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Defence Committee

"We're going to need a bigger Navy": Government Response to the Committee's Third Report

Fifth Special Report of Session 2021–22

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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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Fifth Special Report

On 14 December 2021 the Defence Committee published its Third Report of Session 2021–22, "We're going to need a bigger Navy" (HC 168). The Government's response was received on 15 February 2022, and is appended to this report

Appendix: Government Response

Introduction

The Government would like to thank the House of Commons Defence Committee for its inquiry into the Royal Navy, 'Purpose And Procurement', and its subsequent report published 'We're Going To Need A Bigger Navy' (14 December). As the first dedicated deep dive into the Royal Navy and Procurement for five years, the department welcomes the report. It is clear that the Defence Committee has consulted a broad range of stakeholders to support the report and it paints a realistic picture of the complex strategic environment in which the Royal Navy must operate. The Committee raise important questions about the role of the Royal Navy, the current Fleet and the future Fleet, which have been considered thoughtfully in the production of this response.

The Royal Navy's role

Conclusion 1: **Over the next decade the UK and the Navy will face an increasingly complex international security environment. Russia and China will remain the primary adversaries at sea, with the relative importance of the UK's response to each likely to shift and potentially interact through the decade. Developments in technology, particularly in hypersonic weapons, are changing the conduct of naval warfare and grey zone operations are becoming increasingly important for the UK's security in the maritime domain, as they are in others.** (Paragraph 16)

Response: The Committee's report aligns with the Government's assessment of the complex security environment. In the maritime environment, this is being driven by the confluence of assertive state actors, who are increasingly operating in the 'grey zone', and the proliferation of lethal technology. The Integrated Review (IR) recognised this challenge and has invested in the Royal Navy (RN) accordingly. This included 'sub-threshold' capabilities, such as enhancing the Royal Marines as a Special Operations capable Commando Force. The Defence Command Paper committed to a concept and assessment phase for the Future Air Defence system to replace the Type 45 Destroyer, a key element of which will be the development of a counter-hypersonic capability.

Conclusion 2: **The Government has ambitious plans for the Royal Navy. The Integrated Review has given the Navy a significantly increased, and potentially the leading, role in the UK's security posture. It is likely to be the Government's tool of choice to deliver its strategy of persistent engagement and competition below the threshold of warfare. As a result, the Navy must be able to deliver constabulary and presence operations for peace time maritime security, while still able to perform high-end warfighting functions effectively, including upholding NATO taskings and other international agreements.** (Paragraph 45)

Response: The IR made a clear commitment to evolve from a force that is primarily designed for the contingency of a major conflict and warfighting, to one that is also designed for permanent and persistent global engagement. This commitment ensures that the RN will retain the full spectrum of capabilities to deliver across the range of national and NATO taskings.

The RN has already begun delivering the IR commitment to shift to persistent global engagement. The extension in service of the Batch 1 Offshore Patrol Vessels (OPV) has allowed the RN to maintain its commitments in Home Waters, while permitting the Batch 2 OPVs to be deployed globally. They have recently conducted maritime security and capacity building operations in the Mediterranean, the Gulf of Guinea, Caribbean, and the Black Sea.

Two Batch 2 OPVs are operating persistently in the Indo-Pacific now, and have already proved their worth through HMS SPEY's response to support the people of Tonga. Their presence will be augmented by the Littoral Response Group (LRG) (South), whilst LRG (North) is pulsing from the UK and focused on the Euro-Atlantic. This expanded footprint builds on the enduring presence of the maritime headquarters, Type 23 Frigate and Mine Counter Measures capabilities in the Gulf, and our enduring presence in the Falkland Islands/South Atlantic and the Caribbean.

This approach increases Maritime Domain Awareness (MDA), which generates a comprehensive understanding and provides a common operating picture for the UK and our allies and partners. As an area of UK leadership, the RN works with national, regional, and international partners to support wider MDA capacity building. This includes UK/French MDA cooperation in the Gulf of Guinea (MDAT-GoG) support to 'The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia' (ReCAAP).

The RN continues to be ready for warfighting operations, with the Carrier Strike Group (CSG) at the heart of this critical capability. Building on the success of the CSG21 deployment (Operation FORTIS), we will continue to deploy CSGs at regular intervals, with even greater flexibility and capability being delivered by the procurement of more F-35B, eight Type 26 Frigates and three Fleet Solid Support (FSS) Ships, all of which will be operating by the mid-2030s. This will be underpinned by the delivery of the final three Astute Class submarines into service. We remain on course to achieve Full Operating Capability (FOC) for Carrier Strike in December 2023. As the leading European navy in NATO, we will continue to attribute the Continuous at Sea Nuclear Deterrent, Littoral Strike forces and a CSG to the Alliance.

Conclusion 3: **The Navy cannot fulfil the full ambition of the Integrated Review with its current fleet. It needs more lower-end, adaptable vessels, like the planned Type 31 frigate, to fulfil the presence operations planned. A large part of the Government's plan to address this relies on increasing availability, as well as through the Type 32 programme. We are not convinced that increased availability can produce enough vessels to be relied upon in an emergency. If the Navy intends to deliver all missions, especially the presence the IR specifies, growth of major surface combatants needs to double, with growth from small, adaptable vessels. The resource budget, personnel and the number of auxiliary vessels should grow commensurately. This expansion will require a significant increase in funding.** (Paragraph 46)

Response: The Ministry of Defence (MOD) is confident it can realise the ambitious plans outlined in the IR. For the RN, central to this is the commitment to procure up to five Type 32 Frigates in addition to the ongoing build of five Type 31 Frigates. Alongside the existing commitment to build eight Type 26 Anti-Submarine Warfare frigates, this will mean that by 2030 the total number of frigates and destroyers will increase beyond the current 18. To enable this, it will be crucial to deliver T26 and T31 and commit to the T32 build. This will complement the planned build of three FSS Ships to support Carrier Strike, and the purchase of a Multi Role Surveillance vessel to provide a Critical National Infrastructure protection capability.

