

10/08/2021

To: Parliament; Chair Public Accounts Committee

MoDNET EVOLVE Accounting Officer Assessment

This assessment has been undertaken in accordance with the requirement to conduct an Accounting Officer Assessment (AOA) upon joining the Government Major Projects Portfolio.

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 Government's Major Projects Portfolio.

## **Background**

MODNET EVOLVE will sustain the essential Information Technology (required by the MOD at OFFICIAL and SECRET classification on exit from the current longstanding Defence Information Infrastructure contract. In accordance with extant Government strategy, and prior MOD Investment Approvals Committee direction, MODNET EVOLVE seeks to move away from the current framework of using large Information Technology contracts placed with single providers to provide the MOD's Information Technology requirements.

MODNET EVOLVE aims to create a landscape where the Defence Digital organisation will obtain its services from a broader range of the Information Technology marketplace. This will mean shorter, more cost-effective processes, leveraging existing cross Government framework contracts where possible and ensuring better market alignment through the breaking out of standalone services. This will deliver better Value for Money through wider competition and open the market up to a wider supplier base ensuring better efficiency of supply.

The overarching objective of the MODNET EVOLVE programme is the procurement and delivery of a set of services that provide users with Information Technology services at OFFICIAL and SECRET classification. These services include the hardware and software for MOD personnel based in the UK and overseas.

The MODNET EVOLVE programme comprises five major elements:

- Productivity & Collaboration - Maximising the MOD investment to date in software and applications.
- Electronic Records Management - Improving the end to end process of Records Management within the MOD from records capture, search and retrieval, review, disposal, and audit and improving user experience by simplifying the process.
- End User Services - Improving user experience including greater choice over laptops, desktops and tablets.
- Managed Print Services - To optimise the number of printers and associated amount of hardware currently fielded. This will enable significant improvements in sustainability and reducing costs by decreasing Defence's print output and consumables usage.

- Future Secret - Continuing the development of the MODs needs for working at SECRET.

## **Assessment against Accounting Officer Standards**

### **Regularity**

The MODNET EVOLVE programme complies with Parliamentary requirements for the control of expenditure, with programme funds being applied only to the extent and for the purposes authorised by Parliament and within ambit of the Department's Estimate.

Her Majesty's Treasury Regularity standards continue to be satisfied.

### **Propriety**

MODNET EVOLVE is governed effectively in accordance with Government's Major Projects Portfolio requirements. The programme remains affordable within the Investment Approvals Committee agreed performance, time and cost constraints. The programme's funds continue to be managed with impartiality, honesty and with the avoidance of personal gain, waste and extravagance.

As such, Parliament's intention for the MODNET EVOLVE programmes authorised expenditure continues to be met properly.

### **Value for Money**

Investment Appraisals and high-level benefits analysis conducted to date show that the Programme is affordable with the current investment in the Programme and remains Value for Money. A benefits realisation plan is in development and will be baselined prior to Full Business Case submission to the approval authority. This will be supported by an independent Assurance Review by the Infrastructure and Projects Authority that will assess whether the strategic outcomes can be realised within the expected parameters.

Market interest to date strongly suggests that the MOD can generate significant benefits and value for money by appropriate disaggregation of its required services including but not limited to:

- Getting better value for money for goods and services purchased and improved quality of services, through exiting outdated and costly major IT contracts.
- Capability and performance improvements for users.
- Improving project, contract and asset management.

### **Feasibility**

1. MODNET EVOLVE remains deliverable in performance, cost and time, whilst recognising the risk and complexity associated with a programme on this scale. This complexity has been recognised in a recent Government Shared Learning paper<sup>1</sup>, which noted that exiting major IT Contracts is a resource intensive process which needs to be well planned and executed. The lessons from this paper are being implemented to benefit from experience and shared learning within the programme.

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<sup>1</sup> [Government Shared Learning, Exiting Major IT Contracts: Guidance for Departments, Government Commercial Function, November 2017.](#)

## Conclusion

Notwithstanding the complexity of the MODNET EVOLVE programme including dependencies on the wider Defence Digital portfolio and disaggregation of a longstanding consortium of service providers with complexities acknowledged by the Government Commercial Function, MODNET EVOLVE is deliverable in performance cost and time, and remains a satisfactory use of public resources. The MOD remains committed to driving the best value from the market offerings for Information Technology services, and to regain control of its critical design capabilities.

As the MOD Accounting Officer, I considered this assessment of MODNET EVOLVE and approved it on 10/08/2021.

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 will prepare a revised summary, setting out my assessment of those factors.

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

Signed



Laurence Lee  
Second Permanent Secretary, MOD

10/08/2021