Ministry of Defence

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Sir Geoffrey Clifton-Brown MP
Chair, Public Accounts Committee

24 August 2026

Dear Sir Geoffrey,

I am writing following the oral evidence session held on 16 July 2026, at which I gave evidence alongside Rupert Pearce (National Armaments Group Director), Air Marshall Tim Jones CBE (Deputy Chief of the Defence Staff (Force Development)) and Aneen Blackmore (Director General Finance). During the session, I undertook to write with further information on a range of matters.

Service Family Accommodation

On the 3 November 2025, we announced our Defence Housing Strategy. It is the most significant change for Armed Forces housing in more than 50 years and kickstarts one of Britain's most ambitious building programmes in decades – delivering new homes for military and civilian families and driving economic growth.

The Defence Investment Plan (DIP) confirms previous commitments to provide £9.2bn over the next decade to deliver the Government backed recommendations of the Defence Housing Strategy and a generational renewal of military family housing. This work has started with 1,250 of the worst homes already upgraded, with more underway this year.

Following the £6bn investment to bring defence housing back into public ownership in January 2025 and the publication of the defence housing strategy last year, we have moved at pace to establish a new dedicated Defence Housing Service. Legislation is currently before Parliament and is committed to a generational improvement in defence housing, backed by £9.2bn/10 of funding confirmed in the DIP.

Global uncertainties have meant that we have had to balance the investment in housing over the next 4 years with other urgent defence priorities; consequently, approximately £0.8bn of investment originally been planned for this Parliament will be deferred into the second period of the DIP. Despite this, the funding for housing improvements in each of the next 4 years represents a step change from the historic position and will ensure that we can build on the improvements we have started.

Over this year and the last, we will have delivered major refurbishments to over 2,000 properties at locations across the UK including Helensburgh, Holywood and Haverfordwest in the devolved administrations. Additionally, we have fully funded reactive repairs which has allowed us to reduce the historic backlog of repairs to its lowest level since July 2024. Between mid-2024 and the beginning of this year, these repairs have delivered over 9,600 home improvements, including 2,300 new doors and windows, 2,700 new heating systems, 900 new bathrooms, 600 homes re-wired and 900 new kitchens with more works under instruction this year in 460 more homes. Other highly welcome improvements include improvements to our move-in standard with changes such as hard flooring and redecoration. We are also introducing measures to improve the customer experience, including the ability to log and track issues through a new HomeHub online system and giving families the ability to personalise their home.

Improving the condition of the estate requires a sustained, multi-year programme of work which the DIP commits us to delivering. While there is much to do, we are already seeing steady improvements in overall satisfaction which has increased from 44% in 2023 to 53% in the 2026 FamCAS survey.

MORPHEUS and next-generation communications

The Department brought the Evolve to Open (EvO) Transition Partner contract to a controlled close in December 2023 and paused activity under MORPHEUS because it no longer had sufficient confidence that the original delivery route would provide the required operational outcome within acceptable cost, time and risk. This decision reflected concerns about the viability of the programme’s delivery model rather than any reduction in the operational requirement for modern tactical communications capability. Since then, we have undertaken a strategic reset of the former Land Environment Tactical Communications and Information Systems (LETacCIS) Programme, which confirmed that the underlying requirement remains unchanged. Relevant EvO outputs, intellectual property, system designs and lessons learned have been preserved to inform future delivery and, where appropriate, continue to provide value from investment already made.

These requirements are now being taken forward through the Land Domain Command, Control, Communications and Computers (LDC4) Programme, which provides a more controlled route to sustain, optimise and modernise tactical C4. LDC4 subsumes the original LETacCIS programme and will manage transition through continued optimisation of the in-service Bowman capability and development of a new tactical network, sequencing investment against operational priority, affordability and evidence from users. This improves value for money by reusing MORPHEUS outputs where appropriate, avoiding further commitment to a delivery model judged unlikely to succeed, and scaling future investment only where integration, security, supportability and affordability have been demonstrated.