In tandem, the build of up to six Multi-Role Support Ships (MRSS) in the early 2030s, as cited in the Defence Command Paper, is needed to fully realise the benefits of Littoral Strike, while the funding for the concept and assessment phase of Future Air Defence System is an essential step in building a counter hypersonic capability into our Type 45 replacement.

Greater forward presence and ship availability are also dependent on continued investment in the RN's support architecture (including the Future Maritime Support Programme and shipbuilding pipeline) alongside flexible crewing models. These investments will ensure the RN remains ready to rapidly respond to crises. To allow this, the appropriate force elements and capabilities, including Carrier Strike and Littoral Strike forces, are held at very high readiness.

Conclusion 4: **The Ministry of Defence should be honest with the public about the deteriorating international security situation, the capabilities the Navy will need to protect Britain in this environment, and the funding required to deliver those capabilities. We believe that if the public understands the Navy's requirements, they will support the increase in funding necessary to deliver it.** (Paragraph 47)

Response: The evolving threat picture was at the heart of the IR. The international security situation and Defence's capability requirements as a result of it are, accordingly, set out in public documents. The Defence Command Paper outlined the changing strategic context and associated shifts in global power around four over-arching trends: geo-political and geo-economic shifts; systemic competition; rapid technological change; and transnational challenges.

Given this range of challenges, strategic decision making in the MOD is threat-focused and evidence-driven, with inputs from across the intelligence community, government agencies, and our strategic allies and partners. The sensitivities of some of this intelligence means that we cannot share every detail with the public. However, the Secretary of State for Defence, Ministerial team, Chief of Defence Intelligence, and other senior officials continue to engage public facing forums and academic organisations to share their perspectives, where appropriate.

Defence has also decisively shifted its approach to tackle these threats, as outlined in the Integrated Operating Concept (2020) and Defence Command Paper. To underline the government's long-term approach, the MOD received a four-year spending review settlement with an increase of over £24 billion. The RN is receiving an increasing budget,

rising from £7 billion in FY21/22 to £8.7 billion by FY30/31 to accelerate a drive to be more lethal, more available, and more sustainable—a Global, Modern and Ready Navy to address the international security situation now and into the future.

Conclusion 5: **The Government must be honest with the public with regards to the cost of the Indo-Pacific tilt. The Department should confirm in its response how regular future carrier strike group deployments will be, and whether they will have the same fleet composition, missions and support from allies as the 2021 carrier strike group deployment.** (Paragraph 48)

Response: The IR considered the opportunity cost of not delivering greater levels of global engagement, through prosperity and security. An Eastwards shift in the global economic centre-of-gravity is widely accepted, as are the potential impacts for global security of an increasingly assertive China. To match these challenges, which if fully manifest would have a significant impact on the UK's prosperity, the IR laid out an approach that delivered deterrence through global engagement.

In the past, we have tended to 'pulse' activity into the Indo-Pacific. However, two permanently deployed OPVs and a regionally focused LRG from 2023, in addition to periodic CSG deployments, signals a deeper and more enduring commitment. This builds on the success of the CSG21 deployment, which demonstrated a more confident, UK-led, highly technological, and internationally partnered effort to strengthen our alliances and national interests in an area critical to global peace and prosperity. Our allies and partners have responded positively and are seeking further engagement with the RN.

The Secretary of State is focused on the total cost of CSG21 and this will help assist Defence in striking the right balance of activity and capability to deploy to the region to meet the Government's policy goals. Operating a CSG will have a cost, regardless of where it operates – bearing in mind transit times, deployment lengths and logistic support, for example. When a decision is made to commit to a region, long-term arrangements can be made to reduce costs, and use of facilities provided by our allies and partners can also ease this burden.

The Carrier Strike capability is on track to achieve FOC by December 2023. We intend to routinely deploy a CSG annually; the deployment schedule is a strategic decision, directed by the Senior Strategic Steering Group in Defence and then endorsed by Service Chiefs, Defence Ministers, other government departments (such as the Foreign, Commonwealth & Development Office or the Department for International Trade) and, ultimately, the Cabinet Office. Each CSG deployment will be bespoke in terms of its objectives, its operating area, its composition, and the extent to which allies and partners are involved. No two deployments will be the same. The UK Operational Headquarters, with guidance from the MOD, will plan and deliver CSG activity to meet the Government's engagement and security priorities.

The Current Fleet

Conclusion 7: **The Department should provide further explanation of what Carrier Enabled Power Projection (CEPP) is intended to deliver. This should include consideration of what innovative capabilities the carriers can provide beyond carrier strike, littoral manoeuvre and humanitarian assistance, and more information on what**

role the F-35 will play in delivering an offensive air capability after any improvements to its armaments. It should be set out in advance of the aircraft carriers' next deployment in a published strategy, with a classified annex if necessary. (Paragraph 60).

Response: Carrier Enabled Power Projection (CEPP) is the over-arching programme that delivers a sovereign carrier-based strike capability, which is interoperable with NATO and coalition allies. In addition to strike operations in warfighting, the capability will provide Crisis Response options for Her Majesty's Government, enable Special Forces and support UK prosperity through Defence Engagement.

CSG21 has demonstrated the potency of what CEPP can deliver. Having operated with other F-35 nations, both within NATO and with Japan, we have learnt more about how these 5th Generation aircraft can best be employed and how we can operate our task group in the future. HMS PRINCE OF WALES' programme for 2022 will provide opportunities for innovation and to develop Carrier Strike further. It includes experimentation to generate greater UK/US interchangeability and accelerate the development of uncrewed systems. We also plan to exercise the Expeditionary Strike Force concept in 2022, combining a carrier with an LRG to explore how Carrier and Littoral Strike can support each other. The CSG is already capable of conducting Humanitarian Support Operations and Non-Combatant Evacuation.

The Department is also focused on developing the CSG as a NATO asset, enhancing its interoperability with other allied navies. HMS PRINCE OF WALES will act as the Afloat Command Platform for NATO as part of her NATO Response Force 2022 (NRF22) duties.

