

**By Peter Luff MP, Minister for Defence Equipment, Support and Technology**

This is an abridged version of a speech given at the DVD 2010 show on 23rd June 2010

Our first priority must be ensuring that those we deploy on operations, and therefore those exposed to greatest risk, are provided with the best possible tools available.

Our second priority is the responsibility we have to ensure that we are as ready as can be for whatever future operations come our way.

Work on the Strategic Defence and Security Review - the SDSR - is the means by which we will achieve this.

Meeting these twin challenges requires some firm principles.

So we will ensure that our Armed Forces receive the equipment they require, when they need it, at a reasonable cost to the taxpayer.

We will provide the Defence industry with a firm basis for planning its work, through the work of our Strategic Defence and Security Review, and then by developing a new Defence Industrial Strategy.

We will support Defence jobs by maximising exports because exports can help reduce our own acquisition costs.

And we will ensure that our policy for the Defence industry underpins Britain's strategic relationships.

We regard our Defence relationship with the United States as particularly important, and increased co-operation with France on acquisition is a high priority.

To meet these four objectives, we will test any future equipment programme against five criteria:

First, capability: we have a bad habit of talking about equipment programmes as if they exist in the abstract when we should be talking about capability: does this piece of equipment enable our Armed Forces to fight effectively and win on the modern battlefield?

Second, affordability: can we afford not only the initial procurement costs but also the through-life costs?

Third, adaptability: how can we get the greatest flexibility in the equipment we buy while ensuring that as many potential roles as possible are fulfilled?

Fourth, interoperability: will this piece of equipment allow the British Armed Forces to take part in Combined and Joint military operations with our allies, specifically NATO?

Fifth, exportability: is this piece of equipment one that will have a high export demand which may, in the long term, reduce our own acquisition costs, create jobs at home, and more broadly help the British economy?

In 2009/10, over 90% of Urgent Operational Requirements were delivered to timescales and met the needs of the user.

Take the contribution of UORs in the crucial battle against IEDs. Earlier this month, the Prime Minister approved increased spending in this area totalling £67 million.

We are running a competition to acquire the next generation of Light Protected Patrol Vehicles LPPV - which will replace Snatch Land Rovers on operations and provide a step-change in capability.

We will agree a contract for an initial tranche of 200 vehicles, under a DOR funded from the Treasury Reserve, later this year.

Military commanders have repeatedly stressed the importance of having a wide range of vehicles from which they can select the most appropriate for specific tasks.

I'm pleased to announce a contract for a further Jackal 2A weapons-mounted patrol vehicles – a deal worth approximately £45 million. This brings the number of Jackal vehicles delivered to over 500. I can also announce an extra 28 Wolfhound heavy tactical support vehicles, in a deal worth approximately £20 million.

Of course, while Afghanistan remains our top priority, the international outlook we face is sobering, the environment challenging and the threats growing.

So our second priority is a long-overdue, cross-Government, SDSR. This will be policy-led, resource-informed. It will balance the demands of the mission in Afghanistan against the need to plan for other potential conflicts.

And it will be "environment blind", instead looking at capability and effect; scalability and flexibility, not the badge on a person's uniform.

What it will not be is a "salami-slicing" review.

We have to bring Defence policy, commitments and resources into balance, so it will be a step-change, not some exercise in tinkering at the edges.

The Defence Secretary has summed up our approach to the SDSR in three words: relevance, realism, and responsibility.

First - Relevance - our posture and capabilities must be relevant to the world we now live in.

This is our opportunity to dispense with much of the legacy of the Cold War.

Second - Realism - it's clear the years of plenty are over and we face lean years; Defence is no exception.

We cannot insure against every imaginable risk so we will need to decide which we are willing to meet and which we are willing to take.

Third - Responsibility - as a nation, we have a duty to give the brave men and women of our Armed Forces our full support in return for the selfless service and sacrifice they are prepared to make in our name.

We expect that the Defence section of the SDSR will report in the autumn, which will coincide with the outcome of the Comprehensive Spending Review on 20 October.

We face some tough choices: there are competing priorities, risks to manage, and budgets to square.

And as the Defence Secretary has said, "It is inevitable that there will be the perception of winners and losers as we go through this process."

But he also said that we are not in the business of managing decline.

If we can come back to a more balanced budget with better predictability over the longer term, we can bring better management of unpredictability, and that will help industry plan for the future, Industry will need to help us, and become genuine partners in this.

The quid pro quo is our reinvigorated agenda for British defence exports, which we hope will again boost industry's profitability.

The prize for us all is a safer Britain, with secure interests, and a sustainable defence programme able to address the needs of today and prepared for tomorrow.