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Reference: XXXXXXXXXXXXXXX
Date: 15 June 2005

Dear XXXXXXXXXXX

REQUEST FOR INFORMATION - RFI 071 - RELEASE OF INFORMATION UNDER THE FREEDOM OF INFORMATION ACT 2000

Your correspondence dated 6 April 2005 has been considered to be a request for information in accordance with the Freedom of Information Act 2000.

The D154 Phase 1 and 2 Project concerned the design and construction of facilities for the Long Overhaul Period and Refuelling of Vanguard Class Trident Missile Nuclear Submarines (SSBNs) and the updating to modern standards of the docks for Attack Submarines (SSNs). In December 2001 the contract was renegotiated, this situation is explained in detail in the National Audit Office (NAO) Report of December 2002 which provides broad cost estimates of the project. A relatively small part of Phase 1 and 2, the commissioning of the Primary Circuit Decontamination Facility, is outstanding, therefore the renegotiated contract remains in progress and within the budget.

Part of the information you have requested is exempt under s.43 (Commercial Interests); Phase 3 of D154 concerns the finalisation of upkeep facilities for SSNs. The scope of this project is being developed and therefore the final cost estimates are not yet available.

No formal document updating the NAO Report figures exists, however an update to the NAO figures has been collated and is attached.

If this information does not address your requirements or you wish to complain about any aspect of the handling of this request then you should contact the undersigned 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.

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>

Yours Sincerely
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An NAO audit followed by a PAC Hearing in 2003 (Thirty-Seventh Report of session 2002-2003 "MoD: The Construction of Nuclear Submarine Facilities at Devonport" printed 30 June 2003 refers) was conducted and a set of cost estimates produced within the Report (at Page 7) which set out the estimated costs to MoD and DML of completing the Facilities. These costs are shown below:

	£M	
DML's Upfront Contribution	43	
DML's costs Recharged to MoD over 20 yrs	78	**
MoD's Upfront Payment of DML Costs	727	
MoD's Other Costs	<u>61</u>	
TOTAL	909	
Made up of		
Total MoD Costs	825	
Total DML Costs	84	
** costs were discounted to Apr 02	37	

Since the PAC Report, no formal documentation has been produced to update these figures. Consequently the table below summarises the latest comparable position, at 15th April 2005, by extracting data from project accounts:

	£M	
DML's Upfront Contribution	43	
DML's costs Recharged to MoD over 20 yrs	98	**
MoD's Upfront Payment of DML Costs	704	
MoD's Other Costs	<u>42</u>	
TOTAL	887	
Made up of		
Total MoD Costs	792	
Total DML Costs	95	
** costs discounted to Apr 02	46	using 6% discount rate as per PAC Report