



House of Commons
Defence Committee

**Beyond 2 per cent:
A preliminary report
on the Modernising
Defence Programme:
Government Response
to the Committee's
Seventh Report**

**Fifteenth 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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Committee staff

Mark Etherton (Clerk), Dr Adam Evans (Second Clerk), Ian Hart, David Nicholas, Eleanor Scarnell, Ian Thomson and Lauren Twort (Committee Specialists), Sarah Williams (Senior Committee Assistant) and Arvind Gunnoo (Committee Assistant).

Contacts

All correspondence should be addressed to the Clerk of the Defence Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5745; the Committee's email address is defcom@parliament.uk. Media inquiries should be addressed to Alex Paterson on 020 7219 1589.

Fifteenth Special Report

On 18 June 2018, the Defence Committee published its Seventh Report of Session 2017–19 [HC 818] *Beyond 2 per cent: A preliminary report on the Modernising Defence Programme*. The response from the Government was received on 19 February 2019. The response is appended to this report.

Appendix: Government Response

The Government welcomes the House of Commons Defence Committee’s report into the Modernising Defence Programme (MDP).

The Defence Secretary launched the Modernising Defence Programme in January 2018 to strengthen and modernise the Armed Forces in the face of a more complex and challenging international security situation. The report ‘Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme’ was published on 18 December 2018, accompanied by an oral statement by the Defence Secretary. The MDP has established a set of policy approaches and capability investments that will help to keep us on track to deliver the right UK Defence for the coming decade.

The Government’s formal response to the Committee’s recommendations and conclusions is set out below. The Committee’s findings are in bold, with the Government’s responses in plain text. For ease of reference, paragraph numbering follows that in the “Conclusions and Recommendations” of the Committee’s report.

Conclusions and recommendations

Introduction

1. We request that the Department should issue its response to this report after the MDP has fully concluded, instead of within the usual two month period, so that the response can directly lay out how the MDP has addressed the observations and suggestions that we have made. (Paragraph 4)

The report into the Modernising Defence Programme (MDP) was published on 18 December 2018, accompanied by an oral statement by the Secretary of State for Defence. Following this, the Government is now issuing its response to the Committee’s report.

The Modernising Defence Programme

2. We expect to be reassured that investment in support and ammunition stocks is sufficient to recover from existing shortages and enable the Department to fulfill the requirements of policy. (Paragraph 25)

In the final MDP report published in December 2018, we clearly outlined our plans to re-prioritise the Defence programme to increase weapon stockpiles and spares. This is a key strand of mobilising the current force to meet today’s and future threats. Full details cannot be released at this level of security classification, but they include the replenishment of munitions used in support of recent counter-Daesh operations in Iraq

and Syria. Moreover, significant investment is being made in new cutting-edge weapons, such as METEOR air-to-air missiles for Typhoon and SPEAR Cap 3 air-to-ground missiles for F-35.

3. The Government was right to initiate the National Security Capability Review in response to the intensifying threats that the country faces. The developing threats from state actors in a new age of strategic inter-state competition—typified by, but not limited to, the threat from a resurgent Russia—reinforce the need for a wide-ranging review. The MDP must now seek to create a force structure which meets this challenge. (Paragraph 28)

The National Security Capability Review (NSCR) found that the threats identified in the Strategic Defence and Security Review 2015 (SDSR15) had become more complex and developed at a faster pace than we had anticipated. The MDP has put Defence on the best footing to be able to meet those threats, establishing a set of policy approaches and capability investments that will help to keep us on track to deliver the right UK Defence for the coming decade. We will now prioritise three broad aims. Firstly, we will mobilise, making more of what we already have to ensure our Armed Forces are best placed to protect our security. Secondly, we will modernise, embracing new technologies and assuring our competitive edge over our adversaries. Finally, we will transform, radically changing the way we do business and staying ahead of emerging threats.

4. Several factors lie behind the financial pressures on the defence budget, such as the heightened level of risk relating to foreign exchange, to which Defence is particularly exposed. Yet, the fundamental problem is that the personnel and equipment requirements of Joint Force 2025 that were laid down the 2015 SDSR were insufficiently funded and consequently are unaffordable under the current settlement. The fact that defence spending is technically growing is no answer, as it is not growing at a rate which will correct the structural deficit in the defence budget over the long term. (Paragraph 29)

We are aware of the risk to affordability and are acting to address this. We are committed to delivering large, complex and technologically challenging Defence programmes to give our military the very best equipment and are investing over £186 billion as part of our Equipment Plan between 2018 and 2028. We are confident that with stringent spend control and oversight we will deliver the Equipment Plan within budget for 2018/19 as we did in 2017/18. We have also taken steps to enable longer term affordability by improving financial management of the Plan: efficiency targets have been consolidated to simplify management of outstanding efficiency targets; a new Executive Agency, the Submarine Delivery Agency, was established to lead on procurement, in-service support and decommissioning of all UK nuclear submarines.

Further to this, the MDP has established a set of policy approaches and capability investments that will help to keep us on track to deliver UK Defence policy over the coming decade. Elements of the work started under the MDP will continue as we work towards the 2019 Spending Review including the wider review of acquisition and the Joint Forces Command Review. The outcomes of the MDP will inform the Spending Review, which is the right moment to consider longer term policy issues.

5. Previous defence reviews have demonstrated that failure to fund commitments properly eventually leads to the re-opening of supposedly settled policy in order to balance the books. This frustrates long-term strategic implementation and reinforces the perception of inherent and intractable financial chaos in Defence. (Paragraph 30)

Often it is essential for us to revisit and revise policy so that we can transform Defence to ensure our Armed Forces are equipped to tackle new and emerging threats. This is true of the MDP, which reaffirms the central elements of our Defence strategy and updates our key policies. Our strategy remains as set out in SDSR15, including plans for Joint Force 2025. We are adapting how we pursue that strategy so that we make the most of the capabilities we already have, modernise a number of key areas, and become better at continuous and timely adaptation. The rigorous analysis conducted as part of the MDP means that we now have a far better understanding of our strengths and where we need to take steps to improve. This is essential work ahead of this year's Spending Review.

