



Ministry
of Defence

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4/8/1/2/ap

10 July 2023

Dear Tobias,

Thank you for your letter of 21 June regarding the Government Response to the Committee's Report on the US, UK and NATO.

In response to the Committee's conclusion at Paragraph 51, the Department states that it "is pleased that the UK will continue to spend a minimum of 2% of GDP on defence." This is the bare minimum required in light of the current geopolitical and macroeconomic context. Is the Government concerned that UK spending as a proportion of GDP looks likely to be overtaken shortly by Germany and France?

We welcome the increase in Defence investment from our NATO partners France and Germany and hope this means that in the future both partners will meet the NATO target of 2% GDP Defence spending. The UK has consistently exceeded this target and views the target as a floor not the ceiling.

Following the £5 billion uplift in the Defence budget announced at the Spring Statement, this year, the Ministry of Defence has a budget of over £50 billion for the first time. This represents a consecutive annual increase in the Defence budget for the past three years, which allows Defence to respond to the deteriorating security environment and threat context.

Further the Prime Minister has also set a new aspiration to spend 2.5% of GDP on defence when the economic and fiscal conditions allow. This bold vision will enable our nation's defences to be transformed for the challenges we will face in the future. It will also help support the UK's commitment to maintain its leading role within NATO.

In response to the Committee's conclusion at Paragraph 92, the Government states that "the UK has been leading work in NATO on industrial capacity and stockpile replenishment following the conflict in Ukraine." We request a note

The Rt Hon Tobias Ellwood MP
Chair, Defence Select Committee
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detailing what this leadership has involved and what outcomes the Government has achieved so far.

The UK led an Alliance-wide drive for NATO to take concrete steps to replenish stockpiles and increase industrial capacity. More than half of Allies supported the UK initiative. As a result, NATO is developing a new Defence Production Action Plan, which includes measures to: rapidly address shortfalls in stockpiles; enhance interoperability of Allies' munitions and equipment; and increase the capacity of Alliance-wide defence industries. We expect Allies to finalise this plan at the Vilnius Summit. Ministers have also agreed to new targets for large calibre land munitions.

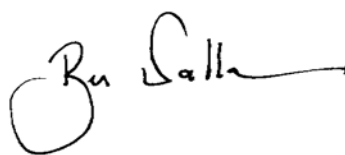
In response to the Committee's recommendation at Paragraph 95 of its Report, the Government has addressed skills, but has failed to include any information about trades. In particular, the Government has not provided a response to our recommendation "that the MOD pilot a procurement approach whereby a set percentage of apprentices are required to be attached to an acquisition programme." We request a response to that specific recommendation.

The MOD applies the Cabinet Office Social Value Model to its competitive procurements (in line with Public Procurement Notice 06/20). The Model includes apprenticeships under several of its policy outcomes and award criteria, encouraging suppliers to propose additional Social Value including by increasing apprentices. Whilst a target is not set, applying social value in MOD procurements helps to address skills gaps and tackle inequalities through additional apprenticeships.

Specifically within the procurement area, DE&S recruits over 150 apprentices annually across functions including Commercial, Project Delivery, and Operational Delivery. Programmes can last up to five years and incorporate rotation on six or twelve month placements within their function. Placements may include time spent externally with suppliers or abroad, including testing front line equipment with the users.

Whilst I have written to respond directly to your three questions wiring the timeframe you requested, more fulsome answers to challenge on both skills and our relationship with industry are central parts of the refreshed Defence Command Paper, which will be produced shortly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ben Wallace', with a stylized flourish at the end.

THE RT HON BEN WALLACE MP