

PRIME MINISTER

NIMROD AEW

A You are to have a meeting with Sir Robin Ibbs on Tuesday to discuss the lessons to be drawn from the Nimrod affair.

You asked Sir Robin to look at the papers and consider three aspects:

- i) the Ministry of Defence's failure to recognise that the Company were not coping with the technical problems;
- ii) the Ministry of Defence's failure to act on delays and problems when monitoring revealed them.
- iii) the nature of the relationship between the Ministry of Defence and the Company.

B Sir Robin Ibbs' minute sets out his preliminary views. He finds a failure both of project definition and of project management. He regards it as remarkable that the technical difficulties took so long to emerge. He is surprised to find that the MOD's Chief Scientific Advisor has the role of being chief advocate for the overall project, rather than chief inquisitor. He sees scope for a much more disciplined approach by the MOD to such projects, with clear effort and time targets set for each stage against which progress can be monitored rigorously. He also finds the relationship between the MOD and GEC cosy and slack and recommends a more hard-nosed commercial relationship with the contractor in similar projects in the future.

You will want to consider with Sir Robin Ibbs how to make sure that the lessons drawn from this affair are properly absorbed in the MOD and reflected in changes in current management practise. One option would be a full scrutiny of the MOD though this should not be necessary since Mr Levene has now

CONFIDENTIAL

been in the saddle for a year and has had time to introduce new methods. Perhaps you might ask Sir Robin to discuss what went wrong with Sir Clive Whitmore, Mr Levene and the Chief Scientific Advisor to MOD and come forward with agreed improvements to procedures going beyond those set out in Mr Younger's minute.

CDP.

CHARLES POWELL

11 May 1986

CJ2AAJ

CONFIDENTIAL

SECRET



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon George Younger TD MP  
 Secretary of State for Defence  
 Ministry of Defence  
 Main Building  
 Whitehall  
 London  
 SW1

*Prime Minister*  
*CDM 7/5*

*mt*

6 May 1986

*Dear George,*

**NIMROD AEW**

Since we reached our decision on the way forward on 12 February, and your subsequent announcement of our position on 26 February, there has been a good deal of press comment. Some of this suggests that you will shortly be receiving tenders from US contractors for the alternative options to GEC. At the same time presumably your officials are in close touch with GEC as work progresses under their 6 month contract.

The contract with GEC expires on 2 September. I am anxious that we should be in a position to take a collective decision on the way forward immediately after that. Any delay could provoke demands from GEC for an extension of the contract, which I am sure we all want to avoid.

At the end of March your officials told mine that a key priority was to firm up on a timetable for the evaluation process and the decision on the way ahead. I am sure that we would all find this helpful if this timetable were to be circulated now. Any information you can give us on progress so far would also of course be very useful.

I am copying this letter to the Prime Minister and to colleagues on OD and to Sir Robert Armstrong.

*Yours ever,*  
*JH*

**JOHN MacGREGOR**

SECRET



file  
CCBG  
M

10 DOWNING STREET

*From the Private Secretary*

**SIR ROBIN IBBS**

I write simply to record, on Mr. Powell's behalf, that the Prime Minister was very grateful for your minute of 24 April about Nimrod and she is looking forward to discussing this with you in May.

BF/

**TIM FLESHER**

25 April 1986

NC

B



CONFIDENTIAL

Prime Minister <sup>cc</sup> ~~da~~ ②

You will want to see these helpful initial comments from Sir Robin Hobbs. We are arranging a meeting with them.

CDP 24/4

Mr. C.D. Powell

NIMROD

I have read the papers you sent me and I am ready to discuss the project with the Prime Minister. It may be helpful if I let you have this brief note of my views which are based on ICI experience of complex technical projects. When considering my views it is as well to bear in mind that I know nothing of the Nimrod project, nor indeed of the organisation and practices in the Ministry of Defence, except what appears in the papers you sent or can be deduced from them.

2. There has obviously been a failure of project definition and project management. The facts in the papers indicate this clearly and the steps now being taken to avoid a recurrence, which are set out in paragraph 4 of the Minute dated 26th March 1986 from George Younger (and which are similar to general recommendations I made last year on control of capital projects) confirm this. However, there appears to be more to it than this.

3. It is remarkable that the technical difficulties which seem to have been the serious feature of the situation took so long to emerge. When the new Conservative Government reviewed the project in mid-1979 it was already about two years since development and production contracts had been placed, plenty of time for much deeper technical assessment than may have been possible when the project started in 1977. The submission on 4th July 1979 by the Chief Scientific Adviser expresses "confidence in the design concept and the competence of the firms involved". Furthermore his submission says little about the strictly technical side of the project but contains much about other aspects. To me it is surprising that rather than giving detached technical advice, the Chief Scientific Adviser should have the role of being chief advocate for the overall project, not setting out options for decision but simply asking that it should be allowed to continue. I wonder whether roles within the Ministry of Defence were seriously confused, at least in this instance.

4. Perhaps even more remarkable is the fact that the steps set out in paragraph 4 of George Younger's Minute appear to do nothing about tackling the failure to spot the technical difficulties. For such a project I would expect a highly disciplined approach from the start to be imposed by Ministry of Defence scientists on the contractor so that all the significant technical hurdles that had to be surmounted were analysed and defined from the beginning, with clear effort and time targets set for each against which progress could be monitored rigorously. It may be that something on these lines is already done. If so there is no evidence of it in these papers and it does not appear to have been effectively pursued.

CONFIDENTIAL



CONFIDENTIAL

5. The relationship between the Ministry of Defence and GEC appears to have been cosy and slack, with substantial faults on both sides, until it changed fairly abruptly. Presumably such relationships, forms of contract, monitoring of progress and timely application of pressure are all things that Peter Levene is addressing.

6. To sum up: Better project management, clarification of the role of Ministry of Defence scientists, the imposition of clear technical targets and rigorous monitoring against these, and a sound hard-nosed commercial relationship with the contractor are the aspects that from my viewpoint need action if the Prime Minister's concerns are to be tackled effectively.

ROBIN IBBS  
24th April 1986.

CONFIDENTIAL



Reference: Procurement  
PE3