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MOD Integrated Assurance Gate Review Report
XXXXXX
Gate 4

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Contents

Delivery Confidence Assessment (DCA).....	4
Summary of concerns, evidence and recommendations	5
Blockers to delivery	9
Areas of good practice	10
Comments from the SRO.....	11
Review Team findings and recommendations	11
Acknowledgement.....	21
Next Assurance Review	21
ANNEX A – DCA Descriptions	22
ANNEX B – Bespoke Terms of Reference for Hybrid Review.....	23
ANNEX C – Project/Programme Background	24
ANNEX D – Progress against previous assurance review	26
ANNEX E – List of Interviewees.....	31
ANNEX F – Recommendation Classifications and Priority	33

About this report

This report is an evidence-based snapshot of the status of the Project/programme at the time of the review. It reflects the views of the independent Review Team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

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Delivery Confidence Assessment (DCA).

Delivery Confidence Assessment:	Amber
<p>The Delivery Confidence Assessment is rated AMBER as whilst the new service is broadly ready to commence, the funding mechanism for variable elements the funding mechanism for variable elements is not yet (widely) understood (although we are informed that funding has been secured), there is not yet a detailed plan for the LOCATION move in 2025 with a number of areas of concern evident, and there is not yet a resourced programme in place to sustain the CAPABILITY after the INTERIM CONTRACT period (TRANCHE XX to TRANCHE XX). All these elements could impact the UK delivering effective operations.</p> <p>The RT observed the good work that has secured the interim contract and that most elements of readiness for service are in place to achieve transition as planned on XX XXX. Residual work is largely in hand. Personnel are in place and the supplier is ready to deliver.</p> <p>INTERIM CONTRACT introduces a different funding and payment model (compared to the PFI it replaces). Whilst the general intent to give responsibility to SERVICE is laudable, the RT did not see evidence of the financial mechanisms and controls in place to give confidence that the CAPABILITY (including currently deployed operations) will not be impacted by any MoD collective inability to authorise timely payments to CONTRACTOR.</p> <p>The planned move of CAPABILITY from LOCATION to LOCATION in 2025 requires infrastructure changes at LOCATION (involving 3 party permissions) and contractual changes with CONTRACTOR. The RT did not see evidence of ownership and plans for either of these elements. The inability to operate part of the CAPABILITY fleet from LOCATION could have an immediate capability impact depending on the nature of demand signal.</p> <p>The INTERIM CONTRACT is an interim contract to sustain CAPABILITY for 3+1+1 years following the conclusion of the 20-year PFI contract. The RT heard of resource challenges, but it is essential that work is started promptly on Future CAPABILITY to explore service delivery options and drive value for money. The CAPABILITY is an essential enabler for PLATFORMS and its prioritisation should be aligned to the PLATFORMS it carries.</p>	

Summary of concerns, evidence and recommendations

Priority	Risks* Identified with Evidence and Recommendations	Classification Insert Reference	Critical, Essential, Recommended	Target Date
1	<p>Risk: There is a risk that funding for the wider XXXXXX programme is insufficient and this position will be exacerbated by a lack of early planning for future CAPABILITY and a default position being take on the continuation of funding for TRANCHE XX beyond year 3.</p> <p>Recommendation 5: Financial planning for future tranches should start now to provide an early view on overall affordability and to ensure years 4 and 5 and beyond provide best value for money ie. don't default to a contract extension.</p>	5. Financial Planning & Management	Critical	Do now
2	<p>Risk: The SERVICE might not fully understand how to forecast and operate the INTERIM CONTRACT and the differences from the existing PFI arrangements, leading to suboptimal tasking and potential overspends. Reduced use of CAPABILITY could also lead to skill fade.</p> <p>Recommendation 9: That the Programme Director provide SERVICE with a 'contract user guide' so that the User / Tasker understands the constraints and opportunities ahead of ISC. This should include scenario testing with all stakeholders so that touchpoints, ways of working, governance, reporting, etc, are understood by all. And that all are content that the INTERIM CONTRACT arrangements will provide the required capability and are affordable.</p>	2. Stakeholder Mgt	Critical	Do now
3	<p>Risk: There is a risk that lack of a dedicated team to drive planning and execution of a future CAPABILITY limits the options available and leads to a sub-optimal capability provision beyond the INTERIM CONTRACT and 3+1+1 contract.</p>	10. Resource & Skills Management	Critical	Do now

OFFICIAL (REDACTED AND ANONYMISED)

	<p>Recommendation 12: The SRO should establish a dedicated team to drive planning for future CAPABILITY, utilising the experience and expertise from TLB NAME, SERVICE and the market in a one-team approach to develop the optimal configuration and value for money capability beyond the INTERIM CONTRACT. Critical – do now</p>			
4	<p>Risk: That an approved Safety Case is not in place to support operation under the ICT from XX XXX 2024.</p> <p>Recommendation 1: That the SRO consider embedding SQEP personnel with the contractor to assist with development of a compliant Part 3 Safety Case. ESSENTIAL – before X XXX 2024</p>	10. Resource & Skills Management	Essential	by XX XXX 24
5	<p>Risk: The move of CAPABILITY from LOCATION to LOCATION could result in a shortage of PERSONNEL and subsequent impact on CAPABILITY.</p> <p>Recommendation 3: That the SRO, with DELIVERY TEAM, develop a strategy for the LOCATION move, addressing changes required by CONTRACTOR to ensure in particular provision of adequate PERSONNEL.</p>	10. Resource & Skills Management	Essential	By XX XXX 24
6	<p>Risk: Inadequate infrastructure at LOCATION could prevent CONTRACTOR from obtaining an operator licence, effectively removing the CONTRACTOR CAPABILITY from that site.</p> <p>Recommendation 4: The SRO should work with TLB NAME and DELIVERY TEAM to ensure that there is a funded plan in place to deliver adequate CAPABILITY infrastructure at LOCATION ahead of the late 2025 move.</p>	9. Risk, Issues & Dependency Management	Essential	by XX XXX 24

