



National Audit Office

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FOI-1843 FSS CONTRACT AND NAVANTIA UK

Thank you for your request of 9 July 2025 for information relating to the contract with Navantia UK for the Fleet Solid Support (FSS) contract. You requested information: *"regarding the contract awarded to Navantia UK Ltd on 17 January 2023 by the then-Secretary of State for Defence, Mr Ben Wallace"*. You specifically requested:

1. Audit reports, reviews or evaluations conducted by the NAO relating to the FSS programme, including any planned or completed investigations into the procurement, delivery or oversight of the contract.
2. Assessment or analysis of the Ministry of Defence's procurement practices, specifically in relation to the FSS contract and any considerations involving Navantia UK Ltd or its consortium partners.
3. Any analysis produced by the NAO regarding the economic outcomes of public investment in shipbuilding referring to the FSS programme, Team Resolute, or Navantia UK Ltd.

Having reviewed our records, we have found that we have not conducted any specific reports or analysis relating exclusively to the FSS programme. However, we have examined aspects of the FSS programme as case studies or examples in a number of other reports covering wider issues. We have set out the references from these other reports, together with hyperlinks to the full reports, at **Annex A**.

Our policy is to respond to requests made under the Freedom of Information Act 2000 as helpfully and promptly as possible, having regard to the principles set out in the Act. If you are not happy with this response, you can ask for an internal review within 40 working days by writing to the NAO FOI Team at FOI@nao.org.uk. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: <https://ico.org.uk/foicomplaints>.

Yours sincerely

NAO FOI Team

Annex A: Prior references to Fleet Service Support in NAO reports

[Improving the performance of major equipment contracts](#), 2021

P.25, Figure 4

8% increase in forecast FSS costs before the formal approval point.

P.46, Figure 7

17% of FSS delivery team are temporary contractors

P.51

"A recent review by HM Treasury of how government approaches business cases requires the Department to take account of wider government strategic priorities, when considering whether bids from suppliers will deliver value for money. The competition to build the Fleet Solid Support ship fits with these aspirations. Tender evaluation will include how bidders' proposals will add to UK 'social value', without being prescriptive as to the approach to achieving this. At the same time, the government has also directed that a significant proportion of the build and assembly work be carried out in the UK. Quantified claims of job creation need to take into account wider economic effects, such as the fact that in most cases the highly skilled people involved would find employment elsewhere in the economy. Competition is useful for exposing unrealistic assumptions by the Department. Teams for both the Type 31 frigate and the Fleet Solid Support ship had to rethink their first attempts at a competition, as suppliers did not consider the required level of capability deliverable within the cost parameters set by the Department."

In the absence of competition, the Department carries out comparisons against VFM benchmarks, but this is not an exact science. In two cases we examined – the Skynet 6 military satellite and the Fleet Solid Support programme – the proposed cost was higher than the VFM benchmark. In both cases, the SROs questioned the quality and completeness of the benchmark, for example where benefits are not easily monetised. The Department subsequently approved both business cases (in the latter case, subject to satisfactory completion of negotiations with suppliers)."

P.54

"The assessments for the [...] Fleet Solid Support ships (November 2020) all stated that VFM would be delivered in the future."

P.55

"We also identified some good practice in learning from previous programmes, including how the Challenger 3 tank programme drew from the experience of the Warrior and Ajax armoured vehicle teams around control of the design phase. In addition, the Fleet Solid Support programme is capturing and incorporating LFE from within the Department and 70 external sources, with 25% of lessons resulting in changes to the specification."

P.61, Figure 10

At March 2021 FSS £74m spent of £314m whole life cost.

[Carrier Strike – Preparing for deployment](#) 2020

P.15

"Deploying Carrier Strike will require a significant proportion of the Navy's fleet, requiring it to maintain the availability of destroyers and frigates. Navy Command faces financial pressures over the next 10 years which could impact on availability and is assessing how to address funding shortfalls across the Type 31, Type 26 and Fleet Solid Support ships programmes."

P.33

Figure 10 sets out progress against milestones for FSS, noting slippages even at an early stage of the programme.

P.38

We identified several challenges that could impact on the schedule for delivering Carrier Strike, and ultimately CEPP, including: operating over the next five years with sub-optimal interim support solutions for both Fleet Solid Support ships and Maritime Intra-Theatre Lift.

[The Equipment Plan 2023–2033](#)

P.37

“The Infrastructure and Projects Authority has rated: [...] two equipment programmes as green, which means successful delivery on time, budget and quality appears highly likely. These are Martlet anti-surface guided weapons for use by helicopters against ships, and Fleet Solid Support ships which will provide munitions, supplies and provisions to the Navy.”

[An Overview of the Ministry of Defence for the new Parliament 2023-24](#)

P.14

Sets out RAG ratings given by the then Infrastructure and Projects Authority (collating publicly known information from IPA annual reports).

Fleet Solid Support was Amber from 2017-18 to 2019-20, Amber-Red in 2020-21, Amber in 2021-22 and Green in 2022-23 (it went back to Amber in 2023-24 per the IPA annual report of that year but we did not report that as it was published after our overview - [IPA Annual Report 2023-24.pdf](#))

We undertook exactly the same reporting in the 2021-22 overview: P20 - [Ministry of Defence: Departmental Overview 2021-22](#).