



HM Government

Defending Britain: leading in a more dangerous world

Our pledge: committing to 2.5% of GDP in 2030



FOREWORD FROM THE PRIME MINISTER



Every day, Britain's armed forces are on active service around the world. Whether policing the skies over the Middle East, protecting shipping lanes in the Red Sea, or keeping the peace in Kosovo, they put themselves in harm's way to defend our values and interests and keep our people safe.

Today, they do so in an international environment that is steadily deteriorating. We are seeing more instability, happening more quickly, in more places at once. Technology is changing the face of war. Russia's abhorrent war of aggression in Ukraine continues. And crucially, not only are threats to stability growing but the links between states like Russia, Iran, North Korea and China are growing, too.

People should feel reassured that the UK's armed forces are some of the most professional, well-trained, well-equipped, and battle-ready in the world. And in recent years, we have considerably strengthened the UK's defence. In 2021, we published the Integrated Review of Security, Defence, Development and Foreign Policy. As Chancellor, I supported that strategy with the biggest sustained increase in defence spending since the Cold War. And since becoming Prime Minister, I launched the Integrated Review Refresh that continued that increasing trajectory of defence spending, particularly on stockpiles and the nuclear deterrent that we continue to declare to NATO.

All of this is alongside strengthening our partnerships with allies from Poland to Japan to South Korea to our generational technology programmes like AUKUS and GCAP. We have been at the forefront of NATO's modernisation, we have energised the Joint Expeditionary Force, we have deepened defence ties in the Indo-Pacific and we have defended international shipping and civilians from attacks in the Red Sea and by Iran.

But as our adversaries strengthen their ties, sharing weapons, technology, and tactics, the United Kingdom and our allies need to go further to defend our countries, bolster our alliances and deter our adversaries.

So today, I'm announcing the biggest strengthening of our national defence in a generation. We will increase our baseline for defence spending to 2.5% by 2030. This new investment starts right away before increasing in each and every year until we meet the target. This means, over the next six years, we will spend an extra £75 billion. This will be fully funded, with no increase in borrowing or debt, alongside a clear plan for what we'll spend and when we'll spend it.

This is a generational investment in British prosperity as well as British security. Consider what this new funding will deliver. Good, new, well-paid jobs in all four nations of our country, as we invest more in our own defence industry everywhere from Bolton to Belfast to Glasgow and Newport. Incredible opportunities for British start-ups and businesses to design and build cutting-edge technologies, not least the drones and autonomous technologies

that are proving so important on the modern battlefield. And stronger alliances and partnerships with others, as they also invest to deter.

And this funding allows us to support Ukraine for the long-term. Ukraine's security is our security. If Putin is allowed to succeed, then it will weaken the fundamental principles of national sovereignty and self-determination that have kept Europe secure. It would undermine the progress the continent has made since the end of the Cold War.

He has the desire, if not yet the capacity, to attack other countries in Europe, potentially including NATO allies, who we would be bound to defend, just as they are bound to defend us. The costs of failing to support Ukraine now will be far greater than the costs of repelling Putin. Because only if he fails will other adversaries be deterred. We must show that we have the resources and staying power to back our words with actions.

The UK has a proud record of supporting Ukraine's struggle. We raced to their support in the hours and days after the invasion of 2022. And we were first to provide tanks, first to send long-range weapons, first to begin training pilots, and first to provide a long-term security agreement when I visited Kyiv earlier this year. Today, we accompany that long-term security agreement with a long-term funding agreement as we commit to provide at least the same level of funding for the rest of the decade, or for as long as required.

A decade ago, in Wales, NATO leaders came together to agree a historic commitment. Three months after Russia's illegal annexation of Crimea, amid growing instability in the Middle East and North Africa and with Islamic State rapidly expanding its control over swathes of Syria and Iraq, allies agreed to reverse two decades of declining defence spending and commit to spend 2% of GDP. The UK is one of a small group of nations that has consistently met or exceeded that pledge.

And my great hope is that today's announcement will mark a similar turning point in the security and defence of Europe. If all our allies met our new baseline of spending 2.5% of GDP on defence, the combined NATO budget would rise by over £140 billion. From Poland to the Baltic States, Norway to Germany and Romania, this message is increasingly understood.

The UK has always been an advocate for greater burden-sharing and for Europe taking more responsibility for its defence. When the greatest crisis in European security since 1945 hit, we proved our commitment in actions rather than just words. And we are a nation that has proved that it has the willingness and capability to act further afield, just recently joining military action in the Red Sea and in defence of the airspace of our partners in the Middle East.

We must show our enemies that we are resolute and determined. That their attempts to destabilise our world or redraw its borders by force will fail. That with our friends and allies, we will be at the forefront of the defence of the free, democratic world. In a world of increasing threats, the United Kingdom will always stand up for our interests, deter our enemies, and defend our values.

INTRODUCTION BY THE SECRETARY OF STATE FOR DEFENCE



When leaders from 28 NATO countries met in Wales for a historic summit in 2014, few could have predicted the increased instability and threats that we face a decade later. On the agenda was the illegal annexation of Crimea by Putin's Russia, chaos created by Islamic State in the Middle East and, of course, defence spending.

Ten years on, Russia's aggression has exploded into the full-blown invasion of Ukraine, Iran and its proxies seek to escalate deadly conflict, and China is using its military and economic power to coerce its neighbours. From Moscow and Tehran to Pyongyang and Beijing, a network of authoritarian states is hellbent on wreaking havoc. These powers are unstable and irrational, and now more connected with each other than ever.

