

**Service Personnel
& Veterans Agency**

An Executive Agency of the Ministry of Defence



Supporting Services Through Life

Framework Document 2007

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Foreword

by the Under Secretary of State and Minister for Veterans



I am very pleased to announce the formation of the Service Personnel and Veterans Agency and to introduce the Agency's Framework Document.

Sharing services is an essential part of the Government's approach to transforming the delivery of public services. The Ministry of Defence is committed to ensuring that the quality of service, support and advice provided to both current and former members of the military and their dependants is maintained. The sharing of resources and expertise through the bringing together of two predecessor Agencies (Armed Forces Personnel Administration Agency and Veterans Agency) will enable more efficient and effective business, better customer service and clearer accountability. Through its services to the front line Service men and women the new Agency contributes to the overarching Defence Mission of 'A force for good in the world'. As the name suggests, the work of the Agency will also continue to serve them and their families once they have become Veterans and to this end a Director dedicated to Veterans Services has been appointed.

A particular feature of the Agency is its delivery of service through joint working with a commercial partner under the Government's Private Finance Initiative. This provides an opportunity to unlock the potential for innovation and new skills that working in partnership with a commercial organisation can bring.

The Agency has been set challenging targets for enhancing the quality, effectiveness and efficiency of its outputs. I am confident that the Agency will be able to achieve them, and wish the Chief Executive and all the staff every success for the future.

A handwritten signature in black ink, appearing to read 'Derek Twigg'.

Derek Twigg MP

1. Status, Direction and accountability

Status

The Service Personnel and Veterans Agency is an Executive Agency of the Ministry of Defence.

Role of the Secretary of State for Defence

The Secretary of State for Defence has ultimate responsibility for determining the policy, resource framework, delegations and freedoms within which the Agency operates. In practice, the Secretary of State delegates those responsibilities through the Under Secretary of State and Minister for Veterans to the Deputy Chief of the Defence Staff (Personnel) - who is the owner of the Agency.

Role of the Owner

Deputy Chief of the Defence Staff (Personnel) is responsible to Ministers for the strategic direction and well-being of the Agency in the context of the wider departmental or cross-Government objectives and for the functions delegated to the owner. On behalf of the Secretary of State, the owner is responsible for approving the Agency's Key Targets and Corporate Plans, assessing the scope for improvements in efficiency and effectiveness, setting performance indicators, monitoring and assessing actual performance, seeking approval for its budget from the senior budget holder, the 2nd Permanent Under Secretary and securing the delegations and authorities necessary for effective delivery and continuous improvement.

Deputy Chief of the Defence Staff (Personnel) will also provide direction, advice and support to the Chief Executive to enable the Agency to achieve its aims and objectives, and to ensure that wider Departmental interests are most effectively supported by the conduct of the Agency's business; and will keep the Chief Executive informed of any central policy developments relevant to the Agency.

An Owner's Advisory Board will advise Deputy Chief of the Defence Staff (Personnel), and its functions and membership are detailed at Annex A.

Role of the Chief Executive

The Chief Executive is accountable to the owner, Under Secretary of State and ultimately to Secretary of State for the Agency's performance, and has key responsibilities for the day-to-day management of the Agency. These include:

- Ensuring the effective delivery of the Agency's outputs in accordance with the relevant pay regulations and pension scheme rules;
- Modernising the Agency's delivery of customer requirements within the quality and timeframe defined in Customer Supplier Agreements and Service Level Agreements;
- Managing the Agency, its assets and resources in an efficient and effective manner, working closely with the Department where necessary to deliver continuous improvement;
- Ensuring that effective arrangements exist for consultation with customers;

- Proposing Corporate and Business plans constructed within the Owner's strategic policy framework that set the strategic direction for the Agency and how it will take forward its business;
- Implementing the Agency's approved Corporate and Business plans including the achievement of targets and performance levels, within budget and agreed timescales;
- Ensuring corporate governance arrangements are consistent with Departmental policy;
- Ensuring that effective procedures for handling complaints from within and outside the Agency are established and publicised. This includes replying to complaints personally if they cannot be resolved satisfactorily at local level;
- Managing the Private Finance Initiative 'partnering' Agreement;
- Ensuring that investment proposals are taken forward in accordance with Departmental procedures;
- Reporting issues concerning the Agency to the Agency's owners and Defence Ministers in a timely fashion;
- Ensuring that the requirements of Government Accounting are met, and that the Agency observes Resource Accounting policy and guidance contained in the appropriate and current Joint Services Publications;
- Implementing recommendations accepted by Government from the Public Accounts Committee, Parliamentary Select Committees or other Parliamentary authorities; and
- Meeting all United Kingdom, European Union and international legal requirements that are relevant to the Agency's business.

Appointment of the Chief Executive

The appointment and recruitment of the Chief Executive will normally be through open competition. The successful candidate will be appointed for 3 years. This may be extended for a further 2 years subject to satisfactory performance or terminated, on the grounds of poor performance, as appropriate.

Accountability to Parliament

The Secretary of State is accountable to Parliament for all matters concerning the Agency, although Defence Ministers will not normally be involved in the day-to-day management of the Agency. Ministers will encourage Members of Parliament to write directly to the Chief Executive on matters delegated to the Agency, as he/she is best placed to provide a full and prompt response.

