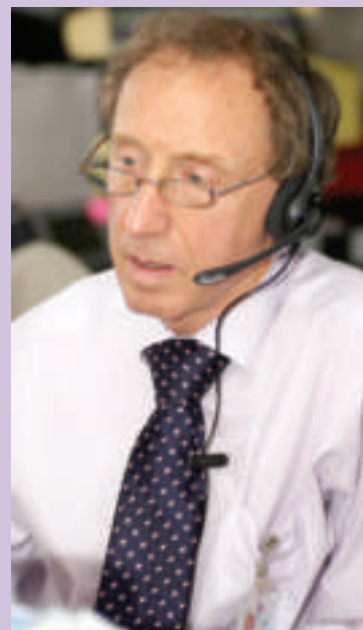


**Service Personnel  
& Veterans Agency**  
An Executive Agency of the Ministry of Defence



**Corporate Plan 2009/2012**

**Supporting Services Through Life**

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# Chief Executive's Foreword



It is my great pleasure to present the Service Personnel and Veterans Agency (SPVA) Corporate Plan for 2009-2012, my first since taking up post as Chief Executive in October 2008. This Corporate Plan sets out SPVA's key priorities for the next three years, the period of our interim contract,

highlighting our determination to maintain our high standard of customer service throughout the period of transition, and our commitment, alongside Electronic Data Systems – Hewlett Packard (EDS-HP) to provide further improvements in service delivery across the Agency.

Since joining the Agency I have become increasingly aware of the unique range of customers we support, as serving personnel, veterans and dependants. Their needs and expectations resulting from the service and dedication they give, or have given in the past, are met by the wide range of services we provide to them. These include not only the vital delivery of pay, allowances, pensions and compensation payments, but also the exemplary work of the Joint Casualty and Compassionate Centre who deal first hand with the families of Service personnel and their units and Headquarters to resolve the myriad of compassionate and casualty issues that arise worldwide, the efforts of the welfare service who work directly with customers to give welfare support whenever required, the MoD Medal Office who ensure due recognition is awarded for services given, and the high quality residential and nursing care provided by the staff of the Ilford Park Polish Home.

Less visible to our customers, but key to our effectiveness, will be the introduction of a more streamlined approach to our senior management structures. The Agency Management Group will focus on strategic, forward looking leadership whilst a new Operations Board will ensure effective operational management and delivery against SPVA's Key Targets. Issues to be addressed by the

AMG will include how best to achieve the innovation and additional benefits within the longer term future contract to come into effect in November 2012, and how SPVA's reputation and profile can be raised, to ensure our customers are aware of the services we offer.

Our desire to succeed in meeting the needs of both our individual and corporate customers, and our recognition that we are only as good as the worst experience our customers have of us, is reflected in the challenging Key Target set for customer satisfaction, which requires high targets for each of our customer segments to be achieved before success in overall satisfaction can be considered. Crucial to the achievement of these targets has been the introduction of Joint Personnel Administration, which for three years now has delivered harmonised, modern pay and personnel services to a constantly improving standard, with recent improvements bringing simplified access to essential information to self-service users. This work will continue through a targeted Cultural Change Programme with both technological upgrades and improved support products improving the customer experience.

None of this would happen without our committed and effective staff, who all have a part to play in our shared purpose. Owing to the structural, cultural and geographic challenges the Agency has faced since formation, we have yet to optimise the benefits of working as one single and effective organisation. The coming year will see the Agency develop and embed a One Agency-One Team concept. This, alongside two staff conferences held to explore improving service will allow staff to develop and share their considerable skills and knowledge and work together to become a unified, customer driven organisation.

A handwritten signature in black ink that reads "Kathy Barnes". The signature is written in a cursive, flowing style.

Kathy Barnes  
Chief Executive

# Agency Direction

## Strategic Intent

**Dynamic delivery of high quality, comprehensive and responsive through-life services to the serving and veterans' communities**

This supports the vision of the Agency owner DCDS(Pers):

**To identify and take forward the actions required to deliver and sustain better the people component of operational capability.**

And contributes to operational capability and the overarching Defence mission:

**'A Force for Good in the World'**

## Mission

The SPVA Mission is:

**To deliver reliable, trusted and efficient personnel services to the serving and veterans communities.**

The prime focus of SPVA as the Service personnel and veterans service delivery organisation is to provide effective personnel services to the serving and veterans' communities. By delivering a through life service to all its customers, the Agency continues to support the MoD's drive to harmonise, modernise and simplify personnel processes.