F-35 will be enhanced by the increased lethality provided by Select Precision Effects At Range (SPEAR) Capability 3. SPEAR Cap 3 will be able to destroy/defeat mobile, re-locatable and fixed targets in all weathers—day and night. Whilst F-35 is already well served with Air-to-Air weapons, SPEAR Cap 3 will bring improved Air-to-Ground stand-off precision weapons. Beyond SPEAR Cap 3, a long-range stand-off capability to further enhance the F-35 could be achieved through a funded SPEAR Cap 5 programme.

Conclusion 8: **The Department must provide clarity on how it intends to operate the F-35 fleet before then. It must specifically address the questions of how many carriers and F-35s will be operated by the Navy and the RAF as part of routine operations and how a surge capacity will be delivered if one is planned. The Department should also be clear about what role uncrewed aircraft will play and when and how that role can be delivered. Until the Department provides clarity on all these points it is impossible for them or us to be reasonably sure of the risks the programme is carrying and how they can be mitigated.**

Response: Both aircraft carriers can conduct independent routine operations, with one carrier designated as the 'Strike Carrier'. Carriers are strategic assets, and their deployment plans will depend primarily on the threat as well as the UK's foreign policy priorities.

On routine operations, the Department plans to regularly deploy CSGs, with location and scale (including a decision on the total of F-35Bs embarked) matched to operational priorities and effects, as determined by the Department's existing plans, commitments, and operational prioritisation process. Using the CEPP routine operating model as a guide, the Defence ambition is to hold a Queen Elizabeth Class carrier permanently at

readiness, deploying annually on operations, with F-35Bs being made available for those deployments depending on scale, duration, their force growth and concurrent Defence demand.

In 2022, the number of UK F-35Bs available for embarked operations to support routine deployments is a squadron of up to 12 jets. This number will increase by FOC for F-35 (scheduled for 2025) to put up to 24 jets on board; assessment work continues on what potential for surge capacity would be available after this date, recognising any such surge would affect training pipelines. The Department is presently considering options to purchase a further tranche of F-35Bs to increase Carrier Strike capacity and readiness.

To augment the F-35B's strike capability and to complement, and potentially replace, some of the roles delivered by its crewed helicopters, the RN is exploring options for a range of Uncrewed Air Systems (UAS). It is intended that the funded programme will also deliver a flexible, tactical UAS for frigates deploying to the Middle East. This will augment the ship's helicopter and provide Commanders with persistent surveillance.

Conclusion 9. **The Department must deliver the funding to swiftly end the spectacle of space on highly capable vessels being used to carry nothing but air. This should include consideration of both the threats and the opportunities posed by hypersonic missiles as well as the potential to use common missile silos across classes and to deliver compatibility with different international partners. The Department should confirm in its response that it still intends the FC/ASW to be compatible with the Mark 41 vertical launch system. The Department should also be mindful of previous warnings that procuring a 'bridging' system with long post-2030 life expectancy could damage the relationship with France.** (Paragraph 73)

Hypersonic missiles are among the most challenging air targets that the RN must be able to counter. Upgrades to existing in-service air defence systems, and procurement of future capability, such as the Future Air Defence System (the Type 83, as announced in the IR), will specifically seek to address the potential threat that 'hypersonics' pose, as well as harness any opportunities to procure offensive hypersonic weaponry, should it be advantageous to do so.

Whichever maritime missile system is acquired through the Future Cruise/Anti-Ship Weapon (FC/ASW) programme, it will be compatible with the Mark 41 (Mk 41) vertical launch system, specifically given the intent for these weapons to be fitted to the Type 26 Frigate. The RN is exploring opportunities to fit Mk 41 launchers to other classes of ships, including Type 31, to provide commonality with partner nations, improve interoperability and simplify the inventory of maritime offensive and defensive capabilities.

Discussions on the procurement of any interim Surface to Surface Guided Weapon capability before the introduction of FC/ASW will be given all necessary scrutiny which will cover the positives and potential risks of all procurement solutions.

Conclusion 10. **The Department must ensure that the Naval Strike Network (NSN) is fully funded and compatible with Defence's digital backbone.** (Paragraph 79)

Response: The RN is exploring opportunities to fund this important enabler. The Department can reassure the Committee that capabilities such as Naval Strike Network (NSN) will be fully compliant with Defence's digital backbone and the principles of 'Multi

Domain Integration'. The RN is utilising research and development funding to refine the NSN requirement which has delivered a series of experimentation exercises, including NATO's Maritime Unmanned Systems Initiative. These experiments have examined how uncrewed vehicles can be integrated with conventional forces.

Conclusion 11. **We are concerned that the Future Commando Force and the Littoral Response Groups are not properly resourced to continue amphibious operations. The Department must confirm that it remains committed to retaining the Royal Marines' amphibious capabilities.** (Paragraph 86)

Response: The Department remains committed to maintaining and modernising the UK's amphibious capabilities. The IR allocated £278 million over the next ten years to transform our Commando Forces that deliver our Littoral Strike capability. In tandem with this investment, the RN continues to identify areas where its existing resources can be re-prioritised to support development of Littoral Strike.

As well as the existing Landing Platform Dock (LPD) and Landing Ship Dock (Auxiliary) (LSD(A)) ships, which are specifically designed for amphibious operations, other warships and auxiliaries may support the LRGs, augmented by commercial shipping, to enable the movement of material and personnel during routine operations. Up to six MRSS, which will replace both the LPD and LSD(A) vessels currently in service, were announced in the IR to enter service in the early 2030s. This demonstrates the Department's enduring commitment to amphibious capabilities. To augment these vessels, and the associated aircraft, the UK Commando Forces programme is also exploring options for development of new, modernised, fast landing craft to speed up the movement of forces from sea to land, thereby increasing amphibious operational responsiveness.

