



Ministry
of Defence



Strategy for Defence Infrastructure

2015-2030

Strategy for the Infrastructure
Defence Line of Development



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FOREWORD

Our estate infrastructure is a key enabler of Defence Capability and outputs. It provides essential facilities and land for our people to live, work and train as well as supporting the operation of our equipment. Our infrastructure is extensive and encompasses a diverse range of facilities including airfields, barracks, naval bases, nuclear facilities, training areas, test ranges and housing. Expenditure accounts for approximately 10% of the Defence budget.

As a public asset, our infrastructure must also deliver wider Governmental objectives. These include, supporting economic growth, providing environmental stewardship of internationally significant landscapes and allowing appropriate public use and enjoyment of the estate. Our well-earned reputation for managing these areas also comes with ever increasing responsibilities and expectations that need to be balanced with our core purpose of enabling Defence outputs.

The current Defence estate has evolved over many years. However, the built estate has not reduced in line with the size of the Armed Forces. It is now underutilised, larger than we can afford, that has resulted in a portfolio of varied but worsening condition. This presents a risk to the delivery of our capabilities and outputs.

This Strategy for Defence Infrastructure provides a clear but highly challenging vision, recognising the significant issues that need to be addressed. A sustained effort will be required to achieve the ultimate aim that Defence infrastructure represents a capability enabler and is no longer a capability risk and that it is sustainable in terms of affordability and provides for the needs of Defence now, without compromising the ability to meet future needs. The Strategy provides direction through the Strategic Objectives and Principles which will drive our approach to achieving the Vision of **'Infrastructure that is affordable and optimised to enable Defence capabilities, outputs and communities both now and in the future.'**

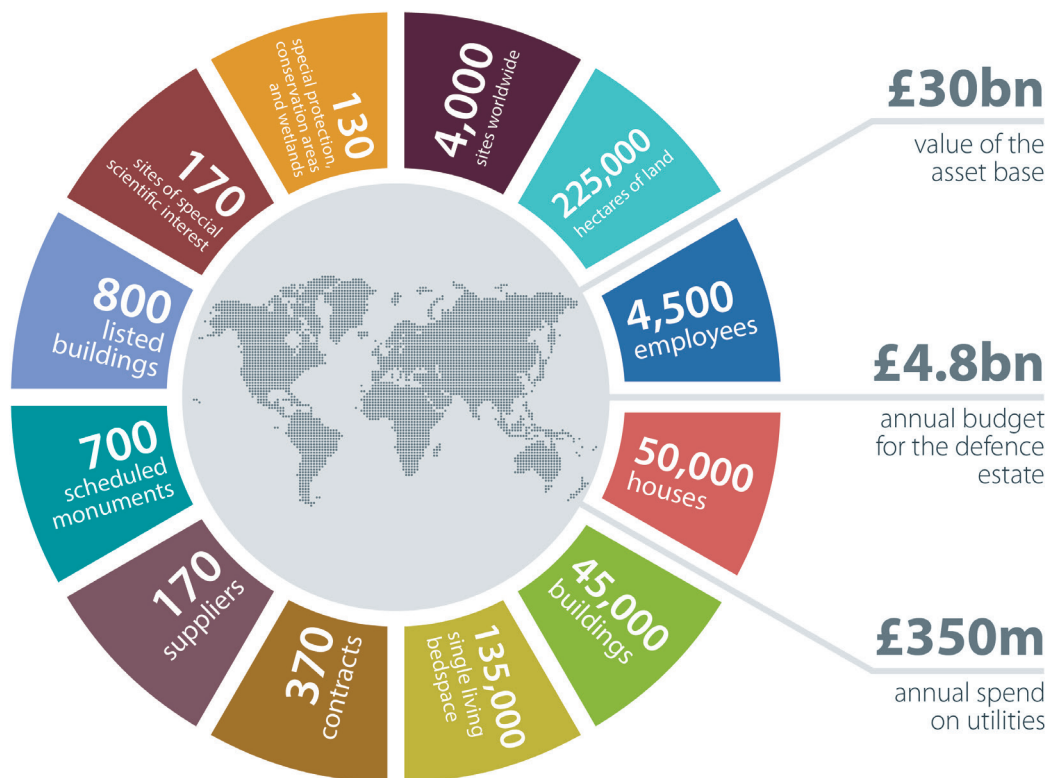
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CONTENTS

