

Statement to parliament: Modernising Defence Programme – Update

In July, I made a statement setting out headline conclusions from six months of work on the Modernising Defence Programme (MDP). Since then, work has continued apace. Firstly, I would like to welcome the extra £1.8 billion of funding for Defence, including the additional £1 billion that was in last month's Budget.

Today, I want to provide an update on the MDP, and set out the work that will be ongoing. I have placed a full report on the MDP in the library of the House.

First, I should put the MDP into context.

The 2015 Strategic Defence and Security Review was the right plan for Defence at that time. The Government put the Defence budget on a firmer footing, increasing throughout the life of the Parliament. Defence is much stronger as a result of that. NATO is growing in strength and the UK is a leader. More allies are meeting the 2 per cent spending guideline, or have developed plans to do so. We are the second largest defence spender in NATO, one of only a small number of allies to spend 2 per cent of our GDP on defence, and invest 20 per cent of that in upgrading equipment.

We can be proud of what we have achieved since 2015. But we have to also be vigilant. National security challenges have become more complex, intertwined and dangerous since 2015 and these threats are moving much faster than anticipated.

Persistent, aggressive state competition now characterises the international security context. In response to the growing threats the MDP was launched in January.

And, in the last year, our Armed Forces have demonstrated their growing capability, engaged globally, and supported the prosperity of the UK. The Royal Navy has increased its mass and points of presence around the world. We have taken steps to forward base the Army, enhancing our global posture. The Royal Air Force has continued to innovate, and has celebrated a proud past its RAF100 years since its creation. Progress has also made in cyber and space, as the changing character of warfare makes both domains increasingly important. We have reinforced the UK's position as a leading voice in NATO and on European security. And, our Armed Forces have led the way for Global Britain, tackling our adversaries abroad to protect our security at home and nurturing enduring relationships with our allies and partners.

Through the work over the past year the MDP has identified three broad priorities, supported by the additional £1.8 billion invested in Defence.

Firstly, we will mobilise, making more of what we already have to make our

current force more lethal and better able to protect our security.

The UK already has a world-leading array of capabilities. We will make the most effective use of them.

We will improve the readiness and availability of a range of key Defence platforms: major warships, attack submarines, helicopters and a range of ISTAR platforms. We are adjusting our overseas training and deployments to increase our global points of presence, better to support allies and influence adversaries.

To improve the combat effectiveness of our Force, we will re-prioritise the current Defence programme to increase weapon stockpiles. And we are accelerating work to assure the resilience of our Defence systems and capabilities.

We can mobilise a full spectrum of military, economic and soft power capabilities. And, where necessary and appropriate we will make sure we are able to act independently.

We will also enhance efforts with our allies and partners, aligning our plans more closely with them, acting as part of combined formations, developing combined capabilities, and burden-sharing. And we continue to invest in, and grow, our global network of Defence personnel and the education and training we offer in the UK and overseas.

Secondly, we will modernise, embracing new technologies to assure our competitive edge

Our adversaries and competitors are accelerating the development of new capabilities and strategies. We must keep pace, and conceive of our joint force as consisting of five domains, air, land, sea, cyber and space, rather than the traditional three.

We must modernise, targeting priority areas. A major new step will involve improved Joint Forces Command that will be in a better position so that defence can play a major role in preventing conflict in the future and improve our cyber operations and capabilities across the armed forces but also across government as well.

This year Defence's Innovation Fund put £20 million towards projects in areas including unmanned air systems, virtual reality training, and enhanced digital communications for the Future Commando Force. The fund will grow to £50 million next financial year, increasing the scope, ambition and value of the projects it can support.

We will launch new 'Spearhead' innovation programmes that will apply cutting-edge technologies to areas including sub-surface threats to our submarines, our intelligence, surveillance and reconnaissance capability, and command and control in the Land Environment as well.

And to drive innovation and change through the Department I am launching a Transformation Fund. Next year, I will ring-fence £160 million of MOD's

budget to create this fund available for innovative new military capabilities. I will look to make a further £340 million available as part of the Spending Review. This fund will be available for new innovative military capabilities which allows us to stay one step ahead of our adversaries.

Together these and other steps will enable the acceleration of our modernisation plans.

Thirdly, we will transform, radically changing the way we do business in Defence.

We need to improve markedly the way we run Defence. To sustain strategic advantage in a fast-changing world, we must be able and capable of continuous and timely adaptation. We will embrace modern business practices and establish a culture that nurtures transformation and innovation.

We also need to create financial headroom for modernisation. Based on our work to date, we expect to achieve over the next decade the very demanding efficiency targets we were set in 2015, including through investment in a programme of digital transformation.

We will develop a comprehensive strategy to improve recruitment and retention of talent, better reflecting the expectations of the modern workforce. We will access more effectively the talents of our 'Whole Force' across all three Services, Regulars, Reserves, Civil Service and industrial partners.

Looking ahead, dealing effectively with persistent conflict and competition will increasingly hinge on smarter, better informed long-range strategy. To help achieve these goals we will establish a permanent Net Assessment Unit, as well as a Defence Policy Board of external experts, to bring challenge to Defence policy and to Defence strategy.

Our achievements under the MDP have made Defence stronger. The capability investments and policy approaches set out, with the £1.8 billion worth of Defence funding, will help us keep on track to deliver the right UK Defence for the challenging decade ahead.

Without a shadow of a doubt, there is more work to be done as we move towards next year's Spending Review. We must sustain this momentum if we are to realise our long-term goals of increasing the lethality, reach and mass of our Armed Forces. I will do everything within my power to make sure that the UK remains a Tier-One military power in the decade ahead, and that we continue to deliver the strong defence and security that has been the hallmark of the government.

I commend this statement to the House.

[The Modernising Defence Programme](#)