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MINISTER OF STATE FOR
THE ARMED FORCES

D/Min(AF)BA MC05985/2007/is

April 2008

Dear Caroline

Further to my letter of 13 February I am writing to provide you with a substantive response to your Freedom of Information (FOI) request asking for a copy of the Main Gate Business Case for the Defence Nuclear Weapon Transportation Capability Continuation Project.

You will be aware from my previous letters that it has been necessary to conduct a public interest test on four documents, which has concluded that all of them can be released but redacted under qualified exemptions s24 (National Security), s38 (Health & Safety) and s43 (Commercial Interests) of the FOI Act. Copies are enclosed together with a detailed summary of the public interest test, which I hope you will find helpful.

If you are unhappy with the information I have provided or wish to complain about any aspect of the handling of this request then you should contact me in the first instance. Should you still be dissatisfied, then you may apply for an internal review by contacting the Director of Information Exploitation, 6th Floor, MOD Main Building, Whitehall, SW1A 2HB. Please note that any request for an internal review must be made within two calendar months of the date on which the attempt to reach informal resolution has come to an end.

If you remain unhappy following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate the case until the internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's web site, http://www.informationcommissioner.gov.uk

The Rt Hon Bob Ainsworth MP

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Enclosure

Private Office

[redacted]

ANNEX C to
D/NM/218/1/4/5
Dated 4 May 07

TIMETABLE OF FUTURE MILESTONES

27th Apr 07	Submit Main Gate Business Case to DG SM.
4th May 07	D NM approves Business Case, DG SM concurs.
May – Jun 07	Finalise Contract Negotiations.
30th Jun 07	Place contract with AWE Plc.
01st Jul 09	Initial Operating Capability – Qty 1 complete vehicle (tractor/trailor).
31st Oct 10	Full Operating Capability – Qty 8 complete vehicles (tractor/trailor), plus 1 spare tractor.

[redacted]

Public Interest Test for Release of TCHD Main Gate Business Case

S24 – National Security

For disclosure

- Full release, particularly of the risk register, would provide visibility and re-assurance of the MOD's comprehensive risk management process.

Against disclosure

- Release of specific risk mitigation information could be used to determine a design feature of the nuclear convoy vehicles that could assist in identifying possible methods of attack.

Recommendation

Taken together, specific information in the Affordability Statement and Risk Register could be used to determine and name a specific ballistic risk. As such, redaction is recommended to preserve the safety and security of personnel, the convoy, and the deterrent.

S43 – Commercial Interests

For disclosure

- Release of commercial information would provide evidence that MOD as a public body enters into contracts which are proper and good value for money.

Against disclosure

- Release of the Department's budgets and limit of liability could provide companies tendering for other equipment projects with an unfair advantage over MOD.

- Release of specific contracts provide AWE plc's competitors with commercially sensitive information.

Recommendation

Despite the value of demonstrating transparency of the Department's commercial processes, the recommendation is that information is withheld. This would preserve MOD's position, and that of its commercial partner, both now and in the future.

S38 – Health and Safety

For disclosure

- As the author's initials do seem to have been provided on the front cover of an earlier response (the Initial Gate Business Case), some of this personal information is already in the public domain.

Against disclosure

- The release of such specific personal details will associate the person with the nuclear programme.

Recommendation

The information should be withheld. As the author cannot be identified by the initials released previously, the proposal to redact personal information on the Main Gate Business Case should be considered on its own merits. To release such specific details now could endanger their personal safety.

Annex B to
NM/218/1/4/5
dated 4 May 07

TCHD REPLACEMENT - AFFORDABILITY STATEMENT (All Prices Net of Recoverable VAT @ Outturn Prices)

