Dear Chair,

**UPDATE TO THE 2018 DEFENCE EQUIPMENT PLAN**

I am writing to inform you that we will be placing a further update to The Defence Equipment Plan for 2018 in the House of Commons Library this week to correct a labelling error in three charts, and to explain how this occurred.

We recently identified a labelling error in three charts in The Defence Equipment Plan published in November 2018. Specifically, the charts for the Army (fig. 13), Defence Nuclear Organisation (fig. 16), and Strategic Programmes (fig. 17) budgets were mislabelled so that the budget for the Equipment Procurement Programme was labelled as Equipment Support Programme and vice versa. This was the result of a transposition error when data was manipulated to produce the charts. The total budget allocations for each Top Level Budget and for the Equipment Plan as a whole are unaffected as are references to budget allocations in the text of the report.

The same labelling mistake also affected the response we provided to a recent Freedom of Information Request (ref. FOI2018/13850). We issued an updated response on 27 February with the correct attribution of budget data to category of spending.

We have reviewed again the consistency of all the budget data presented in the report and have identified no further errors. We have, however, chosen to add additional notes to two further charts in the report to clarify ambiguity that could have led to misinterpretation (fig. 12 and fig. 14).

Since the error was identified, media reporting has claimed the Army’s overall Equipment Budget has decreased since 2017, with reductions in funding for armoured fighting vehicles. We have made clear that there has been no overall decrease to the Army Command...
Equipment Plan Budget since 2017 and we will be spending £18.4bn on land equipment in the next ten years. The Army regularly takes strategic decisions about its equipment programme that may see expenditure reprioritised between different funding streams.

We will be placing an amended version of the full 2018 Equipment Plan report in the House of Commons Library. I enclose this document with this letter.

I absolutely recognise the importance of reporting transparently and accurately to the public and I am taking steps to reduce the risk of this occurring in future. I very much regret that these errors have occurred. We are reviewing in detail our plans for producing the Equipment Plan report and the associated analysis and will be putting in place further scrutiny and assurance of the data.

I wrote to you in December to explain a problem in the cost data reported in the Equipment Plan for the P-8 Poseidon project and the resulting review of DE&S processes is now concluding.

I am copying this letter to Rt Hon Dr Julian Lewis MP, Chair of the House of Commons Defence Committee and Nia Griffith MP, Shadow Secretary of State for Defence.

Yours sincerely,

STEPHEN LOVEGROVE