



Ministry of Defence

JEREMY QUIN MP
MINISTER OF STATE FOR DEFENCE PROCUREMENT

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MSU/4/6/5/1/ap

22nd October 2020

Dear Philip,

AUDIT COMMITTEE: SUSTAINABILITY OF THE MINISTRY OF DEFENCE

I am writing further to the oral evidence session held on 30 June 2020 on the Sustainability of the Ministry of Defence. During the session we undertook to provide an update on the most recent compliance audit of the Project Oriented Environmental Management System (POEMS). You also requested clarification of the position on the environmental statement for HMS PRINCE OF WALES.

I should clarify that the compliance audit is undertaken on the Acquisition Safety and Environmental Management System (ASEMS) as a whole, which includes both POEMS and its safety-focused equivalent, the Project Oriented Safety Management System. Compliance with POEMS is therefore only part of the evidence base that is considered to provide an overall level of assurance. The most recent ASEMS compliance audit, which was undertaken across a selection of Defence Equipment & Support Delivery Teams, reported in June and provided a level of Substantial Assurance across both our safety and environmental management systems.

With reference to POEMS specifically, there continues to be a good level of compliance across teams for completion of environmental cases. Indeed, as you know, the National Audit Office has already recognised our constructive efforts in taking account of environmental factors in defence procurement, and particularly referenced the Department's use of POEMS as a positive example. The most recent figures available from the first quarter of 2020/21 show relatively high completion rates for cases in the Ships (84%), Land (99%) and Strategic Enablers (87%) domains, which broadly reflects the historical position. In the Air domain, there is an improving picture with a latest completion rate of 44%, although resources continue to be prioritised to airworthiness issues, leading to slower progress than in other areas. We continue to address completion of environmental cases as a matter of priority, for example by producing pan-platform environmental cases for groups of similar equipment. While the improvements so far are encouraging, we keep striving to increase our understanding of the environmental impacts of our projects through continued monitoring of POEMS compliance.

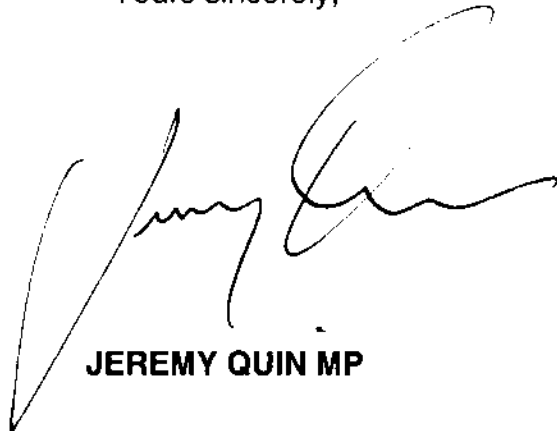
The Rt Hon Philip Dunne MP

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In respect of the environmental statement for HMS PRINCE OF WALES, the assessment to which the NAO report refers was undertaken by Lloyds Register, not the Ministry of Defence. Its purpose was to establish when the construction of HMS PRINCE OF WALES started, as this date is required to enable the issue of a compliance certificate under the International Convention for the Prevention of Pollution from Ships (MARPOL). The regulations lay out revised nitrogen oxide emission standards and set those that apply to ships constructed between 1 January 2000 and 1 January 2011 (Tier I). In the context of the regulations "constructed" is defined as "ships the keels of which are laid or that are at a similar stage of construction".

The concept of a keel-laying is not directly applicable to block-built ships such as the Queen Elizabeth Class aircraft carriers. It was necessary therefore to determine the point at which a "similar state of construction" was reached. Based on evidence provided by BAE Systems, Lloyds Register independently concluded that an appropriate tonnage of the vessel had been constructed before the Tier II implication date of 1 January 2011 and that for the purposes of MARPOL, a notional keel-laying date of September 2009 is appropriate. The date was therefore determined by an independent external body and the Department has adhered to all applicable environmental standards.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Quin', is written over a large, light-colored, stylized mark that resembles a large 'V' or a checkmark.

JEREMY QUIN MP