OFFICIAL (REDACTED AND ANONYMISED)

7	<p>Risk: There is a risk that capability is impacted if the mechanism for paying variable costs is not agreed and/or if this mechanism causes delays to contractor payments and/or if near-term costs can't be paid from the allocated budget.</p> <p>Recommendation 6: The SRO should confirm the mechanism for payment of variable costs before transition in a manner that enables smooth continuation of capability, in particular in relation to payment of near-term costs. A run through of how the new payment mechanism will work should be held prior to transition to the new contract and the process reviewed after a suitable trial period with a view to reducing administrative process.</p>	5. Financial Planning & Management	Essential	by XX XXX 24
8	<p>Risk: There is a risk that future delivery of CAPABILITY is compromised because the programme board are not focused on the most impactful or proximal risks to the programme and ownership of these risks is unclear.</p> <p>Recommendation 8: The SRO should ensure a review of the top risks to the programme is undertaken, considering wider political context, the move to LOCATION, and the delivery of Future CAPABILITY within the programme budget and timeframe, and ensuring that risk ownership is clearly defined and communicated.</p>	1. Governance	Essential	by XX XXX 24
9	<p>Risk: The Performance Management Dashboard is a bespoke coded product produced by an individual, creating a potential "single point of failure" should that individual become unavailable. Any changes necessitated by wider contract changes might not be easy for others to incorporate.</p> <p>Recommendation 10: that the SRO ensures that the coding and operation of the Performance Management Dashboard is documented. Exploration of whether other software products might produce a more efficient information flow should be undertaken to support resilience.</p>	10. Resource & Skills Management	Essential	by XX XXX 24

OFFICIAL (REDACTED AND ANONYMISED)

10	<p>Risk: Reinstatement costs for CAPABILITY PLATFORMS deployed during transition (ie XX XXX 2024) may not be correctly attributed and the different contracts might introduce different rates for this work or, worst case, result in the CAPABILITY PLATFORMS on overseas operations being unnecessarily swapped with UK PLATFORMS at transition.</p> <p>Recommendation 11: that the Programme Director ensure support to DELIVERY TEAM/DELIVERY TEAM in formulating a solution to potential costs incurred during transition, agreeing this approach with CONTRACTOR, and undertaking any funding transfers between PFI and INTERIM CONTRACT as necessary.</p>	5. Financial Planning & Management	Essential	by XX XXX 24
11	<p>Risk: Whilst sufficient on paper, the CONTRACTOR PERSONNEL cadre might not be regularly rotated through for operations leading to a smaller SQEP subset and charges for long PERSONNEL deployments which could have a capability impact if a large deployment was required.</p> <p>Recommendation 2: DELIVERY TEAM and SERVICE jointly should work with CONTRACTOR to understand their PERSONNEL cadre and assure themselves that it meets the contracted service intentions and explore whether extended payments can be made on a pooling/average basis to assist PERSONNEL rotation.</p>	10. Resource & Skills Management	Recommended	
12	<p>Risk: There is a risk that the annual profile of budget for the £XXXXXX variable costs is inadequate and will result in under-utilisation in year 1 and an overspend in year 3.</p> <p>Recommendation 7: Programme Director, finance and SERVICE should agree a funding profile that matches forecast expenditure.</p>	5. Financial Planning & Management	Recommended	

**Risk denotes risks, issues, concerns and key dependencies*

Blockers to delivery

Ref No	Blocker	Describe specific nature of blocker	Consequence to programme if not resolved
1	There is a lack of SQEP resource in TLB NAME for essential Capability Sustainment planning	<p>There is a lack of SQEP resource in the TLB NAME team to commence early stages of planning for the future CAPABILITY following the end of the current 3-year (+1+1) TRANCHE XX INTERIM CONTRACT.</p> <p>Funding has been provided by the XXXXXX Programme but the current TLB NAME staffing constraints, low positioning of CAPABILITY within TLB NAME priorities and other demands on personnel time are preventing progress.</p> <p>Lack of TLB NAME resource to prosecute the SERVICE Future CAPABILITY contract is introducing a risk of a CAPABILITY gap once this INTERIM CONTRACT ends. Legal and obsolescence issues are likely to prevent further extensions to INTERIM CONTRACT (beyond the 3+1+1) and therefore TLB NAME needs to be tasked with a Future CAPABILITY requirement that it can take to the market and find resource to execute that in short order.</p> <p>Escalation Route: This needs to continue to be escalated/highlighted by the SRO to ensure that CAPABILITY is appropriately resourced within the new TLB NAME Operating Model.</p>	<p>There is a risk that any significant delay to commencement of the future CAPABILITY planning could result in the need to prolong the interim solution utilising funding currently earmarked for future capability, thus placing the future capability work at risk of being unaffordable.</p> <p>Key date for resolution: requires immediate attention to ensure CAPABILITY needs are encapsulated within the TLB NAME Op Model IOC scheduled for XXXXXX.</p>

Areas of good practice

Commending delivery of...	Describe specific details of successful delivery
7. Commercial Strategy & Management	The Contract Management Plan is a useful summary of the contract documentation and this is useful for people joining the project team. It would be further enhanced by a 'contract user guide' which is covered further under Recommendations.
7. Commercial Strategy & Management	Undertaking the independent valuation report is a pragmatic step and allows MoD to undertake budgetary planning to explore the future option of purchasing the PLATFORMS to take the capability in-house.
11. Knowledge Management	The Project History is a good record of the (more recent) events in the CAPABILITY project and as a basis for formulating Learning from Experience (LFE). It starts from 2020 and would be strengthened by the addition of a few key dates from earlier events. DELIVERY TEAM are encouraged to keep this Project History maintained after Transition.

