

Dossier of waste in the Ministry of Defence 2010 - 2021

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Introduction

The Ministry of Defence (MoD) is at the heart of our national security. The MoD spends around £40B each year, almost half of which is on defence equipment (£19.5B). It manages one in five of the Government's major projects (36 of 184), at a cost totalling £167B, and employs around 130,000 regular armed forces personnel.

Despite this huge responsibility, the MoD is a uniquely failing department.

None of its 36 major projects are rated 'green' – meaning that the project is on time and in budget – which makes it the worst performing department in Whitehall, with the lowest proportion of projects rated green.

Ministers have got no grip on the MoD's finances, with the National Audit Office (NAO) declaring the defence equipment plan 'unaffordable' for the last four years in a row and warning of a funding black hole in the defence budget of up to £17B. This deficit in the defence budget has increased by over £4B since 2019 alone, so it is no surprise that the Public Accounts Committee's 2021 review of MoD procurement concluded that "The Department's system for delivering major equipment capabilities is broken and is repeatedly wasting taxpayers' money".

Without a revolution in the way the MoD controls costs, there is a serious risk that the extra £16.5B in capital funding for defence announced in November 2020 will simply be swallowed by this black hole in current procurement programmes.

Yet there was not a single mention of reducing 'wasted' money in either the Defence Command Paper or Defence and Security Industrial Strategy, both published in March 2021. The 70-page

MoD wasted at least £13 billion in taxpayers' money since 2010

Command Paper makes just one bland reference to strengthening "our mechanisms to drive and assure value-for-money", while the Industrial Strategy simply outlines general Government procurement practice with nothing specific to deal with the MoD's problems.

This is totally unacceptable. Ministers are failing British troops and British taxpayers.

This report is Labour's first step in fixing the failing system.

The MoD publishes its own general summary of accounts in annual departmental reports and the NAO undertakes authoritative specific studies on Parliament's behalf. However, there has been no systematic audit of wasted money in the MoD.

This report sets out to fill this gap. It examines the extent of waste within the MoD, drawing on official published sources of information, and identifies 67 officially confirmed cases of waste, the cost of which could have been avoided or reduced by better MoD judgement or management.

Our audit confirms the MoD have wasted at least £13B in taxpayers' money since 2010, £4B in the last couple of years while the present Defence Secretary has been in post.

Access to many aspects of MoD operations is restricted, as is public access to MoD financial data, so our findings can only be the tip of the iceberg.

£4 billion wasted since 2019, while the Defence Secretary has been in post

Nevertheless, this dossier demonstrates that the scale of MoD waste is significant and systemic.

This forensic study of MoD waste has been a painstaking project and I am very grateful to Charlie Keyzor who has undertaken the lion's share of this work. We could not have done it without him.

The MoD is a uniquely and continuously failing department, and Parliament – on behalf of the public – needs a system of “special measures” to deal with it.

This Government shows no serious intent to get a grip of these deep-seated problems. So as our first steps from day one, Labour in Government would:

- Commission the NAO to conduct an across-the-board audit of MoD waste
- Make the MoD the first department subject to our new Office for Value of Money's tough regime on spending decisions.

Reforming the department will not be easy, but this report takes a crucial first step in revealing the unacceptable scale of waste in the MoD.



Rt Hon John Healey MP
Shadow Secretary of State for Defence

Methodology

To establish the scale and nature of money wasted in the MoD since 2010, individual cases of wasted money were first identified from the following official sources:

- The MoD annual report and accounts (reports 2010-11 to 2019-20)
- The Equipment Plan 2020-2030 (NAO, 2021)
- Managing infrastructure projects on nuclear-regulated sites (NAO, 2020)
- Improving the performance of major equipment contracts (NAO, 2021)
- Parliamentary Questions to the Secretary of Defence

The classification of costs incurred as 'waste' in this report is based on whether the cost could reasonably have been avoided or reduced by better judgement or management in the MoD.

