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Army wastes millions on botched IT system

Leaked documents show ability to recruit has suffered

Deborah Haynes Defence Editor

Millions of pounds — equivalent to the annual salary of 1,000 troops — have been wasted by the Army on a botched computer system that has damaged Britain's ability to recruit soldiers.

Leaked Ministry of Defence documents seen by *The Times* expose the scale of the IT fiasco at the heart of the Government's attempt to save money by laying off regular soldiers and hiring reservists.

The Recruitment Partnering Project, a £1.3 billion scheme intended to enable the Army to recruit online by bringing in Capita, the outsourcing giant, is almost two years behind schedule and will not be fully operational until April 2015 at the earliest. Up to £15.5 million

has been spent building the flawed computer system behind the project, but it has gone so badly that Philip Hammond, the Defence Secretary, is considering spending a further £50 million on a new solution.

In addition, £1 million a month will be lost by the MoD until the problem is fixed in an embarrassing failure that has caused recruitment targets for regular soldiers and reservists to be missed, and applications to be lost in the system.

The delay has put in peril Mr Hammond's key goal of boosting the Army Reserve by more than 10,000 troops within four years. It will also put pressure on the Defence Secretary to halt further planned redundancies in the regular Army, due to be announced

this month. A new year message that was sent to soldiers by Major-General Shaun Burley, the Army's personnel policy chief, warned that there would be 10,000 unfilled positions by the middle of next year, even though the Army

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has ultimately to shrink to 82,000 soldiers, its lowest level since the Napoleonic Wars.

Among the criticisms of the IT debacle contained in a confidential report by Gartner, the IT research company are:

● the Army's recruitment wing picked the wrong bidder to build the IT system after failing in 2011 to challenge an MoD policy that favoured the less suitable of two competing offers;

● its project management team was inexperienced and under-resourced;

● when delays started, the Army failed to take charge and implement a viable contingency plan, allowing costs to spiral.

Mr Hammond is being urged to pay another £47.7 million to Capita to build its own IT platform for the programme. This would replace the much-delayed system which is being developed by a consortium of companies selected because of a long-standing IT contract with the MoD. Capita is already being

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MoD wastes millions of pounds on botched IT

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paid £440 million over ten years to run army recruitment in a deal signed in 2012 that was supposed to free up 1,000 soldiers to return to frontline duties and save £300 million. Instead the soldiers have had to return to recruitment posts to handle a backlog of applications until the computer fiasco is fixed.

Despite repeatedly missing targets, Capita is not facing financial penalties because the recruitment programme is not yet at full operating capability, the point at which such a penalty clause would kick in.

A briefing note sent from the MoD's head of finance to Mr Hammond a week before Christmas recommended scrapping the flawed IT system and paying Capita to build its own model.

David Williams wrote: "If the ICT hosting solution is not put in place then the MoD risks not gaining the appropriate number of recruits needed. Given recent criticism of army recruitment ... and the use of reserves, this would lead to further negative media reporting and reputational damage for MoD." Another briefing note earlier in

the month marked "restricted — commercial" revealed that the MoD will incur additional costs of £1 million a month until the IT problem is resolved. A third internal document warned that this sum could be even greater.

The Recruitment Partnering Project "as a whole is delayed, leading to problems with recruiting; costs for sustaining old systems; adverse publicity; and a need to find a new solution", the note, dated December 5, said.

The assessment by Gartner, commissioned last July by the Army and Capita, was damning of the way that the whole programme had been run.

The Army's recruitment wing "underestimated the complexity of what it was trying to achieve and consequently, the skills and resources that would be required to manage the risks", the report said.

An MoD spokeswoman said that the department had acknowledged a number of problems with the Army and Capita recruitment partnership. "Ministers have gripped these problems and put in place a number of fixes to correct the issues that had emerged," she said.

Bungles that meant army recruitment drive missed target

Deborah Haynes Defence Editor

An independent review of a multi-million-pound IT programme that was meant to transform the way the Army recruits soldiers identified a host of failings that created confusion, delay and rising costs to the taxpayer.

The Army's recruitment wing promised on 13 occasions over seven months to deliver an IT platform to enable Capita, the outsourcing giant, to run a new web-based scheme for recruiting. It failed to do so.

The review identified the Army Recruitment and Training Division as the prime culprit behind problems that have plagued the Recruitment Partnering Project, a £1.3 billion, ten-year programme between the MoD and Capita.

It "underestimated the complexity of what it was trying to achieve and consequently, the skills and resources required to manage the risks," the report by Gartner, the information and technology research company, concluded.

The Army's recruitment branch, the Ministry of Defence and the Cabinet Office first discussed making the recruitment of soldiers more web-based four years ago. This would require a "hosting platform" for the software to run off.

Capita, one of two companies bidding for the contract to take charge of recruitment in partnership with the Army, said it could build the platform.

A group of technology and defence companies with a long-running IT contract with the MoD submitted a rival proposal, despite concerns within the Army about its ability to deliver in time.

It is MoD policy to use the Defence Information Infrastructure (DII) provided by the Atlas Consortium for IT issues unless a case can be made to look elsewhere.

The bid from Atlas, which comprises HP, Fujitsu, CGI and Cassidian, was £15 million less than that by Capita, according to Gartner, which was commissioned by the Army and Capita to conduct the review last July. Concern was raised that the Atlas Consortium may not be able to deliver. "However, there was mounting pressure to conclude the procurement process quickly in order to satisfy a 2013 full operating capability date," the report said. "Challenging the DII solution would delay full operating capability or, at worst, force abandonment of the project."

The Army's recruitment wing decided to go with the Atlas solution on September 19, 2011. The Cabinet Office approved it but said that the option must remain to revert to the other bid should the DII platform fail.

Work began on developing the IT platform before it was announced that Capita had won the wider recruitment partnering contract in March 2012. This meant that Atlas and Capita were cautious about sharing information.

Key members of the military procurement team that handled the Capita contract were reassigned or accepted voluntary redundancy, "resulting in the loss of vital skills", Gartner found. It said that the Army "assigned inexperienced resources to key programme management roles", a decision identified as "a key influencer of programme failure".

On August 12, 2012, Capita was allowed to see the hosting platform that Atlas was building — and realised it was not as had been requested. Gartner also revealed that Atlas had no contractual obligation to deliver a hosting solution that met Capita's needs.

Deadlines to deliver the solution to Capita were repeatedly missed, meaning that Capita could not test its web-based plan to reform army recruitment.

In an effort to make things work, Capita agreed to begin developing its side of the online recruitment system at an Atlas data centre without the finished IT platform.

There was no backup facility and a weekend software upgrade by Atlas wiped out eight weeks' worth of development, Gartner said.

The impact of the delays meant that the recruitment programme is still not running at full its capability.