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23 May 2022

MODNET EVOLVE PROGRAMME UPDATE

Thank you for your letter, dated 4th October 21, requesting an update be provided on the MODNET EVOLVE Programme during the MOD's next appearance before the Committee. At our meeting on 28th February 22 MODNET EVOLVE was not raised, and I am therefore writing to provide you with an update on the Programme's progress since August 21 and how we are dealing with the inherent risk and complexity associated with delivery.

The Programme

The MODNET EVOLVE Programme is one of a series of programmes that has been designed to allow Defence to exit a complex contract delivered by a consortium of private sector companies led by DXC.

The services MODNET Evolve is to provide are as follows:

End User Services – The provision and management of Defence's laptop and desktop estate. This is being delivered via an open market competition, which is currently underway.

Service / Help Desk – The delivery of a substantially upgraded help desk to support Defence's IT landscape. This was delivered in October 21, after an open market competition won by CAPGemini, and has dramatically improved service provision to the 200,000 Defence users. For example, call waiting times have reduced and are now, on average, down to just under 3 mins from 38 mins.

Productivity and Collaboration Service – Provides the management of Defence's cloudbased Office 365 infrastructure combined with the requisite training to exploit the capabilities. These services were insourced to Defence at the end of January 22.

Managed Print – The provision of a service to replace Defence's large estate of printers with a service-based contract which refreshes the printing capability, maintenance service and also provides the consumables (toner etc.).

Future Secret – The delivery of a modernised Secret infrastructure, substantially upgrading the Secret capability for Defence, providing a significant increase in capacity and capability.

The approval to commence the work for this service was received in March 22 and is now underway.

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Delivery Challenges

While considerable progress has been made in delivering the services outlined above, not all have been delivered by the planned date of April 22. There is now a requirement to extend two of the services which were to be replaced.

The End User Services procurement has been delayed principally by technical engineering changes that needed to be completed in partnership with our current supplier (DXC). This was more complex and difficult to do than originally envisaged. Acknowledging lessons learned, we have improved our relationship with DXC and added new skills into both teams to improve effectiveness and teamwork.

The Future Secret programme has been deliberately delayed so that we design and deliver a 'fit for the future solution' for Defence, including specific upgrades to the current service (MODNET Secret). These are being implemented to improve its resilience and to add additional cyber and security protection. This work has been our priority and has required an extension of the existing service to ensure that we maintain a critical Defence capability.

Complexity and Risk

I am sure you will appreciate that delivering on this scale while also exiting legacy arrangements is a complex activity with many dependencies and latent capabilities which are not described in the contract. Defence anticipated that exiting from this contract would be a complex activity, and would entail a significant amount of risk, therefore in late 2020 a dedicated Exit Team was stood up, led by an experienced Programme Director.

The additional steps being taken to improve the management of risk and complexity in this programme and others are:

1. recruitment of a full-time SRO for the programme;
2. a Project and Service Delivery Professionalisation Programme; and,
3. a technical upskilling programme.

I am confident that through the actions outlined above, Defence can successfully deliver the MODNET EVOLVE programme. I hope that this provides a suitable update and please be assured that if the accounting standards are no longer satisfied, I will once again conduct an Accounting Officer's Assessment and provide a summary.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'I.T.' followed by a long vertical stroke.

Laurence Lee CMG

Second Permanent Secretary

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