In my speech at Lancaster House in January, I warned about the mounting threats we are facing in this more dangerous world and how to guarantee our freedoms, we must be prepared – to lead, to deter, and to defend. The era of the peace dividend is clearly over.

Some may argue these threats are not existential to the United Kingdom. Yet we have seen terror attacks on our streets, attempted assassinations in Salisbury, Intellectual Property theft, efforts to interfere in our political processes and a surge to energy prices, brought by Putin, that is hurting families right here, right now.

In the face of these threats, the United Kingdom is standing up with our international partners to confront those who seek to destabilise and destroy. Our Armed Forces are already doing incredible work globally to protect and advance our interests. We are one of just two countries to take military action to disrupt Houthi attacks on international shipping in the Red Sea. We are leading by example with our support for Ukraine. And we are working with partners for a free and open Indo-Pacific.

We are among a handful of nations with a truly global reach, and we have the ability and willingness to deploy our Armed Forces to protect our shared values and prosperity.

We are taking part in every NATO mission, patrolling the skies above Syria and Iraq to help prevent escalation in the region and the loss of innocent lives, and operating a continuous at sea deterrent as a nuclear power, committed to the defence of NATO allies. At the same time, we are developing a new submarine through AUKUS, a sixth-generation fighter jet with Italy and Japan and the first fully British-built tank for more than 20 years.

All of this has been backed by significant defence spending. To rise to the challenges in this more divided world, we are now going even further, with additional investment that will take us to 2.5% of GDP in 2030. Reaching 2.5% of GDP will see Defence spending – in real terms – at one of the highest levels since the Cold War. Over the next six years, an extra £75 billion will be spent on strengthening UK Defence. We will continue to punch above our weight and ensure our Armed Forces remain a formidable deterrent.

I believe firmly that our Armed Forces are among the best in the world, and I pay tribute to their selfless service as they protect our nation, prosperity, and values. This new investment is about them and doing what is right for national security. We are ensuring our soldiers, sailors, aviators, and their families have the equipment and support they need and deserve.

That means embracing innovation and investing in the latest military capabilities for modern warfare, from AI, robotics and cyber to air defences, laser weapons and autonomous drones. And continuing to invest in housing and infrastructure.

By bolstering the UK's industrial base and taking full advantage of our recent procurement reforms, we will get the equipment we need, when we need it, while delivering value for money for taxpayers.

It will boost our prosperity, with the UK defence industry supporting over 200,000 jobs and adding £11 billion a year to the economy through exports. It will boost growth, provide high-skilled, well-paid jobs, and be felt by communities across the country.

And it will ensure we can continue to stand shoulder to shoulder with Ukraine for the long-term, in the defence of their country. The threat to the UK, Europe and indeed the world of a Putin victory cannot be overstated. We are heeding the warnings of history and doing everything we can to make sure democracy prevails in this battle against tyranny.

The UK has a long and proud history of standing up for freedom in the face of oppression. And we do not stand alone; alongside us are a host of likeminded international partners. In this complex world, no nation can afford to go it alone.

In 2014, when NATO allies came together, they committed to spend 2% of GDP on defence at what was described as the most important summit since the fall of the Berlin Wall.

As a nation, we have long surpassed that pledge, which just a third of NATO members have met. Now, we are taking an even bigger stride. We have set the new standard at 2.5%, and when NATO countries come together in Washington this summer – in the alliance's 75th year – I urge other nations to follow our lead and ensure their defence spending is growing too.



An increasingly contested and volatile world

Since we published IR2023, the security context has continued to deteriorate. In particular, the links are growing between those states that pose the greatest challenge to our interests.

- China and Russia declared a 'no limits partnership' in 2022, and their ties have grown steadily tighter since. China is now helping Russia to circumvent sanctions and build its military-industrial complex.
- Russia is relying on Iranian and North Korean supplies to continue its war of aggression in Ukraine. Iranian Shahed drones and North Korean munitions, artillery and ballistic missiles are being used to kill Ukrainian civilians and damage critical national infrastructure.
- Iran has agreed the biggest purchase of military hardware from Russia in over 30 years, including fighter jets, attack helicopters and training jets.
- North Korea is prioritising efforts to build a missile force capable of evading regional defences, and using goods imported from China and Russia in violation of UN sanctions to do so.

These actors – individually or in coordination – can impact our security and prosperity at home, as with the soaring bills caused by Putin's war, disruption to global trade caused by the Iranian-backed Houthis in the Red Sea, and the cyber-attacks that often originate in Russia, China, North Korea or Iran and that impact UK citizens and businesses every year.

1. Our pledge for defence: 2.5% of GDP in 2030

In 2023, the *Integrated Review Refresh* (IR2023) identified the growing threat posed by authoritarian states as the greatest challenge to our national security. The extent to which they are working together continues to increase, as does the potential for crises in different regions to coincide and converge. The result is more frequent national security dilemmas – and potentially more demand on our Armed Forces. In addition, there is a greater premium on adaptability as we move away from the fixed overseas campaigns of the 2000s and 2010s and orientate towards state-based competition, including the use of proxies.