CDEL Budget

		FY07/08	FY08/09	FY09/10	FY10/11	TOTAL	
	TOTAL CDEL STP07 Budget	[redacted]					
	Commitment Funds:						S43
S24	[redacted]						
	PEV Snatch 2 Replacement	[redacted]					
(a)	**Remaining CDEL Budget**	[redacted]					
(b)	**TCHD(R) Requirement**	[redacted]					
	Additional Options						
S43	[redacted]						
	Subtotal:	[redacted]					
©=(a-b)	**Variation**	[redacted]					
	Uncommitted Funds:						
	SNM Pallet Design & Manufacture	[redacted]					
S24	[redacted]						
	C2 Replacement	[redacted]					
(d)	**Subtotal:**	[redacted]					
(e)=(c-d)	**Total Variation**	[redacted]					
(f)	*Transfer from NW IPT (Pallet Requirement)*	[redacted]					
(g)	*Transfer from NW IPT (HSV Integration)*		[redacted]				
(h)=(e+f+g)	**Funding Surplus (+) Shortfall (-)**	[redacted]					

RISK NUMBER	RISK DESCRIPTION	PROB'Y	IMPACT	COST	PRIORITY	MITIGATION
P7	Risk to TCHD programme if NW Operational Safety Case delayed	2	4	2	8	All stake holders engaged via NSC, TAC & TSC. SJP promulgates OSC production timescales. Agreement in principle wrt fire tender requirement
D7	Risk that replacement TCHD does not fully comply with the SRD.	2	3	2	6	Implement rigorous application of TCHD Repl;acement Acceptance criteria iaw ITEAP
D2	Risk that NWIPT will change the Environmental Definition Document resulting in unplanned TCHD design changes that result in increased cost and programme delay.	1	4	4	4	Formal declaration by NWIPT that no significant changes to the EDD are anticipated for the foreseeable future. NWIPT are key stakeholder in TCHD replacement programme and are fully engaged in the programme
D8	Risk that TCHD trailer maintenance & survey will identify structural defects that require sufficient repair time to adversely impact operational programme.	1	4	3	4	All trailers have undergone a structural survey. Weld cracks have been repaired and further regular surveying instigated
D6	Risk that TCHD trailer maintenance & survey will identify structural defects that require TCHD(S) to be withdrawn from service.	1	3	4	4	All trailers have undergone a structural survey. Weld cracks have been repaired and further regular surveying instigated
D3	Risk that NWIPT & Stray Sys IPT will change NM programme requirements such that DNM cannot deliver.	1	2	4	4	Monitor NM profile and liaise with NW IPT and Strat Sys regarding requirements at quarterly deconfliction meetings
D5	Risk that DDEFSy will change JSP440 postulated threat such that TCHD design changes are required resulting in increased cost and programme delay.	1	3	3	3	[redacted] S24
D1	Risk that UK adopts US redesigned container that requires TCHD design changes resulting in increased cost and programme delay.	1	4	4	4	Formal declaration by NWIPT that no significant changes to the container design are anticipated for the foreseeable future. NWIPT are key stakeholder in TCHD replacement programme and are fully engaged in the programme
D4	Risk that current terminus interface equipment will change before introduction of replacement TCHD resulting in increased cost and programme delay.	1	2	3	3	Interface requirements agreed up to 2016.

PRIORITY:

VLow=1
Low=2
Medium=3 These apply to Probability & Impact
High=4
Vhigh=5

Formula applied which takes the larger value between Impact & cost and then multiplies this value by the probability.
The priority score can vary from 0 to 25. Colour code of 0-10 Green, 11-15 Yellow, 16-20 Amber & 21-25 red.

RISK STATUS:

Rating	Description	Action required
Very Serious Weakness		
(RED)	All mitigation actions or associated tasks are not having the desired effect	Review the appropriateness of the risk response; Terminate, Treat, Transfer or Tolerate
	All mitigation actions or the associated tasks are not being carried out on time	Identify constraints and attempt to remove
	The Risk Impact is imminent	Apply contingency actions
Serious Weakness		
(AMBER)	A significant number of mitigation actions or associated tasks (e.g. >50%) are not having the desired effect	Review the appropriateness of the risk Response; Terminate, Treat, Transfer or Tolerate
	A significant number of mitigation actions or the associated tasks are not being carried out on time	Identify any constraints and attempt to remove
	The Risk Probability/Impact rating has increased	Review the appropriateness of the risk Response; Terminate, Treat, Transfer or Tolerate
Minor Weakness		
(YELLOW)	Some mitigation actions (e.g. <50%) or associated tasks are not having the desired effect	Review the appropriateness of the risk Response; Terminate, Treat, Transfer or Tolerate
	Some mitigation actions or associated tasks are not being carried out on time	Identify any constraints and attempt to remove
	The Risk Probability/Impact rating has stayed the same	Continue to monitor
Satisfactory/ Effective		
(GREEN)	All Mitigation Actions are having the desired effect	Continue to monitor
	All Mitigation Actions are being carried out	Continue to monitor