Comments from the SRO

I would like to thank the Review Team for their assessment of the opportunities to further improve our delivery of this critical programme. CAPABILITY INTERIM CONTRACT provides a vital capability for the SERVICE as without it the SERVICE cannot effectively EMPLOY CAPABILITY. The Review Team's recommendations are all reasonable, and I will work closely with the team to ensure that we act on them.

Review Team findings and recommendations

1. Current Position

1.1 An interim contract for continued provision of the current CAPABILITY was let to the incumbent provider under a Qualifying Defence Contract (QDC) on the XX XXX 2024. The contract, known as the INTERIM CONTRACT, is in the process of being transitioned from the old PFI contract (ending XX XXX 2024) into a Defence service provision contract to be ready for service under the new contract regime on XX XXX 2024. In developing the INTERIM CONTRACT, the Programme has sought to remedy/mitigate challenges experienced during the operation of the PFI. It has also sought to encourage new behaviours through greater accountability for cost at the front line to drive better task planning and decision making.

1.2 Historic challenges in identifying the way forward for the future of CAPABILITY combined with uncertainty related to future technology readiness have resulted in the need for the INTERIM CONTRACT as an interim measure but with a view to it being as short as possible (3 years) in

anticipation of the future solution being in place by 2027. To cover the possibility of a delay and to ensure continuity of essential capability the INTERIM CONTRACT has provision for 2 tranches of additional 1-year extensions, albeit funding for these additional years has not yet been approved.

2. Safety Case

2.1 Recent changes to the Defence Safety Policy (JSP376) which apply retrospectively have meant that accountability for safety in respect of the relevant asset/service now lies with the project/programme SRO. In the case of CAPABILITY, the PLATFORMS being used for INTERIM CONTRACT are the same as originally provided at the beginning of the PFI contract and are 19 plus years old. As such it has proven challenging to gather all the information needed for a robust Safety Case. In particular, the Part 3 documentation, which is provided by the contractor, has been problematic in terms of poor quality including for example references to out-of-date SOPs. Given that an approved Safety Case needs to be in place for commencement of service on XX XXX, there is a concern that this date might not be met, and a derogation request might need to be raised in the event of a need for PLATFORM movement before sign-off can be achieved.

2.2 The RT heard a consistent view that, whilst the timeline for finalisation and approval of the Safety Case is tight, it is achievable provided that the Part 3 documentation, which has now been delivered to the programme team, is of acceptable quality. There were also views that, whilst recognised as not desirable there are ways to manage a position whereby movements were needed in the absence of a signed off current Safety Case.

2.3 The RT is assured to the extent that a SQEP individual has taken ownership of the Safety Case approval process and is energetically driving the necessary activity with a view to achieving sign off by all relevant parties, including the SRO and DELIVERY TEAM on XXXXXX. However there remains a risk that an approved Safety Case may not be in place for XX XXX. The SRO should consider embedding SQEP personnel from the Programme with the contractor to assist with development of a compliant Part 3.

Risk: That an approved Safety Case is not in place to support operation under the ICT from XXXXXX 2024.

Recommendation 1: That the SRO consider embedding SQEP personnel with the contractor to assist with development of a compliant Part 3 Safety Case.
ESSENTIAL – by XXXXXX 24

3. Resource

3.1 The RT heard that whilst CONTRACTOR performance on the PFI contract to date had been good, the TLB NAME DELIVERY TEAM did not have sufficient resource to undertake robust contract management of the INTERIM CONTRACT given additional requirements for the INTERIM CONTRACT compared to the PFI. The RT heard that the planned transfer of six people from DELIVERY TEAM to DELIVERY TEAM at initial service commencement should mitigate this, and this should be completed ahead of XXXXX to enable effective induction into DELIVERY TEAM.

3.2 The RT also heard several concerns on the impact of the TLB NAME reorganisation and how this might impact delivery teams. This is a wider issue than CAPABILITY/INTERIM CONTRACT and the RT do not make any recommendations here.

3.3 The RT observed a good working relationship within TLB NAME between DELIVERY TEAM and DELIVERY TEAM and the transition of DELIVERY TEAM staff to DELIVERY TEAM at initial service commencement will help with continuity. When XXXXXX was a larger new acquisition project the division of work was logical and can introduce useful challenge and fresh thinking but as TRANCHE XX became more akin to an extension of the existing arrangements, the split team introduced some friction. The SQEP for Future CAPABILITY now (or will) reside in DELIVERY TEAM.

3.4 The RT heard concerns that whilst CONTRACTOR hold the required cadre of PERSONNEL for deployments, it was often the same smaller subset of PERSONNEL that deployed. The RT also heard that under the new INTERIM CONTRACT, longer deployments of PERSONNEL may trigger additional payments and it was not clear if these had been forecasted.

Risk: Whilst sufficient on paper, the CONTRACTOR PERSONNEL cadre might not be regularly rotated through for operations leading to a smaller SQEP subset and charges for long PERSONNEL deployments which could have a capability impact if a large deployment was required.

Recommendation 2: DELIVERY TEAM and SERVICE jointly should work with CONTRACTOR to understand their PERSONNEL cadre and assure themselves that it meets the contracted service intentions and explore whether extended payments can be made on a pooling/average basis to assist PERSONNEL rotation. RECOMMENDED

3.5 The RT heard of the likely move of CAPABILITY from LOCATION to LOCATION in 2025. There are operational benefits to this given that most large armour movements are in southern UK. The RT heard of the possible

risk to CAPABILITY capability if PERSONNEL do not transfer as well. The current INTERIM CONTRACT does not make any provision for this movement. Uncertainty over the +1+1 aspects of the contract makes it difficult for CONTRACTOR to offer their workforce long term commitments.

Risk: The move of CAPABILITY from LOCATION to LOCATION could result in a shortage of PERSONNEL and subsequent impact on CAPABILITY.

