

The UK Ministry of Defence has released its second annual Defence Equipment Plan, covering financial years 2013/14 through to 2022/23.

The total overall budget is £164bn. £4.6bn is reserved for contingencies, and £8.4bn is unallocated.

There's a fuller exposition on the next page

The most obvious increase in spend is ISTAR, with an increase from £4.4bn to £4.9bn spend in the next decade. The other largeish increase is for Land, up from £12.3bn to £13.1bn. The UOR equipment programme is to be integrated into core spending. The range of vehicles purchased through UOR are to be sustained for future operations elsewhere. The biggest single budget allocation is for submarines, estimated at £38bn, up from £36bn. The underspend on the financial year 2012/13 was about £1.2bn.

Likely spend in the next three years is lower than budgeted. It is possible that £700m in 2013/14, £300m in 2014/15, and £200m in 2015/16 can be reallocated to other projects, to expedite speedier and more economic delivery.

Unusually, no reductions in the Core Equipment Plan have been made.

Responsibility for most of the equipment budget transfers from Head Office to front line Commands

Secretary of State Philip Hammond stresses the 'soundness, stability and realism that under-pins our management of the budget'.
Here's a look at the detail.

COMBAT AIR

£18.1bn compared to £18.5bn in previous planning cycle. This includes UAV systems, fast jets and pilot training. Typhoon and Joint Strike Fighter continue to receive investment.

Spending since last year has covered the establishment of a fourth Typhoon squadron, increased capability on fast jets, delivery of two test STOVL variant JSF and improved protection for the Tornado GR4.

AIR SUPPORT

£13.4bn compared to £13.6bn in previous planning cycle. This includes large aircraft and large ISTAR platforms; the A400M, Voyager and Airseeker.

Spending since last year has covered the delivery of an eighth C-17 and the first Rivet Joint, and two BAE 146QC transporters.

HELICOPTERS

£11.2bn compared to £10.8bn in previous planning cycle. This reflects the removal of the Air Sea Rescue cost.

Spending since last year has covered the the first Wildcats in service, the modification of the Merlin Mk2, a new mission system on the Chinook.

ISS (INFORMATION SYSTEMS AND SERVICES)

£15.8bn, more or less unchanged. This includes data and voice comms, and supporting infra-structure.

Spending since last year has covered the upgrade to BCIP 5.5, introduction into service of first two elements of BAe's Falcon comms system.

ISTAR (INTELLIGENCE SURVEILLANCE TARGET ACQUISITION AND RECONNAISSANCE)

£4.9bn compared to £4.4bn in previous planning cycle. Includes CBRN detection, and other specialised equipment, and Project Marshall, for air traffic control.

Spending since last year has covered the Cutlass EOD remote control vehicle's acceptance into service.

LAND

£13.1bn compared to £12.3bn in previous planning cycle. Includes the Armoured Vehicles Pipeline (unchanged), Warrior Capability Sustainment Programme, Challenger 2 Life Extension, Scout Specialist Vehicle.

Spending since last year has covered the purchase of 100 additional Foxhound vehicles, 25 000 Glock 17 pistols, entry into service of Terrier medium weight armoured vehicle.

SHIPS

£17.4bn, largely unchanged. This includes completion of two carriers, continuing delivery of Type 45 destroyers, development of Type 26 Global Combat Ship, maintenance of sonar and electronic systems, four new Tide class tankers.

Spending since last year has covered structural work on HMS Queen Elizabeth and maintenance of the Royal Fleet Auxiliary Flotilla.

SUBMARINES

£38bn compared to £36bn in previous planning cycle. This includes peak costs for the Successor deterrent, build of the Astute class and support of in service submarines and weapons systems.

Spending since last year has covered the contract to build Audacious, continue the build of the three existing Astute class, begin on the fifth and order early components for the sixth and seventh.

WEAPONS

£11.6bn, largely unchanged. This includes procurement through the Complex Weapons Pipeline, including the Common Anti-Air Modular Missile.

Spending since last year has covered the contract for the Maritime Variant, to enter service on Type 23 frigates in 2016.

The National Audit Office, in their review of the Equipment Plan 2012, published earlier this year, observed that: "Most significantly the department has not subjected the half of its equipment budget related to support to the same degree of scrutiny as its procurement costs".

With the current total of £164bn more or less evenly split between new purchases and support of existing ones, it will be worth seeing what steps the Ministry will take to address this.