Ministers will decide the appropriate way to respond to Parliamentary Questions about the Agency. The Chief Executive will provide Ministers with any information needed to respond to Parliamentary business concerning the Agency, keeping the Owner and Policy Divisions informed as appropriate. The Secretary of State will decide which officials should accompany or represent him/her at hearings of Parliamentary Committees but will normally ask the Chief Executive to represent him/her and answer on his/her behalf when Agency affairs are discussed.

Accounting Officers

As Principal Accounting Officer, the Permanent Under Secretary is responsible for the overall organisation, management and staffing of the Ministry of Defence, and is responsible for ensuring a high standard of financial management in the Department as a whole. The Principal Accounting Officer has responsibility for the Requests for Resources from which the Agency draws its funds.

The Chief Executive, operating in accordance with a Letter of Designation from the Principal Accounting Officer and with duties analogous to that of an Agency Accounting Officer, is directly accountable to the Principal Accounting Officer for ensuring the propriety and regularity of the Agency's expenditure; pay, pensions, allowances and benefit payments made by the Agency; the adequacy of its financial systems; the prudent and economical administration of the Agency; the efficient and effective use of resources allocated to the Agency; and observing where applicable any general guidance issued by Her Majesty's Treasury and the Cabinet Office and Centre Budget Audit committee. The Chief Executive will appoint an appropriate senior member of staff as Senior Finance Officer for the Agency to ensure separation of Top Level Budget powers from Senior Finance Officer probity responsibilities. The Chief Executive is also accountable to the Principal Accounting Officer for the exercise of his/her delegated powers and, if required, will accompany the Principal Accounting Officer to the Public Accounts Committee to account for the discharge of these responsibilities. The Public Accounts Committee has indicated that in these circumstances it would normally wish also to take advice from the Principal Accounting Officer.

Relationship with Central and Other Government Departments

The Chief Executive is required to keep the Owner and relevant Ministry of Defence policy branches informed when making direct contact with Her

Majesty's Treasury and the Cabinet Office. Similarly, the Department is required to keep the Chief Executive informed when dealing with Central Departments on matters concerning the Agency.

Customer Complaints

The Agency is subject to the jurisdiction of the Parliamentary Commissioner for Administration. Members of Parliament have the right to refer complaints from their constituents to the Parliamentary Commissioner for Administration where an individual claims to have suffered injustice through maladministration. Those scheme members resident abroad who may not have access to a Member of Parliament will still have the right of appeal appropriate to their individual pension scheme. The Principal Accounting Officer is the Principal Officer of the Department for this purpose but will delegate to the Chief Executive responsibility for replying on any matters concerning the Agency following consultation with appropriate lead Ministry of Defence policy branches.

The Agency will maintain a defined and rigorous customer complaints process for handling disputes in an effective manner, for both internal and external customers. The complaints process is published on the Agency's internal intranet system and is available to the public on the external web site www.mod.uk.

Freedom of information Act (2000)

The Agency will follow strictly the Departmental policy and procedures in order to ensure compliance with the Act. Further information can be found in Joint Service Publication 400.

The Data Protection Act

The Agency will establish systems, processes and procedures to ensure personal information held by the Agency is compliant with the Data Protection Act 1998 and Joint Service Publication 440.

2. Agency Business

Mission

The mission of the Agency is to deliver reliable, trusted and efficient personnel services to the serving and veteran communities.

Objectives

The Agency will achieve its mission by meeting the following primary objectives:

- Deliver quality pay, allowances and pension services to Service Personnel customers in a Joint Personnel Administration environment, meeting agreed service levels;
- Administer the Armed Forces Pension Schemes, the War Pensions Scheme and the Armed Forces Compensation Scheme in accordance with relevant legislation, departmental policy and contemporary medical and scientific understanding;
- Provide efficient administrative support for casualties and the repatriation of compassionate cases through the Joint Casualty and Compassionate Centre;
- Provide quality welfare services and support to war disablement pensioners, war widows, their dependants and carers; and ex-Service beneficiaries of Armed Forces Compensation Scheme.

The primary objectives will be achieved through more detailed targets and functions linked to the provision of services in the following areas:

- Act as the focal point within Ministry of Defence for the delivery of support and advice to veterans and co-ordinate the implementation of any new communications strategy for veterans;
- Administer the awarding and delivery of campaign medals and veterans badges;
- To provide the personnel management function within Joint Personnel Administration;
- Maintain clear, responsive and accountable relationships with customers;
- Manage the Ilford Park Polish Home in accordance with the Polish Resettlement Act 1947 and the legislative and professional standards for residential and nursing care;
- Provide advice, information and reports on service delivery and provide derived data to the single Services and wider Ministry of Defence for accounting, planning and policy-making purposes;
- Co-ordinate nominations for non-State honours from ex-Service organisations representing war disablement pensioners and war widows and war pensions committees;
- Maintain Service Level Agreements with customers (i.e. single Service chiefs, Deputy Chief of the Defence Staff (Personnel) and Finance Director) with flexible and responsive mechanisms to accommodate changes to requirements;

- Maintain a mechanism for assessing customer satisfaction;
- Optimise private sector participation to exploit additional resources, skills and technology to share risk;
- Recruit, train, develop and retain the right level and mix of staff;
- Maintain processes and systems to ensure the security, integrity and propriety of systems and data;
- Foster a culture of continuous development to identify and implement improvements in effectiveness and efficiency across the whole range of its services.