For each potential wastage case, official estimates of the amount of wasted money were gathered from the sources above. Each case was then analysed to confirm details, determine whether or not it met the report's definition of 'waste' and classify into one of our five types of MoD waste:

- overspent procurements
- write-offs
- contract cancellations

- unplanned extensions
- admin errors

Total wasted expenditure was then calculated across different time periods.

Throughout this report, the approach is cautionary and conservative, excluding from all calculations:

- Accidental damage to equipment
- Constructive losses or fruitless payments that appear unavoidable
- Cases where taxpayer's money is wasted but where an accurate estimate of the costs cannot be confirmed in official sources of information.

This cautionary approach means, for instance, the withdrawal of the British Army from Germany was confirmed as a 'constructive loss' in the MoD's 2013-14 Annual Accounts but was excluded from this waste dossier, as a land write-off does not represent the same unutilised asset value as a vehicle write-off, while the decision announced in Future Soldier to base the Army in Germany again represents a revision of policy, rather than misjudgement or mismanagement. Similarly, there is undeniably wasted additional money incurred in upgrades to the Royal Navy's Type 23 frigates, due directly to procurement delays of the new Type 26 and Type 31 frigates but there has been no reliable cost estimation published, so waste from this unplanned extension is not included in this report.

Key Findings

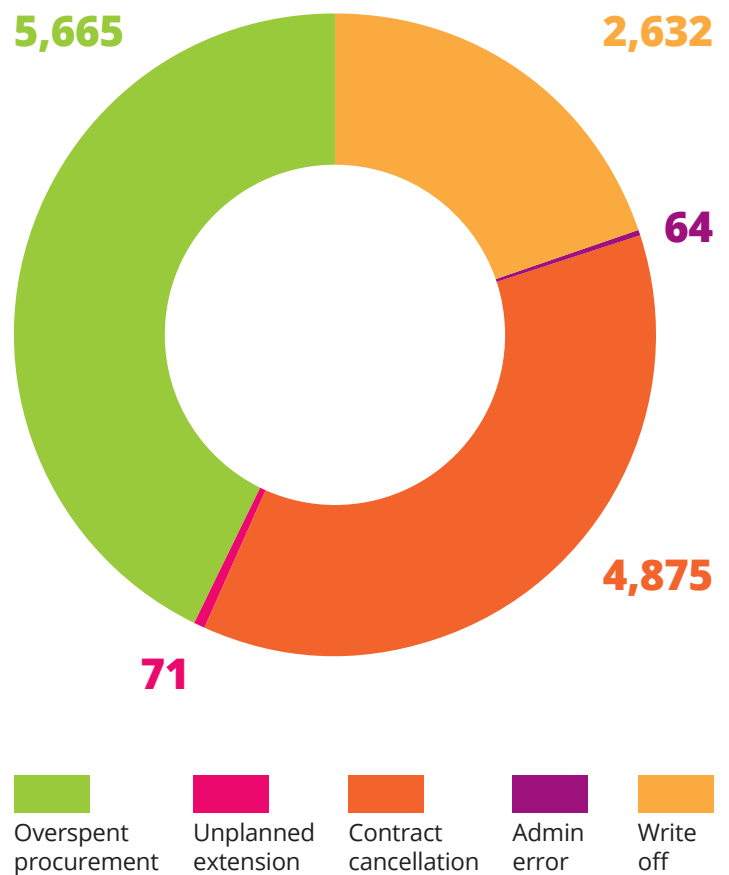
Between 2010 and 2021, 67 officially confirmed cases of wastage have been identified totalling over £13B of wasted taxpayer's money (see inventory for comprehensive list of cases).

The table below shows how much money the MoD has wasted since 2019, 2015 and 2010. Over £13B has been wasted over the last decade since 2010, including £4B of waste since 2019 while the present Defence Secretary has been in post.