Conclusion 12: **The Department should explore increasing the size of the attack submarine fleet as part of the Astute successor programme, Submersible Ship Nuclear Replacement (SSNR). At the very least it must confirm in its response that it will not decrease the number of attack submarines in the fleet below the seven Astute class submarines it plans to operate. The Department must also consider whether the SSNR submarine design will include a horizontal launch missile system in line with current UK submarines, or a vertical launch system for systems such as Tomahawk, in line with some of the more modern US Navy submarines. The Department should confirm in its response how it will ensure that current UK attack submarines retain their land attack missile capability, given the US Navy's transition to vertical launch systems.** (Paragraph 92)

Response: The Department is grateful for the advice the Committee has provided on the RN's future attack submarine force. A Submersible Ship Nuclear Replacement (SSN(R)) programme team has been established within the Defence Nuclear Organisation (DNO). However, SSN(R) is currently in an early design phase and no conclusion has been reached on class size, weapon system fit or wider capabilities. We are liaising with allies and partners as part of this process.

Conclusion 13: **We are very concerned that the limited resource budget allocated under the Spending Review for the remainder of this Parliament will be insufficient to properly operate and maintain the full fleet. We were not convinced by the Department's assertion that "the resource budget is adequate to ensure that we maintain the crewing**

and effectiveness of those additional resources". If this is not remedied, there will almost certainly have to be a compensating reduction in maintenance of or operations by the aircraft carriers or other vessels. If the Navy attempts to cut the payroll costs element of RDEL by reducing personnel numbers, this could make it even harder to bring in the new classes of vessels in the 2030s as planned. Defence spending must increase to allow the Navy's resource budget to beat inflation and to accommodate any new cost model for the aircraft carriers. (Paragraph 96)

Response: The IR invested an additional £9 billion in the Maritime domain; £6.1 billion into Navy Command and the remaining £2.9 billion in the DNO and the Complex Weapons pipeline. To maximise the value from this investment, the MOD attributes resources as efficiently as possible to deliver against operational outputs and the procurement programme. The RN is experimenting with different crewing models to inform the requirements for future classes of ships, and, in turn, this will determine the overall workforce the RN needs.

Conclusion 14. **The Navy plans to rely on allies to provide capabilities in almost all military operations and for most major missions working with allies will not be optional. Overall, this way of working is a source of strength for the Navy. However, we do need an honest assessment of the way in which we will integrate in the systems of allies. The Department must do more at the political level to ensure the Navy can rely on this support when needed, including arranging regular exercises with other navies, and engaging the expanded defence liaison network promised by the DCP. The Department must be clear how far it intends to privilege interchangeability with the US over interoperability with other partners and what the trade-offs involved are. It must also be honest about the realistic limits on its ability to act alone.** (Paragraph 105)

Response: Interchangeability builds upon interoperability, by forging ever closer integration with our closest allies to ensure our enduring operational effectiveness. This will not come at the cost of wider interoperability with our other allies and partners. The RN's deep and broad spread of enduring relationships (including NATO, Five Eyes allies, and the Joint Expeditionary Force and Combined Joint Expeditionary Force) will remain a key strength.

As the foremost European navy in NATO, we must be increasingly interchangeable with the US Navy while increasing NATO interoperability. We will achieve this by providing a framework, through which our allies can interoperate effectively. The RN maintains a sovereign core of key capabilities to ensure freedom of action, the Alliance enhances these, adds diversity of thought and provides opportunities for tactical development which is a visible sign of solidarity against common threats. As the centrepiece of our warfighting offer, Carrier Strike is being developed as an interoperable NATO asset - as demonstrated by providing HMS PRINCE OF WALES as a NATO Command and Control platform as part of her NATO Response Force 2022 role. The cohering power of Carrier Strike was also demonstrated in the recent CSG21 deployment (Op FORTIS) which operated with integrated Dutch and US allies, including embarked US F-35B. Interchangeability with the US will be further reinforced in 2022, using HMS PRINCE OF WALES as a platform for uncrewed systems experimentation, and by the commitment to increase the UK's F-35B fleet to 48 by 2025.

Additionally, the RN is deepening relationships in the Indo-Pacific. The recent AUKUS announcement is a clear commitment to working closely with our partners in the region, while the purchase by, and building of Type 26 Frigates in Australia (as well as Canada) is an example of designing-in interchangeability from inception. Strong relationships supported by routine engagement are also being built with the US Pacific Fleet and Royal Australian Navy, as well as a developing relationship with the US Coast Guard, whose maritime security focus nests well with the capabilities provided by the Batch 2 OPVs. Activity is prioritised to leverage existing relationships, including our Five Eyes and Five Powers Defence Agreement (FPDA) partners and to exploit our expanding liaison network of defence attachés and advisors.

Conclusion 15: **The Department should develop a strategy for how it will collaborate with both regional partners and NATO allies in the Pacific within the next year. The Department should confirm in its response whether the Royal Navy will continue to contribute to Op ATALANTA.** (Paragraph 111)

Response: The MOD has a mature strategy for the Pacific and long track record of working effectively with regional allies and partners. The strength of these ties was demonstrated and strengthened during CSG21 (Operation FORTIS).

The Defence Command Paper outlined a 'tilt' to the Indo-Pacific. This includes investment in Defence and Diplomatic Staffs, the persistent deployment of two OPVs and, from 2023, an LRG that will operate across the Indo-Asia Pacific. Activity is prioritised through the Strategic and Maritime Capability Steering Groups, in close liaison with other government departments. Planning is coordinated with key regional allies and partners as appropriate.

The UK ceased to participate in Operation ATALANTA in March 2019; the UK no longer has the necessary legal basis to participate in EU Common Security and Defence Policy operations. We remain engaged around the Horn of Africa through bilateral and small group partnerships to promote the Rule of Law and support conflict prevention, stabilisation, and security reform.

Conclusion 16: **The Department must take early action on the availability of attack submarines and destroyers, and the lack of Fleet Solid Support shipping. If action is not taken to address this within the next year, we will begin to request updates on progress twice a year. The Department should explore whether there is an option of upgrading the Type 45 destroyer to deliver ballistic missile defence and what the costs and timelines involved are and provide us with updates on the exploratory work.** (Paragraph 116).