[redacted]

TRUCK CARGO HEAVY DUTY REPLACEMENT

MINISTRY OF DEFENCE

de&s

SUBMARINES

MAIN GATE BUSINESS CASE

NUCLEAR MOVEMENTS INTEGRATED PROJECT TEAM

Reference: D/NM/218/1/4/5
Issue 3 dated 4 May 2007

[redacted]

[redacted]

MAIN GATE APPROVAL FOR THE TRUCK CARGO HEAVY DUTY REPLACEMENT

ISSUE

1. To seek approval to place a firm price contract with AWE Plc for the replacement of the Nuclear Weapon Load Carrying Vehicle known as the Truck Cargo Heavy Duty (TCHD) Mk2.

TIMING

2. Routine.

RECOMMENDATION

3. D NM is invited to approve the placement of a firm price contract for the supply of 9 new tractors and the refurbishment of the 8 existing trailers at a maximum value of [redacted] (net of recoverable VAT @ Outturn Prices). S43

And to note:

a. The current cost of the project phases, tabulated below: S43

£M Net of Recoverable VAT @ Outturn Prices	Budget	Outturn	Variance
Concept (Resource Cost)	[redacted]	[redacted]	[redacted]
Assessment (Resource Cost)	[redacted]	[redacted]	[redacted]
Dem & Man (Capital Cost)	[redacted]	[redacted]	[redacted]

b. A vehicle ISD of October 2010 at 50% probability – no change from the Review Note Business Case.

c. A transfer of £1.0M has been agreed from the NW IPT to fund the integration of the HSV requirement into the replacement vehicle.

d. The intention to deliver the additional task of Special Nuclear Material (SNM) transportation with the refurbished vehicles procured through this BC for Nuclear Weapons transport. This will obviate the need to purchase replacement High Security Vehicles for the SNM task resulting in an overall saving of [redacted] (ROM)[1]. S43

e. The expected Total Whole Life (CADMID out to 2025) Costs of [redacted] (net of S43 recoverable of VAT @ Outturn Prices) at 50% confidence. This reflects an increase of [redacted] from the figure quoted in the Review Note and is based upon the current S43 contract costs of the Convoy Managed Service (extrapolated from 2014 to 2025) which covers the delivery of a capability and not just support to the vehicle. The previous Review Note figure reflected the proposal at that time to compete the convoy managed service.

f. The contract has taken advantage of AWE funding arrangements to re-profile the CDEL requirement and deliver an affordable programme.

[1] [redacted] S43

[redacted]

[redacted]

REQUIREMENT

4. The current National Strategic Deterrent capability is planned to remain in service until 2025. This project is addressing the same timescales and does not impact any future strategic capability decision. Of critical importance to the support of this capability is the ongoing requirement to transport Nuclear Weapons (NW) within the UK mainland between RNAD Coulport, Scotland, and the Atomic Weapons Establishment (AWE), [redacted]. S24 The transportation of NW is currently undertaken in the Truck Cargo Heavy Duty Mk 2. This is a purpose designed road vehicle incorporating a number of mandated safety and security features[2]. The current TCHD fleet entered service in 1992 with a planned life of 10 years. A first life extension, out to 2007, was granted in 1997 with a second extension, out to 2010, approved in 2004. Extension beyond 2010 is not technically feasible due to component obsolescence. Therefore, although current plans will allow the TCHDs' life to be extended until the end of 2010, they must have been replaced by that time. [3]

5. The TCHD constitutes an integrated "system" that incorporates a number of highly specialised environmental, nuclear security and safety features which are designed to maintain the NW packages within approved parameters. The NWs are packaged in International Atomic Energy Agency (IAEA) design standard approved containers, which are specially secured in the vehicles. The vehicles must interface with the various nuclear licensed and authorised sites that they service. All operations are underwritten by procedures, management arrangements and safety justifications that are regulated under the MoD's Nuclear Weapons Regulatory Programme

6. Nuclear Weapons IPT and StratSys IPT have been engaged at all stages of the programme and have been pivotal in ensuring the requirement is accurate and complete. The requirements of the Mk4A RBA programme have been included.

