

Written evidence submitted by National Audit Office

Background

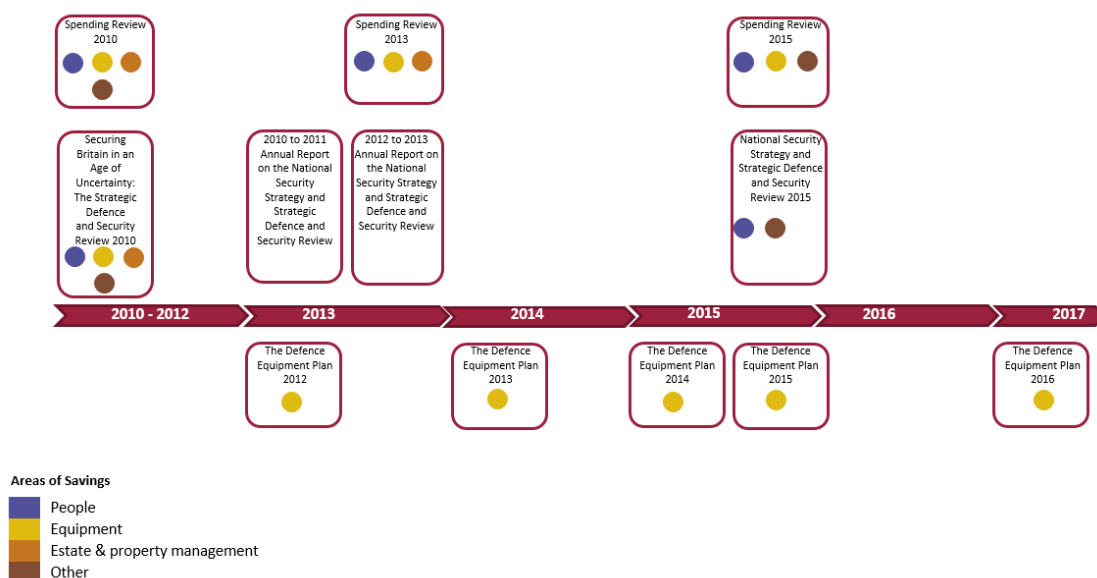
1. On 24 October 2017, the National Audit Office (NAO) provided an informal oral briefing to the House of Commons Defence Committee linked to its publication, 'A Short Guide to the Ministry of Defence'. Arising from this, the NAO agreed to the Committee's request to provide further information, based on published sources, on:
 - the Ministry of Defence (MoD) savings and efficiency programmes;
 - where it considered there are skills shortages within MoD; and
 - the £9.1 billion of approved expenditure for the F35 programme.

The NAO's work was necessarily limited. It did not take the form of a detailed audit of these issues but drew on publicly available material.

Part One: Saving and efficiency programmes

2. Over a number of years, the MoD has committed to various savings and efficiency programmes. These have been announced in different ways such as via government spending reviews, Strategic Defence and Security Reviews (SDSRs), ad hoc reports and other public announcements (**Figure 1**). Generally, these programmes combine:
 - both genuine efficiencies and spending cuts;
 - different areas of expenditure such as equipment and support, contract re-negotiations, staff reductions and estate sales; and
 - a range of timeframes.

Figure 1: The main MoD publications outlining saving and efficiency programmes



Source: National Audit Office

3. The MoD does not publish a definitive list of its saving and efficiency programmes or targets, and it is not clear how, or whether, the programmes relate. It also does not consistently report