6. The force structure that emerges from the MDP must be supported by a robust and sustainable financial settlement, which is not reliant on loose projections and unrealistic so-called efficiency targets to make the numbers add up. While 'efficiency' should always be the aim of any programme of reform, and a constant objective of all Government departments, the practice of using unachievable programmes of 'efficiency' savings to make ends meet in defence reviews must come to an end. Experience has shown that relying on such targets sows the seed of instability in a long-term programme. The readiness to label a cut as an 'efficiency', without any proper analysis of its effect, has devalued the word as a useful term. (Paragraph 31)

The efficiency programme agreed between HM Treasury, Cabinet Office and the Ministry of Defence (MOD) in the 2015 Spending Review targeted £7.8 billion of efficiency savings by 2021. This programme has successfully achieved significant savings for Defence – independent analysis verifies plans for at least £5 billion savings over the period. But we recognise that we need to transform the way we do business to remove bureaucracy, improve our agility and maximise our investment in the frontline. That is what we have been doing – and continue to do – as part of the MDP.

As part of our work to modernise and transform the MOD, we are revising our approach to improving military capabilities and improving efficiency to ensure we focus on delivery of sustainable savings for reinvestment in the front-line. We are focusing on a small number of large scale and long-term strategic transformation initiatives and spending time developing detailed, credible and evidenced business cases for transformation activity. We intend to spend £100m on a variety of initiatives to modernise how we do business in Defence to create the financial headroom to invest in the modernisation of our Armed Forces.

All parts of Defence will need to transform and modernise to meet this ambitious vision, and it will be an ongoing theme in the organisation going forward.

7. The NSCR was originally characterised as a 'refresh' of the 2015 SDSR. However, once the NSCR was established, it soon became apparent that as far as the Defence strand was concerned, major reconfigurations of force structure and reductions in military capability were being considered, across the entirety of the Joint Force, on a

scale that went far beyond a mere ‘refresh’. The lack of clarity from the Government on the level of ambition in the NSCR was one of many factors which added to the perception that it was a closed and opaque exercise. (Paragraph 36)

The National Security Capability Review (NSCR) was launched in support of the ongoing implementation of the NSS and SDSR15. Its aims were clear: to examine the policy and plans which support this implementation, and to help to ensure that the UK’s investment in national security capabilities is as joined-up, effective and efficient as possible, to address the increasing and diverse national security challenges. The Defence strand found that there was more to do in making the MOD sustainably affordable and in modernising the Armed Forces, and this led to the decision to launch the MDP.

8. Despite the scope of the NSCR in terms of reviewing the Joint Force, the ambition to provide more resources to national security was practically imperceptible. It did not become clear until December 2017, almost 6 months after the review had been initiated, that the NSCR would be ‘fiscally neutral’. This was the defining aspect of, and fundamental flaw in the review. It is inexcusable that vital aspects, like this, had to be extracted through parliamentary debates initiated by backbenchers and select committee hearings, rather than from information volunteered by the Government. The information which was revealed was given piecemeal, making it very difficult to gain an understanding of the scope and limitations of the review and its method of analysis. (Paragraph 38)

The NSCR was an important piece of work which helped us to better understand the complex threat picture in which we are operating. The Government was clear from the beginning that the NSCR was not a full SDSR linked to a Spending Review; rather, it was conducted within the existing national security funding envelope, with the 2015 Spending Review remaining the basis of the Government’s spending plans.

9. The work under the Defence strand of the NSCR had to be done within the wider constraint of so-called fiscal neutrality. Thus, there could be no way of applying more resources to address individual threats without reducing provision elsewhere in Defence, whether this ran counter to the conclusions of the strategic analysis or not. This created the perverse situation that reductions in capability were being considered in a review that was initiated because threats were intensifying. The NSCR was, in this sense, wholly resource-led from the outset. The MDP, freed from this constraint, has the potential to be a genuinely strategically-led exercise that can prescribe—and potentially produce—the force structure necessary to meet strategic objectives rather than one that merely fits within straitened financial parameters. Accordingly, we recommend that the MDP should set out a clear ‘menu’ of military requirements, together with an estimate of the cost of each main component listed. The Government, and the country, will then be able to see the scale of what it is necessary to invest in Defence, in order to discharge ‘the first duty of Government’. (Paragraph 39)

SDSR15 and the NSCR were driven by a hard-headed appraisal of our national security objectives, the role we want our country to play, and the risks we face in a rapidly changing world. They balance strategic challenges and fiscal realities, as economic security and national security are two sides of the same coin.

The MDP was a strategically-led review. The MDP statement and report set out a strong plan of the necessary next steps. The rigorous analysis conducted as part of the MDP means that we now have a far better understanding of our strengths and where we need to take steps to improve. This obviously has to take place within a fiscal envelope.

10. We support the separation of the Defence strand from the NSCR and the initiation of the MDP. While we recognise the benefit of a holistic approach to national security policy reviews, Defence represents by far the largest proportion of expenditure on national security and is facing particular challenges which warrant greater consideration than would be possible within the confines of the NSCR. In particular, the ‘fiscal neutrality’ of the NSCR meant that any extra expenditure on any part of national security could lead to corresponding cuts in defence capability. Furthermore, the range and complexity of functions under the supervision of the MoD, and the long-term implications that stem from changes to military capability require a deeper analysis than the NSCR is able to provide. (Paragraph 46)

The Defence strand of the NSCR found that there was more to do in making the MOD sustainably affordable and in modernising the Armed Forces, which led to the Defence Secretary launching the MDP in January 2018. All NSCR projects have worked cross-government, with the MOD contributing to projects other than Defence, and other departments contributing to the Defence project. This whole-of-government approach was taken forward in the defence-led MDP, in implementing the NSCR’s recommendations, and in continued delivery against SDSR commitments.

11. A question remains about the future of the SDSR process of which Defence has previously been an integral part. Although the Defence Secretary has indicated that there are likely to be SDSRs in the future and that a regular pattern of defence and security reviews is important, no firm decisions seem to have been made on the future of the SDSR cycle. The Government should make clear when it expects the next NSS/SDSR will be held and whether Defence will be part of the wider process, or remain separate. (Paragraph 47)

The principle of conducting a Strategic Defence and Security Review (SDSR) at the same time as a Comprehensive Spending Review remains the correct one. However, we are faced with a different set of circumstances both with the shift in the parliamentary cycle with the 2017 election, and having conducted further analysis of National Security capabilities through the NSCR and MDP. The decision on whether to hold a SDSR remains with Ministers but we are clear that the Spending Review will need to consider National Security spend and will be informed by the work that has already been completed.

12. We, along with the Joint Committee on the National Security Strategy, have been critical of the opacity of the NSCR process and the leaks and rumours that such a closed process created. As well as frustrating scrutiny, it generated a great deal of worry and uncertainty among Service personnel and their families. We commend the Department for taking a more open approach in the MDP. (Paragraph 53)

We have sought to keep Parliament updated at significant moments during the MDP, as well as engaging widely throughout the MDP process. The Ministry of Defence ran a public consultation exercise during the MDP, and we have worked throughout with colleagues across Whitehall, with academics, subject matter experts, and allies and partners.

