

The National Audit Office has today published its annual report into MOD major projects covering the year 2007-2008. (available at www.nao.gov.uk)

In response to the report Minister for Defence Equipment and Support Quentin Davies said: "Today's report looks at only 20 out of some 350 of MOD's complex equipment projects being managed by the Department. Our priority is current operations and getting the right kit to the troops as quickly as possible; in the last year we delivered equipment valued at £5.8Bn to our Armed Forces, from C17 aircraft transporting our goods and equipment to the new Panther vehicles that are now operating in Afghanistan."

"We continuously respond and adapt to emerging threats, something the report acknowledges, procuring new equipment for urgent operational use in Iraq and Afghanistan, including £700M for a suite of Protected Patrol Vehicles and last week we announced £70million to upgrade 12 Lynx Mk 9 helicopters to boost our helicopter capability in Afghanistan."

"When it comes to the delivery of equipment for our Armed Forces we should never be complacent. We always look to make improvements and build on the progress we have made."

Key successes recorded by the MOD during the year of the report included:

- * Improved protection for Warrior infantry combat vehicles on operations;
- * Introduction of new unmanned surveillance drones for operations;
- * Delivery of a range of armoured patrol vehicles for operations;
- * Sea King troop-carrying helicopters upgraded for operations;
- * Launch of two Skynet communications satellites;
- * Award of contracts for a £13Bn Strategic Air Tanker service;
- * Delivery of a sixth C-17 transport aircraft.

At this time the MOD is managing some 350 complex equipment projects at various stages of concept, assessment, development and manufacture valued at more than £65 Billion. Many of these are at the leading edge of technology and therefore involve risk.

As the NAO acknowledges, much of the cost growth and time delays reported relate to projects that pre-date changes and reforms to defence acquisition and is therefore not a complete reflection of the progress being made. To ensure that progress continues we have asked Bernard Gray to conduct a review into our procurement processes.

(The review will examine progress with implementing reforms through the MOD's Acquisition Change Programme and to make any further recommendations to secure better value for money in the delivery of major acquisition programmes. Bernard Gray is a former Special Adviser to George Robertson when he was Secretary of State for Defence. He has also been Defence Correspondent at the Financial Times and has held a number of positions, including Strategy Director, Chief Executive and Executive Chairman, at a number of successful businesses.)