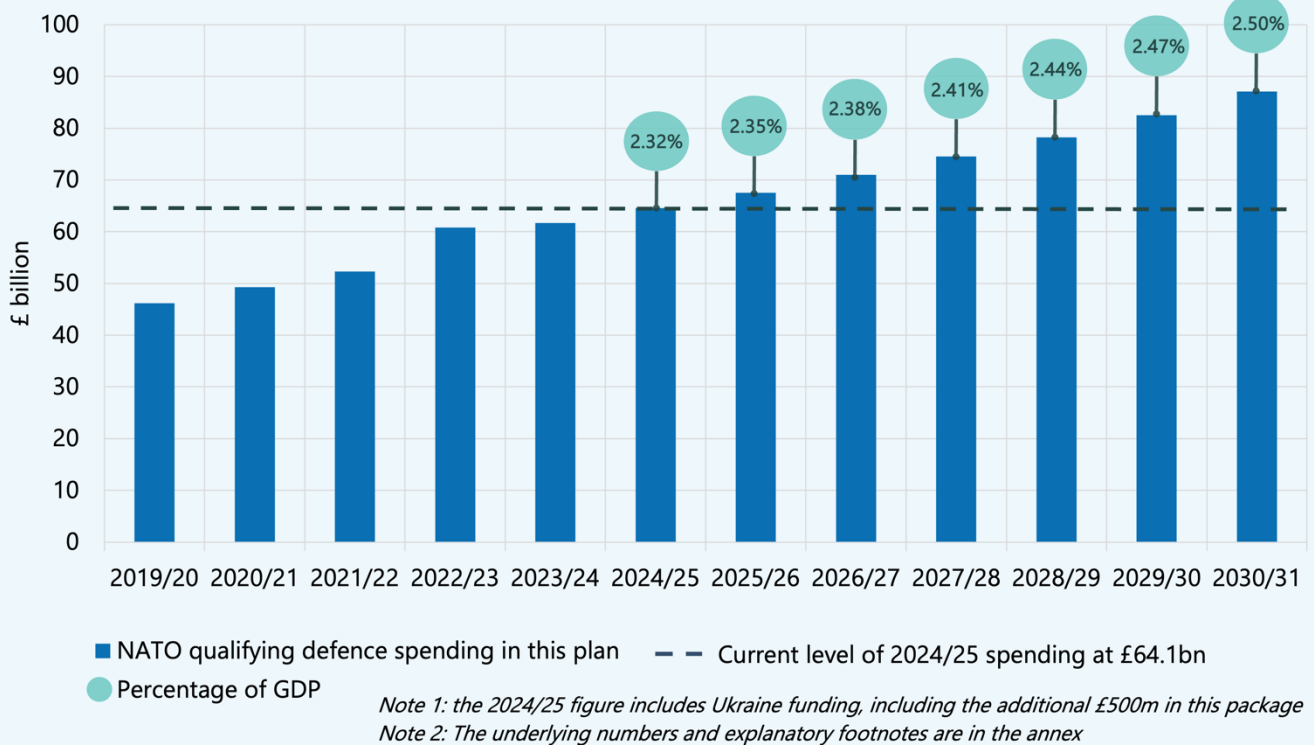
Russia has experienced long-term damage to its economy and military, but has sunk vast resources into continuing its war of aggression in Ukraine, allowing it to rearm and re-supply the front line. Houthi attacks have disrupted global trade in the Red Sea. The risk of direct conflict between Israel and Iran has risen. State-based threats to our security have proliferated. China's huge programme of military modernisation continues, increasing the potential for flashpoints in the Indo-Pacific, with huge implications for the global economy.

Our response to these global threats has been active and assured. We have invested in the right things: our nuclear deterrent; NATO; our conventional forces, including recapitalising the Army; cyber and space; and global partnerships such as AUKUS and GCAP that will develop the battle-winning technologies of the future. And our activity – support for Ukraine, reinforcement of NATO's eastern flank, operations in the Middle East – has shown that we have made good capability choices, giving us the ability to stand up for British interests and act in concert with our partners when threats arise.

Security is not only the first duty of government; it is the precondition for our prosperity. The UK's ultimate goal remains the defence of our homeland and the international security on which it depends. To achieve this, we and our allies must work to uphold openness and stability wherever we are able to do so. That requires sustained investment. Therefore, the UK will now make **a firm commitment to steadily increase investment in defence, reaching 2.5% of GDP in 2030**, on the basis of a new plan for defence.

- In cash terms, that means the UK will spend **£87 billion on defence in 2030-31**, an increase of £23 billion on what we will spend in 2024-25.
- Starting today and over the next six years spending will increase steadily and consistently, and **we will spend cumulatively an additional £75 billion** on defence.
- This uplift sees the UK continue to lead the way in Europe, **securing our position as the second largest spender in NATO**. It puts us amongst a small number of allies with clear plans to meet or exceed 2.5%, makes us the largest cash spender in the G7 other than the US, and creates a new standard that we call on others to match.
- It will be funded in full, without any increases in borrowing or debt. We are now able to turn our aspiration into **a new programme of investment** because our economic plan for the country is working. It will require tough but necessary choices: the cost of inaction would be far greater.

