



Ministry
of Defence



[REDACTED]
DE&S Secretariat



Defence Equipment & Support
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MOD Abbey Wood
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3-Jun-16 Our Reference: FOI2016/04326

Dear [REDACTED]

Thank you for your enquiry of 7 April 2016 which asked the following:

How many consultants, agency workers or third-party contractors were employed by DE&S, and what was the total cost to the DE&S budget, in each of the last five years.

I am treating your enquiry 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 some information in scope of your request is held. Private sector support costs for Defence Equipment and Support (DE&S) are recorded in the organisation's Annual Report and Accounts. Costs for 2014-15 are published at the following link:

<https://www.gov.uk/government/publications/defence-equipment-support-annual-report-and-accounts-2014-to-2015>. You can find the information you require on page 75. I am therefore withholding this information under Section 21 of the FOI Act as it is reasonably accessible to you by other means.

Information on DE&S private sector support costs for financial year 2015-16 is still being validated and will be published later this year in the 2015-16 Annual Report and Accounts. As such, this information falls within scope of the qualified exemption provided for at Section 22 (Future Publication) of the FOI Act and has therefore been withheld.

Section 22 is a qualified exemption and is subject to a public interest test. This means that the information requested can only be withheld if the public interest in doing so outweighs the public interest in disclosure. Section 22(1)(a) has been applied to this information as it is in the process of being prepared for publication by DE&S. The balance of public interest was found to be in favour of withholding the information given that the requested information is currently being validated with the planned intention of releasing it into the public domain via the DE&S Annual Report and Accounts.

With regards to financial years 2011-12, 2012-13 and 2013-14, DE&S became a bespoke trading entity on 1 April 2014 and, prior to this, private sector support costs were recorded differently in the organisation, with some technical support costs being subsumed within the equipment programme budget and not separately identified. DE&S expenditure specifically on contingent labour, consultancy and the Framework Agreement for Technical Support (FATS) was recorded and is provided below. You will note that because of the different way we now record private sector support, the 2014-15 expenditure total reported in the Annual Report and Accounts is higher than previous years as it represents a fuller picture.

	£ million		
	2013-14	2012-13	2011-12
Contingent labour	12.0	9.3	15.5
FATS*	113.3	168.0	223.0
Consultancy	49.2	16.1	4.0

*Figures include expenditure with QinetiQ

Regarding the number of contractors employed, DE&S does not hold information on how many people are engaged across all elements of private sector support. This is because DE&S generally contracts for a requirement and the contractor agrees to deliver a specific output at an agreed price. The number of people employed is therefore a commercial matter for the contractor. We do, however, hold information on how many people were employed in DE&S as contingent labour at the end of each financial year and this is provided in the table below. Validated numbers for 2015-16 are not yet available. You may wish to note that contingent labour appointments are usually short-term and the numbers fluctuate on a daily basis, which is why the year-end position is recorded. Therefore a valid comparison between expenditure and the numbers of staff cannot be made.

	Numbers (as at financial year end)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Contingent labour	Not yet held.	443	699	377	325

Under Section 16 of the Act (advice and assistance), it may help if I provide some context to the information I have provided. DE&S makes maximum use of the expertise of its own staff before engaging private sector support, however there will always be instances where the organisation needs access to external skills and expertise not available in its own workforce. More information on how DE&S now classifies and records private sector support is provided on page 21 of the 2014-15 DE&S Annual Report and Accounts. More explanation of how we classified private sector support prior to 2014-15 is below.

- **Contingent labour** refers to people employed across the MOD on a temporary basis to fill vacant, funded posts until recruitment action is taken to appoint a salaried permanent member of staff. These posts may arise for a number of reasons, including regular staff turnover and retirements from service. Contingent labour includes temporary admin and clerical workers, interim managers, and specialist contractors (in finance, human resources, information technology and other functions).
- **FATS** is used for work where the MOD does not possess, in house, the specialist technical resources and/or facilities necessary to provide the support needed by defence programmes, particularly those relating to equipment. FATS covers technical studies, technical project support and technical engineering support that support the acquisition of equipment or services at all stages of a project cycle and the delivery of a technical service.
- **Consultancy** is the provision of objective advice on strategy, structure, management or operations, in pursuit of MOD purposes and objectives. There is especially rigorous scrutiny and oversight of this, both by the Cabinet Office and internally by Ministers. Consultancy can be used only when other options for getting the task completed internally have been considered and rejected, either because the skills and/or resources are unavailable or because there are identifiable value-for-money benefits to the MOD in taking this approach.

If you are not satisfied with this response or you 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 Information Rights Compliance team, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail 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.org.uk>.

Yours sincerely,

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

DE&S Secretariat