Recommendation 3: That the SRO, with DELIVERY TEAM, develop a strategy for the LOCATION move, addressing changes required by CONTRACTOR to ensure in particular provision of adequate PERSONNEL.

ESSENTIAL – by XXXXXX 24.

3.6 The RT also heard that the LOCATION does not currently have the infrastructure required to accommodate CAPABILITY and the RT saw no evidence of a plan and funding in place for this, nor of clear ownership. The RT heard that reduced infrastructure could impact the ability of CONTRACTOR to obtain an operator licence, and the potential for CONTRACTOR to utilise third party capability at additional cost to the Authority.

Risk: Inadequate infrastructure at LOCATION could prevent CONTRACTOR from obtaining an operator licence, effectively removing the CONTRACTOR CAPABILITY from that site.

Recommendation 4: The SRO should work with TLB NAME and DELIVERY TEAM to ensure that there is a funded plan in place to deliver adequate CAPABILITY infrastructure at LOCATION ahead of the late 2025 move.

ESSENTIAL – by XXXXXX 24.

3.7 The RT also heard of challenges with delays in the National Recruiting Centre impacting on CONTRACTOR's ability to achieve timely recruitment of PERSONNEL. Aside from the LOCATION risk, the RT did not hear of risks to retention that would support the prominence assigned to retention in the risk register and Programme Board.

4. Financial Management

4.1 The RT heard that XXXXXX has funding profiled for 10 years, with TRANCHE XX being the only aspect currently approved despite the added value of delivering all components together. There were some concerns expressed that the full programme may be unaffordable, and while this was outside of the scope of this review, trade-offs emerged between the ongoing

resource and funding of TRANCHE XX and that available for the other tranches. The RT also consistently heard expectations that the 3-year contract with CONTRACTOR/CONTRACTOR would be extended. The RT felt that early planning for the future tranches was required to avoid further pressure on the overall affordability resulting from a default position being taken on the +1+1 contract contingency.

Risk: There is a risk that funding for the wider XXXXXX programme is insufficient and this position will be exacerbated by a lack of early planning for future CAPABILITY and a default position being taken on the continuation of funding for TRANCHE XX beyond year 3.

Recommendation 5: Financial planning for future tranches should start now to provide an early view on overall affordability and to ensure years 4 and 5 and beyond provide best value for money ie. don't default to a contract extension.

CRITICAL – do now.

4.2 The RT heard that with the transition from PFI to the INTERIM CONTRACT there is a greater onus on SERVICE to manage the £XXXXXX allocated from the business case for "variable costs" such as reinstatement of equipment after operations. This budget had been calculated based on previous usage and was broadly deemed sufficient (as a total) contingent on some changes to CAPABILITY usage and planning. While this was generally acknowledged as achievable in the longer term, a number of concerns were raised, some of which have the potential to impact successful transition in the near term:

- i. The mechanism for drawing down funding from the £XXXXXXX SERVICE budget needs urgent resolution before it impacts capability (within 4 weeks). The RT heard that this was being formalised during the week of the review (w/c XX XXX). The SRO will need to ensure this is agreed and widely communicated as part of transition (see section 6).
- ii. There is a need to clarify how to cover variable costs other than reinstatement (such as lighting for training and paying for additional reservist hours) that are not included in the INTERIM CONTRACT nor in SERVICE forecasts.
- iii. Changes to the INTERIM CONTRACT will require a greater degree of planning by SERVICE and clear communication of these changes is required to enable effective planning and forecasting (see para 6.3).
- iv. While the total budget of £XXXXXXX is generally deemed sufficient, there are concerns that the annual profile is not optimal and may result in budget not being utilised in year 1 and being insufficient in year 3. The RT did not feel that this was an insurmountable challenge and heard that mechanisms were in place to enable review of forecasts and profiles throughout the year.

- v. There was a widespread view that this new approach, while aimed at driving better behaviours, created additional administrative process (related to multiple and regular requests for funding from SERVICE to TLB NAME) and introduced a new risk related to payment of the supplier on time. The RT heard alternative suggestions that may be more efficient while achieving the same aim. The SRO should review this arrangement after a suitable trial period.

Risk: There is a risk that capability is impacted if the mechanism for paying variable costs is not agreed and/or if this mechanism causes delays to contractor payments and/or if near-term costs can't be paid from the allocated budget.

Recommendation 6: The SRO should confirm the mechanism for payment of variable costs before transition in a manner that enables smooth continuation of capability, in particular in relation to payment of near-term costs. A run through of how the new payment mechanism will work should be held prior to transition to the new contract and the process reviewed after a suitable trial period with a view to reducing administrative process.

ESSENTIAL – by XX XXX 24

Risk: There is a risk that the annual profile of budget for the XX XXX variable costs is inadequate and will result in under-utilisation in year 1 and an overspend in year 3.

Recommendation 7: Programme Director, finance and SERVICE should agree a funding profile that matches forecast expenditure.

RECOMMENDED

5. Risk Ownership and Management:

5.1 Wider contextual changes related to the recently announced general election and likely consequential defence review may impact the wider XXXXXX programme timescales and should be added to the risk register (if not already).

5.2 The RT explored stakeholder views on the key risks to the INTERIM CONTRACT and felt that these did not fully reflect the top risks reported through the planning meeting and XXX programme board pack. While there were some differences of opinion, the RT felt assured that the risk of obsolescence, spares and availability of PERSONNEL were being appropriately managed, while concerns centred more on the following:

- i. A lack of planning for future CAPABILITY (more detail in section 7 of this report)
- ii. Resource capacity and capability, particular in TLB NAME with specific single points of failure apparent (more detail on resources in sections 3, 6 and 7 of this report).

- iii. The move to LOCATION poses a risk to ongoing capability and seems to currently lack the required planning, in particular to the provision of appropriate facilities and potential impact on retention of the sponsored reserves (more detail in section 3).