Principal Customers

Current Service Personnel and Veterans together with the single Services and the Ministry of Defence Centre policy makers will be the main customers of the Agency. The service to be provided will be agreed with the Owner and set up in Customer Service Agreements and Service Level Agreements as necessary. The owner will be supported in reviewing the Customer Service Agreements, Service Level Agreements and Agency performance against them by a Customer Advisory Group. The Customer Advisory Group will advise the Owner's Advisory Board of issues that need consideration by the owner.

The Agency recognises the Ministry of Defence Finance Director as a principal customer. The Agency will provide financial management information to Top Level Budget holders to enable inputs to the Departmental accounting systems and to enable them to exercise full financial control over expenditure in respect of Service personnel.

The wider customer base and stakeholders will include ex-Service organisations, other government departments including Her Majesty's Revenue and Customs, the Department for Work and Pensions, the Department of Health and the relevant devolved administrations.

Partnering Relationships

The Agency works in a partnering relationship with Electronic Data System (Defence) Limited to deliver value for money services to military personnel through pay and pension services and to Veterans through the Armed Forces Pension Scheme and Armed Forces Compensation Scheme. This relationship is due to end in 2009 and the requirements will need to be re-competed. The Agency also has a working relationship with Paymaster (1836) Ltd and Atos Origen which is integral to delivering customer services. The Agency also works closely with the War Pensions Committees and ex-Service organisations. The Agency will continue to look for other ways of developing partnering relationships, both with commercial organisations and other agencies, such as Agencies of other Government Departments, Health, Local Authorities and voluntary and charitable organisations which support the ex-Service community.

3. Agency Organisation

Management Organisation

The Agency is headed by a Chief Executive, who in turn is supported by the Agency Management Group and Agency Executive Board . The overall structure of the Agency at its launch is illustrated at Annex B and C.

Location

At launch the Agency is based on 5 main sites with the Chief Executive based at Centurion Building, Gosport and Directors based at each of the other sites Glasgow, Blackpool, Gloucester and Worthy Down. In the next few years the Agency will consolidate its operations as it reconfigures itself to efficiently and effectively deliver its services and to allow for the strategic development of the Agency.

The Agency also operates regional services to Veterans via a War Pensioners' Welfare Service network across the United Kingdom and the Republic of Ireland and manages the Ilford Park Polish Home in Newton Abbot, Devon.

Staff

Well trained, professional and motivated staff are fundamental to the delivery of the Agency's objectives. To do this the Agency will embrace a culture that values diversity and equality and will provide appropriate and timely training and development.

The number of Ministry of Defence and Electronic Data System (Defence) Limited staff working in the Agency on 1 April 2007 is approximately 2,600 consisting of 1,165 MoD civilians, 185 Military and 1250 Electronic Data System (Defence) Limited.

Assets

The Chief Executive will manage the Agency's assets but ownership will remain vested in the Secretary of State. Assets will be recorded in an asset register for their valuation and control, and in order to account for them through depreciation and interest charges, to enable the value of assets to be recorded in the Agency's financial accounts.

4. Planning and Resourcing

Planning

Each year the Chief Executive will prepare and agree with Deputy Chief of the Defence Staff (Personnel) a Corporate Plan setting out the agency's strategic direction over the next 5 years. The plan will be updated annually and will specify the strategic aims and objectives to be achieved in order to ensure the delivery of services and improve the Agency's efficiency, effectiveness and service standards. The Corporate Plan will include:

- The Agency's strategic objectives and how these fit into wider departmental and government objectives;
- Agency Key Targets and performance indicators to ensure customer focus;
- The management tools to be used to ensure propriety, measure performance and manage risks;
- Proposed staffing and accommodation requirements and any organisational or infrastructure changes;
- Agency operating costs and budget forecast;

The Corporate Plan will be submitted, within agreed timescales, to Deputy Chief of the Defence Staff (Personnel) and the Owner's Advisory Board, for their consideration and endorsement. It will underpin and be consistent with the Agency's Short Term Plan in the Department's short term planning round.

The Corporate Plan will be published and made available to all stakeholders and will be available on the Agency's internal intranet system and to the public on the external web site www.mod.uk.

The Chief Executive and the Management Group will also prepare an annual Business Plan, which will be derived from the Corporate Plan. The Business Plan will set out the immediate objectives of the Agency, resources and risk management processes required to achieve them. This will be available on the Agency's internal intranet system.

The Department will assist the Agency in its planning process by both providing information about likely policy developments or changes that could affect the Agency, and involving the Agency in taking forward these developments to ensure that policy change as far as possible takes account of operational service delivery issues.

Risk Management

The Agency will operate a robust risk management process at all levels, from strategic risks through to individual project delivery. Risk management processes will be compliant with Her Majesty's Treasury guidance on risk management and Joint Service Publication 525.

