

STEPHEN LOVEGROVE



Ministry
of Defence

PERMANENT SECRETARY

MINISTRY OF DEFENCE
FLOOR 5, ZONE D, MAIN BUILDING, WHITEHALL
LONDON SW1A 2HB

Telephone: [REDACTED]

Fax: [REDACTED]

E-mail: [REDACTED]

[REDACTED]

09 May 2019

Meg Hillier MP
Cabinet of the Public Accounts Committee
Sent electronically

Dear Chair,

**FOLLOW UP TO PUBLIC ACCOUNTS COMMITTEE EVIDENCE HEARING ON
SUBMARINE DEFUELING AND DISMANTLING**

During the Public Accounts Committee oral evidence session on 1 May, David Goldstone and Ian Booth undertook to write to the Committee about how the Submarine Delivery Agency (SDA) is assessing the performance of the Submarine Dismantling Project.

In Financial Year 2018-19 there was not an SDA Corporate Key Performance Indicator (KPI) solely for submarine dismantling. Dismantling-related milestones were reported under the corporate KPI covering In-Service Support, which is an aggregation of some 240 milestones.

There were six submarine dismantling programme milestones set for 2018-19, five of which were completed on time. These included milestones relating to completing initial dismantling of SWIFTSURE, commencing initial dismantling of RESOLUTION and concept design work for Stage 2 dismantling.

The one milestone that was missed relates to the Reactor Pressure Vessel Transport Container procurement. The reasons for this delay were addressed during the evidence session. Progress on this will continue to be monitored until completion.

These programme milestones are formally agreed with the Defence Nuclear Organisation (DNO) in the Submarine Acquisition and Support Plan. These are then translated into project level deliverables and plans. There is in place a hierarchical process for reviewing performance against milestones and KPIs, leading ultimately to the monthly SDA Performance Committee, where progress with the delivery of outputs is monitored and guided by the SDA CEO with his customers, DNO and Navy Command. One of the SDA's Non-Executive Directors also sits on the Performance Committee.

We are finalising the KPIs for FY 2019-20 and do not currently propose to include a KPI solely for submarine dismantling, however there are three dismantling Submarine Acquisition and Support Plan milestones; which all are currently on track to be delivered in-year. These relate to the continuation of initial dismantling of RESOLUTION and developing options for Stage 2 dismantling.

With kind regards,

A handwritten signature in blue ink that reads "Stephen Lovegrove". The signature is written in a cursive style with a large initial 'S'.

STEPHEN LOVEGROVE