



Ministry
of Defence

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THE EARL OF MINTO
MINISTER OF STATE IN THE HOUSE OF LORDS

MSU/4/8/1/1/is

20th March 2024

Dear John,

During the AUKUS debate on Thursday 29th February, you raised the issue of risk across the AUKUS partnership, and the potential constraints AUKUS will present to wider departmental spending.

As set out in the Integrated Review Refresh 2023, the UK will prioritise shaping activity across the strategic arenas where developments will be most consequential for our core national interests and international order: geographically, the Euro-Atlantic, the Indo-Pacific, and our wider neighbourhood. Rather than increasing risks to the defence budget, in an increasingly contested and volatile world, AUKUS will deepen UK cooperation with trilateral partners on a range of security and defence capabilities.

The AUKUS programme also supports wider departmental objectives, by securing the future of our independent nuclear deterrent and our nuclear submarine industrial base. SSN-AUKUS will be delivered as a joint build programme constructed in Barrow-in-Furness and Adelaide, with Rolls-Royce UK building the nuclear reactors for all SSN-AUKUS submarines, further supporting the development of a highly-skilled UK workforce. Running parallel to this, Australia will make a proportionate financial investment in the UK and US industrial bases to realise a nuclear-powered submarine capability in the 2030s. Accordingly, it allows us to share the underlying overheads of the programme more widely and enhances, rather than detracts from, the affordability of MOD's wider plans.

I will place a copy of this letter in the Library of the House.

Yours sincerely

THE EARL OF MINTO

The Lord Houghton of Richmond GCB CBE DL
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