



House of Commons
Defence Committee

**SDSR 2015 and the
Army: Government
Response to the
Committee's Eighth
Report of Session
2016–17**

First Special Report of Session 2017–19

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The Defence Committee

The Defence Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Defence and its associated public bodies.

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First Special Report

The Defence Committee published its Eighth Report of Session 2016–17, entitled [SDSR 2015 and the Army](#) [HC 108] on 29 April 2017. The Government's response was received on 11 July 2017 and is appended to this report.

Appendix: Government Response

The new Government welcomes the House of Commons Defence Committee's report on the 'Strategic Defence and Security Review 2015 and the Army' and the Committee's recognition of the intent set out in it for the structural changes and capital investment required to field a self-sustaining war-fighting division within the Joint Force 2025. The Government remains committed to meeting its NATO commitment of spending at least 2% of GDP on Defence and increasing Defence spending by at least 0.5% more than inflation each year.

The Government's formal response to the Committee's recommendations and conclusions are set out below. The Committee's findings are in bold, with the Government's response in plain text. For ease of reference, paragraph numbering follows that in the "Conclusions and Recommendations" of the Committee's Report.

SDSR 2015: **Headline ambitions for the Army**

1. The 2015 Strategic Defence and Security Review sets out ambitious plans for the British Army, including a reset of its roles, a major reorganisation of its structures and an extensive new equipment programme. The headline ambition of recreating a war-fighting division is of considerable significance in the light of the resurgence of state-based threats. However, this programme of change is accompanied by significant financial risks and challenges for its fulfilment. (Paragraph 18)

As the Committee notes, SDSR 2015 increased the national ambition for Defence, defined by the creation of Joint Force 2025 (JF 2025). The Army's principal contribution to JF 2025 will be a modernised war-fighting division, headlined by a sovereign manoeuvre division which is capable of sustaining itself and able to act as a lead in a multinational framework. The division will be designed to include two Armoured Infantry Brigades and a Strike Brigade but will remain capable of being configured differently if required. The new Government is committed to meeting our NATO pledge to spend at least 2% of GDP on defence until 2022 and increase this spending by at least 0.5% more than inflation every year, and will fully fund JF 2025.

A new war-fighting division

2. We welcome the Ministry of Defence's commitment, set out in SDSR 2015, to recreate a war-fighting division as part of the restructuring of the Army. We agree with General Carter's observation that its delivery is central to the credibility of the Army. It is also a key part of the UK's ability to contribute effectively to NATO's collective deterrence and defence. However, the development of the division is a major increase in ambition when considered in the context of the "best effort" approach of SDSR 2010

for a deployment of smaller forces under Army 2020. Although the programme for the new division is in its infancy, the MoD needs to be alive to the challenges and risks in providing this capability—not least the importance of maintaining the Army's budget. *We therefore recommend that the MoD should provide us with detailed annual reports on progress towards the establishment of the war-fighting division. This should include detailed timelines, regular updates on progress against each planned stage of delivery of the division, and financial statements to demonstrate that the Army's budget is sufficient to enable the proposed timetable to be met.* (Paragraph 28)

SDSR 2015 sets out the vision and timelines for delivery of JF 2025, including the Army contribution of a modernised war-fighting division. The Government is committed to publishing annual updates on its implementation, the first of which was released on 15 December 2016. The new Government is also committed to maintaining the overall size of the Armed Forces, including an Army that is capable of fielding a war-fighting division.

To deliver the commitments in SDSR 2015, the Army is overseeing an all-encompassing modernisation and transformation programme that includes structure, equipment, basing and personnel. The Defence Committee and Parliament were updated on the Army's structural refinements (known as Army 2020 Refine) on 15 December 2016 and further updates will be provided as plans mature.

3. The new war-fighting division will have to operate without the assurance of 'owning' the airspace, when it faces a modern state adversary. This presents MoD and Armed Forces' planners with significant challenges. Whilst we note that air defence is a tri-Service responsibility, led by the RAF, we are greatly concerned about the level of detail and timescale of the plans to provide ground-based air defence for the new war-fighting division. Addressing this vulnerability must be given the highest priority. The MoD has promised to provide us with regular updates on this matter. *In its response to our Report, the department should set out the timetable for the decisions on replacement of both Rapier and the High Velocity Missile systems and by when these replacements will be delivered.* (Paragraph 33)

The Army continues to field ground-based air defence capabilities that can operate within a war-fighting division and in concert with wider air defence delivered by the Royal Air Force and Allies, against a sophisticated state threat. Work to establish the future requirement for ground-based air defence and to identify potential replacement capabilities is in hand. As the Committee has noted, this will be considered as part of the Department's next planning round, Annual Budget Cycle 2018, which begins later this year.