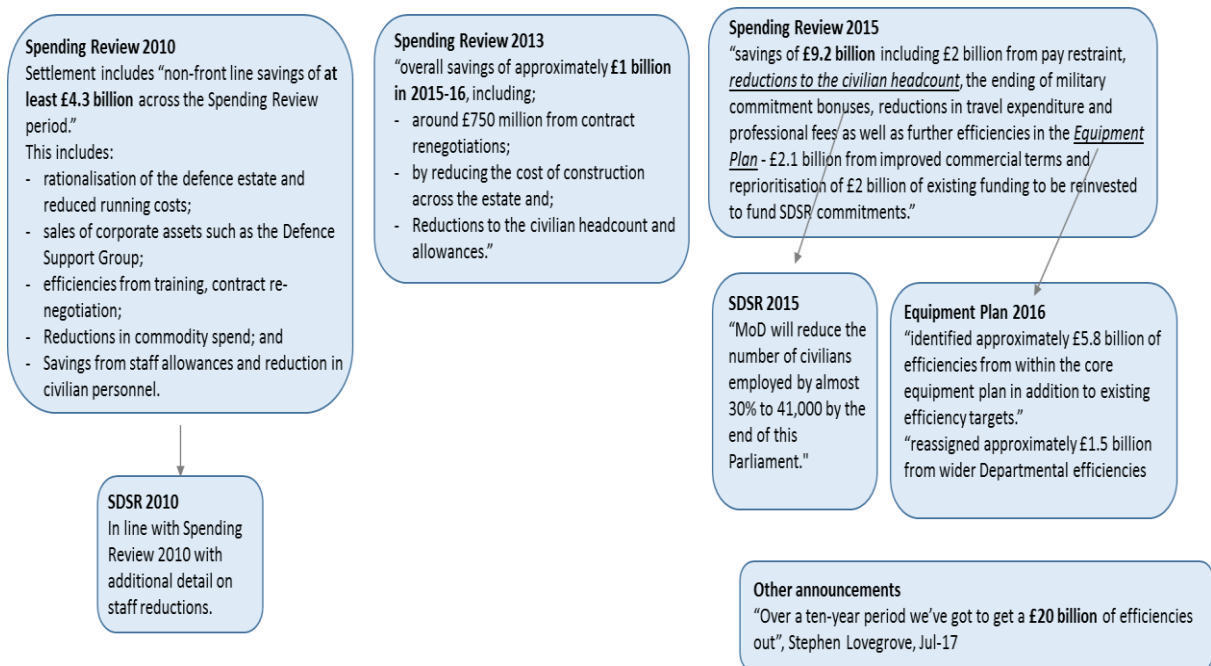
on progress against targets. Updates are included in a number of sources, using different categorisations, including:

- **Strategic Defence and Spending Reviews:** The government published annual reports on progress implementing the SDSR 2010 commitments which included some information on savings.¹ It published a first annual report on SDSR 2015 in December 2016, which outlined progress in implementing the review.²
- **MoD Annual Report and Accounts:** The 2016-17 report describes progress with SDSR 2015 efficiency programmes, but at this stage, reporting does not include quantification of savings.

Savings by category

4. The Spending Review 2015 announced MoD plans to achieve a total “£9.2 billion of savings whilst maintaining the current number of Armed Forces personnel.” It did not specify the associated timeframe. This compares to £4.3 billion of savings announced in Spending Review 2010. Subsequent announcements have referred to the need for savings. For example, in June 2017, the MoD Permanent Secretary announced that, over a 10 year period, the MoD would have to achieve £20 billion of efficiencies from across Defence, including head office.³
5. **Figure 2** illustrates the main announcements. **Annex One** shows the main published savings and efficiency targets. Savings can be grouped into four areas: a) people; b) equipment; c) estate and property management; and d) other.

Figure 2: Summary of main savings announcements, 2010-2017



Source: National Audit Office

¹ Cabinet Office, *2010 to 2011 Annual Report on the National Security Strategy and Strategic Defence and Security Review, 2010*;

Cabinet Office, *2012 to 2013 Annual Report on the National Security Strategy and Strategic Defence and Security Review, 2012*

² Cabinet Office, *National Security Strategy and Strategic Defence Security Review 2015, First Annual Report, December 2016*

