

NAO Podcast on Carrier Strike - Transcript

[Suzanne Goldberg] Hello and welcome to the National Audit Office Podcast.

The NAO has published its report into the Ministry of Defence's delivery of the Carrier Strike Programme.

The study examined whether the Department has effective arrangements in place for delivering Carrier Strike, the Department's confidence in the programme baselines and forecasts, and how it is managing the risks to achieving initial operating capability in 2020. I'm joined today by Jeremy Lonsdale, the Director who oversaw the report. Jeremy, thank you very much for joining us.

The NAO has looked at Carrier Strike before. I wonder if you could explain what's covered in this latest report?

[Jeremy Lonsdale] Yes, previously we've looked at the MOD's decisions about the type of carrier and jets it would buy. In this report we look more broadly at the progress MOD has made towards achieving Carrier Strike in December 2020. So Carrier Strike relies not just on the jets and the carriers but also the airborne radar system to detect threats on the horizon. It also needs support, logistics, infrastructure, communications and trained people. Our report looks at how well-placed the MOD is to bring all these different elements together in time for 2020.

Before I get on to the progress made to date, it is worth setting out the scale of the challenge facing the Ministry. The carriers are the largest ships ever built for the Royal Navy. They fundamentally change how the Navy operates. The Lightning II jets are being built in the US as part of the world's biggest defence programme. We're also talking about a long-term capability: the carriers and jets are expected to be around for the next 50 years. Up to 2021 the MOD will have spent over £14 billion on the carriers, jets and the airborne radar system. Collectively, this is one of the biggest programmes the Department is managing.

Since we last looked at this area, there has been good progress. MOD has clear plans for achieving Carrier Strike by December 2020. The ship's systems on the first carrier, HMS Queen Elizabeth, are currently being tested to be made ready for the first sailing, planned later this summer. The second carrier is progressing well, as the teams can apply the lessons they learnt from building the first one. So far eight Lightning II jets have been produced for the UK and numbers will continue to grow this year. Training is ongoing in the US with the Marine Corps and the first squadron of jets will fly over here next year. The MOD has recently let a contract to build and fit the Crowsnest radar to Navy helicopters. And also infrastructure works at the naval base at Portsmouth, the carriers' home port and RAF Marham, which will be the base for the Lightning II squadrons, is ongoing. Support arrangements are not as well-developed, some crucial enabling elements are not yet in place. There is much that must come together to achieve Carrier Strike but we are pleased with progress to date.

The report also identifies a number of future risks, could you expand on those?

Yes. The risks are in four main areas. Perhaps the most significant is what we call schedule risk. The MOD has a lot to get ready before the first carrier, first squadron of jets and the new radar are ready for use together. The next three years is a critical phase. The schedule is tight and so if anything slips, it will have a knock-on impact on the rest of the timetable. A number of technical issues have delayed HMS Queen Elizabeth leaving the dockyard and MOD is looking at the impact on the overall schedule.

The second major risk to Carrier Strike is around personnel. The armed forces are facing personnel shortages more generally. There are specific roles which are particularly difficult to fill, for example engineers in the Navy. It takes time to train up new recruits so MOD also has to do what it can to prevent people from leaving these roles. If MOD is not careful, some of these key individuals may decide to leave, which may place limitations on how the Carrier Strike capability is used.

The third risk is that costs could escalate. There is potential cost growth on the carriers, which the MOD is looking to eliminate at the moment. It has less control over the cost of the Lightning II jets, which the US is leading on. So costs could increase if the number of jets ordered globally is reduced or because of foreign exchange rate fluctuations.

The final risk is from technology. The new jets and carriers rely on technology to do things better, which means MOD needs fewer personnel involved. If technology fails, it will have an impact on whether the equipment is available and may also increase the burden on the smaller teams. The MOD is aware of these risks but our report does recommend that the MOD maintains an up to date view of risks to introducing this capability.

What other recommendations did the report make?

So what we say is the MOD must guard against over-ambition. It is going to take up to 2021 to fully test, trial and develop Carrier Strike. Using any of the elements separately will have an impact on the tight schedule, because there is a sequence of events that need to take place before they can operate safely together. The whole of Defence, and in particular the Navy, will need to work out how their operations will change when Carrier Strike comes online. This will identify where there are not enough resources for both current operations and Carrier Strike – MOD will have to make tough calls on what it can do. We draw attention to good practice in how the MOD is managing these complex programmes. We believe this should be shared more widely, for example how the central team bring together the programmes to align them and manage the overall plan.

If you would like to find out more about this report, the full report and an executive summary are available on our website, www.nao.org.uk. Or you can follow us on twitter @NAOorguk or on Facebook www.facebook.com/NAOorguk/

Thank you.