5.3 The risk related to PLATFORM compatibility with CAPABILITY was widely recognised, but there was a lack of clarity related to the ownership of this risk. The SRO should review and re-communicate the risk ownership.

5.4 In terms of obsolescence, the RT heard that planning for Future CAPABILITY would mitigate this risk, and that work needs to begin immediately to ensure the future capability was in place in line with PLATFORM in 2028. and should take into consideration alternative options of service provision that may provide better value for money. This recommendation is picked up elsewhere in this report.

5.5 There was a strong sense that the introduction of KPI XX was a disproportionate response to the risk of spares shortage and cost inflation which introduces additional cost, process and new risks related to inventory management, supply of time-expired spares. Several interviewees referred to a potential longer-term supply chain issue related to the stock-piling approach. While the RT acknowledge the need to address the risk and respond to isolated incidents that impact capability, it was not clear that the introduction of this KPI was proportionate.

Risk: There is a risk that future delivery of CAPABILITY is compromised because the programme board are not focused on the most impactful or proximal risks to the programme and ownership of these risks is unclear.

Recommendation 8: The SRO should ensure a review of the top risks to the programme is undertaken, considering wider political context, the move to LOCATION, and the delivery of Future CAPABILITY within the programme budget and timeframe, and ensuring that risk ownership is clearly defined and communicated. ESSENTIAL – by XX XXX 24

6. Readiness for Transition

6.1 The RT heard that the Safety Case is a key dependency for timely transition and continuity of service. The RT heard that work was in hand to deliver and agree the necessary artefacts and that conversations with DELIVERY TEAM had been positive.

6.2 We also heard that the work to achieve XXXX compliance for the PERSONNEL training was on track.

6.3 The RT heard of the potential benefits of passing financial contract of the 'pay as you go' aspects to SERVICE to allow them to better manage their own business and ensure optimal value for money from the service. The RT understands that other TLB NAME and SERVICE teams operate similar models, but within those that we spoke to there was not a strong understanding or experience of this. There is a need to ensure that SERVICE understand the differences between the PFI and INTERIM CONTRACT and understand how to use the new contract and that whilst some conversations had taken place, more might be needed ahead of the XXX transition.

Risk: The SERVICE might not fully understand how to forecast and operate the INTERIM CONTRACT and the differences from the existing PFI arrangements, leading to suboptimal tasking and potential overspends. Reduced use of CAPABILITY could also lead to skill fade.

Recommendation 9: That the Programme Director provide SERVICE with a 'contract user guide' so that the User / Tasker understands the constraints and opportunities ahead of ISC. This should include scenario testing with all stakeholders so that touchpoints, ways of working, governance, reporting, etc, are understood by all. And that all are content that the INTERIM CONTRACT arrangements will provide the required capability and are affordable.

CRITICAL – Do Now.

6.4 The RT heard that a bespoke Performance Dashboard is in the process of being finalised and has been largely agreed with CONTRACTOR. The bespoke nature of the dashboard could create a risk of single point of failure in terms of ongoing management if the creator moves on. The information required for the dashboard, and how it will operate is understood by SERVICE and CONTRACTOR.

Risk: The Performance Management Dashboard is a bespoke coded product produced by an individual, creating a potential "single point of failure" should that individual become unavailable. Any changes necessitated by wider contract changes might not be easy for others to incorporate.

Recommendation 10: that the SRO ensures that the coding and operation of the Performance Management Dashboard is documented. Exploration of whether other software products might produce a more efficient information flow should be undertaken to support resilience.

ESSENTIAL – by XX XXX 24.

6.5 The RT heard that CONTRACTOR had been offered support by TLB NAME in understanding how to engage with SSRO compliance (which was not in place for the PFI) and this support might need to continue for the first few months of operation.

6.6 The RT heard of CAPABILITY PLATFORMS that would be deployed overseas during the transition from PFI to INTERIM CONTRACT (i.e. XX XXX) and that this could cause uncertainty as to where reinstatement costs should be attributed. The RT heard that the TLB NAME team was aware of this and are investigating solutions with CONTRACTOR.

Risk: Reinstatement costs for CAPABILITY PLATFORMS deployed during transition (i.e. XX XXX 24) may not be correctly attributed and the different contracts might introduce different rates for this work or, worst case, result in the CAPABILITY PLATFORM on overseas operations being unnecessarily swapped with PLATFORM at transition.

Recommendation 11: that the Programme Director ensure support to DELIVERY TEAM/DELIVERY TEAM in formulating a solution to potential costs incurred during transition, agreeing this approach with CONTRACTOR, and undertaking any funding transfers between PFI and INTERIM CONTRACT as necessary.

ESSENTIAL – by XX XXX 24

7. Capability Sustainment

7.1 While the scope of this Gateway 4 review was limited to TRANCHE XX and the transition to INTERIM CONTRACT, the benefits of the INTERIM CONTRACT will only be fully realised if the capability is secured in the longer term with no gaps. There emerged a clear view from all interviewees that planning for the end of the 3-year contract needed to start now to enable proper collaboration, value for money choices, time for potential new suppliers to engage and begin developing capability, and to avoid future funding being diverted from the wider programme into a continuation of the INTERIM CONTRACT.

7.2 The RT heard a sense of inevitability related to the 3+1+1 INTERIM CONTRACT extension which needs to be guarded against to avoid this becoming a default position rather than an active choice. There was a consistent view that 3 years was insufficient to deliver future CAPABILITY given the very early stages of planning, time required for procurement activities and market preparedness, combined with current resource constraints, and that planning needed to start in earnest now to ensure future CAPABILITY was deliverable within a 4-5 year timeframe. Delivery of future CAPABILITY within 5 years was a key mitigation for both the obsolescence and PLATFORM risks (see risk section) and to ensure enduring operational effectiveness.

