



HOUSE OF COMMONS

LONDON SW1A 0AA

19th October 2020

Dear Colleague

All Conservative MPs

Largest defence investment since the Cold War

Following the announcement by the Prime Minister today on the multi-year settlement for Defence, I wanted to share with you some further details.

By agreeing to a significant settlement for Defence the Prime Minister has rightly shown a strong commitment to the protection and resilience of the UK and to our valued armed forces personnel. Once again it is clear that the Conservative Party are the party that stand up for and defend the men and women of our armed forces.

The Prime Minister has written to me to set out his clear direction for defence, and my Department is committed to delivering this – it is a responsibility I take seriously. This funding secures UK jobs and livelihoods, allows us to invest in our fantastic shipyards and aerospace industry, and spreads prosperity to every corner of the UK.

The additional £24.1 billion over a four-year period, ticking off one of our major manifesto commitments, secures the UK as the biggest Defence investor in Europe, and the second largest in NATO, a responsibility we do not take lightly.

Now more than ever, I want to assure you that the Ministry of Defence understands our responsibility to ensure that every defence pound is spent guaranteeing we have an operational, sustainable and modern capability that is fit for purpose and living within our means.

It is paramount that this investment is not spent on sustaining the capabilities of yesterday, but on meeting the radical transformation programme that is needed. We must match our ambition with the necessary funding, something previous reviews have not got right, and today we redress that balance.

This funding secures thousands of skilled jobs in Defence, security and manufacturing and well as stimulating advancements in research and development that will ensure our long-term success for the UK as a force for good on the world stage.

This is absolutely reassuring news for the defence industry, but it does not mean we will become complacent. As we turn our sights to the future, we will need to make some big changes and take hard decisions. Our Armed Forces will look different in the future, and the threat will define our shape and size. I can give you the undertaking that there will be no redundancies of armed forces personnel. We may see some increases where certain skills are required for new capabilities, and decreases where the threat does not warrant such levels.

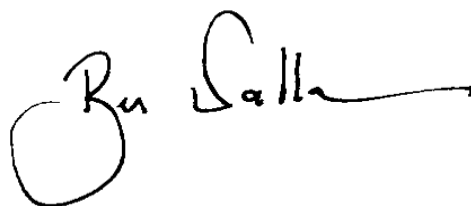
On the other hand, Labour are temporarily supporting our armed forces when it is politically expedient for them. However, they failed to back our Overseas Operations Bill, and this time last year were campaigning to put Jeremy Corbyn in No. 10 - a man who would cut the armed forces completely, pull out of NATO and scrap Trident.

Over the next few months, I will set out in more detail our ambitious agenda for Defence. Today's announcement marks the first outcome of the Integrated Review, setting out the future of our foreign, security, defence and development policy. The Review will publish in early 2021 and I will provide further details before the end of the calendar year.

Until then, please find below the key commitments I have secured as part of this settlement. My Ministerial team and I stand ready to answer any questions you may have.

- **£24.1 billion of investment:** Today's additional funding provides a cash investment of an additional £24.1 billion over the next four years. In our manifesto we pledged to increase defence spending by 0.5% above inflation for every year of this parliament, today's announcement goes £16.5 billion further than this. It is not dependent on GDP increasing or decreasing, meaning the UK continues to significantly exceed its commitment to spend 2% of GDP on Defence.
- **The National Cyber Force:** This new specialist agency will be created in partnership with the Ministry of Defence and GCHQ to transform the UK's cyber capabilities. Their cyber operations will range from countering terror plots to disrupting hostile states or criminals and supporting military operations. This commitment is recognition that the UK must take advantage of the opportunities that cyber operations offer to protect ourselves from modern threats both online and in the real world.
- **Security for shipbuilding:** The £16.5 billion investment confirms our order of 8 Type 26 and 5 Type 31 frigates, commits us to the next generation Type 32, and supports the future solid support ships that will supply our Carrier Strike Group. I am thrilled that the multi-year settlement can provide a level of assurance to the skilled workers and communities of the shipbuilding industry.
- **Research and development ringfencing:** This investment is underpinned by a commitment to spend at least £1.5 billion of the extra funding on military research and development, including a commitment to invest further in the Future Combat Air System. Thanks to this, other technologies including autonomous vehicles, drone swarms and cutting-edge battlefield awareness systems will be developed for military use.
- **New jobs in a time of need:** Today's announcement paves the way for a projected 10,000 extra jobs per year in R&D and infrastructure investment. This will provide a vital boost in demand to the wider economy as we navigate these challenging economic times.
- **Autonomy Development Centre:** The Autonomy Development Centre will accelerate the research, development, testing, integration and deployment of world-leading Artificial Intelligence and Autonomous Systems, to underpin an enduring technical edge.
- **A Space Command for the 21st Century:** Working alongside MOD's recently formed Space Directorate, this new joint command structure, due to launch in 2021, will lead on space operations; space workforce generation (training and growth); and space capability (delivering space equipment programmes). Operating in the space domain is a growing capability and something that is critical we invest in to remain a leading 21st Century force.

Yours sincerely,



Rt Hon Ben Wallace
Secretary of State for Defence