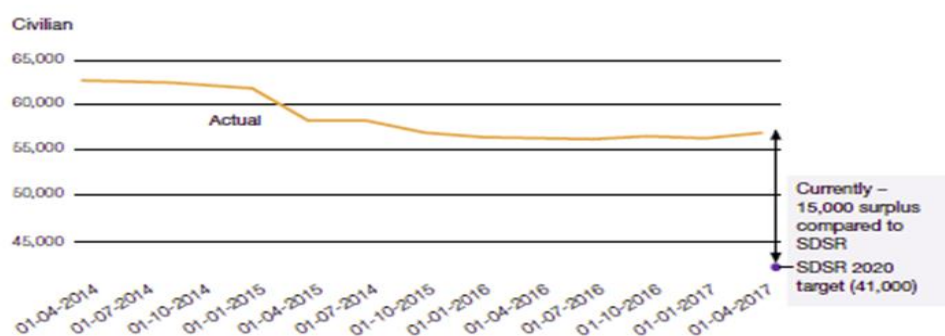
³ <https://www.instituteforgovernment.org.uk/events/managing-ministry-defence-stephen-lovegrove>

a) People

Civilian personnel

6. SDSR 2010 announced a 25,000 target reduction in civilian posts (to 60,000 posts) by 2015. This was designed to achieve £1.4 billion of savings. In 2015, MoD reported that it had achieved the planned staff number reduction. It had identified £0.6 billion of savings to 2013-14, with a further £0.5 billion expected in 2014-15, totalling £1.1 billion.⁴
7. Subsequently, SDSR 2015 announced a 30% reduction in civilian personnel to 41,000 by 2020. The MoD Annual Report and Accounts 2016-17 reported that in the process this would reduce the annual civilian pay bill by £150 million. At April 2017, the civilian headcount was 57,000, a 3% reduction from when the target was announced (**Figure 3**).

Figure 3: Trend in civilian staff numbers against the SDSR 2015 target, April 2014 to April 2017



Source: *A short guide to the Ministry of Defence*, National Audit Office, September 2017

Military personnel

8. The SDSR 2010 announced that by 2015 the Royal Navy would reduce by 5,000, the Army by 7,000 and the Royal Air Force by 5,000. The Department expected this would result in a £1.6 billion saving. In July 2015, MoD had achieved savings of £0.9 billion up to 2013-14, with an expected £0.75 billion savings in 2014-15. As a result, we reported that the MoD forecast to meet its 2010 target.⁵
9. The SDSR 2010 also announced MoD plans to reduce the size of the Army to 94,000 by 2020, helping the Army make £5.3 billion savings over the ten years to 2020-21. Subsequently, in July 2011, the MoD announced a further reduction to the Army from the SDSR 2010 target of 94,000, to 82,000 trained regular soldiers. The MoD projected this would lead to a further £5.3 billion of savings over the ten years 2012-13 to 2021-22. The MoD therefore expected to make overall savings of £10.6 billion between 2011-12 and 2021-22.⁶
10. The SDSR 2015 stated that the government was committed to maintaining the size of the regular Armed Forces, and to not reducing the regular army below 82,000.

⁴ Comptroller and Auditor General, *Strategic financial management in the Ministry of Defence*, Session 2015-16, HC 268, National Audit Office, July 2015

⁵ Comptroller and Auditor General, *Strategic financial management in the Ministry of Defence*, Session 2015-16, HC 268, National Audit Office, July 2015 Figure 2

⁶ Comptroller and Auditor General, *Army 2020*, Session 2014-15, HC263, National Audit Office, June 2014

b) Equipment and support

11. Each year, the MoD publishes its annual Equipment Plan, a ten-year rolling programme of expenditure. The NAO reports on each Plan, following a programme of work to test the MoD's assertions within its assessment of costs.
12. Our most recent NAO Equipment Plan report, covering 2016 to 2026, comments on the efficiencies and savings required to make the plan affordable (**Figure 4**).⁷ We reported that the MoD must generate £5.8 billion of new savings from projects within the Plan to meet its commitments. This is in addition to savings initiatives already incorporated into the Plan from previous years. We considered the MoD's plans challenging with:
 - £3.3 billion to be generated from transformational activities within Defence Equipment & Support;
 - £1.7 billion from the application of the Single Source Contracts Regulations over ten years, with just over a third of this amount expected to be generated in the first five years; and
 - £0.8 billion from several other sources, including continuing reviews of support projects, testing and evaluation work.