Risks will be assessed and categorised according to their likelihood of occurrence and the impact on the organisation should the risk materialise.

Principal risks to the achievement of Agency objectives will be detailed in the Corporate Plan. Each risk will have a specific owner on the Agency Management Group who is accountable for the regular review, management and control of the risk.

Resources

The Chief Executive is the budget holder for the Agency and will operate a full cost budget. The Agency will operate as a Management Grouping consolidated within the Central Top Level Budget. The Chief Executive will manage the budget for the administration costs of the Agency in accordance with the letter of financial delegation from Deputy Chief of the Defence Staff (Personnel) and the letter of designation from Permanent Under Secretary, both of which will be published on the Agency's internal intranet system and will be available to the public on the external web site www.mod.uk. The Chief Executive and Director of Corporate Services will regularly review these delegations with the aim of adjusting them where there is the prospect of enhancing the Agency's performance as and when there is a need for change. The Chief Executive will advise Deputy Chief of the Defence Staff (Personnel) of any matters that hinder the effective and efficient performance of the Agency.

The Commercial delegation is exercised from the Defence Commercial Director through the commercial function management chain and the Chief Executive will appoint a Commercial Deputy Director together with licensed commercial officers as the authority to commit Ministry of Defence to commercial expenditure.

The Chief Executive will identify any opportunity to utilise unavoidable spare capacity, taking into account Her Majesty's Treasury and Ministry of Defence guidelines on selling into wider markets. The Chief Executive will ensure that the contract with the commercial partner will be exploited as actively as possible in this regard.

At the beginning of each financial year, PUS will issue a Service Delivery Agreement to the Chief Executive, setting out the financial provision for Armed Forces Pensions and Veterans Benefits for which the Chief Executive is responsible and accountable. The Service Delivery Agreement will also set out Permanent Under Secretary's personal delegations to the Chief Executive. The Ministry of Defence Finance Director will appoint a Senior Finance Officer for the Agency. The Senior Finance Officer will advise the Chief Executive on all financial matters that affect Armed Forces Pensions and Veterans Benefits.

The Agency will produce a full set of annual accounts.

Services provided to the Agency

The Agency will continue to receive certain services from Ministry of Defence for example payment of salaries and other allowances, personnel management functions not specifically delegated and military and civilian training. Although these services will not be funded by the Agency, their cost will be reflected in the full cost budget. As far as practicable, the Agency will enter into Service Level Agreements with those parts of Ministry of Defence and its agencies and other organisations who provide services to the Agency so that the quality, standards and costs of services are defined and agreed. The Chief Executive will seek alternative sources of supply, within the limits of the delegated authority, if these offer the prospect of better value for money for Ministry of Defence.

5. Performance Evaluation

Key Targets and Performance Indicators.

Key Targets for delivery, quality and cost of the Agency's services, and for the achievement of efficiency savings, will be set by the owner Deputy Chief of the Defence Staff (Personnel) in consultation with the customers, Owner's Advisory Board and the Agency Chief Executive. Key Targets endorsed by Under Secretary of State will be announced each year and placed in Parliament by means of a written Ministerial statement. These targets will form part of the Agency's Corporate and Business Plans.

The Agency will operate a management information system capable of measuring output and performance against the agreed targets, and will ensure monthly reporting by the Chief Executive to Deputy Chief of the Defence Staff (Personnel).

End of year performance will be published and announced in Parliament in the Agency's Annual Report and Accounts.

Performance Indicators

The Agency's progress in meeting its key targets will be measured using performance indicators set out in the approved Business Plan. Performance indicators will relate to delivery of outputs to set and agreed standards, and will use the most efficient and cost effective method available. Outputs will be measured in terms of quality, quantity, fitness for purpose, timeliness, value for money and customer satisfaction.

The Agency will measure performance by using management tools that meet the requirements of the Ministry of Defence and which are recognised as an effective method for focusing not only on customer service but also on how the service is delivered and what changes can be made to processes and structures to improve service delivery. An overview of the Agency's performance management tool will be provided in the annual Corporate Plan.

