



Ministry of Defence

Defence Resources Secretariat
 Ministry of Defence
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Reference: **FOI2018/16082**

[Redacted]

E-mail: [Redacted]

Date: **22 January 2019**

Dear [Redacted]

Your correspondence dated 19 December 2018 has been considered to be a request for information in accordance with the Freedom of Information Act 2000 (FOIA). You requested the following information:

Under the Freedom of Information Act, I request:

1. *The number of fruitless payments (payments for which liability ought not to have been incurred or whether the demand for the goods and services in questions could have been cancelled in time to avoid liability) in excess of £30,000 made by or paid for by your department in the financial year 2018-19 to date.*
2. *What each payment was for*
3. *The value of each payment*
4. *The reason why the payment was made*
5. *The reason why the payment was classified as fruitless*
6. *Whether any disciplinary action was taken as a result of the payment (if there was any disciplinary action, please specify what the action was).*

Please find below the information you requested.

Fruitless payments between £30,000 and £300,000 for Financial Year 2018-19 up to December 2018

2) What the payment was for	3) Payment Value	4) Reason for Payment	5) Why the payment was Fruitless	6) Disciplinary Action
Fine imposed by HM Treasury for Contract Letting Standards.	£149,000	The case to let the Defence Learning and Management Capability (DLMC) Bridging Capability contract beyond 13 November 2016 was initially rejected by Minister for the Cabinet Office (CO) and Paymaster General (MCO), and thereafter referred to HM Treasury (HMT) as contentious.	In consultation with the CO, HMT proposed that the Department agreed to the payment of a fine of 1% of the value of the contract to reflect a number of process omissions. The Department received no benefit as a result of the payment.	No disciplinary action was taken but the Perm Sec directed that DG Fin conduct a review of the approvals process to prevent future repetitions.

Rental on MoD houses.	£269,929.86	Contractually due rental for 182 demolished properties for a 6 month period.	MoD has no beneficial use of the properties.	Not applicable. Demolitions are due to the properties structural condition, and/or are beyond economic repair.
Interest payment to HMRC.	£58,690.15	Underpayment of VAT due.	This payment could have been avoided.	Not applicable. Considered to be a genuine error in VAT coding.

Note: This information has not been validated and is subject to amendment as part of the MOD's audit and validation process at the end of each Financial Year.

I can confirm that the Department holds information in scope of your request for fruitless payments over £300,000. The information is exempt under Section 22 of the FOIA because the information is intended for publication at a future date.

The information you requested will be published in the MOD Annual Report and Accounts 2018-2019 which, when published, will be available via the link below:

<https://www.gov.uk/government/collections/mod-annual-reports>

If you have any queries regarding the content of this letter, please contact this office in the first instance.

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

I hope you find this helpful.

Yours sincerely,

Defence Resources Secretariat