7.3 The RT heard a lack of confidence that the market was sufficiently mature to provide some of the more novel technologies (XXXX / XXXX) on the CAPABILITY platform within a 5-year timescale, and that waiting for these technologies risked a capability gap. Stakeholders felt that planning should focus on delivering a core capability with potential improvements to the operating model and system coherence without over-complicating the actual

platform. The RT note that the first step would be to mature the User Requirement and learn lessons from TRANCHE XX by drawing on the breadth of experience available across in service teams, SERVICE and the market.

7.4 The RT heard that whilst an ILR had been produced and is being considered by DELIVERY TEAM, resource availability was a key challenge to this early planning, particularly within TLB NAME, with both capacity and capability challenges to translating requirements into programmes.

Risk: There is a risk that lack of a dedicated team to drive planning and execution of a future CAPABILITY limits the options available and leads to a sub-optimal capability provision beyond the INTERIM CONTRACT and 3+1+1 contract.

Recommendation 12: The SRO should establish a dedicated team to drive planning for future CAPABILITY, utilising the experience and expertise from TLB NAME, SERVICE and the market in a one-team approach to develop the optimal configuration and value for money capability beyond the INTERIM CONTRACT.

CRITICAL – do now

8. Learning from Experience (LFE)

8.1 The RT heard that lessons based on experience from the CAPABILITY PFI contract have formed the basis for some of the new measures incorporated into the INTERIM CONTRACT, including the new KPI XX spares obligation and the obligation on SERVICE to manage a “pay as you go” mechanism for tasking, both of which are designed to incentivise changes in behaviours.

8.2 The RT note that the process of developing the INTERIM CONTRACT has given rise to a number of lessons that should be taken into consideration when developing future contracts, including the XX Future CAPABILITY. These include:

- A need to embed and maintain an open and inclusive project culture that ensures all stakeholders are fully sighted on and able to contribute to debate and decision making. The use of Capability Working Groups (CWGs) is a best practice project governance mechanism designed to facilitate this and ensure the project benefits from timely inputs based on lived experience. Future projects should ensure the use of CWGs from the outset.
- Aligned to the above, future projects should make best use of the breadth of experience available across the widest stakeholder community, including suppliers and international partners.

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- Where new contract measures and terms are introduced, the potential for unexpected and undesirable impacts should be considered and modelled with relevant stakeholders prior to being finalised. This may include desktop exercises to test out deliverability.
- Change Management and the role of Change Manager should be a key consideration from the beginning of all new acquisition activities for both equipment and services.

Acknowledgement

The RT would like to thank the SRO, the XXXXXX Programme Team and all those interviewed for their time, support and openness, which contributed to the RT's understanding of the Project and the outcome of this review.

Our thanks also to XXXXXX, XXXXXX and XXXXXX for supporting us so well throughout the process.

Next Assurance Review

The next assurance review for TRANCHE XX should be a Gate 5 within 12 months of Transition, focusing on performance of contract management and early recognition of benefits. A Gate 0 should be considered for TRANCHE XX to support the mandated information note to TLB INVESTMENT COMMITTEE focusing on progress on determining the way for the successor function.

ANNEX A – DCA Descriptions

From 1 April 2021, the IPA has moved to a 3-tier RAG status (Red, Amber, Green). The Delivery Confidence Assessment (DCA) RAG status should use the definitions below.

Colour	Criteria Description
Green	<p>Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.</p> <p><i>Recommendation: This project is ready to proceed to the next stage.</i></p>
Amber	<p>Successful delivery of the project to time, cost and quality appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.</p> <p><i>Recommendation: This project can proceed to the next stage with conditions, but the programme/project must report back to the IPA and HMT on the satisfaction of each time bound condition within an agreed timeframe.</i></p>
Red	<p>Successful delivery of the project to time, cost and quality appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The project may need re-baselining and/or its overall viability re-assessed.</p> <p><i>Recommendation: This project should not proceed to the next phase until these major issues are managed to an acceptable level of risk and the viability of the project/programme has been re-confirmed.</i></p>

ANNEX B – Bespoke Terms of Reference for Hybrid Review

This is a Gate 4 review. Standard terms of reference will apply.

The SRO has requested a particular focus on:

- Safety Compliance
- Readiness for Transition
- Recruitment and Retention of Staff
- Robustness of Contract Management
- Ageing Fleet and the Approach to Obsolescence

ANNEX C – Project/Programme Background

The aims of the programme / the driving force for the programme / the policy intent the programme is delivering to:	Current capability is being delivered through a PFI due to expire on XX XXX 24. Government policy prevents renewal therefore a new CAPABILITY is sought to deliver CAPABILITY in line with XXXX 22 concurrency requirements.
The impact if the programme fails to deliver e.g. any risks to or any material impact on civilians/citizens:	Defence will be unable to XXXX without contractor support that would not be assured and cannot operate in forward areas of increased risk (tactical area of operations).
Project/programme link to departmental or government strategies or policies:	Links to XXXX 16 (to be replaced by XXXX 22 on release) and to Defence Tasks as well as SERVICE Strategic Objectives.
Projects or programme interdependencies [if applicable]:	Key dependency is with XXX Programme. Others are listed in stakeholder matrix.
Has the SRO's Osmotherly letter (letter of appointment) been approved at the appropriate levels?	Yes.
The procurement / delivery status:	The Project is currently in the delivery phase.
Funding / business case:	Programme has funding allocated for three years and is committed. FBC was endorsed by XX on XX XXX 24, the contract was awarded on XX XXX 24.
Integrated Assurance and Approval Plan (IAAP):	IAAP in place – Dated XX XXX 22.
Project plan:	PMP was created on XX XXX 23. Located on Defence share.