Introduction	4
What Are We Aiming For – The Vision For Defence Infrastructure	6
Main Effort	6
Our Priorities And Strategic Objectives	7
How Will We Achieve These Strategic Objectives	9
Resources Supporting Delivery	13

INTRODUCTION

1. The Strategy for Defence Infrastructure ('The Strategy') provides the direction to address the challenges faced by the estate and infrastructure we use, to enable us to maximise its contribution to defence capability, outputs and communities in a way that is more efficient, affordable, adaptable and offers best value for money. The Strategy supersedes the 2006 Defence Estate Strategy 'In Trust and On Trust', recognising the operational, financial, commercial and political pressures. It sets out the overarching framework for the Department, linking to other Departmental and Government wide strategies and plans to deliver the infrastructure objectives under the Defence Plan.
2. The Strategy encompasses the whole of infrastructure that supports our business and capabilities in the UK and overseas. It applies to all organisations responsible for delivering Defence infrastructure including the Defence Infrastructure Organisation (DIO), which manages the majority of Defence infrastructure, the Reserve Forces and Cadets Association (RFCA) estate; the Test and Evaluation Estate; the Atomic Weapons Establishment; Trading Fund Agencies' (TFAs) estate; the Naval Dockyards and industry facilities funded directly by MOD to support development and production of new equipment.
3. The Strategy considers the full range of supporting services required to develop, manage, operate and dispose of the estate, to maximise value in support of delivering Defence outputs and capabilities. This includes capital projects, infrastructure maintenance (hard facilities and estate management), utilities and operations (soft facilities management) including cleaning, catering, waste management, guarding and other ancillary services.



Data is approximate and for illustrative purposes only. This data is not an Official Statistic because it has not been assessed as such by the Defence Authority for Statistics.

Why Infrastructure Matters

4. Infrastructure is a critical enabler of Defence capability, recognised by its position as one of the Defence Lines of Development (DLOD). Consequently, MOD owns 220,000 hectares of land and foreshore in the UK (either freehold or leasehold), which is about 0.9% of the UK total land mass) and has rights over a further 204,000 hectares. More than two thirds of this land is solely for the purpose of military training. We also have significant land holdings overseas, primarily our Permanent Joint Operating Bases (PJOBs) in Cyprus, Gibraltar and the British South Atlantic Islands, but also overseas training areas in Canada, Kenya and Belize. Infrastructure accounts for 10% of the Defence budget annually. We only retain infrastructure that is required for Defence purposes and, in accordance with Managing Public Money we are required to dispose of surplus land and property.
5. The estate consists of a wide range of facilities including: barracks; airfields; nuclear facilities, naval bases and ports; education and training facilities; training and test ranges; logistics, munitions, oil and fuel depots and pipelines; communication facilities; housing estates; medical centres, career centres and offices. The estate includes over 1600 designated heritage sites as well as a combined total of 171 Sites of Special Scientific Interest and Areas of Special Scientific Interest. As well as being tenants ourselves e.g. on Dartmoor, we have a range of agricultural and business tenants across the estate that provide income generation and support.

The Challenge

6. The sub-optimal standard of our infrastructure impacts on Defence outputs, capabilities and our ability to train our people to deliver readiness as well as affecting recruitment and retention. Competition for limited resources over many years has meant that infrastructure maintenance and lifecycle replacement has aimed only to achieve safe and compliant standards resulting in a steady decline in condition. The size of the Defence estate has not reduced in line with reductions to the Armed Forces over recent decades, so is now larger than it needs to be. It is underutilised, unaffordable and cannot be sustained to an acceptable level within current or forecast levels of funding. As 43% of built assets are more than 50 years old, maintenance costs are high with significant unfunded lifecycle replacement liabilities.
7. The high degree and pace of transformational change in Defence, including the rebasing of the Army from Germany is demanding significant infrastructure adjustments. In addition, there is a continuing need to drive further efficiency from our infrastructure and its management such that it is sustainable within the available resources, to free resource and capital for reinvestment across Defence and to deliver the objectives set out within the Sustainable MOD Strategy.
8. We are tasked to support prosperity and must support wider Government objectives, including to release surplus land for housing, support 'One Public Estate', deliver the Government Construction Strategy and Greening Government Commitments. Its geographical distribution makes Defence a significant enabler in supporting national resilience commitments. The diversity of our estate and the fact that it has been protected from intensive development and agricultural pressures over the decades gives it national and international environmental and heritage value. Our good reputation for stewardship comes with ever increasing responsibilities and expectations which have to be balanced against delivering Defence outputs. Public interest in our estate is high and we are committed to maximising public access and recreational opportunities where compatible with Defence requirements.