13. That said, we expect the Government to provide opportunities to debate the findings of the MDP when they begin emerging, so that Parliament has an opportunity to influence the process. The Department has indicated that it aims to publish ‘high-level findings’ by the end of June, with a view to the process being fully complete in the autumn. The Government should ensure that Parliament has the opportunity to debate the MDP’s high-level findings before the summer recess, and that there is a continuing dialogue with all key external stakeholders, including international partners, up to the point when the MDP finally concludes. (Paragraph 54)

The Defence Secretary gave a written statement to the House outlining the headline conclusions of the MDP on 19 July 2018, ahead of the summer recess. The Ministry of Defence ran a public consultation exercise during the MDP, offered MP briefings with all Ministers and the Defence Secretary, and has worked throughout with colleagues across Whitehall, with academics, subject matter experts, and allies and partners.

Observations and Expectations

14. We offer our observations on areas within the scope of the MDP that we see as priorities. (Paragraph 56)

The Government welcomes the observations of the Committee on priority areas for the MDP. These are addressed individually below.

15. The most serious maritime issue which has been recognised by Ministers, and in the evidence we have taken, is the need for greater anti-submarine warfare (ASW) capacity. (Paragraph 57)

As the Defence Secretary explained when giving the final update on the MDP to the House on 18 December 2018, we will improve the readiness and availability of a range of key Defence platforms, including attack submarines. We will also be launching new ‘Spearhead’ innovation programmes that will apply cutting-edge technologies to areas including anti-submarine warfare (ASW).

The Royal Navy’s attack submarines are meeting their operational tasking, deploying globally on operations and protecting our national interests. They will continue to do so as the Trafalgar Class submarines are replaced by the new Astute Class.

However, we recognise that there is a need for continued development of our ASW capacity to retain our competitive advantage against adversaries. Our equipment investment plans are informed by a continuous assessment and review of our ASW capabilities. We are spending an additional £33m to improve our anti-submarine warfare capabilities.

The Royal Air Force expects to receive the first P-8A POSEIDON Maritime Patrol Aircraft towards the end of 2019, and the Type 26 frigates will replace the T23 Frigates to provide the Navy’s primary ASW capability.

16. With the Queen Elizabeth-class aircraft carriers shortly coming into service, generation of a carrier group will become a priority task for the Royal Navy. Operating aircraft carriers without the sovereign ability to protect them is complacent at best and potentially dangerous at worst. The UK should be able to sustain this capacity without recourse to other states. (Paragraph 58)

The Queen Elizabeth aircraft carriers offer a mobile sovereign base from which military power can be projected at a time and place of choosing, without reliance on other states, in support of the UK's diverse diplomatic, security and economic interests around the globe. In doing so, the carriers will operate as part of the Maritime Task Group, which will be tailored to meet the required task. While the precise number and mix of vessels deployed would depend on operational circumstances, we will be able to draw from a range of modern and highly capable vessels to support our aircraft carriers, such as the Type 45 destroyers, Type 23 frigates, the Astute Class submarines and in the longer term, Type 26 and Type 31e frigates. We keep all threats under constant review and are confident that our new aircraft carrier is well protected thanks to defensive systems we have invested in as part of our £186 billion Equipment Plan.

17. We have recently reported on the continuing relevance and requirement for amphibious capability, concluding that the disposal of amphibious assault ships—reportedly being considered under the NSCR—was “militarily illiterate”. (Paragraph 59)

In September 2018, the Secretary of State for Defence announced that HMS ALBION and HMS BULWARK would not be taken out of service early, and their out of service dates remain 2033 and 2034 respectively.

In his speech on 11 February 2019 at the Royal United Services Institute (RUSI), the Defence Secretary announced that the Royal Navy are investing through the new Transformation Fund to develop a new Littoral Strike Ship concept. If successful, Defence would then look to dramatically accelerate their delivery. These globally deployable, multi-role vessels would be able to conduct a wide range of operations, from crisis support to war-fighting. The vision for these ships is that they could form part of two Littoral Strike Groups complete with escorts, support vessels and helicopters.

18. Consideration should be given to extending TLAM capability to the surface fleet, ahead of development of the Future Cruise/Anti-Ship Weapon System, which will not be in service until the 2030s. The Harpoon anti-ship missile has also wisely been kept in service beyond 2018, but a decision about its future into the 2020s is still needed. (Paragraph 60)

Type 26 Frigates are being equipped with the Mk41 Strike Length Vertical Launch System, and this would be compatible with Tomahawk Land Attack Missiles (TLAM). We are currently looking at options to provide this capability on Type 26, but in the meantime United Kingdom maritime land attack capability remains ably provided by submarines.

The joint UK-France FC/ASW programme will provide replacements for the Royal Navy's Harpoon and the Royal Air Force's Storm Shadow missiles, as well as France's Exocet and Scalp missiles. In the meantime, the Royal Navy has already extended the service life of Harpoon beyond 2018 and continues to investigate the options for a further extension and an interim capability if required. It is too early to comment on what these might be. A variety of systems contribute to the UK's overall anti-ship capability and will mitigate any period of transition from Harpoon to its successor.

19. The growing ambition which the UK has outside of the Euro-Atlantic area will be a largely maritime-led endeavour. This needs to be backed up with sufficient resources to make a strategically significant contribution to our allies in the region. (Paragraph 61)

The MDP spoke of increasing the points of presence of the Royal Navy around the world. As acknowledged by the Committee, in the last year this includes the opening of the UK Naval Support Facility at Mina Salman port in Bahrain in April, through which we established an enduring, self-sufficient hub to support UK operations in the Gulf, Red Sea and Indian Ocean. In the Pacific, HMS Sutherland, HMS Argyll and HMS Albion have shown the UK's resolve to work with our regional partners in support of peace and security, promoting our interests across the world.

In his speech on 11 February 2019 at RUSI, the Defence Secretary outlined how we plan to enhance the Royal Navy's role in Global Britain.

20. The generation of the warfighting division should continue to be the central aim of the British Army. The target strength of the Regular Army should not be reduced below 82,000 personnel. Further evidence of progress on reconstitution is necessary. (Paragraph 62)

The Government is committed to maintaining the overall size of the Armed Forces, including an Army capable of deploying a warfighting division.