Whilst SPVA contributes to the overarching defence mission through its provision of services to front line Servicemen and women, of equal importance is the excellent work carried out to ensure the needs of veterans, and their dependants and carers are recognised and met.

The Agency strives to deliver against challenging Ministerial Key Targets and strategic objectives linked to the ongoing achievement of the Agency's contribution to delivering the people component of operational capability.

The following SPVA principles underpin the Ministerial and Departmental targets and capture what the Agency must focus on in order to achieve its mission:

- **Customer Focus** – improving customer satisfaction by understanding and responding to the needs of each SPVA customer segment.
- **Efficiency** - cohesion, coherence, collaboration and optimal use of resources.
- **Business Excellence** - continually seeking improvement – right first time every time.
- **Employer of choice** – well trained, valued and fully engaged staff.

## Agency Structure

### SPVA Agency Management Group (AMG)

The AMG is responsible for the strategic and day to day management of the Agency, its performance, risks and partnering relationships.

The Strategic Priorities the AMG will focus on in 2009/10 are as follows:

- One Agency
- More For Less
- Key Business (SPVA Key Targets)
- Raise SPVA Reputation
- Future Service Delivery



**Kathy Barnes**  
Chief Executive



**Kevin Large**  
EDS-HP  
Account General  
Manager



Commodore  
**Ross Albon**  
DCE/Head  
Strategy & Programmes



**Paul Couch**  
EDS-HP  
Account Manager



**Alison Sansome**  
Head  
Veterans Services



Commodore  
**Angus Ross**  
Head  
Military Services



Brigadier  
**Robin Bacon**  
Head  
Transition



Air Commodore  
**Paul Nash**  
Head Change



**Kim Humberstone**  
Head  
Corporate Services



**Alex Jablonowski**  
SPVA Non-Executive  
Director



**Bronwen Curtis**  
SPVA Non-Executive  
Director

### Agency Executive Board (AEB)

The AEB is responsible for the strategic direction and governance of the MoD components of the Agency: it complements the role of the AMG. The membership consists of the Chief Executive and MoD Heads, plus two Non Executive Directors (NEDs).

### Operating Board (OB)

The OB is responsible for regularly reviewing performance and assessing achievement against the Agency's Key Targets. The OB is informed by the Business Intelligence Tool and Veterans Dashboard.

## Corporate Strategy

Our Armed Forces will continue to serve around the world, and be deployed on operations, sometimes enduring severe hardship, risk, personal injury or even death. As SPVA customers whilst in active service, or as veterans or indeed their dependants, they all have a legitimate expectation to receive good quality services from this Agency. These factors along with new and evolving requirements and policy developments will continue to drive the need to transform the Agency's business processes in order to better deliver a single, highly intelligent point of contact on all military human resource functions.

Further more detailed information on SPVA's strategic way ahead is contained in SPVA's Strategic Blueprint - endorsed by DCDS( Pers).

### Customer Focus

Since Joint Personnel Administration (JPA) implementation there are clear indications that customer satisfaction and confidence continues to grow. SPVA plans to continue to deliver further service delivery quality and process improvements. In doing so the views, needs and satisfaction levels across our range of customers will remain paramount. SPVA recognises that our customers, ranging from individual Service personnel and veterans to corporate MoD functions, require the Agency to continually improve its service. We will continue to deliver a coherent approach to service delivery that is based upon the priorities and needs of our customers.

Our industry partners are a key component of our future strategy as they play a major part in achieving our vision. The competing of the service delivery contract under the Interim Contract (IC)<sup>1</sup> and the start of the competitive process for the Future Contract with their differing contract scopes, timetables and procurement strategies will have significant impact on the Agency and its seamless provision of services.

