Thank you for your letter, dated 10 January 2019. I attach the responses to your questions at Annex A.

THE RT HON GAVIN WILLIAMSON CBE MP

The Rt Hon Dr Julian Lewis MP
Chairman, Defence Committee
Committee Office
House of Commons
London
SW1A 0AA

Enclosure(s)
MDP Process

- Has the MDP now concluded? If not, what is the next phase/stages and when will these be complete?

The MDP has served its purpose, with the Defence Secretary’s announcement and the MDP publication highlighting the key conclusions of the programme. It 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.

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 be used to inform this year’s Spending Review.

- What happened to the four strands of the MDP that were identified in January and updated in July?

The four work strands of the MDP were our way of managing the work within the Department. The outcomes of each of these work strands have been incorporated into the three broad priorities outlined in the MDP report: to mobilise and modernise through updating our key policies; re-prioritising investment in certain capabilities; and transform the way we do business including our organisational design, approach to efficiencies, and acquisition system.

- What role has the National Security Adviser had in conclusions of the MDP?

Throughout the MDP we worked closely with key stakeholders across Whitehall to understand more clearly how Defence supports wider cross-Government national security objectives. This understanding informed our plans, allowing us to prioritise activity and capability with the Fusion Doctrine in mind. The National Security Advisor played a key part in this process.

Force structure, equipment and funding decisions

- What force structure changes or equipment decisions have been made as a direct result of the MDP?

The intent behind the MDP was to take stock of progress in the delivery of SDSR15/Joint Force 2025 in light of how threats have changed, and to examine where Defence needs to adjust its strategy, policies and overall trajectory in light of these changes. It identified a range of capabilities that we will seek to develop to mobilise the current force to meet today’s threats, whilst
concurrently modernising it to maintain our strategic advantages in the future. Some of these capabilities are being implemented already as a result of the Autumn Budget settlement, for example in anti-submarine warfare and offensive cyber; others will be funded by the Transformation Fund, and some will be dependent on further Defence investment in the upcoming Spending Review, where force structure implications will also be considered.

- **Without any clear evidence of a long term financial settlement from this work, how are you going to generate Joint Force 2025 if the Equipment Plan is unaffordable, on your own numbers?**

  We are acting to address the increased risk to affordability. 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. We have improved financial management of the Plan. Efficiency targets have been consolidated to simplify management of those which were outstanding. A new Executive Agency was established to lead on procurement, in-service support and decommissioning of all UK nuclear submarines.

- **Where is the £160 million for the Transformation Fund coming from? Is it new money? If not, where is this funding being diverted from?** *(Page 16)*

  The final allocation of the Defence budget for 2019/20, including the additional £800m made available in the Autumn Budget, will be in March at the conclusion of the Department's annual budget cycle. The £160m required for the Transformation Fund in 2019/20 will be retained centrally and distributed to front line commands to fund specific transformation initiatives.

- **What is the difference between the new Transformation Fund and the existing Defence Innovation Fund?**

  The Transformation Fund is intended to complement the Defence Innovation Fund. The Innovation fund is a long-term initiative that aims to instil an innovative culture across all aspects of Defence. The Transformation Fund seeks principally to support the acquisition of new innovative military capabilities.

- **What happens if the Department does not secure the additional £340 million for the Transformation Fund in the Spending Review? What will have to be sacrificed?**

  We are proceeding on the basis that the full £500m requirement for transformation funding will be made available to support transformational improvements in Defence capability over the next three years. The budgetary arrangements for 2020/21 and 2021/22 will be discussed in the Spending Review and the Department's annual budget cycle that follows.
Readiness and threats

- What specifically will the Department be doing to increase the readiness and availability of the key defence platforms identified in the report? (Page 14)

A range of technical measures are being implemented to improve the availability of key platforms: surface ships, submarines, helicopters and intelligence gathering aircraft. A good example of this is the Type 45 Propulsion Improvement Programme, a £200m plan to enhance the performance and resilience of our world-leading destroyers, leading to greater availability and a higher level of readiness to meet current threats.

- On which specific systems will weapons stockpiles and availability of spares be increased? (Page 15)

As outlined in the MDP report, prioritising the Defence programme to increase weapon stockpiles and spares is a key strand of mobilising the current force to meet today’s threats. Details of the specific stockpiles and spares 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. 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 F35.

- How are overseas training and deployments going to be adjusted? (Page 19)

The MDP publication highlights that we will sustain our commitment to a range of deployments and operations, including Enhanced Forward Presence, NATO’s Air Policing missions, and contributions to the NATO Response Force. As announced in September 2018 we will also retain key facilities in Germany, providing the UK Army with a vital forward base on mainland Europe.