Response: One of the Secretary of State's top priorities for the First Sea Lord (1SL) is continuing to improve the availability of ships and submarines. Numerous projects are underway to achieve this. These projects aim to reduce the length of time that ships and submarines spend in refit and increase the time that they are available for tasking. Type 45 Destroyer availability will improve from 2023, and then again in 2025, when the majority of the ships will have completed the Power Improvement Programme (PIP).[1] Throughout this period, the RN will continue to meet Defence's highest priority outputs and two Type

1 By the end of 2024 four of six Type 45 will have completed PIP. A fifth conducts PIP in 2025, remaining in refit until early 2027, whilst the sixth starting PIP in 2026, finishing its refit in 2028.

45 Destroyers will be available to support annual CSG deployments. As newer ships are brought into service, they will require shorter refit periods than the older platforms they replace, further improving availability.

It is UK policy that we do not comment on matters relating to submarine availability as this would, or would be likely to, prejudice the capability, effectiveness, or security of our Armed Forces. The UK's attack and nuclear deterrent submarines continue to meet their operational tasking, deploying globally on operations and protecting our national interests.

The FSS programme is progressing in accordance with established acquisition processes and is on track to receive final manufacture tenders in July 2022. The Contract Notice requires all three ships to be in service by 2032, and we will manage the transition between FORT VICTORIA and the first FSS ship to ensure that the Carrier Strike Group retains a sovereign core and ability to operate independently.

As set out in the Defence Command Paper, we committed to upgrading the Sea Viper air defence missile system for the Type 45 by late 2020s to provide a Ballistic Missile Defence (BMD) capability for the RN and wider Defence. Sea Viper Evolution (SVE) will deliver the capability that will protect maritime units from a range of Ballistic Missile threats by the late 2020s. The Integrated Review funded SVE Capability 1, upgrading the RN's missiles to the ASTER Block 1 standard. The RN will also conduct an Assessment Phase of SVE Capability 2, to further enhance this capability and cover a greater range of threats, utilising the ASTER Block 1 "New Technology" missile. This investment forms part of the strategic intent for the UK to have a maritime BMD capability and will deliver the first European warship capable of an organic "sensor to shooter" BMD intercept. Further concepts for BMD will be considered and refined, including a counter-hypersonics capability, as we develop and procure the Future Air Defence System as the replacement for the Type 45 Destroyers.

Conclusion 17: **Availability issues are unlikely to improve significantly, and could potentially deteriorate further, until new frigates are introduced, and the Type 45 Power Improvement Project (PIP) is complete. It is only prudent for the Navy, when it is setting strategic and operational goals over the period, to take a more realistically pessimistic view of UK capabilities than is currently the case.** (Paragraph 126)

Response: Improving availability is one of the RN's highest priorities. Initiatives are in train to improve the availability of surface ships and submarines. These projects aim to reduce the length of time that ships and submarines spend in refit and increase the time that they are available for tasking. Through the PIP and the Equipment Improvement Plan (EIP), Type 45 availability will improve from 2023, and then again in 2025. Over this period the RN will continue to meet Defence's highest priority outputs; two Type 45s will be available to support the annual CSG deployments. We are also optimising the Frigate Transition Plan to ensure that the availability of both General Purpose and Anti-Submarine Warfare Frigates is maintained. The RN is tasked in accordance with strategic priorities which take into consideration the availability of platforms.

Conclusion 18: **Reporting of availability must improve to avoid concealing issues with the availability of specific classes of vessel. The Ministry of Defence should report annually to Parliament in a written statement on the availability of all surface vessels in**

the Royal Navy and Royal Fleet Auxiliary by class. The answer to PQ 36545 on Type 23 Frigates, dated 26 July 2021, provides a model and demonstrates that the publication of data at this level of specificity does not compromise security. The Ministry of Defence should also make a classified report to this Committee including details of any times in the previous year when surface vessels were unexpectedly unavailable for more than a month and a list of surface vessels that are expected to enter a refit or maintenance for a year or more, or which are being mothballed, during the course of the following year. (Paragraph 127)

Response: The department will provide a single annual update to the Defence Committee which will include an update on Surface Fleet availability and shipbuilding plans.

Conclusion 19: **The low availability of the UK's Type 45 destroyers and recognised issues in their propulsion systems are a major cause for concern. The destroyers cannot do their job or effectively deter adversaries if only half, and sometimes only one, of the six ships is available for operations at any time. The PIP that is intended to improve this situation is scheduled for completion in 2028 but there are indications that timelines may be slipping. We find it extraordinary that the Navy is prepared to wait seven years to fully repair these £1 billion destroyers, which are arguably the most powerful units in the surface fleet after the aircraft carriers.** (Paragraph 128).

Response: Type 45 Destroyers continue to contribute to the defence of the UK and support our international partners. HMS DEFENDER and HMS DIAMOND have recently returned from operational deployment with the CSG.

The MOD has two key strands of work to address and improve reliability and resilience of Type 45 Destroyers. Measures to enhance system reliability are being delivered through an EIP. Platform availability and reliability measures show that there has been a circa 80 percent reduction in the occurrence of Type 45 loss of power events across the class since 2010. EIP, now over 72 percent complete across the six Type 45 Destroyers, has been a key contributing factor to this improvement and is delivering positive results by increasing time on task across the class. HMS DEFENDER had the highest availability of any unit in the CSG Task Group – a prime example of the positive impact of EIP.

The second strand of work is the Type 45 PIP which will improve system resilience through the installation of an upgraded power and propulsion system. HMS DAUNTLESS is currently in the test and commissioning phase of her first of class PIP conversion, having completed the installation of all major new systems. This has been a complex engineering project and delivering it against the backdrop of the COVID-19 pandemic has been a significant challenge which has tested industry and impacted the schedule.