Since financial year	Cases	Total Wastage (£B)
2019	15	3.99
2015	34	7.68
2010	67	13.31

Summarising wasted money over categories reveals that **£4.8B has been wasted on cancelled contracts since 2010**, whilst **£5.6B has been overspent on MoD projects since 2010**. The categories also reveal that **£71M was spent on unplanned life extensions**, and **£2.6B wasted on write offs**. Furthermore, it was found that **£64M has been wasted on admin errors**, including £32.6M in HM Treasury fines almost uniquely imposed on the MoD for poor accountancy practices. Only one other department has been fined since 2010, a much smaller £470K fine on the Department of Health. The pie chart below shows the contribution of each of these categories to the overall wastage figures since the start of the 2010 financial year.

MoD waste by category since 2010 (£ million)



67 officially confirmed cases of MoD waste

£4.8 billion wasted on cancelled contracts since 2010

Consequences of Waste

There is a significant opportunity cost from MoD waste on this scale. If wasted expenditure had been avoided or reduced, funding would have been available to strengthen the UK's Armed Forces, and cuts forced by financial pressures to troops, planes, ships, and equipment might have been avoided. To understand the scale of waste within the MoD, it is useful to compare the amount of wasted money to various Army, Navy and RAF cuts which the MoD attempted to justify by citing financial pressures. Additionally, the amount of waste that would have to be reduced to cover particular MoD cuts has been calculated.

➤ **Army Main Battle Tanks.** The government announced in the Integrated Review their intention to cut main battle tank numbers by a third (227 tanks, down to 148). The cost of restoring the future Challenger 3 tank fleet to 227 tanks is £430M, based on a recent £800M contract with RBSL for 148 Challenger 3 tanks. This sum of £430M is comparable to:

- the amount of waste in the 2019-20 MoD accounts alone (£406M),
- the amount wasted on the Warrior capability sustainment programme which was scrapped in a government U-turn described in the Integrated Review (£595M).
- 3% of the total wasted expenditure identified in this report.

➤ **Royal Navy Warships.** At the outbreak of the Falklands war of 1982, the Royal Navy had a warship fleet of 43 frigates and 12 destroyers; it now has only 13 and 6 respectively. The current size of the Navy has been described by the previous Conservative Chair of the Defence Select Committee as "pathetic".

- The cost of a new Type 26 Frigate is around £300M, a cost covered 44 times over with the total wasted expenditure identified in this report.

- The overspent money wasted on procurement of the Protector UAV, which the NAO directly attributes to poor management from the MoD, could have purchased a new Type 26 Frigate.
 - Similarly, new Type 45 Destroyers cost £1B each, so the wastage identified since 2019 alone could have covered the cost of 4 new Type 45 Destroyers.
 - The cost of a new Type 45 Destroyer is also the same amount of money overspent on the MENSA nuclear warhead facility, and only 7.5% of the total waste identified in this report.
- **RAF Hercules Aircraft.** The Defence Command Paper announced that the entire Hercules fleet of 14 aircraft is to be scrapped.
- Modern Super-Hercules cost around £150M per aircraft, and a fleet of 14 would cost £2.1B, which is comparable to the amount of money the MoD have wasted on write-offs since 2010 (£2.6B).

Categories of Waste

Each case of wasted money has been categorised depending on the cause of waste. Each of the five waste categories are described below along with justification as to why each should be considered wasted money.

Overspent Procurement

Overspent procurement refers to procurement projects that have cost far more than initially planned and budgeted. Despite only counting for eight out of a total 67 wastage cases, this category makes up 43% of all wasted money. All cases of overspent procurement in this report have been taken from The Equipment Plan 2020-2030 (NAO) which provides data of the initial cost forecast and the current (as of 2021) cost forecast. The difference between the initial and current forecasts is presented here as wastage which could have been avoided.

