



Ministry
of Defence

How Defence Works: July 2026 Edition



Preface to July 2026 Edition

Purpose

This guide provides an overview of the Defence Operating Model (DOM) and is intended to give you the information to build your understanding of the reformed ways of working, which Defence began implementing on 1 April. In addition, there is the DOM Blueprint, which is the detailed authoritative source for design, governance and accountabilities. The Guide and the Blueprint will evolve as the model is implemented and we refine our ways of working until full operating capacity in April 2027.

Implementing Defence Reform Together

The DOM aims to make Defence work better for everyone with clearer accountability, simpler processes, better outcomes, and behaviours that enable us to work together as a 'One Defence' Enterprise.

The DOM is already up and running, with the Executive Committee (ExCo) directing the delivery of the Defence Investment Plan through these new ways of working. This is a major transformation, so implementation will happen in increments throughout 2026/27 as we put the model into practice, embed new behaviours and processes, and build towards full operating capability by April 2027. Change will continue to be driven by individual Areas, using a practical "test and learn" approach to adapt, improve and build on what works.

As the DOM embeds, it will enable Defence to deliver the Strategic Defence Review (SDR), strengthen warfighting readiness, and respond more quickly and effectively to global events.

Everyone has a role in making implementation successful: understanding the key features and principles, taking responsibility within their area of accountability, working across boundaries, and actively helping to embed, test and improve the model as we move towards full operating capability in April 2027. Leaders across Defence must continue to take responsibility for the change: embedding the model in daily work, testing what works, resolving issues early and refining the way Defence operates together.

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Introduction

What is the DOM?

The Defence Operating Model (DOM) explains how Defence works as one enterprise to deliver its purpose: to deter, fight and win. It outlines how we work together to turn ministerial direction into strategy, plans and delivery. This sets us up to be warfighting ready - ensuring Defence can adapt quickly to a volatile world while staying aligned to long-term strategic goals and deliver the Strategic Defence Review (SDR).

The DOM is designed to make Defence clearer, simpler, better and more joined-up. It enables you to understand the part you play and how your work contributes to delivering our purpose.

Defence is a complex enterprise operating across multiple domains, functions and priorities. The aim of the Defence Operating Model is not to remove that complexity, but to manage it more effectively. Simpler does not always mean fewer processes or structures. It means clearer accountabilities, more transparent decision-making and better ways of integrating activity across Defence so that complexity is managed deliberately rather than through workarounds, duplication or escalation.

Ministers, Permanent Secretary (PUS) and the Defence Operating Model

Ministers set the political direction for Defence and are accountable to Parliament for Defence outcomes. The Defence Operating Model is designed to ensure that ministerial intent is translated into coherent strategy, plans

and delivery across the Defence enterprise.

PUS, as Head of the Department and leader of the Department of State, is accountable for supporting Ministers, integrating activity across Defence and ensuring that ministerial priorities are delivered coherently through the enterprise. Working alongside the other Area Leads, the PUS helps ensure that strategic direction, performance, risk and resources are aligned to support decision-making and delivery.

The model enables Ministers to receive integrated advice, informed by the expertise of all four Areas, rather than separate or competing perspectives. Clear accountabilities, enterprise governance and the Strategic Cycles ensure that options, risks, performance and resource implications can be considered together, supporting timely and well-informed decision-making.

Each Area leads support to Ministers according to their accountabilities. This ensures each lead Area is responsible for coordinating inputs across Defence so that Ministers receive coherent advice through a One Defence lens.

The Five Foundations of the DOM

The DOM is built on five foundations that together support us to work as a single, integrated enterprise. These foundations shape how we work together.

1. **Enterprise approach.** This is a fundamental shift - moving Defence from a set of individual organisations to a single, integrated

enterprise focused on delivering outcomes at pace and at scale, with a culture defined by contribution rather than ownership. One clear purpose, enabled by one clear system, to deter, fight and win.

2. **Clear accountability.** Defence's four Areas have clear, mutually supporting accountabilities that flow from the Quad and work collaboratively to deliver integrated outcomes that exceed the capabilities of any one Area alone. Clear accountabilities mean decisions, delivery and risk ownership are explicit - and can be tracked and challenged through governance.
3. **Strategy-led organisation.** This represents a fundamental shift from a finance-led organisation to one where strategy drives decisions and resource allocation. Taking a think, plan, do, review approach ensures all direction and activity are aligned through a coherent One Defence perspective. The strategic cycles link strategy, planning, delivery and performance so decisions are made in a coherent and repeatable way. This means we can implement Area direction, deliver in an integrated way and resolve tensions early.
4. **Integration.** The new model has integration at the core of how we work, bringing together planning, delivery and decision making so Defence operates as a unified, outcome focused system. Integration is supported by strategic cycles, functions, built-in delegated authority and enterprise governance that brings together the right people at the right points to enable true strategic choice and resolve tensions early.