21. The UK needs to take a full role in the NATO and EU initiatives that are underway to address military movement and logistics. Even with the relevant infrastructure and permissions in place, the Army needs to look to its ability to transport personnel and equipment, including armour and heavy weapons. A clear decision on forward basing is needed in the MDP. (Paragraph 63)

NATO remains at the centre of UK Defence policy and the UK Government's unconditional commitment to the ongoing defence of the European continent. As a leader in NATO, the UK Armed Forces are playing a central role across the alliance. This includes in delivering the new NATO Readiness Initiative, which commits the Alliance to having 30 battalions, 30 air squadrons and 30 naval combat vessels ready to use with 30 days by 2020.

As reflected in the MDP, we have taken steps to forward base the Army. The UK's agreement to retain key facilities in Germany, announced in September, will support critical NATO infrastructure, as well as providing the UK Army with a foundation on which to enhance readiness on mainland Europe.

22. There are serious deficiencies in the quantities of armour, armoured vehicles and artillery available to the British Army. (Paragraph 64)

The Army has the equipment it needs to deliver the tasks asked of it. As recognised in SDSR15 and the MDP, the changing strategic environment and evolving threats require modernisation of the Army's equipment programme in support of Joint Force 2025, including armoured vehicles.

The Army is undergoing a number of ambitious equipment modernisation programmes. For example, MOD has committed to buying AJAX armoured fighting vehicles, which will transform the Army's medium armour and advanced intelligence, surveillance,

target acquisition and reconnaissance (ISTAR) capability. We are currently reviewing the findings of the Challenger 2 Main Battle Tanks' Assessment Phase of the Life Extension project, and we are in the demonstration phase of the Warrior Capability sustainment programme which will see substantial improvements to the platform and extend the out of service date from 2025 to beyond 2040.

We will also use the new multi-million-pound Transformation Fund to buy pioneering robotic vehicles. They will reduce the risk to our troops and increase the firepower and agility of our infantry. Other capabilities from the Transformation Fund will be announced in due course.

23. Written evidence has highlighted some of the deficiencies which limit the Army's firepower, citing a lack of vehicle-mounted anti-tank weapons, the potential ineffectiveness of anti-tank weapons to defeat modern active protection systems on enemy armoured vehicles, a lack of precision in tube artillery, the need for modernisation of rocket artillery to improve range and precision, and a lack of selfpropelled artillery, all of which leave the Army, as currently configured, at serious risk of being outgunned by its Russian counterpart. (Paragraph 65)

As technologies and threats are developed and evolve, the Army continually reviews its capability against potential adversaries, testing for gaps and putting resources and mitigations in place as required. Where risks are identified they inform investment decisions and areas for future development.

24. Air defence is a further requirement against state adversaries, and one which we have noted as a deficiency in previous reports. A layered air defence system is a basic requirement in the face of an adversary like Russia and a solution should be found to protect the warfighting division. This is a major weakness in the Army's current Order of Battle and should be addressed as a matter of high priority. (Paragraph 66)

The Government agrees with the Committee that the most effective way to protect the homeland and provide air defence over deployed forces is through a layered approach. This method involves a range of airborne air defence, provided by the RAF's Typhoon force, and ground-based air defence, as well as passive measures such as dispersal of assets and hardening of infrastructure.

We will also continue to work closely with allies to provide a sophisticated, layered, massed and networked system that protects and enables the delivery of decisive effect in support of deployed forces in the land environment.

25. General Carter has underlined the importance of the need for the Army to bring into service its next generation of tactical communications and information system. (Paragraph 67)

A major emphasis of the MDP is that we will modernise so that we can maintain our competitive edge over our adversaries.

The Morpheus programme will deliver the next generation of Tactical Communication and Information Systems to forces operating in a land environment, elements of the Royal Air Force (RAF), and the Royal Navy in the littoral environment. Morpheus will help to deliver improved end-to-end shared situational awareness from soldiers to HQ; increased

bandwidth and a more resilient network, allowing soldiers to get the information they need, when they need it; and open architecture enabling interoperability by design, allowing us to develop and deliver applications in the way soldiers want.

26. We reiterate our view that the MoD’s refusal to disclose cost estimates for the F-35 to Parliament is unacceptable and risks undermining public confidence in the programme. The Department should also use the MDP as an opportunity to make clear whether it remains its policy to buy the intended complement of 138 aircraft and what mix of variants it now envisages purchasing for the remainder. (Paragraph 68)

The Government recognises the importance of transparency on costs of the F-35 programme and the MOD continues to provide frequent updates through answers to Parliamentary Questions.

The Defence Equipment Plan 2018 Financial Summary, published 27 November 2018,¹ gave a revised programme approval figure for the F-35 programme of £8.948 billion, as opposed to the previously announced £9.1 billion. This revision is due to foreign exchange accounting treatment, with £218 million being removed this year. By the end of this financial year, we anticipate seeking approval to spend an additional £750 million of our assigned budget on capability development and upgrades, enhanced reprogramming capability and sustainment. In the past six months, Lockheed Martin confirmed the price of an F-35B as \$115.5 million, which is a significant reduction in cost. The price of our first two aircraft was \$161 million each.

SDSR 15 reaffirmed the UK’s commitment to purchase 138 F-35 Lightning over the course of the programme. The first tranche, comprising 48 aircraft, will be the F-35B. Decisions on the precise details of subsequent tranches and variants will be taken at the relevant time to ensure the most appropriate capability and the best value for money.

27. The intended aircraft and crew provision for the MPA force is too low to fulfil the range of tasks under its responsibility. (Paragraph 69)

Our investment in the P8 Maritime Patrol Aircraft will address an important capability gap in Defence and an investment in the very latest technology. It will fulfil many roles, both nationally and with our allies in NATO and beyond. As the P8 will support the protection of our Continuous at Sea Deterrent, it would not be appropriate to comment in any further detail.

28. The UK has no substantial missile defence capability. The Department should make clear in the MDP its proposed way forward on BMD, including on both radars and potential interceptors, whether in a UK or combined NATO context. In addition, the Department should consider how it will address the need for point defence—including against cruise missiles—at key installations in the UK, not least the principal RAF airbases. (Paragraph 70)

The MOD is funding the SDSR15 commitment for a UK ballistic missile defence (BMD) radar which will enhance the NATO ground-based BMD system that is funded by NATO, with additional voluntary contributions by member nations. Once complete this system will provide protection from Ballistic Missiles from outside the Euro-Atlantic area targeted against NATO, including the UK.

