

## **STRATEGIC WEAPON SYSTEM ACTIVITIES FUTURE DELIVERY OPTIONS**

### **PROJECT (SWSAFDOP) – SPECIAL TEAM BRIEF No. 002/11 24 May 2011**

#### **Introduction**

As part of the Project Communication Strategy, this brief has been developed to supplement the formal briefing given by Naval Base Commander (Clyde) to all Superintendent Weapons staff, in the RNAD Coulport staff restaurant on 24th May 2011.

#### **Background**

Staff will be aware from previous team briefs that NBC Clyde has been developing a Main Gate Business Case (MGBC) to identify a solution which both rejuvenates and sustains the pool of Suitably Qualified and Experienced Personnel (SQEP) in the SWS workforce, whilst examining the benefits of introducing the Re-entry Body Assembly (RBA) Design Authority (DA) into the activities at RNAD Coulport (RNAD (C)) and ensuring the cost effective long-term delivery of safe and secure services in support of Continuous at Sea Deterrence (CASD).

Following a Concept Phase and submission of an Initial Gate Business Case (IGBC), the Investment Appraisal Board (IAB) gave approval for the project to enter an Assessment and Development Phase (A&DP). The A&DP commenced in August 2008 and examined a range of options carried forward at Initial Gate (IG), including both the use of public sector management arrangements, known as the 'Do Better in House' option, and the use of experienced deliverers from within the private sector, namely Atomic Weapon Establishment Plc (AWE), Babcock and Lockheed Martin Strategic Systems (UK) Ltd (LMUKSS), known as the 'Alliance Outsource' option.

During the A&DP, the Alliance Outsource option was evaluated alongside the MoD's Do Better in House option and the existing baseline costs. The Do Better in House Option formed MoD's Value for Money Benchmark (VFMB), developed in accordance with the Business Improvement Policy. Evaluation of the options was carried out in accordance with commercial best practice using multi-disciplined teams of Subject Matter Experts (SMEs), drawn from across the Department.

The twofold evaluation process comprised individual assessments of the Technical, HR and Commercial aspects of the Alliance and VFMB options by the SME teams. The findings of the individual evaluations were then assessed jointly and the Joint Evaluation Report (JER) concluded that the Alliance Outsource option offered the optimum solution. To comply with due process, and to promote transparency the Trade Unions were given access to this report.

The JER is complemented by an Investment Appraisal (IA) developed by the Management Accountancy Service (Army) (MAS(A)) and endorsed by the Defence Analytical Services and Advice – Directorate of Economic Statistics and Advice (DASA-DESA). The deliberations of both of these bodies supported the findings of the JER that the Alliance Outsource option offered the best Value for Money (VfM).

### **Main Gate Business Case Decision (MGBC)**

Following submission of a Category B MGBC, which was considered and endorsed by the Investment Appraisal Board and HM Treasury (HMT), Minister (Defence Equipment, Support and Technology) (Min (DEST)) has concluded that the Alliance Outsource option offers the best VfM and on completion of final negotiations should be adopted and implemented following a period of transition.

### **Implications for Staff**

This decision will involve:

- The transfer of 151 x existing civilian posts to the Alliance at vesting under the Transfer of Undertaking Protection of Employment (TUPE) legal arrangements;
- The retention of 2 x existing civilian posts at vesting in support of a MoD Intelligent Customer (MoD IC) organisation;
- The establishment of 8 x new civilian posts in support of a MoD IC during the transition period;
- The secondment of 39 x service posts to the Alliance at vesting;
- The retention of 1 x service post at vesting in support of MoD IC ;

The impact of this decision on individuals has been notified to them separately through the Post Mapping process, however, for ease of reference, the scope of activities scheduled to transfer at vesting are outlined below.