As a priority these improvement efforts will be focused around delivering on the Barr recommendations<sup>2</sup> and subsequent JPA Stocktake<sup>3</sup>, whilst strengthening JPA financial controls. The revised JPA vision, developed by the JPA Stocktake, will be used to inform the future SPVA scope, breadth and depth of services provided into the Future Contract period (from 2012).

The follow on contract period will see SPVA progressively delivering a more comprehensive through life military personnel administration service, enabling all military personnel administration to be more readily accessed; a true 'one stop shop' for our customers.

### Business Excellence

SPVA retains separate customer contact points for veterans and serving personnel, however, through continuous improvement these are now underpinned by increasingly unified teams of specialist staff and a single corporate services team. This ongoing and integrated process development will ensure further improvements to services, monitored through service delivery reporting, customer satisfaction surveys, Charter Mark review and future assessment against Customer Service Excellence standards.

<sup>1</sup> Further details of the IC are given on page 8.

<sup>2</sup> Report of the independent review of the MoD JPA system (The Barr Report) dated 23 Jul 08.

<sup>3</sup> An independent assessment of what JPA provides against what is needed to meet the business requirements of the JPA Vision.

## Efficiency

As downward pressure on the Defence budget continues, it is necessary for the Agency to achieve value for money at all levels to optimise the delivery of services to our customers. The Agency will achieve efficiencies through meeting JPA savings targets and through merger rationalisation savings that will be realised in forthcoming years, in addition to actively seeking ways to do things more efficiently across SPVA.

As part of the JPA vision the department committed to substantially simplify military personnel administration, pay and allowances. The JPA Complexity Report reveals that, delivered simplification has fallen some way short of the departmental vision. Today the JPA Oracle Commercial Off The Shelf (COTS) package has multiple extensions and bespoke reports, which seriously hampers the realisation of the full financial benefits that COTS HR system was hoped to deliver. This continuing and increasing level of complexity carries the unavoidable consequences of increased costs for change implementation and associated maintenance of those changes, and increasing risk of serious delivery errors.

JPA has reached the stage where there are some difficult choices to be made. Whilst policy simplification remains a significant challenge, it will not only help better focus resources but help enable us to jump to the next technology generation with substantially less risk and cost whilst meeting the needs of today's highly information technology literate customers.

SPVA will also be responsive to any strategic initiatives borne from the ongoing MoD Head Office Streamlining programme, to examine the scope for converging the delivery of shared services and the optimum structure to deliver those services.

## Employer of Choice

SPVA's success in becoming an excellent service delivery organisation depends upon the quality and commitment of its staff. A comprehensive programme of work on values and behaviours has promoted positive and effective behavioural and cultural changes within the Agency's workforce. This change, essential to the achievement of high quality business results, will be built upon through the continuation of 'Investors in People' accreditation, employee feedback via employee

surveys and the launch of the 'One Agency-One Team' programme, which in turn supports the Agency's drive to be recognised as an employer of choice.

## Key Objectives

The SPVA key objectives are built around the main elements of the corporate strategy. The most important outputs are the subject of Ministerial Key Targets.

- Efficient, accurate delivery of core services; pay, pensions and compensation (Key Targets 1, 2, 3 and 4).
- To meet agreed levels of customer satisfaction (Key Target 5).
- To ensure that throughout transition, service delivery is maintained with no disruption to either service delivery or the JPA Release Programme, and that transition runs to schedule and to budget (Key Target 6).

## Customers

The table below shows the SPVA core customers base<sup>4</sup> of approximately 825,000 individuals consisting of serving, ex-serving personnel and their dependants. As a result of supporting this large customer base the Agency administers £13.5bn of public funds.

Type of Payment	
Regulars & Reserves Pay	260,000
Pensions	371,000
War Pensions	190,000

<sup>4</sup> Customers currently in receipt of SPVA core services ie. pay, pensions and war pensions.

Over and above the core customer base, the Agency's customers also include MoD planning and finance staffs, Service personnel and veterans policy makers, Services' personnel management authorities, and a variety of other Defence Agencies and other Government Departments, such as HM Revenue and Customs, the Department of Work and Pensions and the Department of Health. The full veterans' community estimated at approximately five million people are also potential customers with a variety of support requirements that SPVA will need to fulfil. The Agency additionally plays a key role in assisting the Government wide veterans' programme.