4. We welcome the Government's commitment to deploy UK Armed Forces to NATO's eastern and southern borders as part of NATO's enhanced forward presence. We also welcome the MoD's work to resolve the challenges of deploying across NATO's internal borders. This is a matter that must be kept under constant review, particularly given the re-emergence of potential threats from peer adversaries. In particular, the prospect of retaining some Army basing on the continent should not be ruled out if Russian assertiveness to the east and north continues to intensify. (Paragraph 40)

Part of the Army's work to reconstitute a divisional war-fighting capability is consideration of how quickly the UK can bring it to bear against future potential adversaries. Ongoing work will consider how we most effectively train and project force to deter aggression by working with our Allies in Europe.

5. We welcome the Army's intention to continue training overseas and the Army's reassessment of its training requirements in the light of the increased threat of peer adversary conflict as described in the SDSR. We expect the MoD to update us on the outcome of the Army's assessment of its training requirements. (Paragraph 46)

The Army undertakes a wide range of training activity; including phase 1 and phase 2 training for new recruits, phase 3 training undertaken throughout a career and often linked to progression or the development of additional specialist skills for specific trades, and higher level collective training which forges teams of increasing size, complexity and capability. The Army constantly reviews its training to ensure it remains relevant and represents a good balance of investment, and to ensure we have an appropriately trained force. The current consideration of collective training supports the transformation of the Army's war-fighting division. This will establish a modernised, relevant and sustainable approach to training.

6. We remain concerned about the MoD's lack of data on the costs and spending trends of training investment. As we identified in our previous report on defence expenditure, there is currently no mechanism by which such expenditure and projected future costs can be scrutinised. This is of greater concern given reports of possible reductions in training due to MoD cost pressures. Such reductions could potentially risk the Army's capabilities, particularly those of the new war-fighting division. In its response to our Report, we ask the MoD to provide the projected levels of spending on collective training for the constituent parts of the division for each year until 2025. The response should also include the number of overseas and UK training events cancelled since SDSR 2010. (Paragraph 47)

We note the Committee's request. As previously advised in the Government response to recommendation 5 of the second report of Session 2015–16 (HC 465), the financial information requested by the Committee is presently captured as input costs which cannot easily be converted into training output costs. The Department must also refrain from disclosing the readiness level of individual units to protect operational security.

We are able to advise the Committee that up to the end of the last training year, 73 UK and overseas collective training exercises at battlegroup level and above took place and a further six scheduled to take place were cancelled, as follows:

Training year	Total exercises conducted	Total exercises cancelled
2011	14	1
2012	12	0
2013	11	1
2014	11	2
2015	13	0
2016	12	3
Total	73	6

7. We welcome the Army's development of an Integrated Action doctrine, which should provide the capability to deliver an innovative response to both conventional and non-conventional threats. However we note with concern the Chief of the General Staff's warning that the Army does not have a sufficient number of linguists even though this is a prescribed competence for a company or squadron commander. We also welcome the establishment of 77 Brigade and the integrated nature of its tasks. The challenge for the MoD will be to ensure that it is fully integrated with the other Services, UK Government Departments and UK allies. We expect the MoD to set out how it plans to address this matter and the timescale for doing so. *We ask that the MoD keep us informed of progress in the development of 77 Brigade and other similar units within the Armed Forces as they progress towards becoming fully operational.* (Paragraph 57)

We welcome the Committee's recognition of the Army's development of its Integrated Action doctrine. The Army's requirement for low-level language and cultural capability has matured with the development of the Specialised Infantry Battalion concept. The Army is at present considering what low-level (and higher) language and culture capability is required.

77 Brigade is currently operating at an interim capability and is planned to reach full operating capability in 2019. The Brigade is currently championing the recruitment of General Service Corps Specialist Reserve Officers and Non-Commissioned Officers from commerce, academia and industry. The diverse background of these personnel means that they have many of the specialist skills required to support Defence's information activities and outreach aspirations. Significant progress has been made to integrate the Brigade with the other Services and to strengthen ties with Other Government Departments and partner nations.

