

MANAGEMENT OF PERSONNEL AND THE WAY AHEAD

2SL/CNH IS ENGAGED FULLY IN THE MINISTRY'S
"COMPETING FOR QUALITY" INITIATIVE

The merger of the organisations of the Commander in Chief Naval Home Command and the Second Sea Lord took place on 1 April 1994. As the first 2SL/CNH, Admiral Sir Michael Laward has responsibilities for Department of State, Principal Personnel Officer and Command business.

Rationalisation and collocation

Creating the conditions under which all of this could be successfully executed demanded intensive planning and preparation. Work began in July 1991 and aimed to collocate and rationalise the staffs of 2SL and CNH at Portsmouth. In the event, collocation in a new building in the Naval Base offered best value for money therefore this route was selected. Victory Building was completed within budget and on time for the arrival of the first occupants in January 1994. This rationalisation has enabled substantial savings to be made.

Information Systems

Information systems have played a large part in underpinning the success of the merger. The Corporate Headquarters Office Technology System (CHOTS) gives access to a wide range of facilities to all who need it. A particular strength of the system is E-Mail with its ability to communicate securely, both within the building and with other users in remote sites such as the Ministry of Defence in London. Great care has also been taken with communications. A new digital telephone exchange with secure lines, secure and standard facsimile machines and an encrypted video conferencing link to London are all fully operational. All of this has been built into a modern and comfortable working environment designed to satisfy the latest EU directives.

Down to business

The wide ranging tasks of 2SL/CNH are executed by a highly integrated team of civilian and uniformed staff. The core business is filling complement billets with

appropriately qualified and trained personnel. To meet the Navy's requirement for trained manpower, Flag Officer Training and Recruiting (ROTR) provides initial training to new entry recruits; career training and Pre-Joining Training (PJT) as necessary.

Appointments, draft orders, promotion signals and advancement authorizations are the visible outputs of the Naval Secretary's department but there is a great deal more going on behind the scenes. The Naval Secretary, or DG, Naval Manning to give him his other title, also has the dual problem of forecasting the demand for trained personnel and maintaining inflow and outflow so as to guarantee an adequate supply for future Manpower regulators such as recruiting, promotion and advancement, engagements, and, where unavoidable, redundancy all have a part to play in ensuring that the Naval Service is maintained at levels commensurate with both the peace and war requirement.

One of the less understood elements of 2SL/CNH's area is the Department of State business. This includes the handling of both Ministerial and Parliamentary questions and inquiries on behalf of the Secretary of State, all of which is part of the day to day business for the Command Secretary to 2SL/CNH and Assistant Under-Secretary of State (Naval Personnel), or CS/AUSNP (for short, a Grade 3 Civil Servant). 2SL/CNH's budget is managed within CS/AUSNP's area.

Victory Building is also home to the Medical Director General (Navy). His task is to maintain a medical capability to support the Fleet in time of conflict. The Director General of the Naval Chaplaincy Service also resides in Victory Building, administering this vital element of personnel support.

The work of the combined 2SL/CNH also encompasses a wide range of support services. These include the payment of uniformed personnel, provision of hotel services in the Fleet Accommodation Centres, family services, Naval housing,

and so on.

Looking ahead - A busy time

Preparing for the future is a vital part of the agenda of any personnel director. 2SL/CNH is no exception. Calm waters are not expected beyond the next headland and an intensive programme of work is underway to create the conditions for a sustainable level of military capability in the 21st Century. The Officer Study Group is moving rapidly towards implementation and the Ratings Corps Study Group has been formed with a demanding remit: further detail on progress in these areas follows below. We are working closely with the Independent Review of Armed Forces' Manpower, Career and Remuneration Structures or IR (for short, covered in a separate article), to ensure that the Naval Service will continue to attract and retain high calibre recruits. At the same time, we have developed systems for manning in times of crisis and continued with reductions in levels of uniformed Naval manpower as requirements change following a host of initiatives like Options for Change, Market Testing and the Front Line First Study.

In terms of looking for more efficient ways of discharging our responsibilities, 2SL/CNH is engaged fully in the Ministry's "Competing for Quality" initiative which is seeking to realise the maximum potential for achieving value for money through competitive pressure. In parallel to this, his Top Level Budget (TLB) is pursuing the introduction of Activity Based Management as part of a Departmental move towards Output Costing. The Front Line First Study has reported, some of the changes recommended will have a significant impact on 2SL/CNH's area. Still, if you can't take a joke....