WHAT WE ARE AIMING FOR

The Vision For Defence Infrastructure

'Infrastructure that is affordable and optimised to enable Defence capabilities, outputs and communities both now and in the future'

9. Our estate is somewhere our people can live, work, train and deploy effectively. We require our infrastructure to be fit for purpose and optimised to enable and support our Defence objectives and capabilities. Infrastructure needs to be of the right size, in the right location, of the right quality and utilised efficiently. It also needs to be flexible and responsive to changing defence requirements. We should be responsible occupiers so that our infrastructure supports wider Government objectives, our commitment to be a good neighbour and to encourage social cohesion.
10. We actively seek to reduce operating costs and the inflation of capital costs. Our infrastructure must be financially efficient, deliver value for money, with capital investment prioritised to maximise Defence capability, outputs and communities. We must make the most of opportunities for income generation where compatible with Defence purposes.
11. Our infrastructure must be legally and policy compliant and managed to the appropriate industry standards and best practice. It should be supported by clear governance, excellent leadership and management, delivered by skilled personnel and guided by quality management information. The right incentives must be put in place to generate the right behaviours. Effective design and technological solutions supports productivity and drives efficiencies.

MAIN EFFORT

12. The main effort for the Infrastructure DLOD during this parliament (2015-20) will be the development of a Strategic Estate Optimisation Portfolio and supporting implementation plan that will drive the development and optimisation of Defence infrastructure so it better enables Defence outputs, capabilities and communities; and becomes affordable in support of Joint Force 2025.
13. Establishing a healthy infrastructure system will set clear governance, holding to account mechanisms and clear roles and responsibilities that will drive effective behaviours and efficiencies in support of the Strategy's Objectives.

OUR PRIORITIES AND STRATEGIC OBJECTIVES

Enabling Defence Outputs and Capability

14. Infrastructure must be an effective capability enabler and we need to minimise the risk that our current sub-optimal, underfunded estate presents to capability. Defence must take a long-term strategic view to infrastructure planning without being deflected by short-term opportunistic decision making. This will ensure appropriate Balance of Investment decisions achieve Defence outputs and retain flexibility to ensure responsiveness to changing requirements, future trends and operating environments. This requires users to be 'Intelligent Customers' to fully understand the impact of their demands and to articulate clear and proportionate requirements for delivery. Users are required to work closely with infrastructure delivery bodies, who will act as an 'Intelligent Provider', with sufficient skills, experience, capacity, and management information, and with effective processes and tools in place to advise on, procure and deliver the users' infrastructure needs on time, to meet capability demand.

Strategic Objective: We will manage our infrastructure as a strategic asset to support Defence outputs and be responsive to changing requirements and future trends.

15. As a key Line of Development for Defence capability, infrastructure must be integral and responsive to the capability planning process and prioritised on the basis of capability requirements. Under the Defence Operating Model, capability planning is undertaken by Front Line Commands (FLCs) and Strategic Programmes. Infrastructure funding lines must be identified and secured early in the capability planning process to ensure timely delivery. Delivery of infrastructure and operation of the estate is subject to statutory, policy and planning constraints that can impact on capability development and the freedom to operate and train. These potential constraints must be identified and managed early in the capability development process.

Strategic Objective: The Infrastructure DLOD is fully integrated within capability planning processes and responsive to requirements that are fully understood, articulated and funded in a timely manner.

Cost Leadership

16. The needs of Joint Force 2025 must be met whilst continuing to drive down the cost of operating the estate so that we are able to fund the cost of sustaining an estate that enables strategic commitments to be met at an acceptable level of risk to military capability. In doing so the risks and costs to other DLODs should be reduced, whilst opportunities to release value from surplus land and property must be maximised. This will require the right incentives, management information, procurement mechanisms, behaviours and funding flows to be in place. The majority of cost from an asset comes from its use through life and many aspects of the costs of running the estate scale with size. Rationalisation onto a significantly smaller footprint, more efficiently laid down and more intensively utilised, with assets in better condition is expected to result in better through life value for money and long-term affordability.