Contract Cancellation

The MoD often invests in procurement programmes which are subsequently cancelled without receiving the end product. In some cases, the development of a capability appears to be technically unfeasible to complete in budget. In other cases, changes in policy cause the cancellation of the programme.

Regardless of the cause, investment in procurement programmes which do not deliver what was contracted and paid for should be considered wastage. Since 2010, 31 cases of contract cancellation have been identified, constituting £4.8B of wastage or 37% of total wastage.

Write Offs

Write offs involves cases where assets have been withdrawn, scrapped, or prepaid services terminated, before their expected end of service date. These come under “constructive losses” in the MoD accounts and constitute wastage as the full value of the asset is not utilised. For example, if £1B is invested in a capability intended to be used for 10 years, but the government decides to withdraw the capability after five years, then the accounts describe a constructive loss of £500M, representing asset value that is not utilised, and thus wasted, by the government decision. There are 20 cases of wastage by write off in this report, contributing £2.6B or 20% of total wastage since 2010.

Unplanned Life Extensions

New defence capabilities are often developed because a current capability is becoming outdated or redundant. If a new project becomes severely delayed, then this can leave a capability gap. To plug this gap, older capabilities are often provided with short term upgrades to extend (sustain) the capability until the new procurement project is completed. This represents wastage, as this form of programme life extension can be avoided or reduced if adequate MoD management keeps a procurement project within time limits. Only two cases have been identified here, both from NAO reports. Many more cases of this form of waste likely exist, but they are difficult to identify and cost as they are not specifically recognised in MoD accounts. Thus the finding of £71M wasted by unplanned extensions is likely a severe underestimation. Two examples identified but not able to accurately cost are the sustainment of the Type 23 frigate fleet which was required following delays to the Type 26 and Type 31e frigates (parliamentary question 71268) and the Vanguard nuclear submarine Life Extension Project which is required following delays to the new Dreadnought submarine.

£64 million wasted on admin errors

Admin Errors

Six cases of wastage have been identified which are attributed to admin errors. These cases only total £64M and 0.5% of the total wastage, however they represent clear cut cases of wastage.

Opaque cases

Calculating a quantitative estimate of MoD wastage is a task made difficult by the lack of transparency in government accounts and NAO reports. Programmes such as the contingency upgrade of Type 23 frigates required by delays to the new Type 26 and Type 31 frigates have incurred wasted money, but a reliable extra cost estimation has not been published and so is not included in this report. For this reason, total waste estimates in this report should be considered underestimations with the assumption that further waste cases exist but are not reported by the MoD.

Waste Cases

This section details a number of illustrative wastage cases that have been selected based on the scale or needlessness of the waste they entailed. The full list of waste cases examined in this audit can be found in the inventory. The figure stated to the top right of each case is the wasted expenditure associated with each case.

Overspent Procurement

Protector UAV £325M

Protector is the unmanned arial vehicle that will replace the Reaper drone and fulfil its reconnaissance and missile strike capabilities. The Equipment Plan describes how the procurement programme is overrun by 28 months (expected Nov 2023) and overspent by £325M (46% increase). Moreover, the NAO says that maintaining the Reaper for this extra time whilst Protector is delayed will cost an extra £50M (see Reaper drone case in unplanned extensions section below). The NAO has attributed the cost increase to the department's decision to delay the project due to short-term budgetary pressures.

Submarine Nuclear core production capability £333M

The Department is replacing facilities in Raynesway (Derby) to produce the latest nuclear reactor core designs. Started in 2012, the new manufacturing facility will provide PWR3 (pressurised water reactor) nuclear cores for the dreadnaught class submarines. The project is forecast to be overspent by £333M or 25% of the original budget (now expected to cost £1718M) and is expected to be completed on time in October 2025. The NAO attributes cost increases to the fact that the department started building before requirements and designs were mature. Project requirements

changed after building had begun, incurring additional costs.

