached on how to minimise those cases, where, a small number of local authorities may require possession proceedings to be instituted before they will accept Service Leavers as being homeless and owed a duty to secure accommodation. The Department should also seek to obtain better data on the scale of the problem. This homelessness legislation provides a safety net for people who fall within a priority need group (for example, families with children) and become unintentionally homeless. The Department should continue to explain to Service Leavers that few will be eligible for this type of support.

Recommendation 11: The Department should examine the scope to extend the range of financial briefings to include practical advice on household budgeting and debt.

Recommendation 12: The Department should build on its current arrangements to ensure that all Service Leavers who are medically discharged get an assessment to identify any additional resettlement support they may need. In particular, the Army should use its new Sickness Absence Management system to identify such personnel early in the process. The Department should also consider whether there is a need for a single co-ordination point for resettlement provision to those Service Leavers who are medically discharged, drawing on the approach taken by the Defence Medical Rehabilitation Centre.