Our commitment to 2.5% of GDP in 2030



Lessons from Ukraine

The war in Ukraine affirms our approach in key areas:

- **Alliances and partnerships are essential.** The unity of NATO has held firm throughout the conflict; and our interoperability is part of our strength and our ability to deter and defend against threats. So too the ability to invoke other alliances and partnerships around the globe.
- **The importance of being a nuclear power.** The ultimate guarantor of our security and that of our NATO Allies, which has deterred the most serious state-based threats since the Second World War and will continue to do so for as long as required.
- **Conventional forces remain vital.** They need to be enhanced with – and trained to use and defend against – modern technology, such as drone and air defence capabilities.
- **Low-cost but high-tech weapons can have disproportionate impact.** Ukraine’s small, autonomous naval drones have damaged and sunk Russian ships, and severely limited the operational range of Russia’s Black Sea fleet.
- **Rapid adaptation is fundamental to battlefield success.** Our adversaries are learning fast. To stay ahead we must constantly exploit new and emerging technology and adapt weapons systems. This requires a more agile acquisition process and an even stronger partnership between government and industry.
- **The ability to replenish stocks and surge capacity is critical.** To deliver the scale of weaponry needed to fight on the modern battlefield, and to be able to surge if required, industry must be capable of ‘always on’ production. That requires government to provide clarity over its requirements and long-term commitments.

2. Immediate areas of focus

Our increased investment in defence will build on our successes to date and be focused on the capabilities most important for achieving the UK's strategic goals. We are establishing a prioritisation process to work through future capability and investment choices, to conclude at the next Spending Review. In the immediate term, with this new investment and learning the lessons from Ukraine (see text box), we will pursue three areas of focus:

1. firing up the UK defence industrial base, including with a new munitions strategy;
2. accelerating investment in new technology for defence; and
3. guaranteeing support to Ukraine for the long-term.

In addition, and in support of these priorities, the new Integrated Procurement Model announced in February 2024 is reforming how we do defence procurement. It will enable a joined-up approach; ensure integration; prioritise exports; empower industrial innovation; and drive an iterative approach to projects that takes advantage of advances in technology.

Firing up the UK defence industrial base

IR2023 noted that in an increasingly contested and volatile world, a strong industrial base is both a critical source of competitive advantage for the UK and NATO and a core component of an integrated approach to deterrence. The supply and replenishment of munitions stockpiles underpins our ability to fight, and to sustain the fight. As our adversaries increase their own defence spending, the UK must fire up our own defence industrial capacity; to sustain Ukraine, contribute to a European defence industry that is ready for any future conflict, bolster our exports, and support a vital sector of our economy.

We are:

- investing a further **£10 billion over the next ten years** to grow our domestic UK munitions production pipeline and increase our stockpiles, representing nearly a doubling of our current spending on munitions production;
- setting a **clear demand signal for industry** through long-term multi-year contracts, allowing companies to invest in skills and infrastructure with confidence; and
- bringing together government and industry to promote UK prosperity by **generating skilled jobs and exploiting export opportunities**.

We will also take action to boost private sector investment in defence suppliers by confirming that ESG (Environmental, Social, Governance) considerations are compatible with investment in our defence industry. A joint HM Government and ADS Taskforce has been set up to assess ESG and defence investment and support further work to ensure that our defence industry has the access to capital that it needs. ESG investment has a role to play,

including in supporting the green transition, but must not reduce access to capital for our vital defence industry. The ability to defend our country is one of the most important social considerations investors should have in mind when they are allocating their capital.

As well as contributing to keeping our people safe, investing in our defence industry supports the UK's resilience, prosperity and UK jobs. Government spent £25 billion with the UK defence industry in 2022-23, directly and indirectly supporting over **200,000 jobs across the UK**, whether shipbuilding in the Clyde, munitions production in Belfast, the naval support industry in Devonport or cryptography in Newport. New investment will build on our existing expertise and strengths in areas such as air defence missiles, fast jet attack missiles and anti-tank weapons, enabling industry to create new production lines in factories across the UK.

Defence strategy for munitions

Supply and replenishment of munitions stockpiles underpins our ability to fight. The war in Ukraine has put a spotlight on this, where the ability to replenish munitions at pace and scale is proving a decisive factor in the conflict.

This is why we are allocating **£10 billion over the next decade** to deliver our munitions pipeline and increase our stockpiles. This long-term funding allows us to place long-term contracts. We will invest in research, development and manufacturing to ensure the UK has consistent and relevant munitions supply. Where possible we will develop our ability to produce munitions on UK shores, assuring sovereign production capacity while generating skilled jobs and promoting UK prosperity.

Underpinning our strategy are three key outcomes:

1. replenishing our own stockpiles;
2. increasing industrial capacity and resilience; and
3. cooperation with our allies on munition capabilities.

As part of this we will create the conditions for industry to move to 'always-on' production working closely with them to guarantee supply. This will involve us setting long-term forecasts on our demand, establishing rolling contracts and contracting mechanisms that share the burden of risk with industry for threat-driven changes.