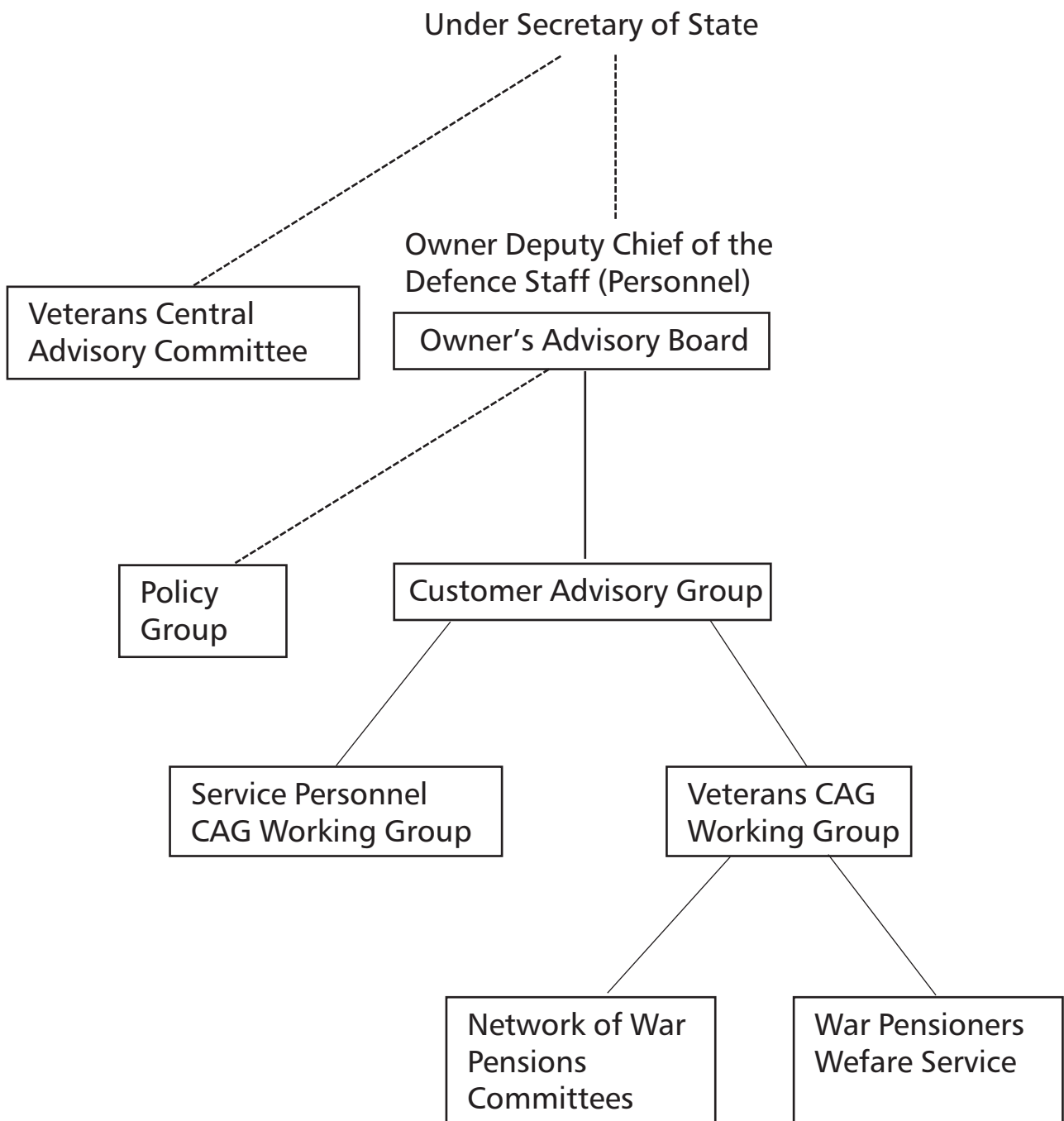
Customer Satisfaction and Feedback

Achieving high levels of customer satisfaction through delivery of high quality and responsive services is critical to the success of the Agency. Customer satisfaction will be monitored and measured through a combination of consultation and surveys of the various customer levels: corporate; professional users; and individuals, whether serving or ex-service.

Trends in customer satisfaction will be measured against Key Targets, monitored through the Agency's performance management tool. Measurement and feedback from consultation and surveys will be regularly reviewed by the Owner's Advisory Board and the Customer Advisory Group.

The structure below represents how the customer and policy groups will provide direct feedback to Under Secretary of State and the Agency Owner of the services provided and any issues that need to be brought to their attention.

This structure is part of the formal governance of the Agency, details of the role of the Customer Advisory Group are provided at Annex D.



6. Reports, Accounts and Audit

Report and Accounts

The Chief Executive will publish an Annual Report and Accounts prepared in accordance with Her Majesty's Treasury Accounts Direction. Her Majesty's Treasury, Deputy Chief of the Defence Staff (Personnel) and the Chief Executive will agree to the contents of the Accounts directive and timetable for production of the Accounts. The Chief Executive will lay the Annual Report and Accounts before Parliament prior to the summer recess.

The Agency will also prepare annual accounts in respect of the Armed Forces Pension Schemes (which will include payments in respect of the Armed Forces Compensation Scheme) and also the War Pension Scheme. These are presented to Parliament by the Permanent Under Secretary of State for Defence.

Internal audit

The Chief Executive is responsible for arranging internal audit in a manner that represents the best value for money and meets the standards set in the Government Internal Audit Manual. The Agency is also subject to Ministry of Defence internal audit (including audit of any services provided by partners) by staff of the Directorate of Internal Audit, representing the Principal Accounting Officer. The Chief Executive is responsible for implementing agreed audit recommendations and will be consulted in determining the programme of work. The Chief Executive is supported in meeting these responsibilities by an Audit Committee, chaired by a Non-Executive Director, which also provides guidance on best practice on corporate governance. Details of the role and membership of this committee are at Annex E.

External Audit

The Agency is subject to external audit by the National Audit Office, acting under the direction of the Comptroller and Auditor General. Formal certification of the Agency's Accounts will be required, in accordance with Resource Accounting policy guidance contained in Joint Service Publication 472. The National Audit Office will also audit the Armed Forces Pension Scheme and the War Pension scheme accounts.