We will learn from the HMS DAUNTLESS' PIP conversion to ensure that the conversion of subsequent ships is conducted as efficiently as possible. This has been a significant focus of activity.

Conclusion 20: **The Ministry of Defence should investigate claims that each PIP upgrade could be delivered in less than twelve months and confirm in its response what if any barriers there are to speeding up the programme. The response should also confirm whether an SRO has been appointed for the PIP. If not, one should be appointed and they should be prepared to provide the Committee with an annual report on the**

programme within six months of appointment, and then annually. If necessary, we will expect the SRO to answer additional questions on their programmes in a public evidence session. (Paragraph 129).

Response: Timely delivery of PIP is one of the RN's highest priorities. Delivering PIP conversions while ensuring sufficient platforms remain available to support operational requirements necessitates careful management by the MOD. As an In-Service Upgrade Project, ultimate responsibility for the delivery of PIP sits within Defence Equipment & Support (DE&S) and with Director General Ships, Vice Admiral Sir Chris Gardner. We will learn from the HMS DAUNTLESS PIP conversion to ensure that the conversion of subsequent ships is optimised. The programme is designed to efficiently deliver the PIP conversions while working within the constraints of industrial capacity and delivering the required number of operational Type 45 Destroyers.

Conclusion 21: **We are concerned by reports that submarine availability is weak, and not reassured by learning that the US and Australian submarine fleets are no better. Reported issues with the availability of the Vanguard class submarines that deliver the nuclear deterrent mean that the Dreadnought successor programme must be brought in on schedule, as further life extensions cannot be relied upon to fill in any gaps. The Ministry of Defence should set out in its response appropriate arrangements it will use to ensure that we are briefed on submarine availability once a year, with due regard to both security and the importance of scrutiny to ensure effective delivery.** (Paragraph 132).

Response: It is UK policy that we do not comment on matters relating to submarine availability as this would, or would be likely to, prejudice the capability, effectiveness, or security of our Armed Forces. The UK's attack and nuclear deterrent submarines continue to meet their operational tasking, deploying globally on operations and protecting our national interests.

As stated within the document 'The United Kingdom's future nuclear deterrent: the 2021 update to Parliament', the Dreadnought ballistic missile submarine programme continues to remain within overall budget and on track for the First of Class, HMS DREADNOUGHT, to enter service in the early 2030s.

Shipbuilding and the Future Fleet

Conclusion 22: **The next decade is one of significant risk for the Royal Navy's fleet. During a period when it is being expected to take on increased responsibilities in a deteriorating international security environment, the Navy will be relying on a mix of elderly vessels (like the Type 23 frigates) and new and untested assets and processes (like the uncrewed mine countermeasures), while also being constrained by a tight budget for operations and maintenance that will force it to change how it operates. In addition, crucial programmes like the Crowsnest early warning system, the Type 45 Power Improvement Project and introduction of the Naval Strike Network will not be completed for several years, all of which incurs risk. The Navy will also be forced to carry capability gaps in medical facilities and anti-ship missiles, because of the retirement of RFA Argus and Harpoon, and likely also in its ability to monitor critical national infrastructure and deliver support shipping and logistics, because of the uncertain in-service date of the Multi-Role Ocean Surveillance Ship and delays**

to the Fleet Solid Support ship programme. The lack of Fleet Solid Support ships is a particular concern because it threatens the Navy's ability to deliver a force with a sovereign core that can act independently of allies. (Paragraph 144)

Response: The Integrated Review committed to funding significant upgrades to the RN. This includes investment in new ships and capabilities, and the retiring of those that are approaching obsolescence. Risks associated with this transition are being actively managed in order to minimise capability gaps and ensure the RN is able to meet all its operational outputs.

Work is ongoing to explore a range of options to meet the RN's Future Offensive Surface Weapon (FOSuW) requirement to replace Harpoon which goes out of service in 2023. This includes the potential fitting of Mk 41 launchers beyond those already planned for the Type 26, including Type 31 and potential retrofit to existing classes, to provide commonality with partner nations, improve interoperability and simplify the inventory of maritime offensive capabilities.

Royal Fleet Auxiliary ARGUS is due out of service in 2024. In the longer term, the MRSS programme will offer an enduring solution to afloat medical support. In the interim, a range of potential options are being explored to mitigate the gap, including a short extension in service of RFA ARGUS.

The Defence Command Paper announced that the RN would develop a Multi Role Ocean Surveillance ship to provide an underwater Critical National Infrastructure protection capability, and work is ongoing to bring this capability into service as quickly as possible.

While operating alongside allies and partners offers significant benefits, we will manage the transition between FORT VICTORIA and the first FSS ship to ensure that the Carrier Strike Group retains a sovereign core and ability to operate independently.

Conclusion 23: **Towards the end of this decade the Navy intends to bring in several completely new classes of vessels simultaneously. These plans must be delivered on schedule if the Navy is to avoid capability gaps and end the period of risk it has created through its own planning and procurement decisions. We welcome indications that these programmes are currently on target. However, past performance is not encouraging, and numerous risks have been identified. The security of the fleet and the UK rely on these projects being delivered on time. Given the challenges associated with the age of the vessels, like the provision of spare parts, we are far from confident that any delays can be effectively managed by extending the life of ageing vessels without additional risk.** (Paragraph 152)

Response: The MOD has a clear plan and approach to future ship procurement. The Type 26 and Type 31 Class of ships will be brought into service to replace the Type 23 Frigates in the latter half of the 2020s, and into the 2030s. As with all complex programmes, there is risk associated with delivery dates which is being closely managed by the Senior Responsible Owners. The project teams have experienced people who have successfully brought into service the River Class Batch 2 OPVs and Queen Elizabeth Class Aircraft Carriers. The Type 23 Frigates continue to be highly effective and successfully deployed to provide maritime security for key trade routes and to protect the Continuous at Sea Nuclear Deterrent and CSG. The risks associated with the delivery of Type 23 availability

and Frigate transition plan are well understood and are also being managed by experienced DE&S and RN teams. On current plans, the transition into service of Type 31 and Type 26 to replace Type 23s will not introduce any capability gaps.