The SPVA aims to get things right first time, every time and to provide the very best service. However, if our customers are not satisfied with the way their pay, claim or pension has been dealt with they are able to contact the Enquiry Centre or Veterans Help Line, as appropriate, where a Customer Service Manager will arrange a full review of the case. Enquiries or complaints which are not resolved by this procedure will be escalated to the Chief Executive or the relevant Independent complaints panel.

## Data Protection

The Agency is committed to safeguarding the personal data it holds on behalf of its customers and using, processing, storing and distributing it in accordance with the provisions of the Data Protection Act, JSP 440, the Government Data Handling Reviews, the Information Assurance Maturity Model and the latest Defence Instructions and Notices. It puts a high value on training the workforce to understand its responsibilities in handling, managing and protecting this information. SPVA have just completed the first assessment on the Information Handling Maturity Model, working with the Chief Information Officer to ensure that Information Handling procedures become fully embedded in all processing.

## Interim Contract

By way of background, a Private Finance Initiative agreement for service delivery was let with EDS for a period of up to 12 years in November 1997. Since then there have been two significant revisions to the contract, firstly in 2001 to consolidate its viability and build on the efficiency improvements attained, and then in October 2004 for the design, implementation and on-going delivery of JPA. Separate agreements are in place with Xafinity Paymaster, for pension payments, and KBS Signs, for military engraving.

The current SPVA service provision agreements with EDS-HP, Xafinity Paymaster Ltd and KBS Signs expire in November 2009. Under a phased acquisition approach there will be a 3-year IC, covering the scope of the existing agreements, from November 2009 to November 2012, followed by a longer term (10 -15 years) future contract which will be seeking innovation and additional benefits for MoD. The short length of the IC presents limited opportunity for the generation of significant benefits, but it does enable improvements in service delivery across the Agency through the use of a prime contractor, with an outputs-based contract and a more focused requirement for financial accounting.

The Agency has run a full commercial competition to enable the selection of a prime contractor for the IC. Approval to compete a 3-year IC was secured from 2nd PUS in February 2008. Under the EU Restricted Procurement procedure, an Invitation To Tender (ITT) was issued to four down-selected bidders in June 2008. Subsequently, two companies withdrew and two bids were received for evaluation in October 2008. The final outcome of the competition was announced in May 2009 with EDS-HP as the winning bidder. Following the contract signing ceremony on 20 May 2009, there will be an intense period of transition and transformation activity for both EDS and MoD staff in SPVA through to the IC's commencement in November 2009.

## Key Targets

The following are the Key Targets for 2009-12.

	2009-10	2010-11	2011-12
<b>Key Target 1 – To deliver timely Service Pay</b>			
To make 99.9% of all payments by due date.	99.9%	99.9%	99.9%
<b>Key Target 2 – To deliver accurate Service Pay</b>			
98.3% of all Service pay to be 100% accurate (excluding errors caused by inaccurate external inputs).	98.3%	98.5%	98.7%
<b>Key Target 3 – To deliver timely Pensions and Compensation decisions</b>			
Overall reporting against KT3 to be weighted by the achievement of the sub component measures below.			
Armed Forces Pension Scheme - to make 99.3% of all Service pension payments (including new awards) by the due date.	99.3%	99.3%	99.3%
Armed Forces Compensation Scheme – 98% of all decisions (and resultant payments) within 40 working days of receipt of required external evidence (predominantly medical evidence), except for high priority cases <sup>5</sup> where 95% will be cleared within 20 working days of receipt of required external evidence (predominantly medical evidence).	98% all decisions within 40 WDs 95% of all high priority decisions – within 20 WDs	98% all decisions within 40 WDs 95% of all high priority decisions – within 20 WDs	98% all decisions within 40 WDs 95% of all high priority decisions – within 20 WDs
War Pension Scheme – to clear claims for War Pensions within 52 working days average clearance time (including 19 days average clearance time for Widows pensions).	War Pensions 52 WDs from receipt War Widows 19 WDs from receipt	War Pensions 52 WDs from receipt War Widows 19 WDs from receipt	War Pensions 52 WDs from receipt War Widows 19 WDs from receipt
<b>Key Target 4 – To deliver accurate Pensions and Compensation decisions and payments</b>			
Armed Forces Pension Scheme – 99% financial accuracy.	99%	99%	99%
To deliver an overall target of 98% of all Service pensions accurately.	98% <sup>6</sup>	98%	98%
Armed Forces Compensation Scheme and War Pension Scheme financial and decision accuracy 98%.	98% <sup>7</sup>	98%	98%
<b>Key Target 5 – To achieve approved targets for customer satisfaction</b>			
To achieve an overall customer satisfaction average of 80% satisfied or very satisfied, with not less than 70% in any one of the four identified SPVA customer segments. <sup>8</sup>	Average of 80% Satisfied or Very Satisfied, with not less than 70% in any one segment.	Average of 80% Satisfied or Very Satisfied, with not less than 70% in any one segment.	Average of 80% Satisfied or Very Satisfied, with not less than 70% in any one segment.
<b>Key Target 6 – To ensure a seamless transition from current contract to Interim Contract</b>			
100% of transition programme milestones met.	100%	N/A	N/A