More broadly, the Army is adapting the Royal Corps of Signals and the Intelligence Corps to optimise their support to JF 2025, with an increased focus on modern threats such as cyber and information warfare.

8. We are concerned about the lack of detail on how the MoD could regenerate a war-fighting division or reconstitute a greater force in the face of significant strategic challenges. *In its response to our Report, we ask the MoD to confirm when the work to improve the mechanism for tracking, recalling and retraining the Regular Reserve will be completed. We also ask that the MoD set out the timetable for the completion of the work exploring the optimal regeneration and reconstitution framework necessary to deliver a capable second division. We are also concerned that there is no systematic strategy linking these two pieces of work. We therefore recommend that the MoD includes in its promised six-monthly updates on regeneration and reconstitution details on how the Army is fulfilling both ambitions.* (Paragraph 66)

We note the Committee's concern about the Army's ability to regenerate and reconstitute in the face of a major strategic threat. The Army's approach to regeneration and reconstitution is one element of a wider response to a growth in national ambition for Defence. The Army is conducting detailed analysis of how it can most efficiently generate forces to deploy in larger numbers. The Army Reserve continues to grow in both numbers and capability and is a key part of these plans. The project also draws heavily on ongoing efforts to improve the mobilisation process for the Regular Reserve.

Defence engagement and national resilience

9. We welcome the establishment of the new specialised infantry battalions to deliver the MoD's programme for defence engagement and the decision to fund it as a core Defence task. Given the positive influence these activities can have on conflict prevention and stability, it is essential that these tasks are funded sufficiently. However, this should not be at the expense of the Army's, or the other Services, war-fighting capabilities. *In its response to our Report, the MoD should commit to set out, on an annual basis, expenditure on defence engagement tasks (including associated training costs), together with expenditure on collective and individual training for war-fighting operations to enable comparison.* (Paragraph 78)

Defence Engagement (DE) comprises a wide range of activities conducted by all three Services, joint organisations and MoD civilian personnel. Much of this activity will contribute to other Defence objectives as well as to DE. For example, participation in international exercises will contribute both to the development of our own military capability as well as to building relations with Allies and partners. It is not possible, therefore, to separate the cost of DE from other defence activities. The delivery of DE can often enhance war-fighting capability by honing skills, broadening experience and developing interoperability with partner nations. Aspects of DE that can be separately identified and are centrally funded will be included in future MoD Annual Reports and Accounts.

10. We support the MoD's decision to designate national resilience as a core Defence task. However, we seek assurances from the MoD that this task will in no way undermine the primary function of the Army—to succeed in warfare given the manifest constraints on Defence expenditure. *We recommend that the MoD provides us with an annual breakdown of expenditure on national resilience tasks (including associated training costs) together with expenditure on collective and individual training for war-fighting operations to enable comparison.* (Paragraph 83)

UK engagement and homeland resilience has, since the 2010 SDSR, been formally recognised as one of the Army core purposes. Army personnel activated for homeland resilience tasks fall into two broad categories:

- Forces generated for unforeseen homeland resilience tasks at short notice, in support of the civil authorities. They are drawn from contingent forces predominantly held at a sliding scale of readiness to deter potential state-based adversaries and extremist terrorist organisations. Examples of such short notice tasks would include the Army's contribution to security at the 2012 Olympics and during the floods of 2014. In general, the amount of specific training for these forces is limited, relying on the breadth of the Common Military Syllabus, active risk management, the benefits of disciplined, trained bodies of individuals and a strong command, control and leadership framework;
- Forces that the Army specifically trains to deliver a planned and nationally co-ordinated homeland resilience effort, such as a response to a significant terrorist attack on the homeland as happened following the terrorist attacks in Manchester and London in May 2017. Defence policy demands that these forces are held at a specific readiness. These personnel are separate to our war-fighting

capability and it is these troops that receive specific training to underpin our contribution to homeland resilience. Therefore, the resources required to prepare the Army across the breadth of possible contingencies is well balanced between war-fighting overseas and providing security at home, recognising that they are mutually supporting.