¹ <https://www.gov.uk/government/publications/the-defence-equipment-plan-2018>

29. The Airborne Warning and Control System (AWACS) capability provided by the RAF's E-3D Sentry fleet has been allowed to decline. The full range of available options including (but not confined to) an upgrade of the E-3D Sentry aircraft, should be considered by the RAF to restore its AWACS capability. (Paragraph 71)

The RAF's E-3D Sentry fleet continues to routinely conduct NATO missions and meet the UK's commitment to this key allied capability. However, the combination of an aging aircraft and mission system has constrained the RAF's ability to meet all desired outputs for Sentry. Therefore, in line with the Committee's recommendation, the RAF has conducted an analysis of the full range of available options to sustain the Airborne Warning and Control System (AWACS) capability. This analysis focused on either upgrading the current platform or replacing it with a new solution. Following market analysis and discussions with other potential providers, the Joint Requirements Oversight Committee has agreed that a new-buy would meet the capability requirement and be cost effective. Subject to the MOD and HM Treasury stringent approvals processes, we will ensure that any future capability solution meets the military requirement and represents value-for-money. Any transition between the current platform and the proposed solution will be carefully managed.

30. The ability of aircraft to penetrate sophisticated enemy air defence systems must be addressed. (Paragraph 72)

The Government welcomes the Committee's recommendation. Maintaining the viability and survivability of our platforms and weapons is a key focal point of our capability management processes and will form an enduring commitment over time as threats continue to evolve. A recognition of the deployment and increasing proliferation of highly capable air defence systems is at the forefront of Defence capability planning.

The introduction into service of F-35B Lightning II and the continued investment in Typhoon to maintain its combat effectiveness are both central to addressing the Committee's recommendation. To complement leading edge technology from F-35, Defence will also be investing through the Transformation Fund to develop swarm squadrons of network enabled drones capable of confusing and overwhelming enemy air defences.

These investments, in addition to the reformation of the RAF's Number 11 Group as a Multi-Domain Operations Group, are evidence of our ongoing focus on transforming Defence to meet the complex challenges of the 21st century.

31. The Combat Air Strategy is a valuable opportunity to consider how UK design, development and manufacturing expertise in combat air, from programmes such as Tornado and Typhoon, can continue to contribute to future combat air capability. It is also an opportunity to reduce the reliance on off-the-shelf purchases from overseas when domestic or collaborative alternatives are available. (Paragraph 73)

The Combat Air Strategy, launched on 16 July 2018,² recognised the significant contribution that UK industry has made to combat air programmes such as Tornado, Typhoon and F-35. It committed the UK to consider cost, capability and programme goals alongside strategic national long-term objectives and outcomes such as wider economic prosperity and international influence. This will be achieved by developing the National Value

² <https://www.gov.uk/government/publications/combat-air-strategy-an-ambitious-vision-for-the-future>

Framework laid out in the Strategy to aid decision-making to maximise the overall benefit to the UK, while adhering to the HM Treasury Green Book guidance. This approach will prevent programmes which prioritise sovereign capability requirements at the expense of prosperity and exports; or international partnering at the expense of pace and cost.

32. The MoD's Cyber Vulnerability Investigations programme, is too focused on identifying cyber risks and ... there should be more focus on neutralising them. There is a need for more focus on deployable cyber capabilities. (Paragraph 74)

Cyber remains a top-tier threat to the UK's national security. Our Armed Forces, both in the UK and on operations around the world, require the use of information and communications systems, and our adversaries present a real and rapidly developing threat to these systems. The MOD takes the complex threats posed by cyber-attacks extremely seriously.

In line with SDSR15 commitments we are investing in Cyber Vulnerability Investigations (CVIs), a pioneering approach to root out and mitigate cyber vulnerabilities within our military platforms and wider cyber-dependent systems. This programme helps the MOD better understand the cyber risks posed to us and effective ways to neutralise them.

However, this is only one programme that will address cyber vulnerabilities; others include improving the physical resilience of our networks and upgrading to the latest and most secure operating systems. We are making a very significant additional investment in cyber capabilities. That includes funding to protect our network resilience from online attack.

The MOD's Joint Forces Cyber Group, set up in May 2013, continues to develop new tactics, techniques and plans to deliver deployable military capabilities for confronting high-end threats.

33. There is need for greater investment in electronic warfare (EW) capabilities. (Paragraph 75)

The MoD has recently delivered AIRSEEKER (RIVET JOINT) and SEASEEKER (SHAMAN) into service to provide an Electronic Warfare and Signals Intelligence (EWSI) capability in the Air and Maritime domains respectively. Both capabilities have already seen operational deployment in support of Defence activities. We are investigating the best mix of capabilities that together will deliver the next generation Land EWSI capability.

34. The new challenges in space must be reflected in the next generation of capability. Use of low-cost microsatellites, such as the recently launched Carbonite-2 should also continue to be pursued. (Paragraph 76)

The MDP confirmed the importance of space as a domain, and our aspiration for this domain will be set out in the Defence Strategic Guidance on space. We are assessing how our aspiration in this domain should be reflected in our plans and future programmes.

We are delivering the future Skynet satellite communications programme, which will incorporate technology from the commercial space sector, be inter-operable with allies and meet longer-term requirements and threats. The use of low-cost small satellites to

provide the UK with its own space-based Intelligence Surveillance and Reconnaissance (ISR) capability continues to be part of a detailed capability investigation that follows on from the successful Carbonite-2 concept demonstrator.

Future concept demonstrators that will further exploit the UK's industrial lead in this area are under consideration, to assess the full range of requirements that could be met by such systems in support of our Defence Tasks. While there are likely to be additional opportunities to support the UK space industrial sector, Defence will also need to consider both collaboration and interoperability with allies.

35. The challenge for the Armed Forces is to integrate the principles and capabilities associated with information advantage into existing structures. This development should continue, with close co-operation between the Services and other parts of Government involved in information collection and assessment. The necessary infrastructure will have to be in place to securely transfer, process and analyse large quantities of data that these platforms will collect. (Paragraph 78)

As highlighted in the MDP, we will focus on gaining information advantage as the character of warfare changes. The Department initiated a formal change programme in 2018 to enhance Defence's ability to gain and maintain information advantage. Led by Joint Forces Command, and championed by the Vice Chief of Defence Staff, the programme will ensure coherent development of capabilities across the People, Organisation, Process, and Information themes within Defence, enabled by responsive approaches to equipment capability management. In accordance with its newly published concept note that describes information advantage in the Defence context (JCN 2/18),³ the Department is working closely with other parts of Government to ensure a genuinely fused approach. Within this work is investment to balance the Department's capacity to collect as well as process and analyse information and intelligence.

