



Ministry  
of Defence

[Redacted]  
Defence Equipment & Support Secretariat

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Email: DESSEC-FOI@mod.uk

[Redacted]

Our Reference:  
FOI2014/01306  
Date:  
6 June 2014

Dear [Redacted]

Thank you for your email of 8 May 2014 requesting the following information:

*By financial year, please could you advise how many of the DE&S contracts completed in 2011/12, 2012/13 and 2013/14 were delivered:*

- *On budget, i.e. The final invoice value equalled the original contracted value*
- *Under budget, i.e. The final invoice value was less than the original contracted value*

I am treating your correspondence as a request for information under the Freedom of Information (FOI) Act 2000. A search for the information has now been completed within the Ministry of Defence (MOD) and I can confirm that we hold information relevant to your request. The below table gives details of Defence Equipment and Support (DE&S) contracts completed in the years requested that have been assessed as on budget or under budget.

**DE&S contracts within +/-1% of total contract value**

Summary	Under budget	On budget	Other <sup>(1)</sup>	Total contracts closed
FY 11/12	1,219	3,658	140	5,017
FY 12/13	1,523	4,322	238	6,083
FY 13/14	1,287	2,111	166	3,564

<sup>(1)</sup> In most of these cases, it would not be accurate to assess the contract as 'over-budget', as there are a number of valid reasons why payments exceed the original contract value. This includes contract values having changed as part of normal commercial processes and not being subsequently updated on the database.

Under Section 16 of the Act (Advice and Assistance), it may be helpful if I explain how we have conducted this analysis. The information has been extracted from the Defence Business Services database and includes all contracts that have been assessed as 'owned' by DE&S and which were identified as closed in financial years 2011/12, 2012/13 and 2013/14. You may wish to note that there are more than 6,000 contracts on the database where owners are not specifically identified and these have not been included in the analysis. The details in the table are therefore an underestimation of the number of completed DE&S contracts. Establishing the owners of these 6,000 contracts could only be done by checking each individual contract and therefore could not be completed within the appropriate cost limit. Section 12 of the Act makes provision for public authorities to refuse requests for information where the cost of dealing with them would exceed the appropriate limit, which for central government is set at £600. This represents the estimated cost of one person spending 3.5 working days in determining whether the department holds the information, locating, retrieving and extracting the information. We estimate that establishing the

owners of these 6,000 contracts would take in excess of 500 hours; therefore we have only included those contracts positively assessed as DE&S contracts.

Assessment of whether a contract is 'on budget' or 'under budget' has been arrived at by comparing the latest recorded contract value to the payments made. To allow for routine minor differences between final settlement invoices and the overall contract value, all contracts within +/- 1% are considered to be 'on budget'.

If you are not satisfied with this response or wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Deputy Chief Information Officer, 2<sup>nd</sup> Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail [CIO-FOI-IR@mod.uk](mailto:CIO-FOI-IR@mod.uk)). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.gov.uk>.

Yours sincerely,

A solid black rectangular box used to redact the signature of the sender.