<sup>5</sup> Priority cases are those involving or likely to involve injury at tariff level 8 or above.

<sup>6</sup> Includes +/- £10 materiality tolerance.

<sup>7</sup> Includes +/- £10 materiality tolerance.

<sup>8</sup> SPVA customer segments identified as Corporate Customers, HR Professional Users, Self Service Online Users and Veterans.

# Military Services

The timely and accurate delivery of Service pay has a direct and significant impact on the morale of Service personnel, their dependants and their units. This is particularly true at the current time with the huge demands that are being placed on the Armed Forces. Three years into its operation, JPA is now delivering harmonised, modern pay and personnel services to the Armed Forces population, to a constantly improving standard, and the quality of this service will be confirmed by the Agency's performance against Key Targets 1 and 2.

Individual Servicemen and women receive much of their administrative support directly via self-service computer terminals. This is backed by a now well established SPVA Enquiry Centre, in turn supported by a suite of specialist teams that take ownership of queries through to resolution. Since the introduction of JPA, the number of calls received in the Enquiry Centre has reduced significantly from 6000 per day to approx 3000 per day; the majority of these calls are answered within a 10-second period. A redesigned and simplified information portal provides quick and easy access to essential information necessary to support self-service activity, through the improved Business Advice Guides. This increasing focus on improving the user's experience supports the Agency's overriding strategic requirement to meet customer needs and deliver customer satisfaction. This work is underpinned by Key Target 5, which takes a robust approach to measuring customer satisfaction, which showed an increase on the latest customer survey, and responses to customer enquires and complaints.

We will work with the Service community to build on the efforts of the JPA focal points to encourage use of JPA and embed a Culture Change programme which has a 10-year horizon to include Access and Training within the initial 2-year horizon as enablers. Second stage (5-year) enablers include open source knowledge management of 'how to' within the JPA environment and moves towards integrating access to JPA with personal social networking – all aimed at moving individuals (self service or professional) from a culture where they are 80% dependant on others, to one where they are 80% self sufficient. Ownership of the

programme and meaningful performance measures are still to be agreed.

We intend to optimise the technical systems and processes that support JPA, making it easier to access and easier to use and helping Service personnel become better equipped to use it. Where possible, opportunities will be taken to further exploit the latent capability within the system to ensure users get the functionality they need. This will be achieved by further rollouts of technological refinements/upgrades as well as some non-technical options, such as improved support products and user forums.

As we move to the IC, the vast majority of our work in support of pay, allowances and personnel administration will continue to be delivered by our commercial partner, as much of it is rules based and does not require judgement based on MoD experience. However, a range of very important roles where this judgement is deemed vital will still be undertaken by military staff and MoD Civil Servants, principally in monitoring the quality of the contractor's service delivery, providing links through to SPVA's customers and handling pay and allowances casework. MoD staff also run the highly praised Joint Casualty and Compassionate Centre and the MoD Medal Office, both of which continue to benefit from JPA process enhancements.