Strategic Objective: To concentrate investment around a significantly smaller estate that more efficiently and effectively enables military capability, whilst reducing whole life costs across all DLODs.

Defence People and Communities

17. Defence is focused on a Whole Force Approach, with outputs delivered by high performing teams of capable people drawn across the Armed Forces, Civil Service, contractors and allies. Infrastructure must enable them to live, work, train and deploy efficiently and effectively. The provision of accommodation and facilities is a key component of 'The Offer' to the Armed Forces. It improves Service life by providing quality accommodation, and facilitating greater levels of ownership to ease transition to civilian life. The New Employment Model is supported by concentrating around centres of gravity or specialisation to enhance Defence communities. Infrastructure must contribute to improving morale and employee engagement. Helping to, attract and retain the right people, supporting health and wellbeing; and to maintain the ethos and doctrine of the Armed Forces. We are committed to move infrastructure from a negative to a positive influencer on retention and staff engagement.

Strategic Objective: We will manage and develop our infrastructure to enable the Whole Force Approach in support of Defence communities.

Safe, Secure, Resilient and Compliant Infrastructure

18. We have a responsibility for the health and safety of our people, including our contractors and those that may be affected by our activities. To meet this duty of care our infrastructure activities are covered by a comprehensive Health and Safety (H&S) regime. Infrastructure security is imperative in protecting our people, facilities and assets. Our infrastructure must be legally compliant and enable resilience to safeguard against and recover effectively from disruptive events.

Strategic Objective: We will ensure that our infrastructure is managed and developed to Defence safety and security standards, is legally compliant and enables resilience.

HOW WILL WE ACHIEVE THESE STRATEGIC OBJECTIVES

19. Delivery of The Strategy will require Defence-wide effort, with appropriate recognition in planning frameworks, strategies and policies. The Strategy informs development of the Defence Plan and Command Plans, along with FLCs and TFAs' infrastructure strategies. It will be cognisant, support and influence the objectives of the other DLODs and their Strategies especially where they have a significant infrastructure interest. The infrastructure system is also a significant contributor to delivering our sustainability commitments, complementing the objectives of the Sustainable MOD and Waste strategies.

Pan-DLOD Capability Planning

20. The Defence Board have agreed the principle that demand for infrastructure investment arising from capability and business change requirements will be funded by customer TLBs. Under the Defence Infrastructure Systems Programme (DISP), an investment planning and prioritisation project is ensuring the enterprise-wide expenditure on infrastructure is fully and accurately captured. It will refine processes for managing the CIP and developing principles for better integrating capability and infrastructure planning as well as managing infrastructure related risks.

Key Principles: Capability and infrastructure planning and decision making take account of cross-DLOD implications. Investment to enable capability or business change is funded by the demanding TLB.

Balanced Capital Infrastructure Programme

21. The infrastructure Line of Development faces significant financial challenges as the demand for capital investment significantly outstrips current and projected funding. We require a CIP that is affordable, stable, balanced and deliverable within planned resources to deliver and mitigate risks to capability. A capability-based process, with agreed criteria and methodology, is in place to prioritise demand within the CIP against a common set of Defence Output Criteria (directed by MOD Head Office), which focuses investment based on capability risk and Defence benefit. The Infrastructure Operating Model is being further developed to delegate to TLBs greater responsibility for planning infrastructure investment from April 2017.

Key Principle: The Capital Infrastructure Programme is balanced, affordable and prioritised to enable Defence capability and deliver value for money.

A Smaller, Better Estate

22. The Strategic Estate Optimisation Portfolio sets out the strategy, principles, scale of opportunity and vision to reduce the size of the built estate and surrounding land, with an aspiration to achieve a 30% reduction in built assets over the period 2020 to 2040. A review of the UK wide lay down consolidates onto fewer sites focussed around centres of mass. This is accompanied by a drive to intensify the utilisation of every building on the retained estate in order to increase efficiency and reduce the reliance on building new facilities when reproviding space as the estate is rationalised. Following the outcome of the Army Training Review, the on-going rural training estate requirement by FLCs will be evaluated. These initiatives will need to be underpinned by robust and consistent management information.