7. Pay Personnel and Training

Status and conditions of employment

The permanent staff of the Agency are either members of the Armed Forces subject to the Armed Forces Discipline Acts and relevant Queen's Regulations or members of the Civil Service, employed by the Ministry of Defence, and subject to Civil Service terms and conditions of employment. The Chief Executive may introduce changes to Civil Service terms and conditions after securing the appropriate clearances from Ministry of Defence, Cabinet Office and/or Her Majesty's Treasury, and after appropriate consultation with those recognised Trades Unions representing staff.

The staff employed by any commercial partners, whilst integral to the success of the Agency, have their own terms and conditions of service.

Additional support may be engaged, where appropriate, from the private sector, under casual or temporary arrangements, contract or consultancy terms. Any such arrangement should be in accordance with Ministry of Defence guidelines.

Personnel Management

The Chief Executive is responsible for ensuring that human resources are employed as effectively, efficiently and economically as possible. The Chief Executive will ensure effective personnel management arrangements are in place and will promote good management practice in respect of all staff. The Chief

Executive's delegated authority with respect to personnel management is set out in the letter of delegation issued by the Owner which will be published on the Agency's internal intranet system and will be available to the public on the external web site www.mod.uk.

Pay

The Chief Executive will operate a pay and grading structure that meets the needs of the business. In line with and subject to the conditions of employment, the Chief Executive is free to propose pay and staffing schemes as part of wider plans to improve the efficiency of the Agency subject to consultation with staff and trade unions. Service pay levels are determined through the Armed Forces Pay Review Body and Her Majesty's Treasury under central arrangements.

Training

The Chief Executive is responsible for identifying and meeting the training and development needs of all Agency staff. The Chief Executive will also advise personnel managers in the single Services in respect of Service staff in the Agency. The Ministry of Defence element of the Agency is committed to achieving Investor in People accreditation.

Equality and Diversity

The Chief Executive will promote Equality and Diversity best practice throughout the Agency in accordance with Ministry of Defence policy and current legislation, and will provide a working environment free from harassment, intimidation and unlawful or unfair discrimination in relation to the management of Agency staff and the delivery of services whether these are carried out by the Agency, its commercial partner or subcontractors.

The Chief Executive will take full account of Ministry of Defence Equality schemes and provide inputs to the annual reports required by the schemes, including Ministry of Defence mandatory training, in line with the requirements of Ministry of Defence Headquarters.

The Chief Executive will ensure that the commercial partners' responsibilities to comply with Equality and Diversity legislation will be defined in the contract.

Health and Safety

The Chief Executive will ensure that the Agency's working environment and policies and practices comply fully with the legislative requirements for health and safety at work, and will follow Ministry of Defence guidance on Safety, Health, Environment and Fire. In respect of the Norcross site, account will be taken of the Department of Work and Pensions and Trillium Health and Safety systems.

The Chief Executive will ensure that the commercial partners' responsibilities to comply with Health & Safety legislation will be defined in the contract.

Discipline and Efficiency

The Chief Executive is responsible for ensuring that disciplinary and inefficiency cases are managed in accordance with Ministry of Defence and single Service guidelines. The Chief Executive will be consulted as appropriate by the commercial partner in respect of any discipline and inefficiency cases that would affect the contractual requirements or have potential implications for Ministry of Defence personnel.

Employee Relations

The Chief Executive is responsible for Ministry of Defence staff relations within the Agency and will consult with recognised trades unions representing staff on all appropriate matters. The principle vehicle for this will be the Agency National Whitley Committee (and subordinate Whitley Committees where appropriate) as a means of promoting effective dialogue and working relations between the Agency's management and trades unions.

The Chief Executive is not restricted to negotiation with trades unions representing staff, and may seek consultation with all staff by other means, such as staff surveys.

8. Review of the Framework Document

The Owner will, on behalf of the Under Secretary of State, conduct a business process review as required, for example, if major changes to the Agency's business aim and objectives are proposed or there are other business drivers that would suggest a business review is necessary. The Framework Document and its operation will be reviewed by the Department, in consultation with the Agency, normally at intervals of three years.

Deputy Chief of the Defence Staff (Personnel) or the Chief Executive may propose amendments to this Framework Document at any time by changing delegations or flexibilities with the aim of increasing levels of responsibility where this offers the prospect of improved performance.

Copies of this Framework Document, together with any subsequent amendments or versions, will be published and placed in the Libraries of the Houses of Parliament as a Deposited Paper. Major revisions to the Framework Document will be approved by the Minister prior to publication. Additional copies of this Framework Document can be obtained from:

Service Personnel and Veterans Agency, Agency Briefing Cell, Building 182, Innsworth, Gloucester GL3 1HW.

The Chief Executive

Service Personnel and
Veterans Agency

Annex A

Owner's Advisory Board

A1. PURPOSE

The Owner's Advisory Board exists to provide strategic support and to advise the Owner on requirements and resources, plans, budgets and performance monitoring.