In addition, the Plan now also contains £897 million of savings over the next ten years from the MoD's IT programme, including the savings from disaggregation of the Defence Core Network Services programme mentioned in our 2015 Equipment Plan report.
13. The MoD apportioned the savings target between Commands but – at the time of publication (January 2017) - had not identified which projects would provide these savings before finalising the Plan.⁸
14. The MoD reports upon progress against efficiencies and savings within the annual Equipment Plan. At the time of the 2016 Plan, the MoD reported savings of:
 - £0.64 billion relating to the Submarine enterprise performance programme;
 - £3.4 billion relating to the support cost budget; and
 - £0.57 billion relating to the Complex weapons pipeline.⁹
15. In relation to the Single Source Contract Regulations ten-year target, our October 2017 report, *Improving value for money in non-competitive procurement of defence equipment*, found that the MoD calculated that by July 2017 the Regulations had achieved reductions in contract prices of £313 million (3.9% of contract values). Part of this figure was cost avoidance, and only part are savings which will count against the savings target. Whether these predicted savings are ultimately realised, however, will depend on the management of contracts within the Regulations, and further work to establish in which years benefits will be realised.¹⁰

⁷ Comptroller and Auditor General, *The Equipment Plan 2016 to 2026*, Session 2016-17, HC 914, National Audit Office, January 2017

⁸ *ibid*

⁹ Ministry of Defence, *The Defence Equipment Plan 2016*, January 2017, Figure 10 (pg13)

¹⁰ Comptroller and Auditor General, *Improving value for money in non-competitive procurement of defence equipment*, Session 2017-2019, HC 412, October 2017

Figure 4: Savings reported in the Equipment Plan 2016

Type of saving	Source of savings	Target (£ billion)	To be achieved by	Total achieved at 31 March 2016 (£ billion)
Efficiency savings from previous equipment plans	Support budget	4.1	2023-24	3.4
	Complex Weapons pipeline	2.1 (gross, 1.2 net) ¹	2019-20	0.57 (gross) ¹
	Submarine Enterprise Performance Programme	0.88	2020-21	0.64
Planned SDSR 2015 Equipment Plan efficiencies	Further Equipment Support Programme Efficiencies	0.3	2025-26	
	DE&S transformation efficiencies	3.3	2025-26	
	Single Source Contract Regulations	1.7	2025-26	
	Equipment Plan efficiency measures (<i>including testing and evaluation, logistics, and PFI savings</i>)	0.5	2025-26	
Planned efficiencies from wider Defence budget	Includes savings from achieving a 30% reduction in the size of the defence estate by 2040; a 30% reduction in the size of the civilian workforce by 2020; savings from military and civilian pay restraint by 2020	1.5	2025-26	
IT efficiency savings	Department's IT programme, including from disaggregation of the Defence Core Network Services programme	0.9	2025-26	

NOTES

1. The complex weapons target is £2.1 billion gross savings, which gives £1.2 billion actual savings after netting off the notional additional cost of single-source procurement from the benefits of the extant procurement strategy.

Source: Ministry of Defence, *The Defence Equipment Plan 2016*, January 2017, Figure 5, Figure 6, Figure 10; Comptroller and Auditor General, *The Equipment Plan 2016 to 2026*, Session 2016-17, HC 914, National Audit Office, January 2017