### **Scope**

The scope of activities scheduled for transfer to the Alliance at vesting includes the following:

- Processing, handling, and storage of RBAs and the Trident D5 Missile within the Trident Special Area;
- Processing and handling of Launcher and Missile Ordnance undertaken within the Small Ordnance Processing and Storage Buildings;
- Dockside Handling Building (DHB) and the Explosive Handling Jetty (EHJ) including RBA and Missile handling activities conducted by OIC SWSB;
- EHJ operations in support of Tactical Weapons Systems (TWS) handling (excluding the activities of the Weapon Handling Party (WHP));
- Processing and storage of Missile Guidance units, maintenance and storage of surface support equipment (SSE) and engineering support to SWS Sub-Systems on operational SSBNs performed by SWSB;
- Radiological Safety, Commodity/Material Management and Nuclear Emergency Response (excluding Emergency Management Planning) both locally and offsite, Documentation Control, General Management and Site Control.

MoD will remain in overall charge, with Naval Base Commander (Clyde) retaining overall responsibility for Nuclear Activities, Explosive Safety Policy, Security and Emergency Management Planning, including retention of the Incident Commander role in response to all contingency scenarios and the role of dual authorisee for the site.

### **Decision Summary**

A summary of the decision reached by Min (DEST) is as follows:

- To enter into a 15 year contract for the delivery of SWS services with an Industrial Alliance consisting of AWE (as the Prime Contractor), Babcock (sub-contractor) and LMUKSS (sub-contractor). The Alliance, will operate under the name of ABL;
- ABL will be managed by a Resident Director who will report to a Governance Board consisting of representatives of AWE, Babcock and LMUKSS. The Resident Director will have a senior management team consisting of the Head of Trident Special Area Operations, Head of SWS Operations, Head of Site Support Operations, Business Manager and a Design Authority representative. This team will manage the staff transferred under the TUPE arrangements;
- MoD will continue to remain in charge of Coulport, with Naval Base Commander (Clyde) (NBC(C)) retaining overall responsibility; NBC(C) will also act as the Intelligent Customer (IC) and principle decider, enabled through the existing arrangements with the Strategic Weapons Project Team (SWPT) as the SWS tasking authority. NBC(C) will exercise this function via Superintendent Weapons (SW) who will remain Coulport's Head of Establishment and will retain the responsibility as lead on the Clyde MoD board for all Weapon activities;
- An Intelligent Customer (IC) organisation, line managed by SW, will be introduced between contract award and the intended vesting of the new arrangements.

### **Transition Phase**

The period between Contract Award, i.e. following completion of initial TU consultation, and Vesting (Contract Start Date) has been defined as the Transition Phase of the project. The strategy for managing transition will be for the existing SWS Project Management Team to co-ordinate in conjunction with the Alliance RD.

During the Transition Phase, expected to last for approximately 6 months from Contract Award, the Alliance will be putting in place their management arrangements and senior team in preparation for a seamless handover of scope at vesting of the new arrangements. Simultaneously, the MoD IC organisation will be established and trained.

It will be important that the incoming Alliance gain an understanding of the operations on site and to do this the RD and his/her Senior Management team, will be recruited and appointed early to allow them to develop their knowledge and experience. This team will be supplemented by an ABL Transition Management Team who will report directly to the RD, thus allowing the RD and Senior Management team to learn the business.

During the Transition Phase the Alliance will have no responsibilities for outputs, nor will they have line management control of the staff expected to TUPE transfer on Vesting Day. Their role is best described as shadowing operations with the aim of developing their knowledge and experience of the activities and disciplines on site.

Staff will TUPE transfer to the companies who comprise the Alliance on Contract Start Date.

### **Authorisation**

Naval Base Commander (Clyde) (NBC(C)) will remain Authorisee and will retain overall control of RNAD Coulport through the creation of an Intelligent Customer organization led by Superintendent Weapons (SW).

Safety is of paramount importance to the operations within the scope of this decision as this encompasses Nuclear Propulsion (NP), Nuclear Weapon (NW) and conventional explosives activities. A fundamental planning assumption is that the MoD will remain Authorised for NP and NW activities. It is incumbent on the MoD to demonstrate control of the Authorised Site which as indicated above, it will do by developing a MoD IC capability under SW. The purpose of the MoD IC, amongst other things, will be to provide a controlling mind and decider to the Alliance provider activities and to demonstrate that whilst the majority of the activities will be delivered under contract the MoD retains the Intelligence and Executive Authority to control and permission nuclear activities.

