



Ministry
of Defence

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Ministry of Defence
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Telephone MOD
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DATE

SRO NAME
Sponsor NAME

PROGRAMME NAME – OUTLINE BUSINESS CASE
OUTLETTER

References:

- A. Outline Business Case V1.2 SRO Final – OSC dated DATE
- B. Information Note Final – OSC dated DATE
- C. Approvals Update, dated DATE

This Note includes sensitive information. Distribution has been restricted accordingly and the paper should not be copied further. Addressees are responsible for safeguarding the information that it contains.

1. Thank you for your business case at Reference A. The Approving Authority is content to approve paragraphs 1(a-d) and to note paragraphs 1(f-s) of Reference A with the following conditions;

Prior to contract award:

- a. SRO to ensure Commercial Due Diligence is completed and to clarify with Chief Commercial Officer which costs are firm and fixed, the contractual position (regarding vendor lock in) on support and ensure Single Source Regulations are complied with where applicable.

Before Full Business Case is submitted (timings to be agreed with DPAS):

- b. SRO to brief DCDS MilCap and CSA regarding the Information DLoD and the integration with other systems.
- c. SRO in conjunction with ROLE NAME to provide an update on the Programme and In-Service Support costs when these becomes available. This should include the ROM costs and how CUSTOMER will provision for this.
- d. SRO to brief CSA on REDACTED.
- e. SRO to liaise with ORGANISATION and ensure they are content with bespoke infrastructure being provided by OTHER ORGANISATION, that co-ordination of plans and site

construction is conducted between OTHER ORGANISATION and the ORGANISATION teams and where applicable, that MOD standards for infrastructure are applied.

f. SRO to provide the IAC with an annual IN detailing progress which in the first instance should include specific escalation parameters for returning to the IAC.

g. SRO to ensure Scrutiny are provided with pan-DLoD plans for the transition of service as they mature.

h. SRO in conjunction with the Delivery Agent to assure the IAC they have sufficient capacity to manage the programme and escalate issues as necessary.

i. SRO to continue to drawdown in accordance with the Outline Business Case and continue to refine the most appropriate retirement profile for the remaining DELIVERABLE to deliver at least the agreed £XXXX savings. Any savings beyond this should be used to reduce the small residual pressure in the early years of the programme.

j. No announcements or release of information into the public arena is to be made without DG Finance and DCDS MilCap approval of the specific wording and the discussion proposed.

2. The Approving Authority recognises that the following conditions have already been completed:

a. SRO to provide an Information Note (Reference B) which should include detail on affordability including MDP scenarios, Termination Clauses and the counterfactual should the Outline Business Case not be approved in year.

b. SRO in conjunction with ROLE NAME and D Financial Planning and Scrutiny to address control total profiling.

c. SRO to try and negotiate a Time Bounded Liability Cap into the Termination for Convenience Clause incorporating sunk costs and any commitments, liabilities or irrecoverable expenditure that would otherwise represent an unavoidable loss to the Contractor and report back to the IAC.

3. Additionally, on the basis of the affordability work underpinning the DELIVERABLE request, CUSTOMER will not contribute to the Spending Review pressures on the basis of the current programme of record. CUSTOMER will manage any risk emerging from the commitment to the DELIVERABLE within their existing programme.

4. This Outletter is being issued as an exemption to the Approvals Suspension agreed by DG Fin at Reference C. This is because not approving the case would result in increased costs in later years.

NAME