

The UK MoD has concluded its Planning Round for 2011 - the annual budget review to ensure commitments match resources. This implements measures announced in the Strategic Defence & Security Review; our operations in Afghanistan and Libya are not affected. Details will be provided to Parliament after the recess break which has just started.

Implementing difficult SDSR decisions is claimed to have made significant inroads into the so called £38bn black hole while ensuring operations are fully equipped and resourced.

Defence budget savings examples:

- HM Treasury have allowed MoD to keep savings it will make from lower liabilities around the decommissioning of equipment. This had previously been ringfenced (and was therefore previously subject to claw back by HMT).
- HM Treasury have agreed that the operational allowance can now be fully funded from the Special Reserve. (Previously only 50% of this was planned to have been funded from the Reserve.)
- Decommissioning and cancellation of assets as stated in the SDSR.
- Re-negotiating contracts with industry, which is said to be producing greater savings.
- Remove 80% of DES recruitment marketing
- 70% reductions in Domestic assistance costs for Land Command appointments
- Reduce civilians' expenses and allowances
- Reduce Main Building & DES civilians
- Reduce Army photographers

"To safeguard operations and as part of the Defence Secretary's drive to increase financial discipline, a new strict spending control regime has been implemented at the MoD. The Comprehensive Commitment Control Regime will ensure all future spending focuses solely on Defence's strategic priorities. All expenditure that is not already committed or does not directly contribute to operations in Afghanistan and Libya will now be controlled more tightly by the MoD and subject to clearance at more senior levels."