A2. COMPOSITION

Chair	Deputy Chief of the Defence Staff (Personnel)
Members	Director General Service Personnel Policy
	Chief of Staff to 2nd Sea Lord / Commander-in-Chief Naval Home Command
	Deputy Adjutant General & Director General Service Conditions (Army)
	Director Personnel Policy (Royal Air Force)
	Defence Services Secretary
	Non-Executive Director
	Chairman Confederation of British Service and ex-Service Organisations
In attendance	Chief Executive Service Personnel and Veterans Agency

Additional members may be co-opted or invited, at the Chair's discretion, where additional representation or specialist advice is required.

Secretariat will be provided by Deputy Chief of the Defence Staff (Personnel) Business Development Manager.

A3. RESPONSIBILITIES

- a. the Board will maintain an overview of the Agency's delivery of services to its customers.
- b. the Board will ensure that the Corporate plans, and supporting Key Performance Targets, will help achieve the strategic objectives set for the Agency by the owner and where possible the requirements of any other key stakeholders and agreed customer demand.
- c. the Board is to advise Deputy Chief of the Defence Staff (Personnel) on the Agency's strategic resource requirement to implement the agreed Corporate Plan. It will consider budgetary performance and resolve any conflict between tasking and resources. The Owner's Advisory Board may make recommendations on task priority that will inform the Agency's Business Plans.
- d. the Board will agree annual key targets and performance indicators. It will be supported by the Higher Level Budget Management Board which will monitor the Chief Executive and Agency's performance and achievement, in particular scrutinising the effectiveness of the Agency's mechanisms for measuring, assessing and achieving Key Performance Targets. The Higher Level Budget Management Board will meet quarterly and will inform the Owner's Advisory Board as appropriate on issues that need Owner's Advisory Board attention.

A4. FREQUENCY

The Owner's Advisory Board will meet at least twice a year, or more frequently as required by Deputy Chief of the Defence Staff (Personnel). Standing agenda items should be:

- | | |
|---------|--|
| Feb/Mar | Agree Annual Key Targets and Corporate Plan. |
| May/Jun | Endorse Agency Annual Report and note Agency Accounts. |

Annex B

Agency Management Group

B1. PURPOSE

The Agency Management Group exists to provide strategic leadership and management for the Agency and consists of both Ministry of Defence and Directors representing the commercial partner. Its focus is on the issues of strategic importance and it will set direction and priorities for the Agency in the context of wider government and departmental objectives. It

exists to ensure policy, process and effective leadership are in place to deliver the required operational results through effective day to day management of the Agency. The Agency Management Group will not assume primacy over the Agency Executive Board or the Commercial Partner Account Management Team. However, the Agency Management Group will direct, guide and inform supporting committees and steering groups within the Agency.

B2. COMPOSITION

Chair:	Chief Executive	
Members:	Director of Corporate Services and Senior Finance Officer	Commercial Partner, Account Director plus equal number of functional Directors to Ministry of Defence
	Director Military Services	
	Director Veterans Services	
	Director Change	
	Director Strategy & Programmes	
	Non Executive Director	Non Executive Director
Secretary:		
Note: 1	The Structure will be reviewed 6 months after full Joint Personnel Administration implementation.	

Other staff may be required to attend meetings with the agreement of the Chief Executive and Account Director.

B3. RESPONSIBILITIES

- a. provide strategic leadership and management for the Agency through the creation and monitoring of top level business plans and the provision of direction and executive action;
- b. proactively monitor performance towards meeting the Ministerial Key Targets, Strategic Objectives and Agency outputs to identify any necessary corrective action for their achievement through the Agency performance management regime;
- c. review the Ministry of Defence/Commercial Partnering Agreement at a strategic level in the light of emerging external events;
- d. undertake an annual review of the efficacy of the structure and content of the Partnering Agreement;
- e. consider proposals for significant changes to the structure of the Partnering Agreement, where appropriate;
- f. seek to resolve all issues (including without limitation, technical, business process, commercial and contractual issues) which arise in connection with the Agreement. Where an issue remains unresolved the Agency Management Group may formally escalate it for resolution in accordance with the Dispute Resolution Procedure set out in the Commercial Agreement;
- g. proactively manage corporate and business level risks;
- h. ensure good relations between the Agency and Customers are maintained;
- i. review and direct the work of supporting committees and steering groups where appropriate;
- j. seek opportunities to improve service efficiency and effectiveness.

B4. FREQUENCY

Meetings will be monthly and chaired by the Chief Executive (or as otherwise agreed) and minutes will be produced by the Secretary and made available to all staff via the intranet.

Annex C

Agency Executive Board

C1. PURPOSE

The board is responsible for advising and supporting the Chief Executive in developing strategic direction and governance for the Agency within the framework set by the Owner of the Agency and Ministry of Defence Policy. In particular it deals with commercially sensitive and funding issues for managing the partnering agreement. It complements the role of the Agency Management Group, which is the forum for dealing with strategic business requiring consultation or agreement across the Partnership Agreement.

C2. COMPOSITION

Chair:	Chief Executive
Members:	Director of Corporate Services and Senior Finance Officer
	Director Military Services
	Director Veterans Services
	Director Change
	Director Strategy & Programmes
	Deputy Director Finance & Corporate Governance
	Non Executive Director
Secretary:	
Note 1	The structure will be reviewed 6 months after full Joint Personnel Administration implementation.