MENSA Nuclear Warhead Manufacturing Facility.....£1B

The Department is building a new nuclear warhead assembly and disassembly facility at the Department-owned and Atomic Weapons Establishment (AWE)-operated site in Burghfield (Reading). The NAO report on "Managing infrastructure projects on nuclear-regulated sites" (2020) reported that this project was overspent by £1.072B and delayed by 76 months. Like the other nuclear related projects, the NAO directly attributed the overspend to poor project management. Delays have led to additional wastage from unplanned extensions (see "Nuclear Warhead Facility Sustainment" case).

Astute Attack Submarines (boats 4-7).....£1B

Astute is the Royal Navy's latest class of nuclear-powered attack submarine, replacing the ageing fleet of Trafalgar class attack submarines. The first three Astute boats were commissioned into service in 2010, 2013, and 2016. The procurement of boats four to seven was researched in the NAO's equipment plan 2020-2030 report. In the report, the NAO identified that procurement of Astute boats four to seven were overspent by £1.014B. In a Parliamentary question answered on 9th March on 2021, the Minister for Defence Procurement stated that the Government is committed to delivering all seven of the Astute boats by 2026. Little press coverage can be found regarding this huge overspend.

Dreadnought Submarine£29M

The Dreadnought submarines comprise the future of the UK's nuclear deterrence. They house the Trident missile system and will replace the vanguard

class ballistic submarines, as the new continuous at sea deterrence capability. Four new Dreadnought submarines are planned for manufacture by BAE via the submarine delivery agency at their site in Barrow-in-Furness. The NAO reported on the delivery of dreadnought in its equipment plan 2020-30. They claimed that the dreadnought programme was £29M over budget.

Write Offs

Land Equipment Fleet Optimisation Plan £231M

The Land Equipment Fleet Optimisation Plan is a large-scale write-off of vehicles from previous operational deployments. The MoD in July 2020 announced plans to write off almost 750 armoured vehicles, primarily Mastiff, Ridgeback and Wolfhounds. The 2019-20 accounts record an advanced notification valuing this write off at £231M.

Sentry Aircraft Fleet Reduction..... £147M

The MoD's sentry aircraft undertake surveillance and control functions as part of the Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) capability. On 20th July 2021, the Minister for Defence Procurement Jeremy Quin stated that the Sentry aircraft fleet will be retired by late 2021 and replaced by a fleet of new E7-Wedgetails which are expected to arrive by December 2023. This infers that an ISTAR capability gap will exist until the new Wedgetail fleet is delivered. The 2019-2020 accounts record an advanced notification estimating the withdrawal of the Sentry fleet as a £147M constructive loss.

HMS Quorn Withdrawal £21.6M

HMS Quorn is a mine hunter ship which was recently withdrawn from service in the Royal Navy and sold to the Lithuanian armed forces. Although DE&S stated that the sale to Lithuania could create "a return and savings of £2.5 million for Navy Command", the MoD accounts of 2019-20 record an advanced notification estimating the withdrawal of HMS Quorn as a £21.6M constructive loss.

Ear Plugs£5.7M

The 2014-15 accounts show that the MoD spent £5.7M on ear plugs which were found to be "not fit for purpose on Operations".

Contract Cancellation

Warrior armoured fighting vehicle sustainment programme £595M

This infantry fighting vehicle has been in service since 1988. In 2011, a sustainment programme was initiated to modernise the vehicle and extend its lifespan to 2040. After 10 years of development and £594.6M of investment, the Defence Command Paper of March 2021, stated that the programme will be scrapped.

IT System Cancellation£4M

The 2019-20 accounts recorded an advanced notification describing the cessation of a project to procure a new information system with a value estimated at £4.059M. Parliamentary questions confirm: "The loss value relates to capital investment expenditure on the development of a new IS focussed on specialist ISR capabilities system between 2014-15 to 2016-17. The project was paused while other options were investigated and it was ultimately decided not to pursue the project further noting that due to the rapid pace and change in technology in the area covered by the project, the previous development work was now out of date."

