The Ministry of Defence (MoD) has recently announced the next steps on a number of projects. These announcements build on the package of adjustments to the Defence Programme announced to the House on 15th December 2009. The projects include:

An interim Partnering Agreement with MBDA (UK) Ltd to take forward the Government's strategy for the UK's Complex Weapons sector as originally set out in the Defence Industrial Strategy. The Agreement builds on the successful Team Complex Weapons Assessment Phase that commenced in July 2008. The MoD has placed a contract valued at £330 million to demonstrate and manufacture both the Fire Shadow Loitering Munition which will be able to be used in operations by the British Army in Afghanistan and, using a development of the current Brimstone anti-armour weapon, the second element of the Selective Precision Effects at Range (SPEAR) programme for use by the RAF on Harrier GR7 and Tornado GR4 including on current operations. The contract also includes further work on the Future Local Area Air Defence System and on future components of the SPEAR programme.

A £120 million contract with BAE Systems for the in-service support of the Hawk T Mk2. The contract will provide a modern fast jet training capability for the RAF. This Contracted Logistic Support arrangement will see BAE Systems responsible not only for the number of aircraft made available for training flights but also for ensuring that the aircraft are able to carry out the training mission effectively, and covers all aspects of support including on-base maintenance, fleet management, spares management and re-provisioning, repair and all other ancillary activities needed to provide the required aircraft availability out to 31 March 2014. This contract is sufficiently flexible to continue to deliver value for money for Defence should the Strategic Defence Review identify changes in the fast jet training requirement.

A contract with Boeing for initial design and long lead manufacture work on Chinook I helicopters. This follows on from an announcement in December for the delivery of 22 aircraft. The contract will protect the critical path to delivery of the first ten aircraft in 2012 and 2013.

The MoD has now confirmed with EADS/Airbus Military the non-legally binding Heads of Terms agreement that will provide the basis for a formal contract amendment. The in-service date is now expected to be 2015, and it is the MoD's intention to see the A400M programme through to completion. It was very clear from negotiations that the programme would only remain viable with further investment from the project's partner nations. The UK contribution to this further investment will be achieved by reducing the number of aircraft purchased by three so that the MoD remains within the existing cost envelope.