The family tree of the MoD IC organisation is attached at Annex A for ease of reference. It is intended to fill these positions on completion of the initial consultation period using a mixture of post mapping, post rotation and Job Opportunity Bulletins (JOBs). Full engagement will be maintained with the TU throughout.

### **Schedule**

The implementation schedule, based on current planning assumptions, is outlined below:

- |                               |        |
|-------------------------------|--------|
| • Decision                    | May 11 |
| • Conclude TU Consultation    | Jul 11 |
| • Award Contract              | Aug 11 |
| • Conclude TUPE Consultation  | Nov 11 |
| • Vesting of new arrangements | Feb 12 |

### **Communications**

It is important to keep staff abreast of developments throughout the Transition Phase and over and above the normal TU consultation process the following Communications Strategy will be adopted:

- Workforce briefing announcing Min (DEST) decision (completed 26 May 2011);
- Monthly Team Briefs;
- Special Team Briefs at key decision/milestone points;
- Joint articles for inclusion in Clydewide as considered appropriate.

It is also intended to have monthly engagement with the TUs to discuss progress and any emergent issues of interest or concern. These meetings will be scheduled prior to the release of Team Briefs to ensure they are discussed before their release.

### **MoD Transition Team**

Details of the SWS Project Management Team members who will form the MoD element of the Transition Team are as follows::

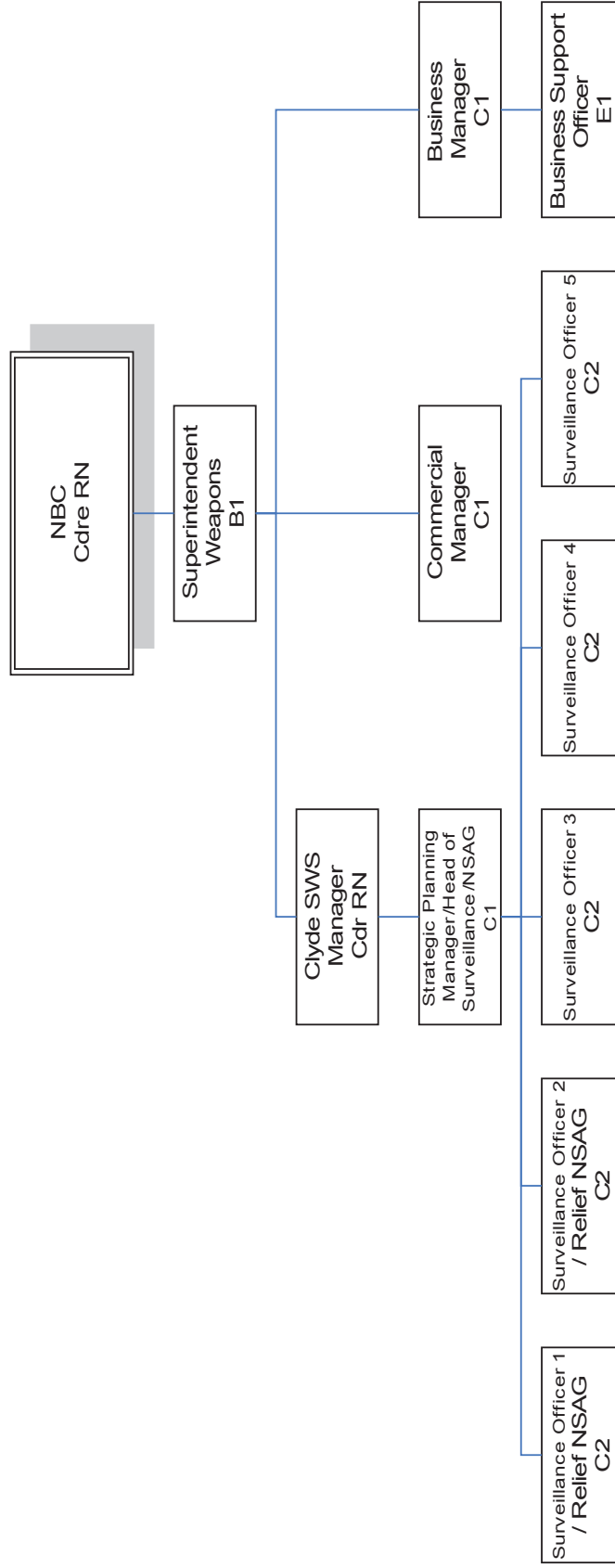
<u>Title</u>	<u>Name</u>	<u>Contact Details</u>
Business Manager		
Commercial Manager		
Engineering Manager		
Administration Manager		