The formation of the Defence Military Services Finance Team in mid-2008 has significantly enhanced the capability of the Military Services area. The team covers a range of systems accounting functions for JPA, acts as the focal point for all accounting activities that require MoD direction or approval, is the link between Top Level Budget (TLB) Managers and JPA, provides first line error correction for processes such as Early Payment in Cash, and has a small dedicated group who work on assuring coherence between payroll activity within JPA and accounting entries in the Departmental Resource Accounts. Working closely with the National Audit Office (NAO) and the single-Service TLBs, the team has the lead responsibility for the SPVA aspects of the annual audit of the Military Payroll.

# Veterans Services

The Directorate of Veterans Services delivers a wide range of outputs predominantly, but not exclusively, to the ex-Service community and their dependants. This includes the assessment, award and maintenance of occupational pensions (the Armed Forces Pension Schemes (AFPS)), war widows pensions, war disablement pensions, related allowances and other payments to Veterans (under the War Pension Scheme (WPS)). In addition, Veterans Services also administer the ex-gratia payments scheme to former prisoners of the Japanese in World War II (the Far East Prisoners of War scheme). Now that all pension delivery is under single management, greater coherence has been achieved through an integration project to more closely align working processes across the various pension schemes. Further work is in progress with the focus on continuous business improvement, providing a more efficient service to our customers.

Another key output of the Veterans Services area is the assessment, award and maintenance of claims under the Armed Forces Compensation Scheme (AFCS) for both current and former Service personnel.

As a relatively new scheme there will be issues of interpretation, which will require policy and legal clarification and the scheme continues to evolve as it becomes more established. The level of AFCS awards was recently increased under the Service Personnel Command Paper and this has necessitated a retrospective exercise, to make additional lump sum payments to all those who have received an award since the start of the scheme.

Success in this sensitive area will be determined by the Agency's performance against Key Targets 3 and 4. The preparation and presentation of appeals documentation to the independent appeal tribunals, across devolved administrations, is also a responsibility of this area of the business and this covers both pensions and compensation.

In order to ensure that Veterans receive full and unified welfare support, the SPVA Veterans Welfare Service (VWS) gives advice, information and assistance to pensioners, AFCS beneficiaries, other Veterans and their dependants. The VWS works in close partnership with in-Service welfare organisations, ex-Service charities, local community service providers and War Pension Committees in delivering welfare support and we will continue to develop these working relationships to effectively address the individual's specific welfare needs in a co-ordinated way. To achieve better support in periods of acute need, we have recently implemented processes to identify and proactively manage sensitive cases allocating a co-ordinating case worker. Furthermore we have introduced vulnerable Service Leaver protocols to offer particular support during transition from Service to civilian life, continuing for at least two years (but longer if required) for seriously injured leavers and have supported a light touch mentoring trial for those identified as being at risk following relatively short engagements.

The SPVA VWS are fully engaged in current wider departmental work to develop a clear welfare pathway to promote a central contact point, making it easier for individuals to seek help when required. We will continue to promote awareness of SPVA services, supporting personnel through their entitlement to pensions and/or benefits, as well as assisting customers by providing signposting information to the other organisations that can help to address their broader welfare needs. The Veterans helpline continues to provide advice and guidance for all ex-Service personnel and will be central to SPVA support of an established pathway. Additional responsibilities are also held in support of the wider departmental Veterans agenda, such as the issue of Veterans Lapel Badges, and a Customer Services team also exists to handle complex enquiries or complaints. As with Military Services, a priority for the Agency will be to meet the needs of customers and the development of a robust approach to measuring customer satisfaction will be reflected in reports against Key Target 5.

In addition SPVA manages and administers Ilford Park Polish Home (IPPH) to provide high quality residential and nursing care for those who qualify under the 1947 Polish Resettlement Act. Ilford Park is very highly regarded and we will continue to maintain the highest standards in the care that we provide.