Support to national resilience tasks is wide ranging. We cannot identify, specifically, all of the costs incurred as these fall across a great many different budget areas and in many cases are inseparable from those arising from mainstream defence activity. We are nonetheless confident that the costs of training for resilience tasks is a small fraction of the costs of training for war-fighting.

For the responsive, rather than planned, element of Military Aid to the Civil Authorities' tasks, costs are usually recovered on a marginal basis from the requesting Government Department by the Front Line Commands. In 2016–17, the Army reported these costs to be £7.4 million. This compares with a total of £2.6 million recovered in 2015–16.

Army personnel

11. We note the MoD's view that the critical mass required by the Army to deliver a war-fighting division will comprise the overall combined strength of trained Regulars and Reservists. This makes it critically important that the full strength of trained Regulars and Reservists is achieved. If it is not, the credibility of the war-fighting division will be undermined. We also note the Chief of the General Staff's acknowledgement that, at present, the capacity does not exist to replace the full division following its deployment on a one-off intervention. We recommend that the MoD and the Army undertake work to establish the critical mass required for the Army to be able to deploy the war-fighting division on a one-off deployment and to be able to replace it with a capable second division. (Paragraph 89)

The Army has the manpower it needs to meet the operational demands placed upon it and we are committed to our plans to recruit and retain the right mix of Regular and Reserve personnel. Current defence planning assumptions do not envisage a need to replace a division with a second follow-on division. However work is under way across the MoD, including within the Army, to assess what would be required—including from across all types of Reserve forces—to achieve this. This will include consideration of a wide range of scenarios, including a divisional operation that endures beyond nine months that may require the preparation of a second division.

12. There is logic in the MoD's decision to include, in numbers of Trained Strength, Army personnel who have completed Phase 1 Training so that they can be deployed on national resilience tasks. However, we seek assurances from the MoD that the target strengths for Regulars and Reservists set out in the Army 2020 plan—which were based on personnel who had completed Phase 2 training—remain unchanged. (Paragraph 92)

SDSR 2015 set out the need to strengthen the Armed Forces' contribution to UK resilience. To maximise the size of the force available to deliver this task, the Army will plan to use Regular and Reserve Phase 1 trained personnel in response to crises within the UK. We will maintain the overall size of the Armed Forces, including an Army that is capable of fielding a war-fighting division.

13. The target establishment of the trained Regular Army was for 82,000 trained soldiers by 2015. However, despite the fact that this target was lowered from 95,000 in 2012, the strength of the Army remains below 80,000. Although the MoD asserts that the current level of personnel is sufficient for the Army to meet current operational demands, we do not believe this figure is adequate to counter a sudden unexpected threat. The MoD has to address this shortfall. An Army which falls below the already historic low target of 82,000 makes itself dangerously vulnerable to external aggression. (Paragraph 98)

We will maintain the overall size of the Armed Forces, including an Army that is capable of fielding a war-fighting division. The Army has the manpower it needs to meet the operational demands placed upon it and we are committed to our plans to recruit and retain the right mix of Regular and Reserve personnel.

14. We welcome the MoD's acknowledgement that its traditional recruiting grounds are no longer sufficient for the Army's needs and that it must access a wider pool of talent. In its response to our Report, the MoD should set out the progress it is making to achieve its targets for women and Black and Minority Ethnic recruits. (Paragraph 99)

As the Committee is aware, the Government set the Armed Forces targets to achieve 10% Black and Minority Ethnic (BAME) recruits and 15% female recruits by 2020. In response to these targets, the Army has built on its existing efforts to recruit from the widest possible base and put in place a 10-year plan which focuses on increasing engagement, outreach and recruitment of BAME and female personnel through innovative marketing and recruiting activities. Recruitment activity will be supported by inclusive and targeted engagement events that connect the Army with society and build its reputation as an employer of choice. The latest published percentages for Army intake as at 30 April 2017 are 9% BAME and 10.1% Female.