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Current position regarding previous IPA assurance reviews:	<p>Previous Reviews:</p> <p>OGC 1 – XXX 20</p> <p>Hd PfO – XXX 21</p> <p>OGC 2 – XXX 21</p> <p>IPA Gate XX XXX 23 - Cancelled</p> <p>Action plan was drawn up from OGC1. Implementation of each action is listed below in Annex D.</p> <p>A summary of recommendations, progress and status from the previous assurance review can be found in Annex D.</p>
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ANNEX D – Progress against previous assurance review

Gateway 1 (Strategic Assessment), XX-XX XXX 20

Problem or blocker identified	Progress/Status
Recommendation 1(1): The HQ Programme Manager should, by XX XXX 2021, design and implement a programme information architecture that identifies the TRANCHE XX (CAPABILITY) artefacts distinctly from the rest of XXXXXX.	Mandate is currently being refreshed to reflect TR1/2 split and strategy. OBC written for Tr1 only (draft) FCRs submitted for Tr1. <i>Information architecture identifying the CAPABILITY-specific artefacts not seen by the Review Team.</i>
Recommendation 2(1): The HQ Programme Manager should, by XX XXX 2021, update the 2OAs and 3OAs, and the TLB NAME Project Manager should similarly update the 4OAs and cost assumptions.	FCRs for XXXXXX Tr1 have been submitted and returned once implemented 2OAs/3OAs/4OAs will be updated. <i>Ongoing.</i>
Recommendation 2(2): The HQ Programme Director should, before the first EWG on XX XXX 2021, review the SET for the CAPABILITY, ensuring that all evidence requirements are identified along with clear accountabilities and responsibilities for their maintenance (across the DLoDs).	GETSET is continually reviewed and updated as part of routine programme review (fortnightly). <i>GETSET provided in the documentation set to the Review Team.</i>
Recommendation 2(3): The HQ Programme Manager should, by XX XXX 2021, schedule EWGs in XXX and XXX 2021.	Regular fortnightly reviews, scrutiny meetings and programme boards occur. Additional engagement will be conducted prior to OBC through circulation and further meetings.
Recommendation 3(1): The HQ Benefits Manager should, by XX XXX 2021, develop a CAPABILITY-specific	Tr1 Benefits Realisation plan drafted – XX XXX 20.

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Benefits Realization Plan to inform the Assessment Phase.	<i>The Benefits Realisation Plan referred to includes the benefits for the whole programme, not CAPABILITY-specific and does not include any detail on measures/metrics, benefit owners etc.</i>
Recommendation 3(2): Working out from the MDAL, the HQ Programme Manager should, by XX XXX 2021, review all the programme documentation for consistency and place under configuration control.	Programme documentation reviewed regularly to ensure consistency. Version control implemented using HQ SharePoint with Ltd area for archived docs only accessible to key programme staff.
Recommendation 4(1): The Benefits Manager should, by XX XXX 2020, redesign the RIO spreadsheet to include Risk Reference Numbers, the source of the Risk (by DLoD), the Probability (in percentage terms), the Impact (quantified in absolute Cost, Time and Performance terms), the Risk Owners, the detailed Mitigating Action(s), and the Managers for those actions.	<p>Database that is shared between TLB NAME and HQ.</p> <p>The following is maintained on POL by HQ: Equipment: Obsolescence issues. The platform could develop obsolescence issues during the INTERIM CONTRACT. Guaranteed supply of spares. The authority is unable to procure the required spares to maintain an operational CAPABILITY fleet. PLATFORM weight growth. The weight of XXX may surpass the maximum load carrying weight of CAPABILITY, based on XXXX restrictions. Legislation: Non-compliance with future legislation.</p> <p>The following is annotated on ARMs by TLB NAME:</p> <p>Obsolescence: the platform could experience obsolescence issues with parts/equipment and the operational capability of the fleet may be reduced.</p> <p>Personal & technical accommodation: the expiry of current PERSONNEL GFF Accommodation could result in increased costs when providing alternative accommodation, and/or an increase in the number of CAPABILITYs</p>

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	<p>stored in LOCATION could impact readiness and/or maintenance.</p> <p>Safety: the introduction of JSP376 could mean the update/creation of safety artefacts are not received, updated and approved in time for INTERIM CONTRACT causing delays.</p> <p>Completed, all risks are now captured by both SERVICE and TLB NAME and held within a risk register.</p>
<p>Recommendation 5(1): The SRO should, by XX XXX 2021, confirm that the current CAPABILITY user community and contract managers are fully engaged by those designing the future CAPABILITY contract KPIs and Incentivization suite.</p>	<p>Senior Operations Manager now has a standing invite to all Programme Boards and Routine Working Groups.</p> <p>User communities are invited to all CAPABILITY MJPs to ensure they are engaged in the programme.</p>
<p>Recommendation 6(1): The SRO must, immediately, set in train the necessary work to quantify the risk of failure to ensure continuity of the CAPABILITY service and to quantify the cost of mitigating actions for each of the short-listed options.</p>	<p>FCRs have provided cost modelling for the preferred short-listed option.</p> <p>Risk of failing to deliver continuity of capability is articulated in the RIO/POL/ARMS.</p>
<p>Blocker 1: The present SERVICE Operating Model is a blocker to achieving adequate SQEP resourcing of the CAPABILITY PgT. More junior, but nevertheless critical, members of the programme team are posted in without the necessary PPM skills and have no sooner achieved PPM competence 'on the job' than they are posted away. We understand that the SERVICE Operating Model is under review and, following the Levene reforms, a route to professionalization of Capability and Acquisition staff should feature in these deliberations.</p>	<p>APC continue to select the best for the service fit across the whole of the SERVICE. Newly assigned PM is already MSP qualified.</p> <p>SERVICE Operating Model continues to be refined and staffing for XXXXXX following implementation of the decided structure is not yet clear.</p> <p><i>Remains a blocker.</i></p>

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Gateway 2 (Strategic Assessment), XX-XX XXX 21