Unplanned Life Extension

Reaper Drone Sustainment£50M

The MoD is purchasing a new fleet of Protector drones to replace the ageing Reaper drone fleet which has been in service since 2007. The Protector fleet was expected to achieve initial operating capability by June 2021, but its procurement was delayed by the MoD to November 2023 due to budgetary pressures. This delay requires a life extension of the old reaper fleet which the NAO estimates will cost £50M. This case was described in the NAO's "Improving-the-performance-of-major-equipment-contracts" report 2021.

Nuclear Warhead Facility sustainment.....£21M

Delays to the MENSA nuclear warhead manufacturing facility have meant that older facilities have had to be upgraded to retain regulatory approval. The MoD expects these upgrades to cost £21M. This cost could have been avoided if adequate management by the MoD had kept the MENSA project within timeframe. From the NAO's "Managing infrastructure projects on nuclear

regulated-sites” 2020 report: “following delays to MENSAs, the Department and its contractor AWE had to continue using existing infrastructure. In 2016, the ONR stated AWE could do this for a further three years. The Department expects to spend £21 million between 2016-17 and 2019-20 on site upgrades to maintain regulatory approval to use the site”.

Admin Error

Treasury Fines..... £32.6M

HM Treasury has the ability to impose fines on departments that do not maintain certain standards of management and accountancy. Two cases of treasury fines have been identified from the MoD annual reports and accounts totalling £32.6M. The first is a minor fine of £1M imposed in the 2014-15 accounts for “failing to seek assurance from a number of high-paid off-payroll appointees in FY2012-13 that they were paying the correct tax and National Insurance”. The second is a more significant fine of £31.6M in the 2015-16 accounts for “granting MOD retrospective contract approvals” for 36 different contracts. Only one other departmental fine has occurred across government since 2010, which was a Treasury fine of £470,740 on the Department of Health. This emphasises the fact that the MoD is unique in the scale of its failings.

Merlin Aircraft Components.....£21M

The 2014-15 accounts revealed that £21M had been lost due to “Incorrect recording of Merlin aircraft component lives”. It is unclear exactly how this data entry error resulted in a £21M fruitless payment. Further enquiry was attempted with parliamentary question 76577, but the Minister for Defence Procurement offered little explanation.

Inventory of Waste Cases

Table 1. Inventory of waste cases identified since 2010

CASE	CATEGORY	REPORTED DATE	WASTAGE (£M)	SOURCE
Submarine primary build facility	overspent procurement	2022	129	"NAO Nuclear infrastructure report 2020"
MENSA nuclear warhead facility	overspent procurement	2023	1072	"NAO Nuclear infrastructure report 2020"
Core production capability	overspent procurement	2025	333	"The defence equipment plan 2020"
Nuclear warhead facility sustainment	unplanned extension	2021	21	"NAO Nuclear infrastructure report 2020"
Protector UAV	overspent procurement	2023	325	"The defence equipment plan 2020"
Reaper life extension	unplanned extension	2023	50	"Improving the performance of... 2020"
Warrior sustainment	contract cancellation	2019	594.6	"Parliamentary question UIN 25634"
E7 Wedgetail	overspent procurement	2023	18	"The defence equipment plan 2020"
Astute Boats 4-7	overspent procurement	2021	1014	"The defence equipment plan 2020"
Dreadnought submarine	overspent procurement	2030	29	"The defence equipment plan 2020"
Chinook training cancellation	contract cancellation	2020	1.553	"MoD Accounts 2019-2020"
Sentry aircraft reduction	write off	2020	147.485	"MoD Accounts 2019-2020"
HMS Quorn decommission	write off	2020	21.604	"MoD Accounts 2019-2020"
IT system cancellation	contract cancellation	2020	4.059	"MoD Accounts 2019-2020"
Land Equipment Fleet Optimisation	write off	2020	231.031	"MoD Accounts 2019-2020"
Ajax Ambulance cancellation	contract cancellation	2019	6.24	"MoD Accounts 2018-2019"
CVR(T) reduction	write off	2019	8.765	"MoD Accounts 2018-2019"
AS90 Howitzer reduction	write off	2019	50.54	"MoD Accounts 2018-2019"
Overpayment of military allowances	admin error	2019	2.5	"MoD Accounts 2018-2019"
Tornado synthetic training	contract cancellation	2019	15.159	"MoD Accounts 2018-2019"
Overpayment of military allowances	admin error	2018	2.5	"MoD Accounts 2017-2018"
Fire shadow	contract cancellation	2018	95.494	"MoD Accounts 2017-2018"
QE carrier conversion	contract cancellation	2018	40.821	"MoD Accounts 2017-2018"