We will now take a look at some of the more significant initiatives and developments in the personnel area.

Officer and Rating Corps Study Groups

Readers of BRADSHIELD will know that the Officer Corps Study has been under way for some time. The Study Team put their initial recommendations to the Navy Board in May 1993. They covered all aspects of Naval officer careers, including training, commissions, career progression, ranks, appointments and promotion. Fundamental to the review was a thorough assessment of the required number of officers, based on the number of ("platform") vessels, squadrons and commandos. The Board accepted the report in broad conclusions but felt the recommendations should be further developed with the line management chain before taken further. This process is underway.

A vast amount of staff effort, both by 2S1/CNH staff and others throughout the Royal Navy has been expended in developing OSC proposals into a form that will be practical and sustainable. Since the initial report to the Board, the OSC Development Team have submitted two further reports, which have invited endorsement of the development work, and also sought approval to develop those proposals with which the Board were not completely satisfied. The first of these reports was considered by the Board on 17 March, and the second on 4 August 1994. The first report included a progress report on the Platform Derived Structure, proposals to reduce training wastage through the introduction of a RN Potential Officers Course (RNPOC), and the introduction of a Terms of Service document. The Board broadly endorsed these proposals, but noted that after investment appraisal the introduction of the RNPOC was not cost effective and should not therefore be pursued. The second report sought to confirm the Platform Derived Structure and the introduction of a substantive one star rank and was generally accepted by the Board.

This illustrates the efforts being expended in developing the OSC proposals, not all of which will be developed further. The proposed implementation date for most of the changes is 1 April 1996. There will, of course, need to be some transition arrangements for those currently serving and these are also being very carefully considered. The object is to secure an effective, flexible and robust strategy for the officer corps into the next millennium.

Following on from the work of the Officers' Study Group (OCG 1) and recent ratings' studies, a Ratings' Corps Study Group (RCSG) has been established to undertake a comprehensive review of how the ratings' corps as a whole is structured and managed. The study will address the

non-commissioned manning needs of the Royal Navy and make proposals such that the operational and support components of the Service are met by an efficient, cost-effective and flexible structure from 1998 onwards. The study commenced work in April 1994 and its findings are due to be reported to the Navy Board in the Summer of 1995. The Study Team is also required to produce an interim report (IR) highlighting potential constraints on the scope of the study and any implications for the Ratings' Corps imposed by the further work of the OSC, the IR and the Defence Costs Study.

The IR, although quite separate and distinct, is proceeding in parallel with the RCSG. In order to minimise the scope for duplication and overlap, the RCSG, along with other agencies, will provide the very considerable Naval Service career and manpower structures input which will be required by the IR.

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Training by Ahead Project

As part of efforts in the Training Way Ahead Project which was commissioned by the Navy Board in the autumn of 1993 and is due to report towards the end of this year it is intended to be a cost and benefit examination of all aspects of Naval training. Against the intention to plan ahead so that we can put the organisation in the best shape possible to meet future needs. Without pre-judging the outcome, we would expect one of the aims to be to try to concentrate resources on core activities and establishments where they can be used to maximum effect.

Sadly, we had to announce this year the closure, probably in 1995/96, of the Royal Naval Engineering College at Manadon as it had been established that a first degree education should more economically be provided under a post-secondary sponsorship scheme from Southampton University.

Manpower Levels

Manpower numbers should not be taken as a direct measurement of military capability. Understood through to only one of the elements which when combined determine military capability. It is necessary to meet a range of requirements in the front line and support areas and not for us over sales. It would clearly be essential to impose a particular level of

uniformed manpower. For these reasons, we do not set a target for, or control on, future manpower numbers.

Then questions from the 1994 Statement on the Defence Estimates reflect our approach to manpower levels. Our defence and services are aimed at maintaining the front line and shortening the lead to tail call.

Manning for crisis

Crisis situations require a flexible and rapid response which can be adapted to meet changing situations. Using the experience of Operation GRANBY, we have established "Crisis" and "Major Crisis" Manning Systems. These will make HQ medical, logistic, technical and military support available to meet limited Out Of Area operational deployments, and progressively to provide for proportionate increases to direct and indirect support for deployments of the Main Defence Force/ National Maritime Contingency Force and 3 Commando Brigade. The system is based upon having a number of additional operational billets which can be activated by releasing personnel from peacetime billets.

