



PERMANENT SECRETARY

D/PUS/11/7/1(215)

15 July 2019

Meg Hillier MP
Chair of the Public Accounts Committee
Sent electronically

Dear Chair,

**FUTURE MARITIME SUPPORT PROGRAMME ACCOUNTING OFFICER
ASSESSMENT ON JOINING GMPP**

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in *Managing Public Money*. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio.

This Accounting Officer Assessment considers the Future Maritime Support Programme (FMSP) on joining the GMPP.

Background

The Future Maritime Support Programme (FMSP) will design and deliver the contracts for the in-service support of Complex Warships, Submarines and Naval Base Services, succeeding the current Maritime Support Delivery Framework (MSDF) arrangements with Babcock Marine and BAE Systems. FMSP has ambitious effectiveness and efficiency objectives that go further than MSDF to deliver transformational change, reduce costs and provide a better level of service for the RN. FMSP achieved Initial Gate (IG) approval in Apr 18 to develop the commercial and procurement strategies, revalidate the requirements and agree the transformational activity to achieve the desired benefits. The timeframe is challenging, and further programme sequencing may be necessary. This assessment is made by Permanent Secretary (and Accounting Officer), Ministry of Defence.

Assessment against AO Standards

Regularity

FMSP continues to comply with Parliamentary requirements for the control of expenditure, with programme funds being applied only to the extent and for the purposes authorised by Parliament. HMT Regularity standards continue to be satisfied.

Propriety

Parliament's intention for FMSP authorised expenditure continues to be met properly. The programme's funds are being managed with impartiality, honesty, and with the avoidance of personal gain, waste, and extravagance.

Value for Money

The FMSP Commercial and Procurement Strategies should ultimately deliver significant improvements in Value for Money through improvements in productive utilisation and performance by suppliers, and reductions in the fixed cost base.

Feasibility

FMSP is deliverable albeit the volume of commercial and transformational activity may require a rebaselining of the programme.

Conclusion

It is concluded that FMSP remains a satisfactory use of public resources and that the programme should proceed.

As the MOD Accounting Officer, I considered this assessment of FMSP and approved it on 15 July 2019.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this programme, I undertake to prepare a revised summary, setting out my assessment of those factors.

This summary will be published on the government's website (www.gov.uk). Copies will be deposited in the library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours sincerely,



STEPHEN LOVEGROVE