# Change

The role of the Change Directorate within SPVA is to assist with the achievement of its Mission through the planning and delivery of all components of the JPA and Compensation and Pension Scheme (CAPS) Change Programmes, working closely with the DCDS (Pers) Strategy and Programmes Team. This encompasses change to live systems, as well as taking forward the change planning and change development work necessary to support all future application releases. The Change Directorate concentrates on the ORACLE Human Resources Management Scheme, CAPS, major complementary applications and the associated internal and external end to end business processes that aims to provide harmonised, effective, responsive and innovative processes to satisfy customer expectations. In order to achieve this close liaison internally with the other SPVA Directorates and externally with key stakeholders in MoD and our customers within the Royal Navy, Army and Royal Air Force is essential.

In 2008 following roll-out to all three single-Services an independent review of JPA was sponsored by DCDS (Pers) on behalf of US of S with the full support of SPVA through the Change Directorate. Whilst the review reported that much had improved since initial roll-out to the RAF and continued to get better through the ongoing Business Optimisation Plan, it made a number of recommendations to further enhance the system in which the Change division will take a central role. The primary output from the review has been a re-invigoration of the JPA Vision and a DCDS (Pers) led Stocktake of the system into which all stakeholders and customers have contributed. The Stocktake was completed in May 2009 and will lead to a programme of work which will incorporate the existing Business Optimisation Plan and will take into account the views of stakeholders and customers. It is envisaged that this will shape the overall future development of JPA. We will be working closely with our customers and stakeholders to enable SPVA to deliver the JPA Vision through further integration, harmonisation and simplification of the numerous end to end business processes.

There will be a number of significant challenges to be faced in continuing to enhance and develop JPA and its applications in the immediate future. Principle among these will be the tight financial constraints being felt across the Department and resources will need to be carefully managed within SPVA and its stakeholders and customers to ensure that best value for money is achieved. The impending Interim Contract and Future Service Delivery programme will also have a significant impact on the Change Programme and processes to deliver enhancements. The Change Directorate will be working closely with the DCDS (Pers) Strategy and Programme Office, other SPVA Directorates, stakeholders, customers and future partner to develop these.

Throughout all these challenges we will continue to deliver the underlying Main Release Programme which has successfully introduced 8 major system change releases up to the end of 2008, each incorporating numerous individual improvements, and provides the main vehicle by which customer and stakeholder led enhancements are incorporated into JPA. SPVA will continue to deliver the Release Programme based on three releases per year for the period of the IC, thus ensuring that JPA continues to meet the requirements of its customers.

# Corporate Services

## Performance and Risk Management Corporate Governance

The Agency has recently reviewed its performance management systems, and for 2009 a more streamlined approach will be introduced. The AMG will meet quarterly and use a new Strategic Scorecard to achieve focused strategic leadership and management of the partnership. An OB will meet monthly in support of the AMG, and will use the Agency Business Intelligence Tool and performance Dashboard to ensure effective Operational Management and review progress against SPVA's service delivery Key Targets.

The Agency operates a robust risk management structure at all levels, from strategic risks through to individual project delivery. The high level risk management process has also been recently reviewed, with attention being focused on current and emerging short term strategic risks that form the AMG's most pressing concerns. These are reported under the strategic scorecard and considered quarterly by the AMG, whilst operational risk is reviewed and managed monthly by the OB. Risk management is further supported by the Agency's Audit Committee under the chairmanship of one of its NEDs.

Performance and risk is reported quarterly to the Agency Owner DCDS (Pers).

The Agency's Corporate Governance is founded upon two essential elements: an Audit Committee, supported by an Internal Assurance Team, provides independent advice to the Chief Executive, the AMG and the AEB; and a robust risk management process that is embedded throughout the Agency's management structure.

The Audit Committee meets a minimum of four times a year to specifically look critically at all aspects of the Agency's business to ensure adequate internal controls are in place to mitigate risks to the delivery of business outputs. Membership of the Committee consists of the two Agency NEDs, one of whom assumes the role of Chair, and a third NED (currently from the People Pay and Pensions Agency) to provide independent external advice. The NAO and Directorate of Internal Audit are invited to attend each meeting with the Chair empowered to seek the attendance of Agency staff as required.