Conclusion 24: **In order to allow for proper scrutiny of ongoing programmes, the Ministry of Defence should emulate the US Department of Defence and provide Parliament with an annual shipbuilding plan, including the number of ships planned to enter and leave service each year in the next 30 years. We ask that the Senior Responsible Owners for the Type 26, Type 31, Astute and Dreadnought programmes provide the Committee with an annual report on each of their programmes within six months of the publication of this report, and then annually. If necessary, we will expect the SROs to answer additional questions on their programmes in a public evidence session.** (Paragraph 156)

Response: The department will provide a single annual update to the Defence Committee which will include an update on Surface Fleet availability and shipbuilding plans.

Conclusion 25: **The National Shipbuilding Strategy refresh must finally take on board the consistent recommendations given in successive reports by a range of experts. This includes providing a steady pipeline of work for British shipyards and working collaboratively with industry.**

Response: As the Committee notes, volume is an important efficiency driver, and Government shipbuilding opportunities may help to insulate yards against the volatility of a challenging global market. The Refresh to the National Shipbuilding Strategy (NSbS) will set out a substantial volume of new vessels for the UK Government and the Devolved Administrations, ranging from large warships, to research vessels, auxiliaries and tugs. The 30 Year Cross-Government Pipeline provides industry with clarity on Government's future requirements. It is a substantial opportunity to create a baseline of volume to encourage industry investment in facilities, infrastructure, innovation and skills.

The Refresh will also establish new, more purposeful, structures for industry and Government to collaborate, giving industry the platform it needs to demonstrate leadership. The National Shipbuilding Office (NSO) was established ahead of the publication of the Refresh to act as a single focus in Government for industry, aligning activity and driving transformative change. The NSO will enable Government to optimise its approach to growing the sector and collaborating with industry, realising the benefits of coordinated procurement, investment and engagement across the shipbuilding enterprise.

The refresh should:

Ensure that warships are built in UK yards and that this designation continues to include the Fleet Solid Support ship contract, as well as the future replacements for the Tide and Wave class vessels.

The Defence and Security Industrial Strategy (DSIS) removed the definition of warships as aircraft carriers, destroyers and frigates for procurement purposes only. The procurement approach for each class of ship will be determined on a case-by-case basis. As well as considering specific capability requirements, the MOD will consider the long-term industrial impact of different options. The chosen procurement approach will be communicated with industry as early as possible to allow for forward planning. The

removal of the warship definition provides the MOD with greater flexibility in determining its procurement route, as all RN ships and RFAs are operated by the UK in support of our national defence and security requirements. From frigates to naval auxiliaries, they contribute to the wide range of defence tasks, in peace or conflict; and it is entirely logical to view them as component parts of a broad maritime defence capability.

Revisit the principles of the Parker Review and accept that active intervention is required by the government to modernise yards, guarantee an assured pipeline of work for UK yards and protect the skills base.

The NSbS refresh will not provide a guaranteed pipeline of work for UK yards. However, through the 30 Year Cross-Government Shipbuilding Pipeline, there is ample opportunity to create a baseline of volume to encourage industry investment in facilities, infrastructure, innovation and skills. The NSO will seek to maximise the opportunity for UK industry in this pipeline, within the limits of procurement law and international obligations. Whilst noting the Committee's concerns regarding assurance of this pipeline, we consider it will create sufficient opportunities for UK yards to thrive. Through the implementation of the NSbS Refresh, the NSO will also work to increase exports, access to finance and productivity, to enable more UK yards to win commercial and export work and to ensure yards are not reliant on Government as a customer.

Prioritise designing vessels for export wherever possible, and consider incorporating adaptability into the design as a way to achieve this;

As the Committee notes, the approach used with Type 31, including valuing UK prosperity and adaptability for export through its procurement, has been a success. To provide clarity on what Government intends to achieve through our future shipbuilding procurement programmes, the NSbS Refresh will set out our strategic policy objectives for shipbuilding procurements across Government. These will include objectives around adaptability and exportability.

Give greater weight to social value and the needs of shipyards around the UK when considering competition;

In line with Government policy, a minimum 10% social value weighting will be applied to evaluations. To ensure fairness and effective focus, the key social value themes and policy outcomes that are relevant to each procurement will be determined early in the development of the acquisition strategy. The NSbS Refresh will also set out the policy objectives we expect to underpin cross-Government shipbuilding programmes. The NSO will work with project teams to ensure that programmes align to the NSbS Refresh and these policy objectives.

Continue to follow the principles adopted after Sir John Parker's review, particularly showing agility, pace and grip in procurement, limiting modifications in contract signing and not delaying projects in response to annual budget pressures; and

The Type 31 programme has been an exemplar for demonstrating agility, pace and grip in procurement based on stable user requirements. Similarly, Type 26 user requirements have remained stable, both throughout the three ship Batch 1 build and the process to

place a contract for Batch 2. From the point when approval was granted to build the ships, neither the Type 31 nor the Type 26 programmes have been delayed due to annual budget pressures.

Provide an assessment of the skills and professional engineering workforce the UK has and will need in its shipbuilding capability and explain how and on what timescales the Department will develop these. (Paragraph 176)

As the Committee notes, skills are a key enabler of success for the shipbuilding enterprise, and this is recognised by Government. The NSbS Refresh will set out how Government, the Devolved Administrations, industry and training providers will work together to deliver the skills needed by industry now, and for new and emerging technologies. The first stage of this work will be to conduct an assessment of the enterprise's current requirement, before beginning work on how to address these.