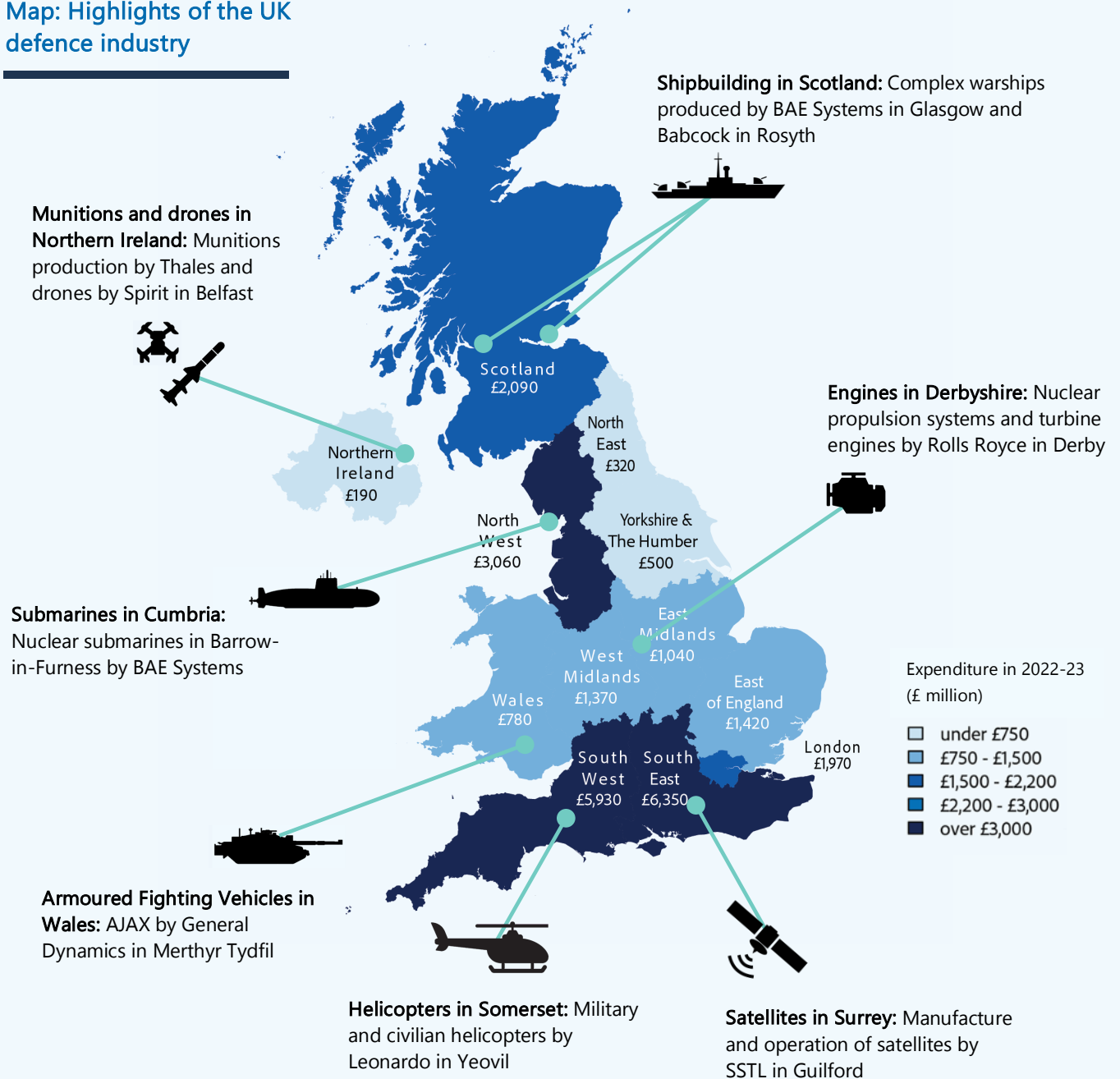
Our vision is for the UK to have suitable, sufficient and resilient munitions stockpiles to ensure our Armed Forces can engage in a sustained fight if required, and develop the battle-winning munition capabilities of the future.

Supporting jobs and prosperity across the UK...

UK defence already contributes significantly to our economic prosperity – supporting over **400,000 UK jobs** in 2021-22, the equivalent of **1 in every 70 UK jobs**.

Of these 400,000 jobs, **over 200,000** are with industry, where UK defence supports **high-quality, high-skilled jobs** across all parts of the Union.

Map: Highlights of the UK defence industry



Accelerating investment in new technology for defence

As highlighted in IR2023, we continue to see the ways in which the rapid development and application of new technologies, and the proliferation of both highly-sophisticated systems and more modest 'off-the-shelf' capabilities to a growing number of state and non-state actors, is changing the global balance of power as well as basic battlefield realities. Our ability to innovate and to put new technology in the hands of the end-user is fundamental to sustaining our strategic advantage, our military edge, and our resilience at home.

The programme of defence modernisation that was initiated following the 2020 Spending Review included **£6.6 billion investment in research and development (R&D)** to 2024-25. This built on the UK's strengths, tapping into our world class research base. But our adversaries have been investing too.

We are making a new commitment to ring-fence at least 5% of the defence budget for research and development from 2025-26 onwards, with an increased focus on dual use technologies, or where there can be significant spillover effects from military to civil R&D. An additional 2% of the defence budget will support the exploitation of promising science and technology in military capability, helping us to ensure that we are ready to fight the conflicts of the future.

We will place a particular emphasis on accelerating the development of technology areas that are already UK strengths and that have proven particularly effective or important on the battlefield in Ukraine. Existing UK plans to invest over £4.6 billion in drone technologies over the next 10 years, for example, are already driving an increasing array of uses across the Armed Forces, and our procurement of drones on behalf of Ukraine has helped small and medium sized enterprises (SMEs) such as Tekever, who have recently opened a new facility in West Wales, to expand. Priorities will include:



Robotics and Autonomous Systems;



Air Defence;



Artificial Intelligence;



Command and Control systems;



Intelligence, Surveillance and Reconnaissance.

To coordinate and direct our scaled-up investment in R&D, **we will establish a Defence Innovation Agency** to be launched in early 2025. It will, for the first time, bring together the fragmented defence innovation landscape into a single responsible and empowered organisation for defence innovation and R&D. It will focus on the adoption of emerging technologies, placing medium scale contracts and investing in SMEs on commercial terms

through long-term 'patient capital'. It will scale up our existing investments in drones (uncrewed and autonomous systems) for surveillance and attack, allowing us to better exploit low-cost solutions that are increasingly out-matching more sophisticated systems.

