



Defence Committee

Chair, Rt Hon Tobias Ellwood MP

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Rt Hon Ben Wallace MP
Secretary of State for Defence
Ministry of Defence
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18 January 2021

Dear Secretary of State,

I write in relation to the recent publication of the Department's Equipment Plan 2020-2030 and the National Audit Office's accompanying analysis of this important aspect of Defence business.

The Committee is concerned that the NAO has, for the fourth year in a row, highlighted that the Equipment Plan is unaffordable by at least £7 billion, and possibly more. This is before taking into account a further £20 billion of new or replacement capabilities that may be required in the coming years. We are also concerned that the Department appears to be increasingly dependent on the achievement of savings and efficiencies in order to balance the Equipment Plan budget.

In the recent Spending Review the Department received an additional £16.5 billion in funding. I would be grateful if you could provide the Committee with an overview of how this funding will be allocated and the extent to which it will be used to address the shortfall highlighted by the NAO. The Committee would also appreciate more information on the extent to which the Integrated Review will make the decisions needed to ensure the Department's Equipment Plan is balanced, affordable and delivers the capabilities our Armed Forces require for the future.

Yours sincerely,

PP

Rt Hon. Tobias Ellwood MP
Chair of the Defence Committee