Problem or blocker identified	Progress/Status
Recommendation 1: Ensure that the AP (commercial) activities and associated resources, including those of supporting functions, are clearly mapped out and agreed, and the implications of any change in resources are escalated.	The TLB INVESTMENT COMMITTEE OBC Out letter approved the AP to continue via competitive procurement in the first instance, before reverting to the Sole Source contract approvals process, if required. The DT tested the market via DPQQ which confirmed sole source route to contract. The DT has followed the sole source approvals process. Completed.
Recommendation 2: Agree and communicate to key stakeholders the plan to OBC including what that entails.	Plan to be briefed on Pg Board 8 to all stakeholders including responsibility for key artefacts. GETSET to be shared at Pg Board 8 Update Stakeholder Management Strategy Completed - Briefed on Prg Bd 8 XX XXX 21.
Recommendation 3: It is recommended that the IO is issued as early as possible, and any delay is recognised as directly impacting on critical path activity.	SRO to confirm TLB NAME will implement interim FCR in time for OBC submission. Completed - FCR Implemented.
Recommendation 4: The SRO should seek to ringfence resources as well as influencing the programme priority with the aim of increasing resourcing and stability.	Continuing high level engagement by SRO on circulation and routine interaction to ensure ringfencing of resource during critical programme phase (running up to OBC). Completed.
Recommendation 5: The SRO should reinforce communication to stakeholders about the changes that have occurred, setting out how the remainder of the programme will be progressed.	Pg Board 8, WGs will update all stakeholders as to changes in the programme that have occurred and future strategy for OBC submission and further work. Completed - Briefed on Prg Bd 8 XX XXX 21

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Recommendation 6: The DT should re-engage with the DLOD leads to ensure timescales and dependencies are agreed and that the feasibility of the fallback plan is fully understood.	TLB NAME Fallback plan has been costed and circulated with DLOD owners and agreed by SRO. Completed.
Recommendation 7: Consider how under adapted governance communication can be improved between the TLB NAME and TLB NAME to ensure greater understanding and alignment in relation to the production of future FCR's.	SERVICE and TLB NAME team are work more closely to formulate FCRs. SERVICE and TLB NAME team to review cost modelling outcome prior to TLB NAME assurance. Pg Mgr to re-draft FCRs for TRANCHE XX. Not applicable to TRANCHE XX.
Recommendation 8: The SRO should ensure that work on the longer-term programme is initiated alongside TRANCHE XX.	SERVICE and TLB NAME to allocate resources appropriately to deliver Tr 1B and Tr 2. Ongoing conversations following Prog Board. Not applicable to TRANCHE XX.
Recommendation 9: Increase the priority of XXXXXX so that additional resources can be secured to underpin the timely delivery of Tranche and a holistic war fighting capability based on MBT.	Post OBC for TRANCHE XX, TRANCHE XX to be appropriately resourced to deliver to OBC. Not applicable to TRANCHE XX.
Recommendation 10: The programme should revise the benefits and develop an improved Benefits Realisation Plan.	Benefits to be reviewed following OBC to ensure all wider benefits are mapped, captured, and understood. Completed, please review Benefits Management Plan.

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XXXX XXXX	XXXX XXXX

ANNEX F – Recommendation Classifications and Priority

There are 13 classifications in the classification set, Review Teams are asked to record the classification reference number of each recommendation as per the table below.

#	Classification	Definition
1	Governance	Recommendations related to the oversight, structure and decision making of a project/ programme. This theme also includes recommendations relating to alignment with pan-government priorities, strategies, and controls.
2	Stakeholder Management	Recommendations related to relationships with all parties with an interest in the outcome of the project/programme, whether internal to the agency, internal to government or external.
3	Programme and Project Management	Recommendations related to all aspects of project, programme and portfolio management, but excludes recommendations on Risk, Issues and Dependency Management (Theme 9) and Resource Management (Theme 10)
4	Change Management & Transition	Recommendations related to the Management of Business Change – all the work required with and in the business and with the customer to make ready for the initiative, in terms of changes to business processes including: business continuity planning, changes to work processes and resourcing, changes to organisational structures and staffing to support transformational or process changes to business delivery to ensure a smooth transition to BAU It does not include Technology Readiness for Service (Theme 12).
5	Financial Planning and Management	Recommendations related to financial planning, organising, directing and controlling of financial activities.
6	Benefits Management & Realisation	Recommendations related to the identification, ownership, measurement and realisation of benefits and dis-benefits. Benefits can be either financial or non-financial.
7	Commercial Strategy & Management	Recommendations related to the end-to-end procurement process including: Procurement strategy and planning, Approaches to the market, Contract negotiation and Contract management.
8	Context, Aim & Scope	Recommendations that are aimed at the clarity of the change to be implemented. It covers alignment to vision, strategy, and policy; the purpose, objectives, justification and description of the change; and the determination of success and the necessary environment to ensure success.
9	Risk, Issues & Dependency Management	Recommendations related to the identification, analysis, impact assessment, response and the on-going review and management of Risks, Issues and Dependencies (i.e. outputs that are required by a project to succeed, but which will be delivered by parties not under the direct control of the project).
10	Resource & Skills Management	Recommendations related to all aspects of the identification, supply, optimisation, prioritisation and maintenance of resources and appropriate skills.

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11	Knowledge Management	Recommendations related to the process of capturing, developing, sharing, and effectively using organizational knowledge. It includes sharing knowledge and experiences or Lessons Learnt.
12	Technology	Recommendations related to all technology issues, including the alignment of the technology solution to the technology and business strategy, the integration of one or more technology solutions, the operational readiness of the solution (including testing of the solution), and all aspects of security relating to the technology solution.
13	Other	To be used only when other classifications do not apply.

Each risk-based recommendation will be recorded as Critical / Essential or Recommended:

- **Critical (Do Now):** To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.
- **Essential (Do By):** To increase the likelihood of a successful outcome the programme/project should take action in the near future. [Note to review teams – whenever possible Essential risk-based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]
- **Recommended:** The programme/project should benefit from the uptake of this recommendation. [Note to review teams – if possible Recommended risk-based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]