## One Agency - One Team

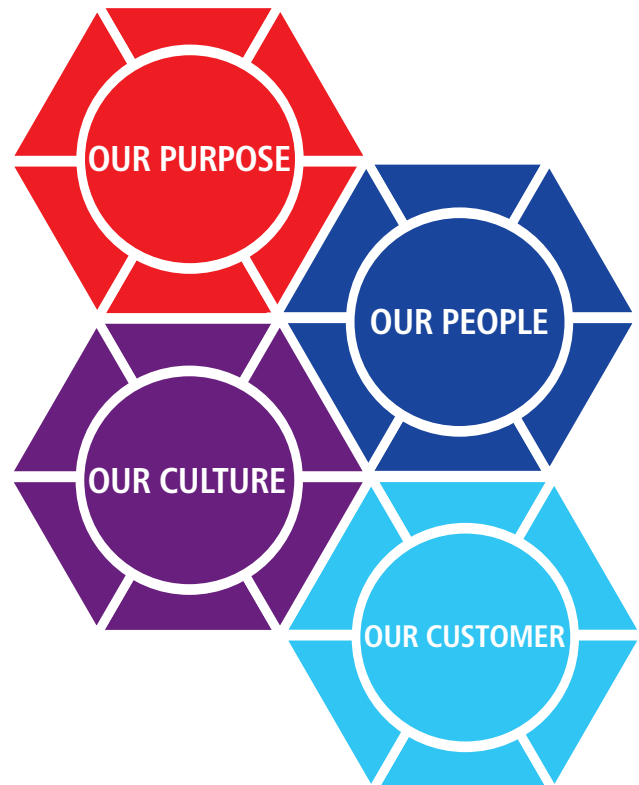
SPVA consists of MoD and EDS-HP staff currently operating from four main sites with welfare sites across the UK and the IPPH. The table below shows the approximate number of MoD and EDS-HP staff working to support the Agency's outputs as at 1 April 2009:

### SPVA Manpower Strength as at 1 April 2009

MoD	1112
(Civilian)	(950)
(Military)	(62)
EDS-HP	873
Total	1985

The coming year will see the Agency develop and embed a One Agency - One Team concept. The desired outcome is for SPVA to truly become One Agency, looking and behaving as a single and effective organisation in which, regardless of where and for whom our people work, we all share common and consistent approaches to our purpose, our customers, our people and our culture. Over time this will be achieved through a series of workshops and wide reaching communications programme to ensure people in SPVA are helped and encouraged to manage ongoing change.

Initial results so far following two Agency conferences attended by people drawn from a cross section of locations, functions and grades has shown a true sense of belonging, enthusiasm and common purpose which can be built on to become a unified and customer focused entity.



## Operating Costs

The Agency's operating costs including the delivery of JPA are estimated as follows:

	2009/10	2010/11	2011/12	2012/13
SPVA	£123.3m	£108.9m	£110.3m	£114.3m

These costs include significant decreases against earlier years (on a like for like basis) reflecting the continuing reduction in JPA costs and the reflection of a 5% manpower efficiency saving.

In addition to our own operating costs, we also manage the significant proportion of the Defence Budget that is spent on Service Pay, as well as wider Government spending on Armed Forces and War Pensions, plus the AFCS. During 2008/09 SPVA managed £9.4bn of expenditure on Service Pay, £3.4bn on Armed Forces Pensions, £0.1bn on the AFCS and £1.0bn on the WPS. Similar sums will be managed by SPVA in 2009/10.

# Glossary of Terms

AEB	Agency Executive Board
AFCS	Armed Forces Compensation Scheme
AFPS	Armed Forces Pension Scheme
AMG	Agency Management Group
CAPS	Compensation and Pension Scheme
COTS	Commercial Off The Shelf
DCDS(Pers)	Deputy Chief of Defence Staff (Personnel)
EDS	Electronic Data Systems (Defence) Limited
IC	Interim Contract
IPPH	Ilford Park Polish Home
ITT	Invitation To Tender
JPA	Joint Personnel Administration
MoD	Ministry of Defence
NAO	National Audit Office
NED	Non Executive Director
OB	Operating Board
SPVA	Service Personnel and Veterans Agency
TLB	Top Level Budget
VWS	Veterans Welfare Service
WPS	War Pension Scheme

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