



Ministry  
of Defence

**Defence Business Services**

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Ref: FOI2023/01961

[REDACTED]  
[REDACTED]

14 March 2023

Dear [REDACTED]

Thank you for your email of 14 February 2023 to the Ministry of Defence (MOD) requesting the following information:

*"The MOD publishes two different datasets about departmental expenditure with suppliers that produce a completely different outcome in terms of the derived spend per supplier for the financial year 2021/22.*

*This is likely to be due to differences in methodology but, since the MOD does not publish the details about the methodology for comprising both datasets, it is not possible to evidence this conclusion.*

*The two datasets I am referring to are –*

*Ministry of Defence reports on departmental spending over £25,000. E.g.  
<https://www.gov.uk/government/publications/mod-spending-over-25000-january-to-december-2021>*

*Ministry of Defence dataset of "Organisations paid over £5m by MOD", as found here  
<https://www.gov.uk/government/statistics/mod-trade-industry-and-contracts-2022/mod-trade-industry-and-contracts-2022#organisations-paid-over-5-million-by-mod>*

*Using 1) it is possible to compile a monthly analysis of expenditure by supplier that aligns to the timeframe April 2021 – March 2022, i.e. financial year 2021/22.*

*In theory, this is consistent with the reported data in 2).*

*But clearly there are unpublished methodological differences between the two datasets which rather undermines the value of the publication exercise, especially for dataset 1).*

*I will give two simple examples to illustrate this –*

*Devonport Royal Dockyard Ltd (a subsidiary of Babcock). Total expenditure is reported as £343m in dataset 1) above and £1,040m in dataset 2).*

*Leonardo UK Ltd (owner of Westland Helicopters). Total expenditure is reported as £97.8m in dataset 1) above and £553m in dataset 2).*

*Large variances for supplier spend between the two datasets exist for about half of the suppliers, however, there is a fairly close match for the other half!!*

*Again, I will give two simple examples to illustrate this –*

*Modus Services Ltd. Total expenditure is reported as £112m in dataset 1) above and £112m in dataset 2).*

*RMPA Services PLC. Total expenditure is reported as £86m in dataset 1) above and £86m in dataset 2).*

*The fact that the data DOES reconcile in many instances suggests to me that there is not a fundamental methodological difference between datasets 1) and 2) but, rather, the two datasets are derived from different systems and/or the two datasets describe completely different things, but align for certain suppliers!! For example, dataset 1) may relate to Purchase Orders on the Accounts Payable system and not all suppliers – especially the largest ones – require contracts to be supported by Purchase Orders. Another possible explanation is that dataset 2) includes accounting accruals whereas dataset 1) relates to cash payments to suppliers. Either or both explanations would help provide a plausible explanation.*

*The Background Quality Report for dataset 2) is fairly comprehensive. I think, **what is required, is something similar for dataset 1) and a 'bridge', in the form of an explanation, that explains the methodological differences between the two.***

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the MOD and I can confirm that recorded information on the methodology used regarding the Ministry of Defence reports on departmental spending over £25,000 is held.

However, this falls entirely within the scope of an absolute exemption under Section 21 of the FOIA as it is reasonably accessible by other means. Section 21(1) has been applied, as the information is already in the public domain and therefore, reasonably accessible to you at the link below.

<https://www.gov.uk/government/publications/guidance-for-publishing-spend-over-25000>

In terms of recorded information "**that explains the methodological differences between the two**" datasets, Annex A is an extract from internal guidance titled "Public Disclosure of Commercial Management Information – explaining the similarities and the differences."

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.gov.uk](mailto:CIO-FOI-IR@mod.gov.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/>.

Yours sincerely,

A black rectangular redaction box covering the signature of the sender.

Defence Business Services (Secretariat)

**Public Disclosure of Commercial Management Information – explaining the similarities and the differences.**

As part of the Government's Transparency policy the MOD routinely produces three monthly sets of statistics for publication; tenders and contracts over £10k, expenditure over £25k and GPC spend over £500. Additionally DASA/DESA is responsible for issuing the annual United Kingdom Defence Statistics (UKDS) publication which includes elements of Commercial Management Information. Overlaying all of this is the need to comply with the statutory responsibilities of the Freedom of Information Act (FOIA), the Environmental Information Regulations Act (EIR) and to respond to PQ's and Minister's requests for information in a credible and complete manner.

Much commonality exists between the processes of collecting the core data for each report that firmly embrace FOIA/EIR principles. However, each of the data sets is different because they are measuring or responding to different customer needs. This means that the various sets of published/released data cannot legitimately be compared with one another which sometimes causes confusion as data in the public domain can appear to be contradictory. The following table explains the similarities and differences behind the information that is routinely placed in the public domain.

	<b>Tenders and Contracts over £10k</b>	<b>Departmental expenditure over £25k</b>	<b>Government Procurement Card (GPC) spend over £500.</b>	<b>DASA/DESA statistics</b>
<b>Report Type?</b>	Commercial	Financial	Financial	Financial and Commercial
<b>What is reported?</b>	A Departmental summary of the total tenders and contracts placed in the preceding month over £10k. The total number of contracts over £10k that have warlike stores or security exemptions are also reported.	All non redacted information on monthly transactional spend over £25k. The information published is limited to the following fields; Dept, Family, Entity, Date of Payment, Expense Type, Expense Area, Supplier, Postcode, Transaction Number, Payment Description and amount.	All monthly non-redacted information on GPC spend over £500. The information published is limited to the following fields; Unique Line Reference, Transaction Date, Visa Merchant Category Group, VISA Merchant Category Code narrative except where the Merchant Category Group is Auto Rental. Amount.	A suite of Departmentally produced National statistics presented annually at aggregate level for external release.
<b>Where does the information come from?</b>	Because of the need for almost real time data information is collected manually by CPaG from reporting points throughout MOD. The future intention is to replace the majority of manual reporting with an automated ASPECT report.	Information is drawn from Oracle, Bills Direct and Cognos. The core information is filtered by DBS to remove those transactions where the DF57 notes that warlike stores and security exemptions apply. A final check of the filtered data is carried out by finance and commercial teams before publication.	Raw data is provided by Barclaycard. To protect individuals and national security issues the Cabinet Office has agreed that certain information (such as foreign and hotel transactions) should not be published. CPaG is responsible for filtering out this data before sending to DFM. DASA publish in aggregate form suppliers paid £5m or more.	DF57 information obtained from DBS. No redaction is carried out as the information presented is shown in aggregate format and not at transactional level.