Key Principle: The Strategic Estate Optimisation Portfolio will deliver a smaller, more efficient and better estate with the future lay down focussed around centres of mass.

Responsive Accommodation Provision

23. Our provision of accommodation for families and single Service personnel must be cost efficient, be in the right place so that it aligns with our future footprint and be of the right quality (Decent Home and Decent Room standards). Provision of accommodation is an important component of 'The Offer' to Service Personnel. A stable Defence footprint and targeted land release supports the New Employment Model principles in providing geographic stability and therefore career management opportunities for Service personnel and their families as well as enabling greater levels of home ownership. The Future Accommodation Model, together with the Strategic Estate Optimisation Portfolio, are the delivery mechanisms to deliver these and any future initiatives. This work is being taken forward in conjunction with the policy review of the Joint Service Publication (JSP 315) Building Performance Standards to support efficient, flexible, and responsive accommodation provision.

Key Principle: We will provide a flexible, responsive and efficient supply of accommodation to the right standards focussed around the future footprint of Defence.

People

24. The People Strategy outlines our commitment to develop skills, capacity and provide training and education across the Defence enterprise (including the supply chain). Within infrastructure, these commitments will be delivered by the DISP Capacity and Proficiency Project together with supporting workforce initiatives within infrastructure delivery organisations. It will help us understand current constraints and support capacity, career development and workforce planning. We are fully engaged with the Cabinet Office in the development of the Government Property Profession and work is on-going to develop the Estates profession within the Department.

Key Principle: We will ensure sufficient resource, capacity and capability within the Defence infrastructure community to support the efficient and effective delivery of infrastructure.

The Way We Work

25. Our infrastructure will be designed to require users (including our industry partners) to use facilities, utilities and services efficiently, reducing operating costs. It will also support new ways of working aimed at improving the productivity of our workforce including through providing modern workspaces and supporting evolving ICT requirements. We will also seek opportunities to make more efficient use of space by sharing facilities with our partners across government. The Main Building Optimisation project is already facilitating exploitation of spare capacity, enabling the building to act as a secure hub within a Whitehall Government campus.

Key Principle: We will support improved productivity and efficiencies through innovative design, providing modern workspaces, proven technological development, incentivising sharing facilities, enabling ICT developments and learning from others including benchmarking.

Supporting Wider Government

26. As the largest land owner within Government, there is a recognition that Defence is an enabler in delivering wider Government commitments especially the prosperity agenda e.g. the release of public sector land for housing, supporting the Government Estate Strategy, Government Construction Strategy, Greening Government Commitments, National Critical Infrastructure, The Way We Work (TW3) initiative and wider stewardship commitments. This is expected to be reinforced as devolution strengthens across the UK.

Key Principle: We will support wider Government objectives where compatible with Defence outputs and needs.

Infrastructure Procurement and the Government Construction Strategy

27. We currently employ a mix of procurement models and contracting frameworks to deliver our infrastructure. Further work is needed to baseline and align all of our delivery partner infrastructure contracts and their commercial routes to maximise efficiencies, reduce costs and deliver improved Value for Money. We will utilise best practice infrastructure procurement and contracting models and are fully engaged with Crown Commercial Services and its requirements. We will ensure we have a clear understanding of our requirements using solid reliable data, benchmarking and other evidence. By adopting the approaches within the Government Construction Strategy, we will ensure that we can go to market quicker, and be clearer with our suppliers, allowing them to focus their innovation and be flexible in providing us with the best possible economic solutions.

Key Principle: We will streamline and align our contracting frameworks and commercial routes to deliver innovative, flexible and responsive solutions, to reduce costs and deliver improved Value for Money.

Sustainable and Resilient Infrastructure

28. A sustainable estate meets our users' needs whilst taking into account economic, environmental and social impacts, is adapted to future climates and is not reliant on constrained or depleting energy supplies and materials. Defence infrastructure is also a key enabler of resilience both for Defence and the wider UK. The use of our sustainability appraisal tools and the delivery of the Sustainable MOD, Business Resilience and Waste strategies will identify risks and opportunities, drive coherence, innovative design and efficiencies and support informed decision making that aligns to our Strategic Objectives.

