



**Ministry
of Defence**

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Dear Parliament; Chair Public Account Committee,

**Programme Next Generation Communication Network Accounting Officer
Assessment**

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 the Government's Major Projects Portfolio.

This Accounting Officer Assessment has been undertaken alongside the request for the Accounting Officer's approval of the Outline Business Case for the Next Generation Communications Network (NGCN).

Background

Fixed Networks for the Ministry of Defence are currently delivered through three network services: Business, Operationally Critical, and Mission Critical, serving c.2000 sites worldwide for all levels of data security classifications.

Services are provided through two contracts: Global Connectivity and Defence Fixed Telecommunications Services. These contracts need to be retired and replaced by NGCN services and will be delivered through a series of procurement exercises and timed to coincide with the drawing down of existing commercial arrangements: The three procurement packages are:

- 1) Procurement 1 – Network Systems Integrator (NSI)
- 2) Procurement 2 – Business Network Services (BNS)
- 3) Procurement 3 – Resilient Networks Services (RNS)

This Outline Business Case has been considered and approved by the MOD's Investment Approvals Committee, and HM Treasury.

Assessment against AO standards

Regularity

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

The SRO and Commercial teams continue to develop contractual arrangements that are compliant and consistent with relevant UK law. The Programme has appropriate departmental and HM Treasury approvals in place.

Propriety

The expenditure remains entirely proper. The NGCN programme continues to comply 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 ensuring that it continues to meet and conform to HM Treasury's *Managing Public Money* principles and rules.

The NGCN Programme is governed in accordance with the Government's Major Projects Portfolio requirements and is subject to quarterly reporting and internal oversight via the Defence Major Programmes Portfolio Sponsor Group. It is independently assured externally using the Infrastructure and Projects Authority Gateway review process.

Value for Money

The approved case provides the necessary resources to support the programme through to Full Business Case. A Whole Life (10 year) Cost Model has been developed to estimate and profile the potential cost of the Programme. This model is based on subject matter expert estimates, historical cost information and Commercial Market Benchmarking and will be developed further and tested through market engagement. NGCN is a benefit led programme that includes:

- a. **Increased cyber capabilities:** The adoption of Secure by Design and the Network Reference Architecture.
- b. **Enable a higher operational tempo:** Delivery resilient networks that are flexible in protecting service levels and agile in delivering change and new capability.
- c. **Greater value for money:** Realisation of efficiencies and reduced costs.
- d. **Improved consuming service experience:** Driving continuous improvement.

Feasibility

Timely delivery against the plan will require the recruitment of Suitably Qualified and Experienced People. The Programme is in the process of running two competitions to address the resource demand for the Procurement Phases.

The Programme will engage with the market and bidders for their ability to provide solutions that replace and modernise the services currently delivered under the Global Connectivity and Defence Fixed Telecommunications Services arrangements.

Applied Learning from Experience from the Global Connectivity project has led to a better understanding of the need (Digital Twin) and future proofing where possible. Based on this and the continued integrated assurance provided through the Department and the Infrastructure Projects Authority, the programme remains feasible.

Conclusion

The NGCN is essential to the development and sustainability of a secure, modern, agile, and future proof Single Enterprise Network connecting sensors, decision-makers, and effectors across military and business domains.

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

As the MOD Accounting Officer, I considered this assessment of the Next Generation Communications Network Programme and approved it on 02 May 2023.

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

A handwritten signature in black ink, appearing to be 'L. Lee'.

Laurence Lee

MOD Second Permanent Secretary
Dated 02 May 2023