We will leverage the extensive skills and expertise in the Defence Science and Technology Laboratory (DSTL) to ensure we enhance our ability to identify, exploit and secure key emerging scientific and technological developments, push the most relevant technologies into operational capability at speed, and generate strategic advantage.

Guaranteed support to Ukraine for the long-term

As IR2023 set out, Russia's illegal invasion of Ukraine has brought large-scale, high intensity warfare back to our home region, precipitating the largest military conflict, refugee and energy crisis in Europe since the end of the Second World War. This has had a direct effect on our people at home, including the economic toll of increased prices.

UK and wider Euro-Atlantic security is intrinsically linked to the outcome of the conflict in Ukraine. The outcome of the war in Ukraine will determine Russia's appetite and ability to further disrupt the security of the UK, the Euro-Atlantic and the wider international order, and will inform the decisions of others who might be tempted to follow Russia's lead. Only a Ukrainian victory can deter Russia from attacking others, and prove that NATO and its like-minded partners across the world have both the patience and the resources to deny military adventurism and uphold the UN Charter and international law.

That is why the UK has consistently been a first-mover in its support for Ukraine, pledging over £12 billion in overall support since before February 2022, and being the:

- **first** European country to send lethal aid to prepare Ukraine for self-defence;
- **first** country to create an international training programme for Ukrainian troops, hosted in the UK;
- **first** G7 nation to provide main battle tanks;
- **first** to provide long-range cruise missiles;
- **first** to sign bilateral security agreement; and
- **first** to commit to train fighter pilots.

We have been clear we will support Ukraine for as long as it takes. Building on the historic UK-Ukraine Security Agreement, marking the start of a 100-year alliance, **we are committing to provide at least the current level of support to Ukraine until the end of the decade or for as long as required.**

But we recognise that Ukraine urgently needs more support now, so we are going further. As part of our increased investment, we are:

- **providing an additional £500 million to Ukraine immediately** to support the highest priority capability requirements, including: further ammunition, air defence and counter-drone capabilities, and securing UK supply chain access to lead on industrial production of complex weapons;
- **announcing our largest ever package of munitions and equipment for Ukraine** with: 400 armoured, protected and all-terrain vehicles; more than 1,600 munitions in the form of both strike and air defence missiles, as well as additional Storm Shadow long-range precision-guided missiles; more than 4 million rounds of small arms; and 60 small boats including offshore raiding craft, rigid raiding craft and dive boats and maritime guns; and
- scaling our drone innovation and support that includes £325 million for advanced drones – including through the international drone coalition that we co-lead with Latvia – which will see the **UK become the largest provider of drones to Ukraine.**

The Government has worked with over 30 companies across the UK to scale up innovative drone technology to meet Ukraine’s battlefield needs. This has spanned from traditional defence primes to small, innovative companies such as Malloy Aeronautics who have been acquired by BAE Systems following their success off the back of UK orders and proven performance of their drones in Ukraine.

We will ensure that Ukraine is never alone, and that our support for its self-defence is adapted to the circumstances it faces, now and in the future.



Our support to Ukraine so far...

£3 billion in military support in 2024-25, up from £2.3 billion in 2023-24



Expect to train a total of **70,000** Ukrainian troops by mid-2024, including pilots



Delivered **31** armored vehicles and a **squadron** of Challenger 2 tanks



First to sign a **UK-Ukraine agreement** on Security Cooperation, setting out long-term military, humanitarian and reform support



Delivered over **300,000** rounds of artillery ammunition, **thousands** of air defence missiles, and more than **200,000** pieces of non-lethal equipment including cold-weather clothing, mine detection kits and generators



Provided at least **£325m** for procuring and producing drones

£357 million of humanitarian assistance



£137m of humanitarian support delivered through partners including the UN and Red Cross



£90m across four winter support packages, including frontline air, shelter and clothing



£8m to support the most vulnerable, including women, girls and people with disabilities

Largest and most severe sanctions ever imposed on a major economy



International sanctions have deprived Russia of over **\$400bn**, enough to fund the invasion for a further **four years**



Over **2,000** individuals and entities sanctioned by the UK, and **£23bn** Russian assets frozen under financial sanction regulations



£20bn of the UK-Russia goods trade wholly or partially sanctioned, with a **99%** drop in imports from Russia and a **74%** drop in exports

Over £4.2bn of economic support



The UK has made available over **£4.2bn** in fiscal support to Ukraine between 2022 and 2027: **£99m** in grants and **£4.1bn** in World Bank guarantees

£5.7m to investigate war crimes



£3.7m to support Ukraine's domestic investigations and an additional **£2m** to the International Criminal Court for evidence collection and victim support

Energy security and support



£150m of direct support to Ukraine's energy sector, with **£10m** for civil nuclear safety and **£7m** for over 1,000 generators and solar kits



The UK was first to end imports of Russian coal, oil and gas, and with the G7 and Australia set a price cap on seaborne Russian crude oil to restrict revenue



Launched the Clean Energy Partnership with G7+ countries and Ukraine at COP28 to assist Ukraine with energy reconstruction and sustainability

Help for Ukraine to rebuild



£26.6m of UK funding for multi-donor Partnership Fund for a Resilient Ukraine



\$60bn raised by the London Ukraine Recovery conference in June 2023



£3.5bn committed by UK Export Finance for infrastructure, health, energy and security projects



UK-Ukraine Infrastructure Taskforce established to help Ukraine rebuild critical infrastructure



New **£6.1bn** de-mining contract with HALO trust



Tariff-free trade with Ukraine extended for five more years on 8 February 2024

3. Boosting productivity through reform

To make the most effective and efficient use of increased defence spending, we must reform the structures and processes upon which defence depends. We are taking immediate steps to enable reforms that improve procurement, tackle waste and inefficiency, and transform the innovation landscape.

