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MoD 'could face a further £2bn of cuts'

23 January 2012

The Ministry of Defence could face a further £2bn of cuts in the next 12 months as part of its 2012 financial planning round, it has been reported.

Options being considered in order to bring the MoD's budget into balance are said to include a further 9,000 cuts to the number of civilian staff in the Ministry of Defence – in addition to the 25,000 announced in 2010's Strategic Defence and Security Review – or a reduction in the scope of the army's Scout vehicle contract, formerly part of the Future Rapid Effects System (FRES) programme.

A report in The Daily Telegraph said that further reductions in troop numbers were not among the options being considered, with the ministry instead said to be looking for cuts in contract costs for the majority of the savings.

Since the measures outlined in the SDSR, the MoD has had to make further cuts in its attempts to balance its books and deal with a £38bn 'black hole' in its finances which the NAO said would have developed had cuts not been made.

During Planning Round '11, Prime Minister David Cameron was said to have brokered an £800m deal with the Treasury over further defence cuts.

Defence Secretary Philip Hammond said that the defence budget was now close to being balanced, meaning new equipment soon be ordered.

"We had to take tough decisions to tackle the £38bn black hole left by Labour at the MoD, but we are now close to a sustainable and balanced budget for the first time in decades," he said. "This will mean we can start ordering new equipment for the armed forces."

"We are still refining individual equipment projects, assessing each case for contingency and risk but I am increasing the MoD is turning a corner and will soon have a clear and affordable programme. We'll be spending over £150bn on equipment support over the next decade."

Shadow Defence Secretary Jim Murphy said the government was putting "savings before strategy".

"The baseline that matters is national security but the controversial and much criticised defence review has left Britain unable to tackle new threats."

"The whole service community will be extremely concerned at the prospect of further cuts. The impact on manpower, morale could be severe. If true, this would be a huge sign that the defence review had failed in its aim to reform and reform our forces."

"The Prime Minister must be upfront about any plans for more cuts and end the uncertainty."



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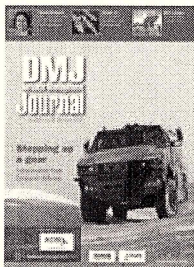
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What else is there to cut?

(rhetorical, I am sure the keen bean counters will find a target).