

The BBC has reported that the Gray report on defence procurement report is being acted upon by Government despite them saying in the last few days that it is not ready yet. It seems that the Ministry of Defence is setting up a new unit to buy military equipment and implement Gray recommendations, despite Quentin Davies saying as late as yesterday that report was in draft form only yesterday. Lord Drayson will oversee the new unit.

Commissioned by then Secretary of State for Defence John Hutton last year, he had said it should be published in July. Downing Street wants it as part of wider defence review. The MoD was very keen to get it out in July because they knew it would be fairly critical, but it had good news story of this new unit under Drayson.

The chairman of the House of Commons Defence Committee James Arbuthnot doesn't believe the story that the report was only in draft form - he claims that the Secretary of State for Defence had the final report some time ago. "I'm absolutely certain the report was ready to be printed at end of July. Why Quentin Davies says he only saw first draft a couple of weeks ago, I don't know. So I have put in a Freedom of Information request about this. The MoD itself, I understand, was happy to see it published. Perhaps Downing St, perhaps Gordon Brown, saw it as too damaging. That is wrong, because we need to take any opportunity to improve equipment given what is happening in Afghanistan.

Would saving on wastage help the troops in Afghanistan?

"It's not as straightforward as that. Buying more helicopters is fine but people are needed to man them. If you don't have a defence procurement programme overfull with things that will never be bought, you can buy better equipment, and more quickly. The MoD has lots of perverse incentives to buy things in the wrong way and the Government needs to get rid of these now. I am not at all surprised by what appears to be in the report. It has some very good recommendations. For a long time there has been a conspiracy of optimism where the Government and industry pretend equipment will cost less than it actually does, meaning they have to look around for savings as they go along," said Mr Arbuthnot.

This all has an odd ring to it. While he was still Secretary of State for Defence, John Hutton MP told the House of Commons:

I asked Bernard Gray in December last year to conduct a detailed examination of progress in implementing the MoD's acquisition change programme

I have to be satisfied that the current programme of change is sufficient to meet the challenges of the new combat environment that we now face. To date, I am not. I expect to receive the report shortly.

Bernard Gray has conducted a thorough and wide-ranging analysis. I am confident that when his report is published, it will be both honest about the scale of the task that confronts us and clear

in describing a detailed and radical blueprint to reform the process of acquisition in the MoD from top to bottom. There can be no room for complacency, and given the current tempo of operations we have no choice but to act with urgency.

I will publish Bernard Gray's report before the summer recess and I will come to the House again to outline the Government's response to it.