c) Defence Estate

16. In SDSR 2015, the MoD outlined plans to reduce its built estate 30% by 2040 and release land for building 55,000 homes by 2020. In addition, as part of its Spending Review settlement, it is required to generate capital receipts of £1 billion between 2016-17 and 2020-21. The MoD considers these are ambitious targets, given that much of the estate is in use.
17. In November 2016, the MoD set out a 2040 vision for its estate, '*A Better Defence Estate*' strategy, to support military capability while meeting government targets.¹¹ This includes releasing land for new housing and providing savings of over £140 million from running costs over the next ten years, rising to nearly £3 billion in total to 2040. The MoD estimates that the strategy will enable it to reduce the built estate by 25%, which would be supplemented by additional work to meet the MoD's 30% target. It also estimates an overall financial benefit of £2.4 billion over 25 years through £2 billion from disposals, £1.7 billion from running cost savings and £1.6 billion reduction in capital expenditure required to sustain the estate.
18. Alongside savings from the estate composition, the MoD aimed to achieve £1.2 billion savings by April 2015 through transforming how the estate should be run by the Defence Infrastructure Organisation (DIO). Between 2011 and 2013, DIO implemented a transformation programme designed to achieve savings through reducing staff and outsourcing services. DIO's transformation programme was not completed as planned by the time it contracted with a strategic business partner to assist it make savings. The MoD considers that around 30% of the £240 million savings DIO has calculated in 2015-16 are sustainable.¹²

d) Other

19. The MoD envisages achieving further savings across the MoD. The Ministry's *Single Departmental Plan* outlined other areas of spending where it would explore opportunities to make savings. This includes front-line expenditure in particular on business travel costs, professional fees, non-operational training costs as well as PFI projects. In the plan, the MoD stated that it would continue to deliver savings in its commercial relationships, including by working with the Crown Commercial Service to reduce spend on common goods and services.¹³ Progress with these savings has not been publicly reported.

¹¹ Ministry of Defence, *A Better Defence Estate*, November 2016

¹² Comptroller and Auditor General, *Delivering the Defence Estate*, Session 2016-17, HC 782, National Audit Office, November 2016-17

¹³ Ministry of Defence, *Single Departmental plan: 2015 to 2020*, March 2017

Part Two: Skills shortages

20. The Committee asked which skills shortages within the MoD the NAO thought should be addressed most urgently. A number of recent NAO reports have expressed concern about different skills shortages.

Military

21. The Armed Forces have identified gaps in key skills. They identify 'operational pinch points', where a shortfall in trained strength would have a measurable, detrimental impact on operations without any mitigating actions. In 2017, the MoD had 30 pinch points, a decrease of 8 from 2016, across three Commands (**Figure 5**). These include engineering roles, which reflects a wider UK-wide recruitment challenge arising from insufficient qualified graduates. This matter was covered in the 'Filling the ranks: A report for the Prime Minister on the State of Recruiting into the United Kingdom Armed Forces' report (paragraph 20) prepared by Rt. Hon Mark Francois MP¹⁴ and commented on in the media (e.g. [Atkins](#) blog). The MoD no longer reports further details on military skills gaps.

Figure 5: Operational pinch points reported by the MoD

Service	Operational pinch point
Navy	15 Decrease of three since April 2016. Covers engineering and specialist roles, such as warfare specialists.
Army	4 No change since April 2016. Covers logistics roles, including two where wider commitments have increased short-term requirements.
Air Force	11 Decrease of five since April 2016. Covers engineering and intelligence roles with emerging shortfalls in relation to aircrew.

Source: A short guide to the Ministry of Defence, National Audit Office, September 2017

22. The NAO is currently undertaking a study examining the challenges faced by the MoD on ensuring sufficient skilled personnel in the Armed Forces. We aim to report in spring 2018.

Civilian

23. The MoD requires a range of skills including commercial, project management, financial management and digital skills. Previous NAO work has commented on government-wide capabilities and digital skills, identifying shortages in key areas.¹⁵ The MoD acknowledges it has a shortage of skills, particularly within Defence Equipment & Support (DE&S). The DE&S transformation programme was introduced in 2014 to improve skills and capability. This

¹⁴ Filling the Ranks: Report on the State of Recruiting into the United Kingdom Armed Forces at www.markfrancois.com

¹⁵ Comptroller and Auditor General, *Capability in the Civil Service*, National Audit Office, HC 919 session 2016-17 24 March 2017.

programme introduced new pay freedoms to attract and retain the necessary staff in DE&S. The effectiveness of these freedoms is not yet clear.