36. The Department should give serious consideration as part of the MDP to how it might in future retain surplus equipment platforms as a war reserve (as both Russia and the US often do) rather than disposing of them cheaply to other countries or even destroying them altogether. Having war reserves of this kind, can add to the conventional deterrent effect of our Armed Forces. (Paragraph 79)

We accept that the retention of surplus military equipment as a war reserve has a certain attractiveness. We would point out, however, that military equipment is generally withdrawn from service only when it has become obsolete, has reached the end of its useful life, is no longer economical or safe to operate, or when it is otherwise no longer capable of meeting the requirements of our modern Armed Forces. For it to be retained for future use it would need to be kept in a state of preservation, often under environmentally controlled conditions, which can be expensive. Restoring it to a condition in which it is not only militarily useful but is capable of matching modern equipment fielded by potential adversaries would be very difficult, time consuming, very expensive, and in many cases quite impracticable. Moreover, the skills required to operate equipment are very quickly lost once it has been retired. Our policy instead is to ensure that that our servicemen and servicewomen have access to the most modern and effective equipment available when they are engaged on operations. They deserve nothing less.

3 <https://www.gov.uk/government/publications/information-advantage-jcn-218>

37. The above represents our observations on the areas of capability we would expect to be addressed in the MDP. We ask that each section above is individually addressed by the Department in its response at the conclusion of the MDP. (Paragraph 80)

The Government thanks the Committee for its observations and has responded to each point individually above.

38. Trained manpower is a constituent of military capability. Even at historically low levels of establishment, the Armed Forces are struggling to meet their recruitment targets. The reasons for this are diverse, and are not exclusive to the UK. It is clear, though, that negative perceptions of shrinking mass, capability and role of the Armed Forces do nothing to maintain—let alone improve—recruitment and retention. The MDP gives the Government an opportunity to reverse the perception of decline and present a career in the Armed Forces as a purposeful and dynamic professional choice. (Paragraph 85)

We recognise the importance of public perceptions of the Armed Forces to improving recruitment and retention in the future. Independent research shows that 63% of the public describe themselves as favourable to the Armed Forces and 73% agree the UK needs strong Armed Forces. In common with many employers, Defence faces significant recruitment and retention challenges, particularly for key skills, but the Armed Forces offers uniquely dynamic and purposeful career opportunities for individuals across UK society. The Royal Navy, Army and RAF recruitment marketing campaigns are specifically designed to portray the Armed Forces in a positive light by highlighting the many benefits of a military career, including offering roles which make a difference, and which are supported by world class training and self-development linked to professional accreditation (from apprenticeships, to degrees and beyond). The Armed Forces continue to be the nations' largest apprenticeship provider with some 10,000 a year and a source of vital skills to the wider economy post Service.

The Royal Navy, Army and RAF have active engagement programmes across society to increase awareness and understanding of their roles and the career opportunities available. These include: Armed Forces' Day, the cadet organisations and support to community events, schools and colleges. We also work with TV programme makers to give a more detailed 'behind the scenes' look at military life; topical examples include the Channel 5 documentaries; 'Warship: Life at Sea', 'Raw Recruits: Squaddies at 16' and 'The Red Arrows: Kings of the Skies' and the ITV series, 'The Paras: Men of War'. We continue to attract high volumes of applicants for the Armed Forces and continue to broaden, not lower, our criteria to allow individuals the opportunity to join whilst ensuring they can meet the demands and enjoy the benefits of Service careers.

39. The repeated failures of Capita have affected recruitment across all three Services, and have done particularly serious damage to Army recruitment. If the service provided does not significantly improve very soon, the Department should implement its contingency plans and take recruitment back into its own hands. The Department's attitude on this issue, of hoping year on year, rather like Mr Micawber, that something will turn up, is simply no longer credible or acceptable. (Paragraph 86)

The Army has reset its relationship with Capita and has several initiatives under way to deliver improvements in 2019. It will take time for these to result in increases to trained

strength, but the Army expects Capita to be achieving its targets before the end of the contract. Early indications are good with applications at a 5-year high and a very positive response to the latest Army recruitment campaigns. The Recruitment Partnering Project (RPP) with Capita is also expected to deliver c£180 million in benefits, including the release of military personnel into other roles within the Army.

Consistent with Defence's routine approach to outsourcing activities, the Army maintains a contingency plan for RPP. At regular intervals the options available are re-evaluated against Capita's performance in terms of stepping in, termination or remaining with them as the service provider. The Defence Secretary has made clear that if Capita is not the right partner going forward, then he is prepared to bring recruitment in house if that is what is required.

40. However, even if there were no issues involving particular firms, a more fundamental task would still remain. In addition to improving significantly the efficiency of its recruitment process, the Department must provide evidence that the offer to service personnel is sufficient both to recruit and retain. (Paragraph 87)

We fully recognise the recruitment and retention challenge the Armed Forces face and are working to address the shortfalls. However, it should be recognised that the Armed Forces trained strength remains above 90% of the requirement for all three Services and, most importantly, we continue to meet all our operational commitments.

We continue to modernise the offer and are progressing a substantial workforce change programme which includes: increased flexibility to work part-time or with a reduced deployment commitment; targeted financial incentives for recruitment and retention; further improvements to the recruitment process; a new approach to accommodation; opportunities to join in more senior roles (lateral entry); greater encouragement of re-joiners; inter-Service transfers in critical skills areas, and easier interchange with industry through the Enterprise Approach.

We continually monitor the effectiveness of our offer to recruit and retain Armed Forces' personnel and are advised on the remunerative aspects of the offer by the independent Armed Forces' Pay Review Body (AFPRB) and Senior Salaries Review Body (SSRB). Research shows pay remains outside the top 10 influencers for those joining the Armed Forces, but we offer targeted 'Golden Hellos' to aid recruitment to specific cadres including submariners and engineering officers, and to incentivise applicants to become military nurses and medical officers. Research on the impact of pay on Armed Forces' retention indicates that whilst pay is increasingly cited amongst intentions to leave this is not repeated in reasons for actually leaving. We look to address specific retention issues by offering a range of financial incentives and monitor their impact closely in conjunction with the AFPRB to ensure that they remain effective. Satisfaction with allowances has been gradually increasing since 2011 and in 2018 some 45% of full time personnel were satisfied or very satisfied with their allowances.

Ensuring individuals are well informed about all elements of the offer, both before they join and during service, is crucially important and an area we are seeking to improve. As such we are improving our internal communications on pensions and are shortly to introduce a specific "my benefits" app available to all Service Personnel.