VEHICLES

6. 7. The 'Do Nothing' option was discounted in the IGBC as the current TCHD's have already been granted two life extensions and if they remain in service past 2010 it has been judged that safety & security criteria will not satisfactorily be met.[4] Refurbishment of the tractor was discounted in the Review Note on cost and feasibility grounds as were the Heavy Equipment Transport (HET) and Future Light Equipment Transport (FLET). The Investment Appraisal by PFG ultimately supported purchase of new tractors and refurbishment of existing trailers. This strategy was approved at the Review Note[5] stage. Vehicle numbers have been derived from a detailed programme analysis covering both NW and SNM programmes[6].

COHERENCE WITH SPECIAL NUCLEAR MATERIAL TRANSPORT

8. A separate requirement exists for the transportation of Special Nuclear Material (SNM). The safety and security requirements for a vehicle performing this task are broadly similar to those for NW. Accordingly the programme for the replacement of the current vehicles (High Security Vehicle – HSV) has been aligned with the TCHD replacement programme such that the TCHD replacement programme will fulfil the SNM transportation task without increase in numbers or significant modification to the design. The requirements for loading SNM into TCHDs will be met by the provision of specialised pallets that will be compatible with both the current and replacement TCHD. Procurement of these pallets is the responsibility of the NW IPT.

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[2] JSP 440 Supp 1
[3] TCHD Life Extension Study – WSA/NM/218/38 dtd Oct 04 ([redacted]) S43
[4] LC/217039/21/9/DDTpt(RAF) dated 28 Oct 97
[5] DG Nuc/14/13 dated 12 Jul 06
[6] DNM/218/1/4 dated 19 Jan 07

[redacted]

[redacted]

SUPPORT STRATEGY

9. The TCHD replacement project will use the current Managed Service contract delivered by AWE Plc. This constitutes a legacy Support Solution and as such does not require a full support solution analysis, however the impact of the new vehicle on the managed service contract has been analysed in order to ensure it still meets the capability need and represents value for money. This analysis indicates that the impact on capability delivery is likely to be insignificant[7]. The projected variation in cost is likely to be neutral, indeed there is potential to realise significant through life savings through the combination of the nuclear weapon managed service with the equivalent service provided for special nuclear material. The potential benefits from rationalisation of nuclear material transportation across the DG SM cluster are being investigated separately by a separate study group led by D NM.

THROUGH LIFE MANAGEMENT

10. DG S&E has worked with NM to develop a whole team approach to TLM. A TLM Strategy and TLM Plan[8] have been drawn up and promulgated throughout the branch. Senior Management has endorsed these documents and a programme of work has been implemented that has brought NM to level 4 maturity.

DESIGN AUTHORITY

11. QinetiQ on behalf of AWE Plc will fulfil the function of Design Authority for the replacement vehicles; this function will form part of the procurement contract.

RISK MANAGEMENT

12. The project risk register has been updated and is detailed at Annex A. These risks are included in the overall NM risk register and are actively managed as part of NM Management Board business, TLM and Risk Management processes, in conjunction with stakeholders. This is detailed in the TCHD Replacement Project Board Terms of Reference[9].

FUNDING - AFFORDABILITY

13. [redacted] S43

ACCEPTANCE

14. The replacement vehicles will be subjected to the formal AMS process for the acceptance into service of new military capability. A Capability Working Group (Acceptance) will be convened early in the programme to effect this procedure, particularly in terms of the delivery of each of the Defence Lines of Development.

PROJECT PROGRAMME

15. A schedule of the current project programme is attached at Annex C.

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[7] [redacted] S43

[8] D/NM/73/2 dated Mar 06

[9] D/NM/218/4/21 dated 15 Feb 07

[redacted]

[redacted]

[redacted] S38

Annexes:

A. Risk Register
B. Affordability Statement
C. Project programme

[redacted]