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4 June 2010

TRIDENT VALUE FOR MONEY REVIEW

As you know, the government has decided that there should be a value for money review of the Trident Programme. We need to put the necessary work in hand.

This review should assume that the current policy of maintaining the essential minimum deterrent remains unchanged. Against this background, it should examine the following issues:

- any scope to reduce costs through refurbishing and prolonging the life of the current submarines;
- whether to acquire 3 or 4 successor submarines; the balance of cost saving versus levels of risk to CASD;
- *(Redacted)*
- the choice between the PWR2 or 3 reactor;
- the scope to reduce the number of missile tubes to fewer than 12;
- the minimum necessary number of nuclear warheads;
- *(Redacted)*
- scope to minimise future infrastructure costs;
- the level of spend required to maintain the minimum essential capability at AWE Aldermaston;
- the level of spend required to maintain the minimum essential capability at Raynesway;
- *(Redacted)*.



This analysis will need to plug in to the SDSR. It will be important that the Cabinet Office and Treasury keep very close to your work. An initial report should come to us in four weeks time.

Copies of this letter go to Gus O'Donnell, Peter Ricketts, Bill Jeffrey, Robert Hannigan, James Quinault, Richard Freer and Calum Miller.

(signed)

JULIAN MILLER



Sir Bill Jeffrey KCB
Ministry of Defence
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Permanent Under-Secretary of State

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Dear Peter

TRIDENT VALUE FOR MONEY REVIEW

Further to Julian Miller's letter to Jon Day of 4 June, I attach the initial report of the Trident Value for Money review, which has been agreed by the Defence Secretary. Both the Cabinet Office and Treasury have had input to the review, but the judgements in the report are the ones for which we should and do take responsibility.

I should emphasise that the review took as its starting point the criteria set out by Julian in his letter and therefore assumes that we will retain a submarine based nuclear deterrent deploying Trident ballistic missiles, and that our posture will continue to be Continuous At Sea Deterrence (CASD).

The report is drafted as a stand-alone paper together with a series of detailed Annexes addressing each aspect of the review. Annex B is TS codeword and is therefore being circulated separately.

I am copying this to Gus O'Donnell, Martin Donnelly and Nick Macpherson.

Original Signed

Bill Jeffrey

Sir Peter Ricketts KCMG
National Security Adviser
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