Other staff, particularly Deputy Directors and the Agency Human Resources Business Partner, will be invited to attend meetings of the Agency Executive Board with the agreement of the Chief Executive, depending on the agendas for individual meetings.

The Agency Executive Board has a remit to manage :

- a. internal Ministry of Defence business including the areas of Risk, Finance, Corporate Governance, Contracts and Human Resources;
- a. the Ministry of Defence side of the customer supplier relationships, including the encouragement of partnering behaviour.

C3. RESPONSIBILITIES

- a. ensure correct and appropriate management of the Partnership Agreement;
- b. contribute to the development of the Agency Framework Document, Annual Agency Key Targets and Corporate Plan;
- c. apply Ministry of Defence Finance, Corporate Governance and Audit policies and manage Agency delegations. This includes the delivery of the Short Term Plan, Annual Report and Accounts, In Year Management returns, Departmental Resource Accounts including the Statement of Internal Control and the Agency Fraud Statement;
- d. provide Ministry of Defence oversight and management of the Agency Executive Board Risk Register;
- e. consider the work of the Agency Audit Committee;
- f. apply Ministry of Defence Corporate Human Resource policies and manage Agency personnel delegations;
- g. monitor the Service Transfer Plan;
- h. respond to Higher Level Budget reporting requirements including approval of the End of Year Performance Review;
- i. Discuss, develop and advise on the development of Ministry of Defence related best practice, including Investors in People, European Foundation Quality Management and Charter Mark, in the management of Agency functions, capacity and resources.

C4. FREQUENCY

The Agency Executive Board will normally meet every two months but extraordinary meetings will be convened as required, for example to screen the Short Term Plan. Other single topic meetings will be arranged on a monthly basis to deal with the Forecast of Outturn and any other pressing business.

The Chair shall ensure that a written record of each of these meetings is made and where appropriate made available to all staff via the intranet.

Annex D

Customer Advisory Group

D1. PURPOSE

The purpose of the Customer Advisory Group is to advise the Chief Executive on prioritisation of services and the quality of services delivered to the full range of Agency customers. It is supported by two Customer Advisory Working Groups - one focussed on veterans and one on the serving population. It acts also as a forum for alerting Deputy Chief of the Defence Staff (Personnel), the Agency's Owner, to any particular concerns that Agency customers may have.

D2. COMPOSITION

Chair:	Chief Executive
Members:	Director Service Personnel Policy (Pay & Allowances)
	Director Naval Personnel Strategy
	Director Staff & Personnel Support (Army)
	Air Personnel Policy
	Director Defence Analytical Services Agency (Information Services & Logistics)
	Director Service Personnel Policy (Pensions)
	Director Veterans Policy Unit
	Veterans Representative
	War Pension Committee Representative
	Chair War Widows Association
Secretary:	Director Service & Personnel Co-ordinator

The Chair may invite additional attendees where this would help meet the aim of the Group.

D3. RESPONSIBILITIES

- a. to recommend service levels and advise on measures proposed by the Agency for determining customer satisfaction.
- b. to monitor the quality of Agency delivery of services to its customers and achievement against its Service Level Agreements.
- c. to monitor the development and implementation of major projects and initiatives relating to customer requirements or customer relations.
- d. to enable Centre Staffs and Service representatives to keep the Agency informed of any contemplated major policy changes that might impact on the Agency.
- e. to provide Deputy Chief of the Defence Staff (Personnel) and Owner's Advisory Board with a customers' perspective.

D4. FREQUENCY

The Group will meet at least twice per year, prior to each Owner's Advisory Board, but may also meet at the Chair's discretion or by agreement amongst the Members:

Feb/Mar	Discuss Corporate Plan for the following year.
May/Jun	Discuss the End Of Year Annual Report.

Annex E

Agency Audit Committee

E1. PURPOSE

The Agency Audit Committee should provide the Chief Executive and the Agency Executive Board with objective advice and support in the areas of risk, control, governance processes and associated assurances. The Agency Audit Committee should have no executive powers.

E2. COMPOSITION

Chair:	Non Executive Director
Members	Director of Corporate Services
	Non Executive Director
In Attendance	National Audit Office
	Directorate of Internal Audit
	Deputy Director of Finance and Corporate Governance
	Head of Assurance
In Attendance (as required)	Director Veterans Services
	Director Military Services
	Others as requested by Chair
Secretary:	Assurance team member

E3. MEMBERSHIP

The Agency Executive Board should appoint the members of the Agency Audit Committee, which should comprise not less than three members, at least two of whom should be independent of the Department.

The Chair of the Agency Audit Committee should be appointed by the Agency Executive Board and should be a Non-Executive Director.

E4. ATTENDANCE AT MEETINGS

Representatives from Defence Internal Audit and the National Audit Office should be invited to attend all Agency Audit Committee meetings along with the Deputy Director of Finance & Corporate Governance (or equivalent) and the Head of Assurance.

The Agency Chief Executive may attend any meeting but may specifically choose to attend the early summer meeting prior to signing-off the Agency accounts.

The Chair of the Agency Audit Committee may request any member of the Agency to attend any Agency Audit Committee meeting to report on specific agenda issues.

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