15. We are not convinced by the MoD's assertion that missing its manpower targets for the Army Reserve "would not impact significantly on capability", particularly given the Chief of the General Staff's evidence that the critical mass to deliver a war-fighting division will comprise the total combined strength of Regulars and Reserves. A failure to recruit the necessary numbers of Reservists is not so much a threat to the Army's reputation but a threat to the credibility and competence of the MoD's approach to delivering a revitalised Reserve. The MoD must conduct a review of its recruitment policy to identify the blockages that exist in the system which are hindering the recruitment of sufficient Reservists. (Paragraph 105)

SDSR 2015 changed the Planning Assumptions for the Army Reserve. This places the imperative on a pool of available soldiers, noting that in the event of an operational demand the Army could rapidly complete trade training for Reservists within six weeks

(subject to the 180 days' notice to move). The total strength of the Army Reserve as at 1 March 2017 was 29,870, an increase of 1,300 since 1 March 2016. We expect to increase to around 33,000 by the end of the decade.

We are pleased with the March 2017 Infrastructure and Projects Authority (IPA) assessment of the Army Reserves Development Programme (ARDP). The IPA found the project to be “in good health and an excellent example to the public sector on how to turn around a struggling programme”. The IPA review team also advised that the success of the ARDP should not be solely judged on achieving the fixed Future Reserves 2020 manpower target and set out more effective measurements of success of the programme such as: *Reinforcement of a divisional response; Delivery of a Manned, Useable, Capable and Available Army Reserve; Enhanced flexible resourcing models and Providing reach into UK communities and society.*

16. It is unacceptable that the Recruitment Partnership for the recruitment of both Regulars and Reserves, which was signed in 2012, is still not fully operational and that evidence presented to us pointed to the Recruitment Partnership contract being not fit for purpose. In its response to our Report, the MoD must set out the problems which need to be addressed and the timetable for the delivery of the new ICT systems and for fully-operational status to be achieved. We expect urgent action from the MoD and Capita to resolve the outstanding issues. (Paragraph 108)

We acknowledge that recent performance of the Recruiting Partnering Project (RPP) has been unsatisfactory, notwithstanding the challenges of the current recruiting environment. Capita has been liable for the full financial penalties resulting from its underperformance since the contract performance regime was introduced in 2015.

The Army has completed an extensive Army Recruiting Review of all career streams for both Regulars and Reserves. The central themes were twofold: establish a revised performance regime that not only holds Capita to account, but also incentivises improved performance from a demanding but realistic baseline; and, the delivery of an agreed RPP Improvement Plan that is systematic and measurable. The plan seeks to improve inflow through implementation in four key areas: Attraction Optimisation; Efficiency Optimisation; Policy Optimisation; and Improving Training Success.

This plan is starting to show benefits. Both officer and soldier applications improved over the most recent reporting period (Q3 and Q4 of 16–17) which coincided with the introduction of the Quick Application Form which was introduced for soldiers in September 2016 and officers in December 2016. Applications to join as a Regular soldier have increased by 56% over the corresponding period last year. 193 candidates started the Regular Officer Commissioning Course in January 2017, which was the best enlistment figure for a January intake since 2013.

Delivery of the new ICT system is scheduled for a “Go Live” date of November 2017. Preparatory training is already under way for the new system, which will be internet based.

17. We support the Chief of the General Staff's commitment to changing the culture of the Army through initiatives on employment, talent management and leadership. Successful implementation of these initiatives could provide a structure within which all soldiers can achieve their full potential. However, we recognise that this must not be to the detriment of the Army's ability to undertake its core role of war-fighting. We

note the concerns expressed about cultural resistance within the Army to this agenda, particularly in respect of Flexible Engagement. *In response to our Report, we should like to receive further details on how the Army's various initiatives will dovetail, and how the MoD will ensure that resistance to a changing culture is overcome.* (Paragraph 119)

Maximising Talent is the overarching programme through which Personnel Transformation in the Army is being delivered. Whilst a Defence-led programme, the Flexible Engagement System (and the Armed Forces People Programme more widely) is a key dependency to Maximising Talent and a bill on Flexible Working has now been published. The Army has established the Centre for Army Leadership working, under the Commandant of the Royal Military Academy Sandhurst, with a remit of institutionalising leadership excellence across the Army and ensuring that the Army engages with and embraces current leadership thinking. Directly associated with this is a programme to widen opportunities for all, thereby better reflecting the demands of a modern society. This programme includes promoting a culture of inclusivity in which every Service person is treated with respect and is able to access a range of employment opportunities, including flexible working.

The Flexible Engagement System continues to be considered to be a positive and appropriately contemporary employment system.