5. **Integrated Risk and Performance.** Performance, risk, and assurance are built into how decisions are made, linking delivery back to senior leaders and Ministers. The data collected guides strategy and priorities, while a two-way accountability system ensures teams deliver well and can raise risks or opportunities so Defence can respond quickly.

Key elements of the DOM

The model directly tackles the long-standing issues that previously got in the way of delivery such as unclear accountability, unclear priorities, slow decision-making, crisis-driven working, and the fragmentation that came from low trust and organisational silos. The new ways of working aim to develop a more coherent, disciplined and effective Defence. To achieve this, the DOM is built around seven connected elements which follows best practice.

1. **Accountabilities & Structures:** Clear, individual accountabilities that flow through the organisation and shape Defence structure.
2. **Governance:** How decisions are made through a single enterprise governance framework that connects ministerial direction to plans, decisions and performance.
3. **Processes:** The repeatable, proportionate and transparent steps we follow to get things done which follow the Think-Plan-Do-Review framework.
4. **Culture and Behaviours:** Demonstrating and upholding the values and ways of working we expect including, high trust, collaboration, challenge and transparency.
5. **People:** The way we get the best from the Whole Force, including

military, civilian, reserve, contractor and industry talent.

6. **Technology:** A digital-first approach, exploiting modern tools, automation and AI to support speed and precision.
7. **Data:** Managing performance through robust use of data that creates insight, builds trust and supports effective decisions.



Accountabilities & Structures: The organisation of responsibilities and teams

One Defence: Four Areas

Defence operates through four Areas, each with clearly defined accountabilities and responsibilities that are mutually supporting. These Areas work collaboratively to create an integrated system that achieves outcomes beyond the capabilities of any single Area. The DOM outlines the ways of working that enable us all to contribute to our collective mission to deter, fight and win. The model flows

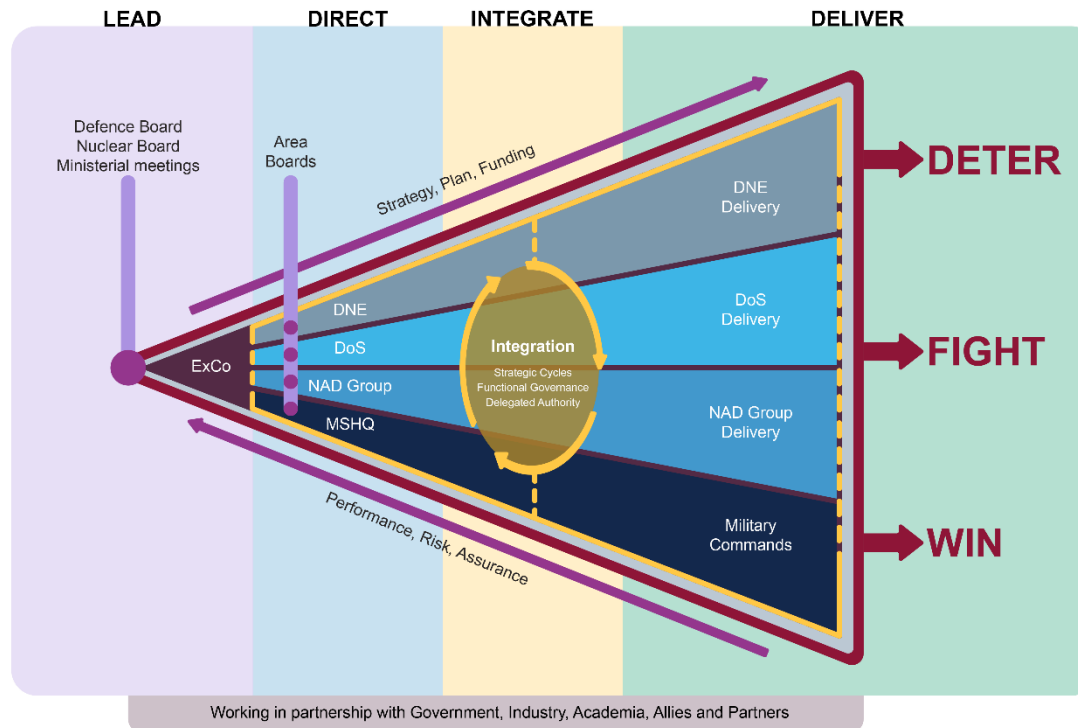
from the clear accountabilities of the Leaders in each Area; these empower defined authorities at all levels which enable collaboration and delegation to the lowest appropriate level.