41. The continuing pursuit of former and serving personnel in the course of investigations relating to historic allegations is an outrageous injustice to the personnel concerned. We will continue to put pressure on the Government to bring an end to this as a matter of urgency. The powerful and ongoing disincentive this provides to anyone considering a military career is one of the compelling reasons why the Government should do so. We unequivocally condemn the Government's backsliding on its firm commitment, when responding to our report on 'lawfare' against Northern Ireland veterans, to include the option of a Statute of Limitations in its current consultation on so-called 'legacy issues'. (Paragraph 88)

The Government recognises that we all owe a vast debt of gratitude to the heroism and bravery of the soldiers and police officers who upheld the rule of law in Northern Ireland and were themselves accountable to it. We welcome the Committee's ongoing interest in the legal protection of veterans, which the Ministry of Defence is taking extremely seriously.

The public consultation on Addressing the Legacy of Northern Ireland's Past has recently concluded. Although this did not include a specific question on introducing a Statute of Limitations, it did ask respondents for their views on any alternative proposals. The Government will set out the way forward in due course, once full consideration has been given to the 17,000 responses that were received. The MOD is engaging fully with the Northern Ireland Office and Attorney General to ensure that the rights and interests of former security force personnel are appropriately protected within that process.

42. Accordingly, we have just announced a further and wider inquiry into the pursuit of UK veterans many years after the conflicts in which they were engaged have come to an end. We intend to hold Ministers firmly to account for the fate of our veterans facing legal persecution, long after the event and in the absence of new evidence. Ministers must honour their obligation to our Service veterans. (Paragraph 89)

We fully recognise and understand the strength of feeling that current and former members of the Armed Forces should have enhanced legal protections against prosecution in relation to all historic operations. That is why the Defence Secretary has set up a team within the MOD to examine all the options for how we might do that. This work is in progress, and officials are consulting with colleagues across Government on how to take this forward. We welcome the Committee's inquiry and the additional focus it will add to this important work.

43. It is important for the Department to demonstrate through the MDP that it will be a responsible owner of any new financial settlement that emerges, and it should be commended for incorporating a review of its own practices and relationships with industry into the MDP. We have received a number of detailed submissions from defence industry representatives highlighting some specific recommendations which the Department should consider, to improve its approach in these areas, and we expect them to be considered. (Paragraph 95)

We are committed to delivering large, complex and technologically challenging defence programmes to give our military the very best equipment through the Equipment Plan. We are aware of the financial risks associated with the programme. During the 2017/18 financial planning process, we worked closely with HM Treasury to ensure that budget

holders received sufficient funding to deliver their plans in 2018/19. We are confident that with stringent spend control and oversight we will deliver the Equipment Plan within budget for 2018/19 as we did in 2017/18. The aim of the Modernising Defence Programme is to deliver better military capability while making sure that defence is sustainable and affordable.

As noted by the Committee, the MDP included an acquisition strand, examining Defence's own practices. In re-examining its approach, the MOD has sought views from across the acquisition community, both inside the Department and from industry, as to what is working, and what is not. This has highlighted that we need to tailor our approaches to better reflect what we are buying and the risk and complexity associated with it.

We will be drawing on the representations from industry given to the Committee as we go forward. We welcome industry's continued engagement across a range of subjects, including areas highlighted by the HCDC, such as encouraging small and medium sized enterprises from adjacent sectors of the economy into the Defence Sector. We do this through a number of fora including the Defence Suppliers Forum.

44. The challenge for the Department, which has re-examined its commercial and procurement approach to these matters on several occasions over the past 20 years, is to demonstrate how what emerges from the MDP is distinct from the succession of new policies, strategies, reports and 'refreshes' which have previously been produced. There have been many successes and innovative reforms during this period, but there are clearly a number of pervasive issues which continue to exist. The Department needs to demonstrate that it understands what has gone wrong and how the lessons learned will form the basis of its future policy. (Paragraph 96)

The Government acknowledges the challenge of turning its diagnosis of the issues that impact the acquisition of capability into practical changes which drive improvements in its delivery. Many of the changes made as a result of previous reviews have had a positive impact, but these are still embedding, and further changes are now required if we are to be agile and adaptable in exploiting the technology which will be key to delivering battle-winning capability to the front line. In re-examining its approach, the MOD has sought views from across the acquisition community, both inside the Department and from industry, as to what is working, and what is not. This has highlighted that we need to tailor our approaches to better reflect what we are buying and the risk and complexity associated with it.

Implementing this change will require changes to process, skills and behaviours. Industry has a key part to play in working with us to embed these future changes. Our work to reform the Defence Suppliers Forum will enable us to have a better conversation between Defence and industry, including with Small and Medium Enterprises and non-traditional suppliers. We are also strengthening our approach to supplier management. In implementing changes to our acquisition approach, we will adopt a "test and refine" strategy, applying them in selected programmes to ensure that we have a robust plan for their implementation across the Department that reflects good practice both within Defence, and across industry. This programme of improvements will have senior level ownership and oversight within the Department.

45. NATO remains the cornerstone of the UK's defence policy and the conclusions which emerge from the MDP will send a strong message to our allies on how the UK is reacting to developing threats. At the forthcoming NATO Summit, the Government should seek to maximise the scope of the new command structures, as the focus of the two proposed Joint Force Commands relates directly to the UK's principal strategic interests. The Government should take a robust approach to burdensharing across the Alliance and should be seeking to hold other member states to the commitments entered into in 2014. We also observe that burden-sharing is not just about providing cash, but providing capability. Expenditure should not be the sole measure of commitment. (Paragraph 99)

The mobilisation, modernisation, and transformation set out in the MDP will underpin how we support and lead within NATO. We are pleased that the Committee recognises the importance of NATO to UK security and the UK's leading role in NATO. At the 2018 NATO Summit Allies took significant decisions to strengthen the Alliance's deterrence and defence. This included agreeing an adapted and strengthened NATO Command Structure, taking steps to improve the readiness of our forces, reinforcing cyber defence capabilities and strengthening NATO's capacity to prepare against, deter and respond to hybrid threats. Allies also had candid discussions on burden-sharing, recognising that in order to implement the Summit decisions successfully we must all contribute our fair share.

We agree with the Committee that burden-sharing is not just about cash, but also capabilities, and commitments to operations and missions. We welcome the significant progress on burden sharing, with non-US Allies spending an additional \$87 billion on defence since 2014, and the growing number of Allies that have made commitments to meet the NATO 2% and 20% targets by 2024. But there is more to be done. We will continue to encourage our Allies to step up their efforts to deliver fairer burden-sharing across the Alliance, to meet the challenges posed by the unpredictable security environment.