Reforming Defence Procurement

In a world where our adversaries are working hard to out-compete us in capability terms, we must reform acquisition to ensure our military competitiveness is maintained. Ukraine has shown that today's battlespace is highly contested, and integrated operations are essential. That is why we are moving to a new **Integrated Procurement Model**, as announced in February 2024. It will:

- **Promote a joined-up approach**, prioritising requirements at departmental level, conducting planning and balance of investment across the whole defence portfolio and breaking down stovepipes, making more efficient use of resources.
- **Emphasise integration across and between each domain**, modelling how we procure on how we fight. A new integration design authority will send back proposals if they lack a plan for data integration or accompanying enablers. It will draw on a wider range of expertise, including market analysis and scientific advice.
- **Prioritise exportability**, by embedding export teams earlier in the acquisition process, so that international export campaigns commence at a far earlier point in the product life cycle.
- **Empower industrial innovation**, by engaging industry to give the strongest possible understanding of our future requirements. Only by driving a deep relationship with industry can we enable entrepreneurial innovation to flourish.
- **Facilitate faster procurement**, delivering minimum deployable capability quickly and then iterating it in light of experience and advances in technology. While there will be exceptions, we will not wait for a 'perfect' solution that may arrive too late. We are therefore setting default time targets of three years for digital and five years for platforms.

The DragonFire laser weapon system will be brought in five years quicker than it would have been under the previous procurement approach. Our new model is a strong foundation for our future approach to defence. We will work at pace to implement it in the coming months.

Better strategic direction

Procurement reform cannot be solved in isolation and must be supported by better strategic direction and increased accountability. We will overhaul Levene's delegated model,

reforming and strengthening Head Office to operate as a fully functioning strategic headquarters. It will have a greater ability to drive prioritisation across the full range of defence spending, hold front-line commands to account for delivery and ensure value-for-money. The Integrated Procurement Model will not be successful without addressing these challenges.

This will be supported by a **new strategic alignment and prioritisation process**, centrally-run through the National Security Council, to better cohere the levers of government across areas of national security and foreign policy, informed by domestic policy priorities. This will look across defence, national security, development and diplomacy, to support departments in better aligning their outputs with wider foreign policy and security objectives, avoiding the duplication of effort between departments and using resources more efficiently.

Embedding productivity throughout our approach

We must ensure that we achieve value for money from this investment in defence. Alongside our procurement reforms and building on the success of the NHS Long-term Plan, we will **improve the productivity of defence**, producing a plan underpinned by clear targets and metrics to drive delivery. We will work with the UK defence industry to boost its productivity and competitiveness, **setting an aspiration to once again become the largest defence exporter in Europe by 2030**. This will build on our efforts on procurement, but also look across both back-office and frontline areas of defence.

In addition, we will work to **establish defence regional partnerships**. In recognising the importance of Barrow-in-Furness to our Defence Nuclear Enterprise we recently announced a trilateral partnership between central government, Westmorland and Furness Council and BAE Systems. This partnership will enable the expansion of an area critical to our national defence and is aimed at strengthening the local economy by encouraging more people to come to live and work in the area. We will look for further opportunities to strengthen the local economy in communities supporting defence. Defence has a wide regional footprint and should play an important role in contributing to regional prosperity across the UK.



DragonFire is a laser directed energy weapon (LDEW) system that achieved the UK's first high-power firing of a laser weapon against aerial targets. It has the potential to be a long-term alternative to certain tasks currently carried out by missiles, with operating costs typically less than £10 per shot. Led by the Defence Science and Technology Laboratory (Dstl), working with its industry partners MBDA, Leonardo and QinetiQ, it is an example of an innovative application of science and engineering to achieve strategic advantage.

The MOD announced plans to **make DragonFire operational five years earlier than planned** with thanks to the new integrated procurement model by delivering a minimum deployable capability quickly to personnel and finalising development once in-service.

Our defence and partnerships today...

This announcement builds on our sustained investment in defence and in our Alliances. This £75 billion investment comes on top of the £24 billion cash increase announced at the Spending Review in 2020, £5.5 billion of investment in our nuclear deterrent, resilience and munitions announced at the Autumn Statement in 2022 and Spring Budget 2023. We have also committed over £10 billion in military support and grant-in-kind aid to Ukraine since Russia's illegal invasion.

Our commitment to spending 2.5% of GDP in 2030 will allow us to build on what we have already achieved: our leadership in NATO, establishing the Defence Nuclear Enterprise as a national endeavour, our international partnerships in AUKUS and GCAP, and our support to Ukraine.

Our armed forces have strengths across all domains

The Royal Navy operates **72 vessels**, including **2 aircraft carriers** and **10 nuclear submarines**.



The UK maintains a **credible, independent nuclear deterrent**, declared to the defence of NATO, to guarantee our security and that of our NATO Allies.



The Royal Air Force has **greater lift capacity** today than at any time since the Second World War.