In summary, while MORPHEUS will not proceed as a standalone project, the operational requirement it was intended to meet remains extant. Defence still requires the replacement of ageing elements of the Bowman capability with a modern, resilient and adaptable tactical communications system. Defence also continues to require the business transformation and open systems architecture that MORPHEUS was designed to enable, reducing dependency on individual suppliers, improving interoperability, enabling faster integration of new technologies and giving Defence greater freedom to adapt, compete and make future investment decisions. These objectives have therefore been retained and are now being delivered through the LDC4 Programme using a more incremental, evidence-based and affordable delivery approach. The accounting treatment of MORPHEUS-related assets following conclusion of the EvO contract does not alter the continuing need for next-generation tactical communications capability.

F-35A Nuclear Capability

Funding for F-35A is included in the DIP as part of the UK's second phase of F-35 procurement. The detailed delivery profile and associated costs are still subject to negotiation through the F-35 Joint Program Office. Although the level of detail is greatest in the early years, F-35A costs are incorporated within the ten-year funding assumptions, with more precise costs and phasing to be agreed as the programme progresses and contracts are finalised.

Information regarding the UK's contribution to the NATO DCA mission, including costs, capabilities, training, infrastructure and equipment should routinely be classified at SECRET.

On the issue of the F-35 programme, I previously wrote on 30 April 2026 to update you on recommendations 2a, 2b, 4 and 5a from the Committee’s report on the UK’s Stealth Fighter Capability. Following publication of the report, officials identified an administrative error in the paragraph titled “Workforce and Planning” under recommendation 2b, specifically relating to engineering posts. This stated, “As officials laid out during the Committee’s recent visit to RAF Marham, Air Command has focused efforts on the engineering resourcing needed to maintain the fleet (58% RAF and 42% RN) by increasing available posts to 168”. The wording should have read that available posts were increasing by, rather than to, 168 so as to avoid suggesting that the total number of available posts was 168 when in fact it is 660. I have enclosed a corrected letter and would be grateful if the update could be reflected in the relevant correspondence.

Autonomous systems

The “over £5 billion” figure on pages 26–27 of the DIP is not a ring-fenced allocation solely for drones. Instead, the DIP refers to a Defence-wide investment in autonomy and uncrewed system, covers systems across the Maritime, Land, and Air domains to support the transformation of the Integrated Force.

This includes:

- Hybrid Navy Fleet: At least £1.3bn in a hybrid fleet, ultimately comprising uncrewed missile platforms (Type 91), uncrewed underwater sense platforms (Type 92), extra-large uncrewed underwater vessels (XLUUV) (Type 93), uncrewed radar platforms (Type 94) and a future class of Common Combat Vessels (CCV).

- Hybrid Navy Carrier Air Wing: Almost £250m in Project PANTHEON, the development of autonomous systems to start building a Hybrid Carrier Air Wing and trials of jet-powered drones to work alongside the F-35B force under Project VANQUISH.”

- Seabed Warfare: £230m for autonomous seabed warfare systems to protect critical national infrastructure.

- Autonomous mine hunting capabilities: £1.1bn on the next phase of the autonomous Mine Hunting Capability programme, jointly procured with France.

- Uncrewed Systems Centre: £310m in the new Uncrewed Systems Centre, including the recently opened DroneTEX facility, to coordinate all output with industry, partners, and allies.

- Uncrewed Systems Taskforce: Investment to bring together people, data and machines to solve real operational problems quickly, at scale, and at lower cost.

- AUKUS Pillar 2: Investment in weapons and sensor payloads for underwater drones, as the signature project under AUKUS Pillar 2.

- Project CORVUS: £310m of new investment in the Army's long-range surveillance and reconnaissance capabilities, including the next generation of uncrewed aerial systems to replace legacy Watchkeeper drones.

- Project NYX: £220m for armed autonomous drones to operate alongside existing capabilities including upgraded AH-64E Apache. This will deliver up to 24 armed autonomous drones by 2030.

- Uncrewed Ground Vehicles (UGVs): £150m to commence the rapid development and production of uncrewed ground vehicles, building on pioneering UK industrial research and development.

- One-Way Attack Drones: At least £210m on low-cost, long-range one-way munitions and attack drones.