Structures are aligned to support those accountabilities and the outputs of each Area. This brings clarity to what we each contribute to delivering Defence outcomes and ensures the structures of Defence are focused on purpose and outcomes, improving efficiency and effectiveness.

- **Department of State (DoS):** Led by the Permanent Secretary (PUS), the DoS is Defence's strategic integrator. It supports Ministers and the Defence Board, joins up the Defence enterprise, provides oversight of functions and governance, and ensures Defence delivers coherently against strategic objectives and commitments to Government.
- **Military Strategic Headquarters and the Armed Forces (MSHQ):** Led by the Chief of Defence Staff (CDS) who commands the Armed Forces to develop military plans, generate and operate the Integrated Force.
- **National Armaments Director (NAD) Groups:** led by the National Armament Director, unites the teams responsible for developing, delivering, sustaining, housing and harbouring the UK's 'national arsenal' and defence estate, driving a greater focus on industry partnership, UK-wide economic growth, international collaboration, innovation and export opportunities.
- **Defence Nuclear Enterprise (DNE):** led by the Chief of Defence Nuclear, operates, maintains, renews and sustains the UK's nuclear deterrent.

How we Contribute

Activity across Defence can be simplified into four themes, as visualised in this diagram.



1. **Lead:** Defence's top leaders set the direction and priorities for the whole enterprise, with ExCo integrating Ministerial intent with enterprise-wide insight to lead Defence as a single organisation.
2. **Direct:** Strategic direction flows from ExCo into the four Areas, translating enterprise direction into actionable plans, and delegating authority through Area Boards so teams know what they're accountable for and how their work contributes to Defence-wide priorities.
3. **Integrate:** This is how Defence brings together activity across the four Areas to deliver outcomes as one enterprise, using a consistent and transparent way to align priorities, manage dependencies, resolve tensions and identify strategic choices. Integration is driven by the Strategic Cycles, Functions and people working together with delegated authority. This ensures direction, activity and advice are aligned through a coherent One Defence lens.
4. **Deliver:** Areas and their subordinate Commands and organisations deliver Defence outputs with clear accountability and freedom to act, operating within shared priorities and guardrails so local delivery stays aligned to enterprise-wide goals and information is fed back into the system to support ongoing alignment and decision-making.

What this means in practice

The Defence Operating Model is built on a culture of contribution rather than ownership. Success depends on individuals, teams, Areas and Functions working together to deliver Defence outcomes, sharing expertise, challenging constructively, and prioritising what is best for Defence as a whole.

On a practical level, this means:

- Being responsible for decisions and actions within our delegated authority and escalating only where necessary.
- Working across organisational boundaries, bringing together expertise from Areas to achieve better outcomes.
- Contributing expertise, insight and challenge to help resolve tensions, improve performance and support informed decision-making.
- Understanding how our work contributes to Defence priorities, strategic outcomes and ultimately our mission to deter, fight and win.
- Adopting a One Defence mindset, where we are valued for what we contribute rather than what we own.

Together, these ways of working help Defence operate as a single integrated enterprise that can make better decisions, deliver at pace and strengthen our warfighting readiness.

How we organise to deliver Defence capabilities

Portfolios are systemic strategic planning lenses for Defence capabilities, designed to deliver strategic priorities across the Areas.

Defence will establish 13 portfolios (Lethality, Space, Special Projects, Maritime, Land, Air, Disruptive and Enabling Research, Decision Advantage, Cyber and Electromagnetic, Simulation, Testing and Complex Training, Outload and Sustain, Digital Backbone, and Infrastructure) plus Nuclear and they will mature and can change over time. Lethality was the first portfolio to stand up and will be followed by Space Systems and Special Projects by the end of July. For Nuclear the intent is to provide a single coherent DNE demand signal into NAD Group and the practical application of this is in development.