18. We support the decision to allow women to undertake ground close combat roles, provided that standards of fighting effectiveness can be maintained. As part of the roll out of this initiative, the Army is revising its training policies and undertaking a review of the physical demands placed on all Army personnel. We believe that these changes can be delivered without diminishing the fighting capability of the Army and other Services. *However, we wish to receive regular updates on the introduction of women in ground close combat roles. These updates should include the outcomes of the scientific research being undertaken into the physical demands placed on all Army personnel.* (Paragraph 122)

Lifting the exclusion of women from undertaking ground close combat roles highlights the Armed Forces' commitment to being a modern employer which is capable of recruiting talent from all elements of society. The Women in Ground Close Combat (WGCC) research team produced the Interim Health Report (IHR) (<https://www.gov.uk/government/publications/women-in-ground-close-combat-roles-review-2016>), which informed the Defence Secretary's decision to open ground close combat roles to women in July 2016. The IHR described the potential health risks to women in physically arduous military roles, proposed immediate mitigations, and identified where further work is required. The programme to develop optimal and legally defensible ground close combat Physical Employment Standards, employing internationally recognised methodology, is on schedule to meet the target date of the end of 2018, with the intention of immediately implementing at that point. Further research into whether women's reproductive health is affected by undertaking arduous roles, and possible sex differences in mental ill health is ongoing, along with work contributing to evidence-based mitigation measures for reducing musculoskeletal injuries and optimising physical training for both men and women. The research programme is due to deliver in 2021 but as results become available they will be exploited through early implementation wherever possible. Concurrently the Army is bringing greater coherence to human science research through the formation of the Army Personnel Research Capability under its Director of Personnel.

Army equipment

19. We welcome the SDSR's commitment to invest in the new AJAX vehicles and in the life extension of the Challenger Mark 2 as well as the upgrades to the Warrior vehicles and the Apache Attack Helicopters. Any reduction in the number of Challenger Mark 2 tanks would be fraught with risk. Therefore, we seek reassurance about the numbers of main battle tanks which will be retained. We believe that the challenge will be for the MoD, the Army and industry to ensure that these projects are delivered on time and within budget. The failure of previous programmes to achieve this must not be repeated. To do so will seriously impair, if not fatally undermine, the Army's ability to deploy the SDSR's envisaged war-fighting division and the new Strike Brigades. (Paragraph 146)

We have achieved a step change in acquisition performance through our reforms over the last few years. Successive reports by the National Audit Office have demonstrated the improvements. The most recent report highlights risks but the new system offers ways of dealing with them. We have a more disciplined interface between the military and the delivery agents and the transformation of Defence Equipment and Support into a world-class acquisition and support organisation continues. The SDSR 2015 committed us to a more adaptive force to meet the range of future threats. This means having the best mix of Challenger 2 tanks and the new Ajax multi-purpose armoured vehicles to deliver the Army's contribution to future threats. We are planning to spend £700 million to extend the Challenger 2 capability out to 2035.

20. It is disturbing that the NAO highlights the fact that SDSR 2015 has added an additional £24.4 billion of new commitments to the MoD's Equipment Plan. This includes the Army's, as yet uncosted, programme for the new Mechanised Infantry Vehicle (MIV). The NAO concluded that these new commitments had "considerably increased cost uncertainty in the Plan" and that the number of "immature cost estimates" had increased and would be in need of future revision. *In response to our Report the MoD must provide a clear statement that all of these programmes are affordable, in each financial year, alongside an assurance that funding for personnel and training will not be used to address shortfalls. The MoD should also set out how the new Mechanised Infantry Vehicle will be funded and the impact it will have on existing projects.* (Paragraph 147)

The Department continuously reviews its planned equipment programme and balance of investment to ensure that all programmes and projects are affordable and deliver best value for money.

The Mechanized Infantry Vehicle (MIV) programme is one part of the wider Army equipment modernisation plan to deliver a war-fighting division and the new Strike capability as part of JF 2025. The MIV Initial Gate Business Case is currently progressing through the Defence approvals process. No announcements will be made before autumn 2017. The Army continues to take a balanced approach to risk in terms of both 'needs' (capability requirements) and 'numbers' (fleet sizes) to ensure that all projects remain affordable within the modernisation programme.

11 July 2017