### **Further Information**

Staff who wish to know more about or raise a question relating to the SWSAFDOP, should contact [REDACTED] in writing (Room 205, Bldg 75, RNAD Coulport) or electronically at the following e-mail address [REDACTED]. Staff are also advised that a Project Q&A page has been set up on the RNAD Coulport pages of Clydeweb (follow link below).

[http://defenceintranetds.diiweb.r.mil.uk/sites/polestar/cs/DES/11/2170\\_Copy%20of%20QA%20Register%20dtd%2030%20Sep%2008.xls](http://defenceintranetds.diiweb.r.mil.uk/sites/polestar/cs/DES/11/2170_Copy%20of%20QA%20Register%20dtd%2030%20Sep%2008.xls)

MoD Intelligent Customer (MoD IC) Family Tree





## **Questions and Answers**

### **Q1. Why was a 'future delivery options project' needed? Why is it necessary to change the current arrangements?**

A1. The current arrangements have enabled the effective provision of SWS support in both the past and current climate, but there are clear challenges primarily in relation to sustaining the critical skills which require to be addressed. The need to address these challenges also provides an opportunity to identify means for improving that support;

### **Q2. What has been decided?**

A2. A decision has been reached to outsource elements of SWS support at RNAD Coulport to an alliance of experienced, nuclear compliant contractors, AWE Plc, Babcock and Lockheed Martin Strategic Systems UK.

### **Q3. Are there problems with the work of the current workforce?**

A3. No. The Coulport workforce is highly skilled, highly capable and continues to deliver to the highest standards. The decision to outsource the work in no way reflects on the standards of SWS support delivered by the current workforce. Rather, it is about ensuring that these high standards are maintained and sustained into the future.

### **Q4. How many people work on SWS Support at the moment?**

A4. There are approximately 160 civilian posts currently involved in SWS support, and any transfer of these posts will be considered under TUPE regulations. There is also the possibility of secondment of 40 Royal Naval Service posts.

### **Q5. Is this just to save money?**

A5. No. The purpose of this project is to ensure SWS support at Coulport continues to be delivered in a safe, secure and effective manner into the future. The objective is to improve the means of providing this support; it is not about cutting costs. As with all its activities, the MOD strives to maximise value for money for taxpayers, but saving money is not the express purpose of this work.

### **Q6. Who is the contract with?**

A6. An alliance of experienced, nuclear compliant contractors consisting of AWE Plc as the prime, with Babcock and Lockheed Martin Strategic Systems UK as the strategic sub-contractors. They will be known as ABL.

### **Q7. How long will the contract last for?**

A7. The contract is for 15 years.

### **Q8. Are you consulting with Trade Unions?**

A8. Yes. We have engaged with Trade Unions throughout the project, in line with MOD policy and best practice. The Trade Unions are now engaged in the consultation process.

**Q9. Will the decision affect safety at Coulport?**

A9. No. Safety and security are paramount at RNAD Coulport at all times. Coulport has an excellent safety record and we are committed to maintaining that record. Although the delivery of the output may be vested with the Industrial Alliance of nuclear compliant contractors, MOD will nevertheless form an 'Intelligent Customer' team to manage the contract and monitor performance. The MOD Intelligent Customer will also have an assurance and controlling mind role with regard to all processing, handling and storage activities conducted by the contractors.

**Q10. How will you ensure safety standards are maintained?**

A10. The MoD Intelligent Customer (MoD IC) will have an assurance and controlling role with regard to all processing, handling and storage activities conducted by the contractors. The MoD IC will provide this necessary assurance and ensurance by means of surveillance and audit activities.and through permissioning of key nuclear activities.