Reducing manpower levels

Last year's BRADSHIELD brought readers up to date with Phase 3 of the Redundancy Programme which was introduced following Opans for Change and which began bringing the total strength down to the requirement of 51,000 by 1 April 1995. There is no change in that figure by that date. But looking forward, the range of initiatives, including Front Line First, can be expected to reduce the uniformed requirement further. It is difficult to say by how many at this stage. The Open Government Document on Front Line First proposed savings of about 1,900 posts mainly from 1996/97 onwards. As to further possible redundancies, we expect that there will need to be some, but hopefully our prudent forward planning and use of manpower regularisers like natural wastage will be able to keep the levels down. Much work still has to be done to establish which billets might be affected before we can give any really useful information on this.

In the right shape

In this article we have referred to the officer and rating corps structures and the training organisations and the need to shape them and the manning system to meet the needs of the future. It is really what all the activity is about. It has got to be done and we think we are on the right track.

THE INDEPENDENT REVIEW

OF SERVICE CAREER, MANPOWER STRUCTURES AND TERMS AND CONDITIONS OF SERVICE

MOD ITSELF HAS BECOME INCREASINGLY WORRIED ABOUT
THE ESCALATING COST OF UNIFORMED MANPOWER AS A
PROPORTION OF THE DEFENCE BUDGET



By Commodore Doug Lewis CBE Royal Navy
Director of Personnel

BRoadsheet readers may recall last year's article 'Power to the Purple People' in which I described the establishment of a Service Personnel Policy Division within the Defence Staff. The article referred - in a somewhat lighthearted manner - to cherished Naval conditions of service, eg Submarine Pay, coming under the authority of senior officers from the Army and RAF. Well if the thought of Pongee and Crabs getting amongst our conditions of service worries you then it is time to reach for the Beta Blockers - this year's article is about all our Terms and Conditions of Service being reviewed by Civvies!

How come? Although the Independent Review is not a cost-cutting exercise (we know this because Minister (Armed Forces) said so in a letter to the Editor of The Independent newspaper on 15 February 1994) the reality is that MOD itself has become increasingly worried about the escalating cost of uniformed manpower as a proportion of the Defence Budget. It is also true that such areas as rank and trade structures, career patterns, length of service, are no longer sufficiently flexible or cost-effective to take account of recent dramatic changes in military commitments and deployment patterns. Finally, we have a Pay and Allowance system which even its strongest supporters - including the Armed Forces Pay

Review Body themselves - will admit has become over-complex and therefore difficult both to understand or administer. Faced with this problem - is the need to mount a comprehensive review of service career and manpower structures and remuneration - who would BROADSHEET readers send for? A joint MOD/Treasury Team or an Outside Team of intelligent and experienced business people. Remembering the Review of Allowances (ROAK!), which was an internal review by a joint MOD/Treasury Team, there is only one answer: Send for the Civvies!

In reality events were not quite like this. HMG decided to commission the Independent Review and its Terms of Reference include the requirement "to contribute to the reduction... of the overall cost of manpower". Understandably this clause has provoked widespread concern within the Armed Forces: many people have drawn comparisons with the badly-received SHEEHY Study into the Police Service. To be fair, MOD Ministers are alive to this criticism and have taken steps to ensure the Independent Review is sensibly constituted. Crucially, they have included a recently retired 4 Star Officer in the Review Team and created a full time supporting Secretariat which contains 3 serving officers. The Independent Review began in April 1994 and is

scheduled to report to the Secretary of State for Defence by April 1995. Its Chairman is Michael Bett (ex Deputy Chairman British Telecom and former member of the Armed Forces Pay Review Body) and he is supported by Michael Garner (Finance Director TI Group), Anthony Vineall (Personnel Director Unilever) and Admiral Sir John Kerr (CinCNavHome until April 1994). Close liaison is maintained between the Review Team and both the Defence Staff Service Personnel Policy Division and the three single-Service (PTO) staffs. Similarly effective links have been established with the Senior Salaries Review Body and the Armed Forces Pay Review Body. These ties are vitally important if confidence is to be maintained in an external organisation which has the potential to 'second guess' the entire work of the Navy's Officer and Rating Future Study Groups (and their Army/RAF equivalents) as well as proposing radical change to both the methodology and detail of Service pay, allowances, pensions and other conditions of service.

Finally, what - you may ask - happens if the Armed Forces do not approve of the outcome? Answer: Well (unlike the Police) we will not be hiring Wembley to protest. But the Chiefs of Staff do know their way across Whitehall.