QE Aircraft carrier	overspent procurement	2018	2745	"The defence equipment plan 2020"
Project Soothsayer termination	contract cancellation	2017	37.4	"Parliamentary question UIN 35502"
Project Soothsayer write-off	contract cancellation	2017	50.552	"Parliamentary question UIN 35502"
Shielder anti-tank mine	write off	2017	44.533	"MoD Accounts 2016-2017"
Warrior mine detection	write off	2017	4.847	"MoD Accounts 2016-2017"
Warthog vehicle disposal	write off	2017	104.911	"MoD Accounts 2016-2017"
Fined by Treasury	admin error	2016	31.6	"MoD Accounts 2015-2016"
Type 22 Frigate reduction	write off	2016	413.409	"MoD Accounts 2015-2016"
Typhoon servicing system	write off	2016	22.308	"MoD Accounts 2015-2016"
Non-specified contract termination	contract cancellation	2016	14.4	"MoD Accounts 2015-2016"
Non-specified contract termination	contract cancellation	2016	1.324	"MoD Accounts 2015-2016"
Harrier withdrawal	write off	2015	1120.917	"MoD Accounts 2014-2015"
Counter IED withdrawal	write off	2015	61.741	"MoD Accounts 2014-2015"
Failed IT project	contract cancellation	2015	6.973	"MoD Accounts 2014-2015"
Non-specified contract termination	contract cancellation	2015	1.886	"MoD Accounts 2014-2015"
Merlin Aircraft Admin incident	admin error	2015	20.995	"MoD Accounts 2014-2015"
Useless Ear Defenders	write off	2015	5.769	"MoD Accounts 2014-2015"
Fined by Treasury	admin error	2015	1	"MoD Accounts 2014-2015"
Project Hydrus	contract cancellation	2014	117.7	"MoD Accounts 2013-2014"
HMS Ark Royal withdrawal	write off	2014	94.004	"MoD Accounts 2013-2014"
Non-specified contract termination	contract cancellation	2014	42.784	"MoD Accounts 2013-2014"
Overpayment to service personnel	admin error	2014	5.634	"MoD Accounts 2013-2014"
Waste treatment plant cancellation	contract cancellation	2014	19.274	"MoD Accounts 2013-2014"
Non-specified contract termination	contract cancellation	2014	3.833	"MoD Accounts 2013-2014"
Failed IT Project	contract cancellation	2014	1.515	"MoD Accounts 2013-2014"
Nimrod	contract cancellation	2013	3746.123	"MoD Accounts 2012-2013"
Auxiliary vessels early withdrawal	write off	2013	187.5	"MoD Accounts 2012-2013"
Non-specified contract termination	write off	2013	38.88	"MoD Accounts 2012-2013"
IT project cancellation	contract cancellation	2013	17.391	"MoD Accounts 2012-2013"
Intelligence management project	contract cancellation	2013	6.671	"MoD Accounts 2012-2013"
Planning tool project cancellation	contract cancellation	2013	3.369	"MoD Accounts 2012-2013"
Defence targeting toolset programme	contract cancellation	2013	1.751	"MoD Accounts 2012-2013"
Osprey body armour	contract cancellation	2012	2.796	"MoD Accounts 2011-2012"