24. Recent NAO reports have identified a lack of skills which affects the MoD's ability to deliver value for money. Recent reports have made the following points:

- **Defence Equipment & Support (DE&S):** The NAO report, *Reforming Defence Acquisition*, noted that DE&S had long-standing skills gaps, including airworthiness, engineering roles, commercial, logistics and project and programme management. DE&S estimated that enhancing its skills and improving its interface with Commands could deliver between £1.03 billion and £1.45 billion of financial savings from the Equipment Plan each year.

Our *Investigation into equipment cannibalisation in the Royal Navy* (November 2017) noted that DE&S has staff shortages in specialist logistics and commercial roles, including 42% fewer qualified inventory management staff in post in the Submarine Delivery Agency than planned. This affects DE&S's ability to respond quickly to demands for parts, or understand and plan support requirements.

- **Estate:** Our report on *Delivering the Defence Estate* (November 2016) noted that DIO requires a number of skilled specialist roles, including project and programme managers, quantity surveyors, commercial specialists, contracting experts and strategic asset managers. It has struggled to recruit these specialists because of lengthy recruitment processes, and an inability to compete with opportunities and salaries offered by high-profile projects such as Crossrail and High Speed 2. We reported that this skills shortage is affecting DIO's performance.
- **Financial:** Our work on *Strategic Financial Management in the Ministry of Defence* (July 2015) reported that the Commands face a number of challenges professionalising their finance teams. Few staff have formal financial qualifications and the percentage of finance staff who are qualified varied significantly across the MoD, ranging from 8% in Air and Army Command, to 31% in DE&S and DIO.
- **Commercial:** A common theme of recent reports has been the impact of shortages of skilled commercial staff. In particular:
 - Our report on *Delivering Carrier Strike* (March 2017) examined how the MoD will integrate the new aircraft carrier, F-35B Lightning II jets and the Crowsnest radar system to deliver the Carrier Strike Capability. The report noted long-standing gaps in the MoD's contract management teams, and commented that a lack of commercial staff had delayed the purchase of spares for the aircraft carrier.
 - Our report on *Improving value for money from non-competitive procurement in defence equipment* (October 2017) noted that the effectiveness of the Single Source Contract Regulations could be undermined by gaps among key commercial and cost assurance staff. The MoD calculated that it is 386 (24%) commercial posts short of its ideal complement in the Head Office, the Commands, and DE&S.

Part Three: F-35 programme expenditure

25. The MoD approves F-35 Lightning II (F-35) programme expenditure on an incremental basis, with the programme team seeking approval for discrete components such as the purchase of aircraft, and provision of infrastructure or support. As each approval could cover, for example, purchase, support or other costs, a unit cost per aircraft cannot be identified from public data. The MoD has not published the whole life cost. It reports publicly on the aggregated F-35 programme expenditure approvals and forecast costs of these approvals within its annual Equipment Plan, and previously within the Major Project Reports.¹⁶

26. The 2017 NAO report, *Delivering Carrier Strike*, detailed the £9.1 billion spending approved across the F-35 programme up to March 2017 (**Figure 6**).¹⁷ This includes:

- one-off costs, including £1.9 billion for the UK to gain 'Tier 1' status and exert greater influence over the development and demonstration of the aircraft, as well as the annual contribution to the running of the F35 Joint Programme Office in the US;
- costs of supporting the aircraft during the procurement phase prior to the letting of in-service support contracts;
- infrastructure costs required now but supporting the whole programme into the future. These include facilities to test the 'stealth' of the aircraft over a long timeframe, and on-shore basing facilities at RAF Marham; and
- procurement and support costs for specific aircraft.