The British Army deployed in **67 countries**, with **14,000 troops on exercises and operations** across Europe last year.



Our National Cyber Force conducts **responsible cyber operations** to support military operations and wider security daily.



NATO is the foundation of collective security in the Euro-Atlantic, and our commitment to Article 5 of the North Atlantic Treaty is our most powerful deterrent. The UK will continue to lead efforts in NATO to ensure the Alliance retains its technological edge and industrial advantage. We already provide 25% of NATO's maritime capabilities and 10% of air and land. The British Army and the UK's Allied Rapid Reaction Corps will provide one of two Strategic Reserves for Supreme Allied Commander Europe (SACEUR).

Our security is bolstered by global alliances and partnerships

We have developed new partnerships in **AUKUS**, with the US and Australia, to develop the next generation of attack submarines and advanced capabilities.



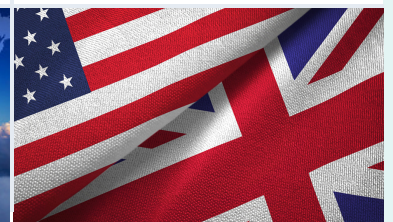
France is the UK's closest European ally for defence. The 2010 Lancaster House Agreement established an enduring foundation for our cooperation.

We remain committed to the **Joint Expeditionary Force (JEF)**, an important partnership for security in Northern Europe and the 'High North'.

Through the **Global Combat Air Programme (GCAP)** we will develop our 6th generation fighter jet in partnership with Japan and Italy.



The **UK-US nuclear relationship** has been in place for over 65 years, underpinned by the 1958 Mutual Defence and 1963 Polaris Sales Agreements.



4. A new approach to planning and personnel

As the final part of our new plans for defence we will ensure that the UK bolsters its national resilience in the years ahead. This means improving our offer to the people on whom our defence relies and maximising the cooperation between government and society.

The pledge to our people

Our people – regular, reservist or civil servant – are the most important asset we have.

As the 2023 Defence Command Paper sets out, we must transform our workforce over the next decade. As new technologies continue to enter the workplace and the battlespace, our workforce must develop the technical expertise required to out-compete our adversaries.

We will upskill our current service personnel, enhance our offer to those who are joining anew, and broaden our appeal to increase the inflow of a broad range of people into defence and our Armed Forces.

But recruiting more people and upskilling our workforce on its own is not enough, we must also ensure that we keep the good people in the Armed Forces once they get there.

In 2022, the MOD commissioned an independent review into the incentivisation of Armed Forces personnel, which has recently concluded. The Government will soon publish its response to the 'Haythornthwaite Review' and prioritise three areas to improve the offer to the military workforce: greater career flexibility, adapting the employment model to enable easier transition between military, civil service and industry; enhancing our offer, better tailoring our approach to remuneration to reflect the different needs of our people; and the digitalisation and simplification of our people management system.

Recognising that high quality accommodation is the least our people deserve, we will also deepen our investment in service family accommodation.

A new National Defence and Resilience Plan

The Government already has plans to manage the most severe risks to the UK, and constantly reviews a broad range of scenarios. For example, as part of our commitment to NATO, we are required to consider how we would respond in the event of an attack, such as: protection of critical national infrastructure, including power sites or the national grid; management of catastrophic risks across government; strengthened civil and military cooperation and more detailed plans for the use of the military, including reservists, in times of national emergencies.

Our system for national resilience is captured across a variety of different frameworks, such as the National Risk Register and Resilience Framework, which are all part of our integrated emergency management for the mass protection of citizens.

We are already working with critical sectors to ensure planning for catastrophic scenarios are

in place and resilient and will build on this to bring together and exercise a comprehensive **National Defence and Resilience Plan** (NDRP) for our security, preparedness and resilience as a nation. This will be based on the latest threat assessment and will bring together civil and military planning.

We will work with NATO and other partners as we develop the NDRP, and our ambition is to set out an outline of our overall plan in early 2025.

Annex – spending detail

Table – defence spending profile to 2030-31¹

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
NATO-qualifying defence spending (£bn) ²	64.6 ³	67.5	71.0	74.5	78.2	82.5	87.1
% of GDP	2.32%	2.35%	2.38%	2.41%	2.44%	2.47%	2.50%
<i>Memo – UK GDP based on OBR's latest forecasts (£bn)</i>	<i>2,786</i>	<i>2,875</i>	<i>2,985</i>	<i>3,094</i>	<i>3,207</i>	<i>3,342</i>	<i>3,483</i>

1. The government is committing to reach 2.5% of GDP on NATO-qualifying defence spending in 2030-31 and each year thereafter. Prior to 2030-31, defence spending will increase each year as a percentage of GDP, in a steady profile as set out above.
2. NATO-qualifying spending is made up of the core MOD budget plus additional funding provided to MOD for military operations, its support to Ukraine and drawdown of contingency. Additional NATO-qualifying spending sits outside the MOD budget and includes parts of the Single Intelligence Account, Armed Forces pensions and the Integrated Security Fund. In 2024-25, the MOD Total DEL is forecast to be £57.1bn, which includes £3bn for Ukraine. This compares to a forecast final MOD Total DEL budget of £54.2bn in 2023-24, including £2.3bn of support for Ukraine. NATO-qualifying spend in 2024-25 in total is forecast to be £64.6bn.
3. Prior to the additional £500m for Ukraine announced in this new plan for 2024-25, Total NATO-qualifying spending in 2024-25 was £64.1bn (2.30% of GDP).