Bowman radio redundancy	write off	2012	2.361	"MoD Accounts 2011-2012"
Bowman radio disposal	write off	2012	33.065	"MoD Accounts 2011-2012"
Typhoon test equipment	write off	2011	27.2	"MoD Accounts 2010-2011"
Trident R&D facility cancellation	contract cancellation	2011	16.825	"MoD Accounts 2010-2011"
Munitions project cancellation	contract cancellation	2011	11.587	"MoD Accounts 2010-2011"
Typhoon ground loading system	write off	2011	10.984	"MoD Accounts 2010-2011"
Nuclear reactor facility	contract cancellation	2011	2.52	"MoD Accounts 2010-2011"
Demolition device project	contract cancellation	2011	4.875	"MoD Accounts 2010-2011"
Unsuccessful weapon procurement	contract cancellation	2011	1.982	"MoD Accounts 2010-2011"
Synergy mobile system	contract cancellation	2011	1.885	"MoD Accounts 2010-2011"
Furniture company legal battle	contract cancellation	2011	1.691	"MoD Accounts 2010-2011"

Since financial year	Cases	Total Wastage (£M)
2019	15	3.99
2015	34	7.68
2010	67	13.31

Notes

1. Only cases reported where waste is reported as >£1M are considered
2. "Reported Date" refers to date in which the case appears in the accounts or date of contract completion
3. Total Wastage calculations start at the financial year of the stated date

Table 2. Waste category analysis

Reason for waste	Wastage (£M)	Cases	Wastage (%)
overspent procurement	5665	8	42.6
unplanned extension	71	2	0.5
contract cancellation	4875	31	36.6
admin error	64	6	0.5
write off	2632	20	19.8
Total	13307	67	100

Document Links

UK Defence in Numbers 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/919361/20200227_CH_UK_Defence_in_Numbers_2019.pdf

Infrastructure and Projects Authority annual report 2021

<https://www.gov.uk/government/publications/infrastructure-and-projects-authority-annual-report-2021>

The Equipment Plan 2020-2030

<https://www.nao.org.uk/report/equipment-plan-2020-2030/>

<https://www.nao.org.uk/report/equipment-plan-2020-2030/>

Improving the performance of major defence equipment contracts

<https://publications.parliament.uk/pa/cm5802/cmselect/cmpubacc/185/report.html>

House of Commons: Written Statement (HCWS347)

<https://www.parliament.uk/globalassets/documents/commons-vote-office/March-2015/5-March/3.TREASURY-Public-Services.pdf>

UK Defence Journal

<https://ukdefencejournal.org.uk/the-type-26-frigate-could-be-the-most-capable-british-warship-in-decades/>

Defense News

<https://www.defensenews.com/2020/06/05/new-zealand-military-buys-5-lockheed-hercules-planes-for-1-billion/>

Warrior Armoured Vehicle

Question for Ministry of Defence

<https://questions-statements.parliament.uk/written-questions/detail/2021-07-06/28106>

Ministry of Defence: Fines

Question for Ministry of Defence

<https://questions-statements.parliament.uk/written-questions/detail/2021-11-02/68119>

<https://questions-statements.parliament.uk/written-questions/detail/2021-11-16/75807>

House of Commons: Written Statement (HCWS347)

<https://www.parliament.uk/globalassets/documents/commons-vote-office/March-2015/5-March/3.TREASURY-Public-Services.pdf>

MOD annual reports and accounts

<https://www.gov.uk/government/collections/mod-annual-reports>

Managing infrastructure projects on nuclear-regulated sites

<https://www.nao.org.uk/report/management-of-nuclear-licensed-infrastructure-projects/>