Not all F-35 programme costs, such as long-term support costs, have yet been approved. The US Government Accountability Office reported in October 2017 that contractors have yet to produce reliable information on support costs, reliability and maintainability.¹⁸

27. Of the £5,667 million approved costs up to 31 March 2016, published cost forecasts indicate an underspend of £699 million.¹⁹ Forecasts are not yet available for approved spending after this date. Factors underlying the underspend include:

- reductions in the actual unit costs of aircraft, compared with forecasts at the time of approval; and
- foreign exchange. Approvals cover provision for variations in the exchange rate, but these are not included in forecasts until they occur.²⁰

¹⁶ *The Defence Equipment Plan 2016*, Ministry of Defence, January 2017, Figure 18 (page 40)

¹⁷ Comptroller & Auditor General, *Ministry of Defence: Delivering Carrier Strike, Appendices three to five*, Session 2016-17, HC 1057-II, National Audit Office, March 2017 (Appendix 4, Figure 3).

¹⁸ Government Accountability Office, *F-35 Aircraft Sustainment: DOD Needs to Address Challenges Affecting Readiness and Cost Transparency*, GAO-18-75, October 2017.

¹⁹ *The Defence Equipment Plan 2016*, Ministry of Defence, January 2017, Figure 18 (pg 40)

²⁰ Comptroller & Auditor General, *Major Projects Report 2015 and the Equipment Plan 2015 to 2025 - Appendices and project summary sheets*, Session 2015-16, HC 488-II 22, October 2015 (pg 94 – 97).

Figure 6: F-35 programme expenditure approvals, November 1996 to January 2017

Phase	Date	Description	Approved cost (£ million)	Latest Forecast outturn (£ million)
System development and demonstration	Jan-01	UK contribution to become Tier 1 partner, for development and demonstration of the aircraft, allowing it to decide and agree aircraft specification.		
	TOTAL		1,874	
Production sustainment and follow-on development	Dec-06	Long lead items for first two aircraft, UK contribution (2007 to 2009) to the Lightning II programme and development of UK Freedom of Action solutions and implementation.	3,793	
	Mar-09	Purchase and initial support of first three aircraft, two of which being operational test aircraft to remain in the United States; and UK contribution (2010) to the Lightning II programme.		
	Mar-12	Long lead items for the fourth aircraft, plus UK contribution (2011 to 2012) to the Lightning II programme.		
	Nov-12 to Mar-14 (three periods)	Full production of the fourth aircraft, plus long lead items for a further four UK aircraft. UK contribution (2013 to 2015) to the Lightning II programme.		
	Jan-14	Purchase of 14 front-line aircraft to Block 3f capability, along with training, initial support and software development costs.		
	Sep-15	UK contribution (2016) to the Lightning II programme.		
TOTAL as at 31 March 2016 as per the Equipment Plan 2016 (‘System development and demonstration’ and ‘Production sustainment and follow-on)			5,667	4,968
	Oct-16	Procurement of the UK F-35 strategic facility including operating costs for the first five years.	3,465	
	Oct-16	UK contribution to the Lightning II programme (2017 to 2021); plus UK contribution for pre-engineering manufacture and development for further modernisation of the aircraft for 2017.		N/a ³
	Jan-17	Approval for the procurement, spares and support equipment for the remaining 30 F-35B aircraft in the tranche 1 fleet, enabling the second front-line squadron and full operational capability.		
TOTAL			9,132	N/a

NOTES

- Totals have been rounded to the nearest whole number. Individual approval amounts are not shown because they are commercially sensitive. Italicised figures represent balancing figures.
- Does not include a £150 million approval in November 1996 to enter into the concept and demonstration phase for a new stealth aircraft (later to become the Lightning II). Boeing and Lockheed Martin both submitted designs for the aircraft. Lockheed Martin was selected as the preferred design.
- No forecast yet published for approvals after 31 March 2016. Equipment Plan 2017, not yet published, will include forecasts for approvals after March 2016.

