

Seventh Report of Session 2022–23

Ministry of Defence

Armoured Vehicles: the Ajax programme

Introduction from the Committee

Ajax is an armoured fighting vehicle which should provide the Army with its first fully digitised platform. It will be based on new technologically advanced sensors and communication systems which should transform the Army's surveillance and reconnaissance capability. The vehicles form an integral part of the Ministry of Defence's (the Department's) vision for digital integration across land, air and sea domains, allowing real-time information-sharing and connectivity with other capabilities, such as Lightning II jets.

Ajax represents the biggest single order for a UK armoured vehicle in more than 20 years. The programme began in 2010, and the Department has a £5.5 billion firm-priced contract with General Dynamics Land Systems UK for the design, manufacture, and initial in-service support of 589 vehicles. The programme is supposed to deliver six types of vehicle which will perform different roles. By December 2021, the Department had paid General Dynamics £3.2 billion, and General Dynamics had designed the vehicles, built 324 hulls and assembled and tested 143 vehicles. The Department had received 26 Ajax vehicles, together with training systems and some logistics support and spares. In 2014, the Department extended its expected in-service date by three years to July 2020, and the programme subsequently missed a revised target date of June 2021. In 2021, the Department acknowledged publicly concerns about excessive levels of noise and vibration on the Ajax vehicles. These issues remain unresolved, and the Department does not know when Ajax will enter service.

Based on a report by the National Audit Office, the Committee took evidence on 30 March 2022 from the Ministry of Defence. The Committee published its report on 3 June 2022. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [The Ajax Programme](#) – Session 2021-22 (HC 1142)
- PAC report: [Armoured Vehicles: Ajax Programme](#) – Session 2022-23 (HC 259)
- [HS & EP Ajax Noise and Vibration Review \(The King Review\)](#) – December 2021
- [Ajax Update - Hansard - UK Parliament](#) Volume 714 - 19 May 2022
- [The Ajax Lessons Learned Review – Lead appointed](#) – 23 May 2022

Government response to the Committee

1: PAC conclusion: The Department is failing to deliver the enhanced armoured vehicles capability that the Army needs to better protect the nation and meet its NATO commitments.

1: PAC recommendation: The Department must assess the longer-term implications of delays for the Army's transformation programme and investigate alternative options to Ajax now so that it can act quickly if the contract with General Dynamics collapses. We will expect an update on this when we next take evidence from the Department and answers by December 2022.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2022

1.2 The Ministry of Defence, (the department) recognises the importance of limiting any longer-term effects from the delays experienced under the Ajax programme. The department is focused on delivering Ajax to meet the needs of the Army and is actively taking steps to address the challenges the programme faces. The department expects to decide the way ahead on the programme by the end of 2022.

1.3 The government's commitment to NATO will continue to be met through flexing the range of Defence and Army capabilities. Notwithstanding, the department will continue to monitor the position as part of its regular reviews of capabilities to meet future threats.

2: PAC conclusion: The Department has once again made fundamental mistakes in its planning and management of a major equipment programme.

2: PAC recommendation: Once the Ajax Lessons Learned Review has reported, the Department should write to the Committee setting out how it will incorporate the recommendations into its future management of equipment programmes – considering the findings and recommendations of our and the NAO's reports – to prevent this familiar list of mistakes being repeated yet again.

2.1 The government agrees with the Committee's recommendation

Target implementation date: Spring 2023

2.2 The department is actively taking the actions recommended by the National Audit Office to improve the effectiveness of the Ajax programme and has accepted the recommendations made in the [King Report](#) and in this Committee report. The independent [Ajax Lessons Learned Review](#) is intended to provide insights that will help the department deliver major programmes more effectively in future. Recommendations will be considered alongside the implementation of other Ajax and wider programme management improvements underway.

3: PAC conclusion: The failure to escalate and address noise and vibration issues in a timely manner shows that the Department must simplify its over-complex safety processes and change behaviours.

3: PAC recommendation: The Department should set out the changes to its safety processes that it is making in response to the King Report and how it is monitoring the effectiveness of these initiatives. This should include the steps it is taking to improve openness and communication, including the use of the new web-based application. The Department should provide us with an update on progress when we next take evidence.

3.1 The government agrees with the Committee's recommendation

Target implementation date: December 2022

3.2 The department has accepted all the recommendations in the King Report relating to safety and armoured vehicle procurement. Some have already been implemented and the remainder are being progressed. The independent [Ajax Lessons Learned Review](#) is looking specifically at the escalation of safety and other issues on acquisition programmes.

4: PAC conclusion: Nearly two years after identifying injuries to soldiers, the Department still does not know how to fix the noise and vibration problems.

4: PAC recommendation: As a matter of the utmost urgency, the Department must establish whether noise and vibration issues can be addressed by modifications or whether they require a fundamental redesign of the vehicle. If the latter, the Department must decide whether the right course is to proceed with General Dynamics or if it should opt for an alternative. We will expect an update on this when we next take evidence and an answer by December 2022.

4.1 The government agrees with the Committee's recommendation

Target implementation date: December 2022

4.2 The department is focussed on identifying the root causes of the noise and vibration issues to develop long-term solutions to ensure Ajax operates as required by the Army. The [Written Ministerial Statement](#) laid out in Parliament on 19 May 2022 sets out the assessments underway to determine the efficacy of the modifications proposed by General Dynamics, in particular the user trials that will provide additional data for the independent assessment on the effectiveness of the modifications and develop a safe system of work to protect personnel in future tests and trials. An update on progress will be provided to the Committee at the next Ajax evidence session.

5: PAC conclusion: We are doubtful that the Department can recover the programme within existing costs and commercial arrangements.

5: PAC recommendation: Whether or not the Department concludes that it should continue with the current Ajax contract, it must review its commercial arrangements to ensure these are appropriate to incentivise its prime contractor to deliver the programme and agree a recovery plan.

5.1 The government agrees with the Committee's recommendation

Target implementation date: December 2022

5.2 The department has in place a robust firm price contract of £5.5 billion that protects the taxpayer from any increase in costs. The contract has a number of mechanisms to incentivise contractor performance to meet performance, cost and time requirements, including incentivised critical milestones, liquidated damages and default and dispute resolution processes. The department continues to protect its contractual and commercial rights under the contract with General Dynamics to deliver a value for money outcome.

6: PAC conclusion: The Department's plans for using Ajax are at risk because of uncertainty about what constitutes full operating capability, when this will be achieved and how Ajax vehicles will be enhanced in the future.

6: PAC recommendation: Once the Department has reached agreement on solutions to the noise and vibration problems, it must agree a revised schedule and critical path for initial operating capability and full operating capability, covering all enabling programmes. This should include clear definitions of what will be delivered at each stage, without reducing requirements just to achieve these milestones.

6.1 The government agrees with the Committee's recommendation

Target implementation date: December 2022

6.2 The department acknowledges the need to establish realistic dates for initial and full operating capability as quickly as feasibly possible once a suitable technical solution to the noise and vibration issues has been agreed. The programme's Senior Responsible Owner continues to bring the programme back on a sure footing, having put in place effective programme management and governance that takes account of enabling programmes, and has noted the recommendation set out in the [King Report](#) that it is important that a revised delivery schedule is realistic and includes sufficient contingency for other issues.