Delivering Functional Services

Thirteen Functions provide cross-cutting services, set standards, and ensure coherence across Defence. These are: People, Finance, Safety, Security, Analysis, Communications, Commercial, Science, Legal, Digital, Infrastructure, Project Delivery, and Support. Functions are developing their ways of working based on the Defence Reform Functions Framework that clarifies roles, responsibilities, and how they deliver.

All MOD Functions are classified as either Group A or Group B, depending on how they are structured and how they deliver services across Defence. Group A Functions - Finance, Commercial and Legal - provide most of their services through an end-to-end delivery model, and the Functional Owner is directly accountable for the overall service. Group B Functions - Analysis, People, Safety, Security,

Communications, Science, Digital, Infrastructure, Project Delivery and Support - mainly deliver through delegated models via the Areas, though they may directly provide some services. By April 2027, each Function will set out how they will provide their Functional services across the Enterprise.



Processes: The steps we follow to get things done

Processes set out how Defence gets things done and how the Areas work together. The new operating model has just enough process to enable the Areas to collaborate and integrate effectively to deliver Defence outcomes. They are transparent, repeatable and designed to support collaboration rather than ad hoc working. The processes bring issues and trade-offs into the open, enabling better strategic choice, prioritisation and effective management of risk.

The DOM runs around a simple, four-stage cyclical framework – Think, Plan, Do, Review – which applies to everything Defence does. This enables agility and learning, helping Defence stay focused, adapt to change, and ensure everyone is working towards the same outcomes.

- **Think:** Set the long-term direction and strategy.
- **Plan:** Prioritise and allocate resources to deliver the strategy.
- **Do:** Put plans into action.
- **Review:** Assess performance, learn lessons, and adjust to improve as needed.

This way of working should be brought to life in everyday work. It's also embedded in the three integrated strategic cycles at the core of how we work together across areas to deliver Defence outcomes:

- **Strategic Planning Cycle (SPC):** leads and connects the other two cycles, balancing strategy and finance to translate high level national direction (from the NSS and SDR) into Defence's core strategic foundation, generating the Defence Strategy and a single, coherent and affordable Defence Plan. Sponsored by DG Strategy and Transformation.
- **Integrated Force Strategic Cycle (IFSC):** designs and delivers the Integrated Force needed to meet Defence's strategic objectives, developing and delivering the Integrated Force Plan. Sponsored by DCDS (FD).
- **Strategic Effects Cycle (SEC):** brings together, prioritises and directs global Defence activity across the military, industrial economic and influence levers to produce the Global Integrated Plan. Sponsored by DCDS (MSO).

How we spend Defence money

The Defence finance system ensures resources are aligned and flow from strategic intent to delivery, with clear accountabilities, robust governance, and dynamic feedback mechanisms at every stage. Budgets are allocated to Areas to enable the specific outcomes set through the strategy and managed by those closest to delivery, with streamlined approvals enabling faster, strategy-led decisions.

The Finance Function will enable this new way of working by coming together as one team under DG

Finance to strengthen accountability, simplify processes and bolster financial management information to enable better budget management and decision making.

Budgets

While R-DEL (day-to-day running costs) and C-DEL (investment money) remain the primary accounting method for reporting to HMT, there are now three types of budgets, which are linked to the core Defence processes to help bring clarity around prioritisation:

- **Run / Readiness:** covers the day-to-day costs of keeping Defence capability in service, from people to equipment, with Areas managing their budgets and MSHQ overseeing performance, trade-offs and financial accountability.
- **Invest:** develops and delivers new capability under the NAD and DNE, with allocations decided through the Integrated Force Strategic Cycle.
- **Operate:** gives MSHQ the funding to deliver the tasks in the Global Integrated Plan which is allocated through the strategic effects cycle.



Governance: How decisions are made and who is accountable

How we make critical decisions

Governance enables structured and transparent decision making, with decision rights flowing from Area accountabilities and aligned with

funding. It means Defence can handle challenging issues and tensions in a way that leads to better decisions and the best strategic outcome for Defence.

Decisions are made using the RAPID Framework which establishes clear roles of Recommend, Agree, Perform, Input, Decide. This ensures everyone is clear of their role, and of others' roles. For each decision, there is one person responsible for the final decision, at the lowest possible empowered level, with escalation used only where required by mandate, risk, or cross Defence impact. The decide flows from the clear accountabilities of the Area Leads. An agree is allocated when one Area could generate risk in another, this allows risk, issues and choice to be managed in a transparent and collegiate way. Where risk is intolerable the 'disagree' is elevated with rationale to the level where resources or risk mitigation can be applied to resolve the tension.

