



Ministry
of Defence

JEREMY QUIN MP
MINISTER OF STATE FOR DEFENCE PROCUREMENT

MSU4/5/2/14/TF

15 July 2021

Dear Tobias,

Thank you for your letter of 25 May 2021 in which you asked for information relating to three specific areas of the AJAX programme. I shall take these in turn.

Cost of Ajax Programme to date and expected total cost

A 'Firm Price' Contract for delivery and initial support was signed with GD UK for a total of £5,522 million. A firm price contract means that the Contractor undertakes the contract for a total, all-inclusive price that will not change irrespective of how long it may take the supplier, or how much it costs the company.

As at June 2021, £3,167 million (incl. VAT) has been paid. This spend has been on overlapping Design, Demonstration and Manufacture activity, including vehicle development and trials, manufacturing, major assemblies, armour turrets and facilities.

The MOD has approval to invest additional expenditure to cover elements of spend other than the contract with GD including, but not limited to, the Cased Telescopic 40mm Cannon (CT-40), Training Systems and other support. The total Whole Life Budget Cost to deliver the Ajax armoured vehicle and its training solution as part of the Armoured Cavalry integrated multi-role programme is £6,354 million over 10 years. Total spend against this was £3,755 million as at March 2021.

Number of Ajax vehicles delivered so far and expected dates for further deliveries

At the end of June 2021, a total of 115 AJAX platforms had been manufactured and 26 Capability Drop 1 vehicles have now been fielded to the British Army ready for training – the quantity required for the Initial Operating Capability (IOC). In terms of future deliveries, work is ongoing to ensure there is a jointly agreed, risk adjusted schedule between General Dynamics and the MOD, which will provide an agreed deliverable date to reach an operationally deployable capability and subsequently Full Operating Capability (FOC). The successful delivery of the IOC (and FOC) is contingent on the resolution of Noise and Vibration concerns.

Timeline for operational use of Ajax vehicles by units in British Army

The potential operational use of Ajax is based around Capability Drop 3 onwards, a point between IOC and FOC, depending on the operational scenario and the level and force structure required. This follows delivery of Capability Drop 1 vehicles and synthetic training systems which enables IOC, by allowing the Army to train, develop experience and operating procedures

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through low level experimentation with this new, technologically advanced platform. The advance in the sensors, protection and lethality delivered by Ajax will drive changes to the operating procedures of the Army. This activity provides the foundation for the Army to accept, and prepare for operations on, the deployable Capability Drop 3 vehicles.

The timeline to deliver an operational capability therefore relies on the delivery of Drop 3 vehicles and the conversion of the Army onto these vehicles, including training on the additional capabilities (further communication information systems integration and firing on the move for example) and the build-up of the force structure. As I have made clear we will not declare Initial Operating Capability until we have a path to resolution on Noise and Vibration. I anticipate this will impact both IOC and FOC. The FOC schedule is already under review and I anticipate will need to be refined further once we establish more clarity an IOC.

I do hope you find this useful ahead of our session on 20 July at which I look forward to discussing these matters with you further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Quin', with a long horizontal flourish extending to the right.

JEREMY QUIN MP