- Land Lethality Pipeline: £400m to deliver a suite of inexpensive expendable autonomous systems and weapons to rapidly enhance the lethality of the Army, Commando Force, and 27 Special Forces. This includes a £50m boost to the Army's RAPSTONE rapid lethality programme over the next twelve months.
- British Army Training Unit Suffield: Investment to exploit the size, scale and freedom of our site in Canada for testing and evaluation and to accelerate delivery of capability. This will enable uncrewed systems activity across 2,700km2 of training area.

- Air Launched Effects: £50m on a variety of novel payloads, such as swarms of small drones, able to be launched from a wide range of crewed and uncrewed aircraft.

- Collaborative Combat Aircraft (CCA): £300m to commence a UK autonomous jets programme, with a demonstrator flying by at least 2030, seeking to accelerate an operational capability as soon as possible.

Taken together, this list of monetised programmes total c.£4.83bn; when combined with other enabling investments, the programme supports the 'over £5bn' funding allocation.

Interceptor and counter-drone capabilities are principally dealt with separately under Integrated Air and Missile Defence on page 28 which covers counter-drone systems, Directed Energy Weapons, and enhanced air defence missile capabilities. This protects the homeland and deployed forces from drone, missile and wider aerial threats.

The Defence Investment Plan and UK Industry

Following publication of the Committee's report on 7 June 2026, and the Defence Investment Plan (DIP) on 30 June 2026, I am writing to provide an update on your fourth recommendation.

Recommendation 4: "The Department should write to the Committee urgently, within two weeks of this report, to explain how it is mitigating the impact on suppliers of the delayed publication of its investment plan".

As you are aware, the Department worked closely with No.10 and HMT to finalise the DIP which sets out our priorities and future demand signals for the UK's industrial and technological base. At the same time, the Department continued to actively manage its position with industry and did not pause delivery or commercial activity during this period. We have signed more than 1,400 defence contracts since July 2024, with 94% of the total value of those contracts going to British-based businesses, and spent more than £31 billion with UK industry last year – an above inflation increase in spending. We continued to deliver extant programmes and place new contracts with suppliers from across the industrial base. For example:

- In March, five suppliers – including three small and medium-sized enterprises (SMEs) – were awarded seven-year contracts worth £283.5 million in total under the Boats In-Service Support 2026–2033 programme, sustaining and creating more than 100 jobs across England, Scotland and Wales.

- In April, a £32 million contract was awarded to Peterborough-based Musketeer Solutions to maintain the Battle of Britain Memorial Flight's iconic Spitfire and Hurricane aircraft until 2035, supporting 20 skilled roles, alongside an £879 million contract with Boeing Defence UK for the long-term support of RAF Chinook and British Army Apache helicopters, sustaining 1,200 jobs.

- In May, a £6 million contract was awarded to QinetiQ-led Team Elaris to develop enhanced Long-Range Navigation technology, strengthening resilience against jamming and electronic warfare. Also in May, thirteen British businesses received contracts of up to £4 million each to develop cutting-edge capabilities in quantum sensing, autonomous systems, secure communications, space manufacturing and synthetic training, part of a new scheme designed to grow the next generation of British defence companies.

Taken together, these awards represent a substantial and sustained flow of investment into UK industry, spanning large primes, SMEs, and innovative technology businesses across the country.

Throughout the development of the DIP, the Department continued to engage with industry in a structured and disciplined way through our strategic partnering and supplier relationship management processes, as well as forums including the Defence Industrial Joint Council. The latter has direct representation from Trade Associations who represent many SMEs across a range of the UK’s industry sectors. The recently established Office for Small Business Growth engages directly with SMEs through dedicated communication channels, as well as through regular interactions at trade shows and industry events. All engagement with industry has been conducted in compliance with the Market Abuse Regulations and Departmental guidance.

From our engagement and monitoring, we recognise that supplier and investor confidence was affected by the delay to the publication of the DIP, and that some suppliers took a more cautious approach to investment decisions while they awaited its outcome. The Department has well established, robust, and intensive procedures for monitoring the health of the defence industrial base. Where issues have arisen with suppliers, we have worked with them through normal channels to address risk and opportunities.

Now it has been published, the DIP provides a clearer demand signal to industry, backs British businesses, and drives investment into priority sectors and R&D. By growing our defence industrial base and investing in our workforce, we will make defence an engine for growth across the UK.

Yours sincerely,

Jeremy Pocklington