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FROM THE BARONESS GOLDIE
GOVERNMENT WHIP FOR DEXEU, FCO AND MOD
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Dear David,

17 July 2018

During the NATO Summit 2018 debate on Tuesday 26 June, I undertook to write with more specific information on the scrutiny of strategic defence equipment planning. Following input from those involved from the Ministry of Defence (MOD), I hope you will find the information below useful.

The Strategic Defence and Security Review (SDSR) 2015 set out Joint Force 2025 as Defence's future capability headmark. One element that flows from the SDSR is the Defence Equipment Plan detailing the next decade's acquisition programme. This overall Plan sets out the equipment budget and forecast expenditure to deliver and support the equipment the Armed Forces require; it is updated and reviewed as part of the Annual Budget Cycle alongside external assessment from the National Audit Office and Public Accounts Committee.

Since April 2013, the responsibility for managing the majority of the equipment budget has been delegated to the Front Line Commands in line with the Levene Report recommendations. Programmes within the Plan are individually subject to Approvals and Assurance systems as part of the Acquisition process. The Investment Approvals Committee (chaired by Direct General Finance with membership from across the department, including the Vice Chief of Defence Staff) or its delegated Approving Authorities, provides assurance that a particular investment proposition will deliver the required effects, achieve value for money through life, and is affordable within the Department's financial resources.

While this describes the current processes in place, I am sure you are aware that the Modernising Defence Programme is reviewing the Department's commercial and industrial approach to assess how the MOD can improve on commercial capability and strategic supplier management.

I trust it is reassuring that the MOD takes a rigorous approach to this process and is looking at areas for improvement.

I hope you find this letter helpful. I will also place a copy in the House library.

With kindest regards,
Yours sincerely,

BARONESS GOLDIE

Annabel

Lord Howell of Guildford
House of Lords