We are now focusing our planning activities on a set of strategic frameworks. These will be used to drive Defence activity across operations and exercises, informing the prioritisation of future deployments. These will be fully aligned with wider cross-Government strategies and national security priorities, and ensure we maximise the benefits from Defence activity.

- The document talks of investment to counter ‘growing threats to the security of the nuclear deterrent’ (Page 15). What are the nature of these threats, and can we be assured that these additional investments will not introduce new risks to the Dreadnought programme?

We are absolutely confident about the security of our nuclear deterrent. But we cannot be complacent in the face of growing threats, and it is always prudent to strengthen its security when given the opportunity. For obvious security reasons we cannot provide further details of potential threats to the security of the nuclear deterrent.
• How will the UK be increasing its presence in the Pacific region? Is this related to the Secretary of State’s announcement on overseas bases in late December? (Page 22)

We continue to examine ways to develop our persistent presence in the region. We already have long-standing arrangements in the region, with the UK Garrison based, at the Invitation of HM the Sultan, at British Force Brunei and also a fuel facility in Singapore. We are also a key member of the Five Powers Defence Arrangements with Malaysia, Singapore, Australia and New Zealand which saw HMS Argyll recently take part in Exercise Bersama Lima 18 off the Malaysian Coast.

We have also increased our Naval presence in the region. HMS Sutherland paid a highly successful visit to Australia before sailing north to take part in enforcement of UN sanctions against North Korea. This enforcement activity has been repeated with HM Ships Albion and Argyll who have also undertaken key regional engagement with our allies in the area (for example Japan, Korea and Brunei). HMS Montrose recently completed a South Pacific transit, visiting Easter Island, Pitcairn Island, Tahiti and New Zealand.

We are examining how we can maintain this presence and maximise the opportunity afforded by our existing facilities in the region in the future. All ideas are at an early stage and we will consult with key stakeholders and allies as we take this work forward.

Policy and MoD Organisation

• How is the Department accelerating the transformation of Defence Equipment and Support [DE&S]? (Page 16)

DE&S is on a transformational journey that is already delivering real benefits to Defence. This transformation is not yet complete but is already delivering real improvements in terms of substantial efficiency which has been reinvested in the Equipment Programme, better project management and controls, and improved engagement with the supply chain. We need now to accelerate and sustain the transformation of our entire acquisition system, and ensure each element is playing its part in delivering the outcomes Defence needs, with greater transparency and alignment between them.

• What are your future intentions on Joint Forces Command? When is the JFC Review due to conclude? (Page 17)

Work is under way to understand how Joint Forces Command, and how its functions and outputs can best contribute to Defence and national security. This work is ongoing, and we plan to make further announcements later this year.
On Strategic Net Assessment (Page 17) –

- What is the Net Assessment Unit going to look like?
- Where will it sit in the Department? How will its independence and ability to make long-term strategic assessments be guaranteed?
- What have been the deficiencies in strategy formulation that have required the NAU to be created?
- Can you describe the reorganisation of the MoD Security Policy and Operations area? (Page 17)

The new Strategic Net Assessment (SNA) team will bring important additional insight and understanding. This will allow for more sophisticated strategic decision-making, and an improved ability to judge the relative importance and impact of the complex and diverse range of threats now faced. The terms of reference for this team are currently being developed. It is expected that it will initially comprise up to half a dozen personnel, both military and civilian.

The reorganisation of the MOD Security Policy and Operations area has focused on improving structures to better match today's security challenges, ensuring Government receives first class, clear military advice, and maximising the Department’s input across Whitehall.

How will the Defence Policy Board (Page 17) differ from previous bodies designed to bring external expertise to bear on policy and strategy (such as the Advanced Studies and Assessment Group, the National Security Forum, the CDS Strategic Advisory Group, the CDS's Strategy Forum)? Who will be on this Board? Has there been any consideration of bringing Parliamentarians into this process?

The Defence Policy Board will serve the important purpose of bringing outside perspectives and challenge to bear on Defence policy and strategy. Sir John Chilcot's Iraq Inquiry recognised this as a key imperative for Defence and the Government as a whole.

Following the publication of the report on the Modernising Defence Programme on 18 December 2018, we are working to establish the Board, including determining membership, and we will shortly be reaching out to prospective members. We expect to establish the Board by the summer, at which point we will publish its membership and terms of reference.