



Public Accounts Committee

**David Williams CB
Permanent Secretary
Ministry of Defence
Main Building
Whitehall
London
SW1A 2HB**

28th January 2025

The Defence Equipment Plan

Dear Permanent Secretary,

You wrote to our predecessor committees in July and December 2023 setting out the reasons why the Department would not be publishing a Defence Equipment Plan (MOD EP) for that year.

In the absence of the MOD EP in 2023, only with the availability of the NAO's *Equipment Plan 2023 to 2033* report (NAO EP) were parliamentary committees able to scrutinise defence acquisition, expenditure and capability.

In November 2024, the Minister for Defence Procurement and Industry wrote to us to announce that the MOD EP would not be published for 2024. Nor would the Department provide the NAO with information required to allow it to produce its report on the EP.

With new Public Accounts and Defence Committees in place, following a second year without an MOD EP – and critically now with the loss of the NAO EP as well - both committees wish to express their deep frustration at this unacceptable loss of transparency.

Your stated reasons for not wishing to continue to produce an MOD EP in its current form in 2023 were that it:

‘...may no longer be suitable for the future given the significant changes to the funding mechanisms for the Defence Nuclear Enterprise; the difficulty of reporting a single, timely long-term position for a plan with volatile assumptions; and our ongoing work to reform Defence acquisition and reset our relationship with industry.’

The Minister's stated reasons for not publishing an MOD EP for 2024 were that:



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'it would not provide an accurate reflection of this Government's spending plans and I do not believe it would provide a useful means for Parliament to hold the Department to account on how we will deliver the plan affordably.'

The Minister also noted that any EP would not reflect the latest spending plans, given the ongoing Strategic Defence Review and Spending Review.

We do not accept that any of the different reasons you and the Minister have given justify the loss of transparency involved in not producing an Equipment Plan for two successive years. The issues you have cited are reviews and reforms of defence and wider public spending driven by the Government. No doubt there will be more change to come. Irrespective of this change, the Department needs to ensure its affordability position is accurate and taxpayer's money is being spent wisely; and that consistent information is made available to Parliament and the public enabling them to assess this.

The Secretary of State assured the Defence Committee in November that

'I want to increase the transparency that we are able to provide to Parliament and this Committee in doing your proper job, and I want to increase the information that is provided.'

However, the reality is that transparency on acquisition, expenditure and capability has decreased, severely undermining the ability of both Committees to scrutinise the estimated £300 billion of taxpayers' money planned to be spent on defence equipment over the next decade.

For the MOD to have published nothing for two years is unacceptable. However, we are especially concerned that you have effectively prevented the NAO from producing its EP for 2024 by not supplying it with the information necessary to support this process, even along the lines followed in 2023.

Therefore, on the MOD EP, we are happy to work with you to improve its contents, but this must not be at the expense of transparency today, or the ability to monitor trends. In particular, without the MOD EP there would be no detailed bottom-up perspective on major defence projects, which Parliament must scrutinise given the risks to defence capability and potential cost growth on equipment programmes.

On the NAO EP, we believe the existing product is focused on the right areas for parliamentary committees to be able to effectively assess the risks to the defence equipment budget. If you believe there is a better way of delivering the same – or better – level of scrutiny, then we would be open to having a discussion with you and the NAO on how to improve it.

However, in the absence of such a proposal, in the immediate term we would like the existing NAO EP reinstated. It is, of course, for the NAO to determine its own, independent work programme, but we would expect the relevant information to be provided immediately



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to them for analysis, so that they are able to produce an EP for 2024 should they decide to do so.

Given the urgency around ensuring the continuity of the NAO EP, we ask you to confirm as soon as possible that you will provide the NAO with the required information, and by 25 February at the latest offer a fuller response to the other points in our letter.

Yours Sincerely

Sir Geoffrey Clifton-Brown MP
Chair of the Committee of Public Accounts

Tan Dhesi MP
Chair of the Defence Select Committee