Key Principle: We will develop our infrastructure to become sustainable and enable resilience.

Infrastructure Policy

29. We are committed to ensure that Defence infrastructure policy is consistently applied across Defence and that our policy aligns with legislation, wider Government policy and industry standards. Infrastructure policy is articulated in JSP 850 Infrastructure and Estate and JSP 315 Building Performance Standards which will be regularly reviewed and updated. Our close working relationship with wider Government and other Administrations both domestic and overseas allows us to be cognisant of emerging trends and issues and be effective in advocating our position and protecting Defence interests.

Key Principle: We will develop and manage our infrastructure policy, to enable efficient and effective infrastructure through industry best practice and standards.

RESOURCES SUPPORTING DELIVERY

Infrastructure System Operating Model

30. Underpinning the Strategy will be a healthy Infrastructure System Operating Model (ISOM) currently being developed by the DISP. The ISOM will provide the mechanism to deliver The Strategy through setting clear governance, Holding to Account mechanisms, roles and responsibilities and Ways of Working. It will establish a System Design Authority to monitor system health; having robust management information in place, with prioritised decision making that enables continuous improvement. It will develop the right behaviours and incentives; understanding Suitably Qualified and Experienced Personnel (SQEP) requirements and deliver an infrastructure related profession. Finally it will actively manage risk across Defence infrastructure.

Governance

31. The Strategy is owned by DCDS MilCap as the Defence Authority for Capability Coherence for Infrastructure and endorsed by the Infrastructure Joint Committee (IJC). The Strategy will be supported by a Delivery Plan owned by the Sub-IJC, to ensure coordination of delivery.
32. The Strategy supports and is consistent with the Defence Strategic Direction and informs the development of the infrastructure Defence Task within the Defence Plan. It is therefore reflected within the Command Planning process. The Strategy will be reviewed every 5 years to reflect the priorities within the Comprehensive Spending Review and the Strategic Defence and Security Review cycles.
33. As part of the overall governance structure, the DISP is actively considering the broader governance roles to ensure infrastructure coherence and provide assurance across the Defence enterprise and to monitor the performance and health of the system, including its processes.

Management Information

34. Robust and consistent Management Information (MI) is imperative to understand the Defence enterprise infrastructure portfolio, its investment needs and the cost of ownership. Assured MI is necessary to support requirements definition, evidence based investment planning and decision making and to promote transparency, best practice and behaviour in the funding, management, operation and maintenance of the estate and component assets. The Strategy will be supported by appropriate technology solutions and a data acquisition, management and assurance plan along with a set of performance indicators with which to monitor and hold to account and to inform the Strategy review.

Knowledge and Skills

35. The efficient direction, delivery and operation of Defence infrastructure is dependent on sufficient resourcing levels of Suitably Qualified and Experienced Personnel (SQEP) to act as an 'Intelligent Customer' as well as an 'Intelligent Provider' within the system and as an 'Intelligent Client' for industry. The career development and retention of our people also helps to ensure continuity of corporate knowledge.

36. Defence is reliant on skills and productivity of the infrastructure sector for delivery, ensuring its suppliers are committed to developing and investing in skills through its procurement mechanisms. This helps reduce risks of supply chain constraints, labour cost inflation and supports the growth agenda.

Incentivisation and Funding

37. Strategy delivery must be enabled by appropriate behaviours, incentivisation mechanisms and funding flows within the system and be delivered within the context of the Financial Management Strategy and funding framework outlined within the Comprehensive Spending Review (CSR). A balanced CIP is in place which may need to be reviewed and reprioritised in line with SDSR outcomes on a periodic basis after any major change in assumptions.
38. The system must also identify and maximise opportunities for income generation and wider intangible benefits (e.g. in support of reputation, recruitment etc.) to generate greatest value from the estate, which may also be used to offset running and capital costs. This could be from commercialisation of the estate (where there is irreducible spare capacity) or Third Party income streams e.g. NATO or from disposal of assets no longer required for Defence use.

Delivering the Strategy

39. The Strategy will be delivered through the existing planning processes and procedures within the Defence Operating Model. This includes the Defence Plan, Command Plans and other Business Plans, and planning budgetary cycles. Objectives will be further supported through the delivery of other Defence Strategies where there is an infrastructure element e.g. People and Training, and Sustainable MOD Strategies.