Conclusion 26: **The Department must ensure the Fleet Solid Support ship contract is built in a UK yard, reflecting its designation as a warship, whilst outlining the Department's ambition and confidence in UK delivery. In its response to this report, the Department should confirm how it will restrict competition to a national build without further delaying the procurement process. It should also confirm whether the programme will follow the other recommendations in Sir John Parker's review, notably pace, grip and designing for export. As the Navy's only current solid support ship is scheduled to retire in 2028, the new vessels must be delivered as quickly as possible to ensure the Navy can deliver the sovereign core capability it aims for.** (Paragraph 177)

Response: The Department has been clear on the UK requirements for FSS and the competitive approach, which uses the successful Type 31 route of allowing both UK and International participation. The final contract for the manufacture of the FSS ships will be awarded to a UK business, either solely or as part of a consortium. We have been clear that a significant proportion of the build work will be carried out in the UK. In tendering for the design and build of the FSS ships, bidders must ensure that all three ships are integrated in UK shipyards. Bidders are also incentivised to maximise the social value offering in terms of the contribution shipbuilding can make in the UK, including encouraging investment in domestic shipyards.

The Secretary of State for Defence has stated that the ships will be considered as warships, which confirms that the programme is exempt from requiring international competition. The decision to consider these ships as warships has been made for reasons of national security and reflects a changed requirement, based on a clearer understanding of how these warships will support the RN's CSG. The competition is proceeding at pace in line with best practice set by Type 31, but also incorporating important lessons. FSS is a bespoke capability for carrier strike but also values adaptability in design which may be attractive to export customers.

The new competition is aligned to the 2021 DSIS, which allows for the procurement approach to be developed on a case-by-case basis. The imperative for FSS is to balance value for money for the provision of our requirements with the wider strategic goals of improving UK shipbuilding, leaving a legacy of increased capability and capacity for the future. The blended competitive approach of UK and international participation has been communicated to industry, including the UK content and social value requirements. In

line with the Secretary of State's decision, the competition is clear that integration of the ships will be in the UK and the competition incentivises inward investment in UK shipyard facilities, skills and work to generate sustainable improvement to competitiveness and productivity.

The Contract Notice advertised the requirement for all three ships to be delivered by 2032, but the competition evaluation criteria values and rewards bids that deliver to the earliest schedule, to meet the out of service date of RFA FORT VICTORIA (currently 2028) balanced against value for money and affordability.

Conclusion 27: **It is essential that NavyX and Defence Equipment & Support (DE&S) improve their ability to take emerging technology beyond the demonstrator phase and deliver it to the field. Digital systems should be prioritised more highly in procurement, with consideration given to them early in the design and build of new vessels. The Navy should plan as far as possible for them to be fitted flexibly into vessels and regularly upgraded to avoid capabilities becoming out of date. Development stage funding should be increased. We note the importance of space as an enabler for the Navy: the role it plays in delivering military capabilities will be considered as part of our dedicated space inquiry.** (Paragraph 184)

Response: DE&S has established the Future Capabilities Group to work with industry to explore and de-risk new capabilities and improve our approach to procurement. NavyX is an experimentation and innovation team that contributes to DE&S and other delivery partners by conducting rapid prototyping, testing and evaluation of emerging technology and digital systems to provide evidence upon which future programme choices can be based, quickly identifying opportunities and 'quick wins' for exploitation.

To enable growth, and to exploit the latest technology, all digital elements of future vessel designs will use open architectures and application based software, and will be fully compliant with Defence's digital backbone. This will allow decisions to be made at the last responsible moment regarding the type and version of hardware and software, and thus enable the very latest and most suitable technologies to be fitted to new platforms, rather than key systems being many years out of date at the time of introduction into service. In addition, the use of systems based on open architectures that can be upgraded at the speed of relevance are key to ensuring that advances in technology can be rapidly harnessed to generate a competitive edge.

The level of Research, Development and Experimentation (RD&E) funding in the RN has grown over the last three years, and the requirement to increase it in line with best practice laid down by HM Government and the MOD is widely recognised and acknowledged. Defence has ringfenced a £6.6 billion ringfence for R&D investment over the four-year period (2021–2024) within the 2020 Spending Review settlement.

The RN is forecasted to spend circa £325 million over the next four years on RD&E but will specifically review the funding allocated as part of the Department's annual budget cycle. RD&E is often commissioned centrally to support multiple Front Line Commands (FLCs), and funding allocated to other FLCs provides Defence-wide benefits to more than one Service. The RN will also benefit from RD&E spend by Defence Innovation and Defence Science & Technology projects that will support multi-domain capabilities.

The RN is determined to be an early adopter of emergent space technologies, especially those that improve high bandwidth communications and offer persistent surveillance to deployed units.

Conclusion 28. **The Navy should consider taking a distributed lethality approach to future fleet and vessel design, learning from the US Navy's development of the concept.** (Paragraph 198)

Response: The RN has been working alongside the US Navy to learn from its experience as it invests in crewed and uncrewed vessels and platform types that can conduct power projection and Distributed Maritime Operations. The RN is sharing lessons with US allies to ensure coherence in harnessing new technologies and adopting new ideas.

Our concept for distributed lethality demands that systems should be developed and procured as enabling elements to deliver SENSE-DECIDE-EFFECT. These elements can then be distributed across a balanced and networked Fleet of mixed crewed and uncrewed warships, auxiliaries, aircraft, land vehicles and underwater vehicles.

The RN has begun experimentation of this approach through the concept work on the mission modules from the Persistent Operationally Deployed System (PODS).

Conclusion 29. **We strongly recommend that the Navy look carefully at the possibility of emulating other navies' successes with heavily armed light frigates/corvettes and consider delivering a similar vessel that will be fitted with an effective missile capability from the start. This should be included in any consideration of using common missile silos across vessel classes.** (Paragraph 199)

Response: The Department welcomes the Committee's observations and recognises the opportunities inherent with the use of common missile silos, launchers and weapon systems across multiple vessel classes of varying sizes.

We are seeking to increase the number of ships fitted with Mk 41 launchers beyond the Type 26, including Type 31 and potential retrofit to existing classes, to provide commonality with partner nations, improve interoperability and simplify the inventory of maritime offensive capabilities.

Finally, concept and assessment phases for the Type 32 frigate and Future Air Defence System have commenced, or are about to commence, and this too will examine the benefits of a common launcher.