The UK plays a leading role within the Alliance and has the second largest defence budget after the US and the largest in Europe. We have never dropped below the 2% target during our membership of NATO. As noted in the MDP we have reinforced the UK's position as a leading voice in NATO and European security. We are stepping up our commitment to NATO by deploying more forces to support NATO in Afghanistan, in leading the Alliance as it adapts to new security challenges, and we will play our full part in NATO's Readiness Initiative.

46. The range of international defence relationships that the UK enjoys reflects a continuing global role and allows the Services to train alongside the armed forces of allies and partners. Nonetheless, these obligations will be increasingly difficult to uphold with an under-resourced Joint Force, and the cancellations in joint training we have seen recently will undermine these relationships. The MDP must focus on sustaining a force structure that lives up to the wide range of international defence and security relationships. (Paragraph 100)

During the MDP we concluded that SDSR15 had put UK Defence firmly on the right footing, establishing our vision for Joint Force 2025. This equips us with a range of new and enhanced capabilities that offer us choice, agility, and global reach. The planning assumption of a maritime task group centred on Queen Elizabeth Class aircraft carrier

with F-35 Lightning aircraft, a land division with three brigades including a new Strike Force, an air group of combat, transport and surveillance aircraft, and a Special Forces task group, remains unchanged.

The MDP has reaffirmed Defence's approach to be 'international by design' and Defence continues to contribute to the Government's Global Britain policy. International exercises remain a key component of that approach. Programmed activity for 2019 includes continued NATO engagement; leadership of the Joint Expeditionary Force (JEF) and US BALTIC PROTECTOR deployment; and a series of UK-France bilateral exercises as we bring the Combined Joint Expeditionary Force (CJEF) to full operating capability.

47. We and our predecessors repeatedly emphasised the inadequacy of the United Kingdom's level of defence expenditure—placing our views firmly on the record, both in this and in the previous Parliament. We do so again here. Defence spending is far too low. On the Government's calculation (which includes certain items, like war pensions, which we used not to count), the UK is narrowly exceeding the 2% target; but it is still facing a range of financial challenges. The Government now needs to apply the resources that are necessary to keep this country safe, and must begin moving the level of defence expenditure back towards 3% of GDP, as it was in the mid-1990s. (Paragraph 103)

The first duty of any Government is the safety and security of the British people at home and abroad. The country faces complex and challenging international and domestic security threats. That is why we are committed to spending at least 2% of our GDP on Defence every year of this Parliament. This Secretary of State has said that this commitment should be seen as a floor and not a ceiling, but equally we should not get distracted by percentages. We need to look at the threats and make sure we have the right capabilities to deal with them, taking lessons from the work that is ongoing after the publication of the MDP. We continue to have one of the largest defence budgets in the world, which will increase by at least 0.5% above inflation every year.

NATO determines the definitions for categorising Defence expenditure and the UK reports its Defence expenditure to NATO in line with these guidelines. All NATO members are assessed using the same guidelines, we therefore complete our return along NATO's metrics or we could not be compared accurately with our Allies. This reporting shows we are the second largest Defence spenders in NATO and largest in Europe.

Conclusion

48. The Armed Forces have inevitably been shaped by the nature of operations which the UK has entered into over the past 20 years—largely land-based expeditionary operations, in pursuit of counter-insurgency and stabilisation, with minimal challenge in the maritime and air domains and minimal direct risk to the homeland. (Paragraph 104)

The Government notes the conclusion of the Committee. We continue to work cross-Government to ensure we maintain both our deterrence posture and a full range of capability needed to provide protection and resilience to the homeland.

Building on the work of SDSR15 and the NSCR, the MDP recognises that the threat is changing and that we are re-entering a period of persistent and intense state competition. This includes an increase in ‘hostile state activity’ and pressure on the rules-based international system. As a result, we must act to maintain our competitive advantage both in the medium term and for the decades to come. The MDP places us in the best position to do so.

49. The strategic environment has changed for the worse, and this defence review must reflect this. The UK needs to be in a position to deter and challenge peer adversaries equipped with a full range of modern military technologies who seek to use them in ways that confuse our traditional conceptions of warfare. The likelihood of operating in contested environments across all five domains—maritime, land, air, cyber and space—should be reflected in this force structure. (Paragraph 105)

SDSR15 put UK Defence firmly on the right path. It established our vision for Joint Force 2025 of war-fighting at scale through a highly capable expeditionary force, including a maritime task group, a land war-fighting division, an expeditionary air group and a Special Forces task group. This planning assumption remains unchanged, and we have made good progress in turning it into reality. The MDP built on the work of SDSR15 and the NSCR in recognising the changing nature of the strategic environment. It sets out the current threat context and puts us on the best footing to meet the challenges it brings. As a result of this threat analysis we set out our approach in the MDP that the joint force must consist of five domains – space, cyberspace, land, sea and air – rather than the traditional three.

50. Whilst old threats have reappeared and new ones have arisen, recent ones have not disappeared. The uncertainty of the future mandates a properly balanced force structure, capable of continuing the fight against terror and extremism, containing and deterring state-based adversaries, and sustaining the range of international commitments that support our strategic interests. (Paragraph 106)

We continue to uphold the principle of deterrence delivered through a joint force with a full range of nuclear and conventional capabilities, acting in concert with our allies, partners, and the rest of Government. However, we must be ready to adapt how we pursue it, as changes in the global security situation demand. This is why the MDP sets out Defence’s vision to mobilise, modernise and transform. This approach will ensure we make the most of what we already have so that our Armed Forces are best placed to protect our security, as well as allowing us to embrace new technologies and assure our competitive edge over our adversaries.

51. The Secretary of State should be congratulated on securing control of the MDP. We wish him and his Ministers success, not only in their work across the four strands of the MDP, but also in securing a much better financial settlement for Defence that recognises the higher level of spending for which this Committee has consistently been calling. We look forward to scrutinising the outcome of this process in detail once it is complete. (Paragraph 107)

The Government thanks the Committee for its continued interest and engagement in both the MDP and in Defence as a whole, and welcomes its scrutiny. Our achievements under the MDP have made Defence stronger. The MDP report sets out a strong plan of the

necessary next steps, which will be supported by the additional £1.8 billion funding this year and next, including the £1 billion announced in the Autumn Budget. The Defence Secretary will continue to work with the Prime Minister, the Chancellor and the National Security Council as we move towards the Spending Review.