Source: Comptroller & Auditor General reports: *Delivering Carrier Strike*, Session 2016-17, HC 1057, National Audit Office, March 2017 *Ministry of Defence: Major Projects Report 2015 and Equipment Plan 2015-25*, Session 2015-16, HC 488-II, National Audit Office, October 2015, Appendix 6, pages 90-107; Ministry of Defence, *The Defence Equipment Plan 2016*, January 2017, Figure 18, page 40

Annex one: Summary of MoD efficiency and savings targets

Source	Detail	Value (£ billion)	Timeframe
Strategic Defence and Security Review 2010 ²¹	New front line savings covering:	£4.3	by April 15
	- Reductions in civilian workforce		
	- Rationalisation of defence estate including sale of surplus and associated running cost reductions	n/a	
	- Running cost savings	£0.35pa	
	- Sale of assets such as Defence Support Group	£0.5	
	- Efficiencies in military training		
	- Contract renegotiations		
	- Cutting service and civilian personnel allowances	£0.3pa	
	- Reductions in commodity and media spend		
Spending Review 2010 ²²	New front line savings covering:	£4.3	by April 15
	Military staff costs	£1.6	by 2014-15 (four years)
	Civilian staff costs	£1.4	
	Equipment	£0.1	
	Property management	£0.6	
	Information technology and communication	£0.15	
	Other	£0.45	
Spending Review 2013 ²³	Includes around £750 million from contract renegotiations and savings from reducing estate construction costs and civilian staff headcount and allowances	£1.08	2015-16
2016 Equipment Plan ²⁴	Includes - £7.1bn of savings carries forward from previous equipment plans (of which £4.6bn has been achieved) - £5.8bn of new efficiencies from within the 2016 Equipment Plan - £1.5bn from wider efficiency programmes within Defence - £0.9bn of IT related projects	At least £15.3	Over rolling 10 year period

²¹ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, October 2010

²² HM Treasury, *Spending Review 2010*, October 2010; Comptroller and Auditor General, *Strategic financial management in the Ministry of Defence*, Session 2015-16, HC 268, National Audit Office, July 2015

²³ HM Treasury, *Spending Round 2013*, June 2013; Comptroller and Auditor General, *Strategic financial management in the Ministry of Defence*, Session 2015-16, HC 268, National Audit Office, July 2015

²⁴ Ministry of Defence, *The Defence Equipment Plan 2016*, January 2017; Comptroller and Auditor General, *The Equipment Plan 2016 to 2026*, Session 2016-17, HC 914, National Audit Office, January 2017

Source	Detail	Value (£ billion)	Timeframe
Spending review 2015 ²⁵	£9.2 billion of savings, while maintaining the current number of Armed Forces personnel, to be directly reinvested into the defence budget. Includes:	£9.2	Not detailed
	Military and civilian pay restraint	£2	
	Reductions to civilian headcount		
	Ending of military commitment bonuses		
	Reductions in travel expenditure and professional fees		
	Further Equipment Plan efficiencies	£2.1	
	Reprioritisation of existing funding to support SDSR commitments	£2	
Army 2020 report ²⁶	At time of SDSR 2010 – reduce size of army from 102,000 to 94,000 by 2020	£5.3	2011-12 to 2020-21 (10 years)
	Following SDSR plans for an Army of 82,500 trained soldiers and 30,000 trained reserve soldiers	£5.3	2012-13 to 2021-22 (10 years)
		£10.6	2011-12 to 2021-22 (11 years)
Stephen Lovegrove, July 2017 ²⁷	Overall efficiencies	£20	Over 10 years
Michael Fallon, October 2017 ²⁸	Savings from modernisation of equipment, including ration packs and medical kits	£0.6	None supplied
	Savings from improving running of testing and training sites	£0.3	

²⁵ HM Treasury, Spending Review 2015 and Autumn Statement 2015, November 2015

²⁶ Comptroller and Auditor General, *Army 2020*, Session 2014-15, HC 263, National Audit Office, June 2014

²⁷ Stephen Lovegrove, '*Managing the Ministry of Defence*', Institute for Government, London, June 2017

²⁸ [Michael Fallon, Conservative Party Conference, Manchester, October 2017](#)