Enterprise Governance Framework

Our governance framework is the backbone of how Defence makes decisions and holds itself to account, joining up direction from the Defence Board, ExCo and the Areas, through Functions and Strategic Cycles, so the whole system works with clear accountabilities and together as One Defence.

The new governance system makes Defence faster, clearer and more accountable by enabling transparent, well-aligned decisions, creating a shared enterprise for managing risk and performance, and giving leaders stronger oversight to spot and fix issues early. It uses consistent

standards to support learning and continuous improvement and is designed to evolve over time, so Defence keeps getting better at what it does.

The Enterprise governance framework includes:

- **Defence Board** provides strategic direction, sets strategic objectives and risk appetite, checks whether the system is delivering the outcomes expected by Ministers and holds the Area Leads to account for Defence's performance.
- **Defence Nuclear Board** manages Nuclear-specific performance and risk within the ringfence, holding CDN to account for DNE performance. The profile and ring-fenced nature of the nuclear enterprise requires a discrete body to direct and manage the nuclear deterrent and it's chaired by the SofS.
- **Defence Audit and Risk Assurance Committee** is chaired by a non-executive board member and provides independent assurance and challenge on risk management, governance, assurance and internal controls to the PUS and Defence Board.
- **Executive Committee** enables Defence Board direction to be acted on by bringing the Area Leads together, with DG Strategy & Transformation, DG Fin and the CDIO, to run the Department, align Area accountabilities, manage performance and risk, and make decisions that affect the whole enterprise.
- **Area Management Boards** support the Area Leads to direct activity within their Area, implementing Defence Board and

ExCo direction, managing performance and risk, and framing Area inputs into the Strategic Cycles.

- **Investment Approvals Committees**, as sub-committees of our ExCo and Area Boards, assurance deliverability and scrutiny of the investment decisions across Defence.
- **Integration Boards** convene representatives from all Areas and Functions to oversee the Strategic Cycle and facilitate integration, ensuring effective delivery of Defence outcomes.
- **Function Boards** support the Function Leads to coordinate and prioritise Functional activity in the Areas and through the Strategic Cycles with representation from all the Areas.



Culture: Upholding the values and ways of working we expect

We are building a high trust, high challenge culture that rewards shared contribution to the Defence mission, above individual ownership. The DOM creates the conditions for a unified Defence enterprise, enabling the behaviours needed to support a high-performing, high trust, high challenge organisation. This is underpinned by visible role-modelling from leaders at all levels and a commitment to collaboration, transparency and constructive challenge, the system is designed to surface tensions early, enabling prioritisation and informed strategic choices. By tackling issues openly and collaboratively, Defence

can make better decisions, improve delivery and operate more effectively as a single enterprise focused on its mission to deter, fight and win.



People: Enabling our people to succeed

People are at the heart of the Defence Operating Model. Delivering Defence outcomes depends on having the right skills, experience and leadership across the Whole Force. As the model matures, there will be increased focus on developing the capabilities, knowledge and behaviours needed to deliver Defence's strategic goals.

This includes creating an environment where people are empowered to take decisions within their delegated authority, work across organisational boundaries, contribute their expertise and continue developing professionally. By supporting our people and enabling them to perform at their best, we strengthen Defence's ability to deliver as one integrated enterprise.



Technology: A digital-first approach

The DOM takes a digital-first approach, exploiting modern tools, automation and AI to support speed and precision. In 26/27, the Strategic Decision Support (SDS) programme will build on developed work and further digitalise key processes across finance, readiness and operations,

force development, capability management, and strategy-performance reporting to enable full operating capability of the DOM.



Data: Managing performance, building insight and trust

The DOM depends on consistent, trusted data and management information to support effective decision-making across the Enterprise.

Bringing together performance, risk and financial insight into a more integrated picture will enable leaders to make better-informed decisions, understand trade-offs, and take action with greater confidence and transparency. A shared approach to measuring performance and managing risk is critical to delivering the outcomes of the DOM and ensuring that decisions are based on robust evidence rather than fragmented information.

In 26/27, SDS will build on this work and further digitalise key processes across finance, readiness and operations, force development, capability management, and strategy-performance reporting to enable full the operating capability of the DOM.