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HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Lord Drayson  
Minister for Defence Procurement  
Ministry of Defence  
Main Building  
Whitehall  
London SW1A 2HB

23 July 2006

Dear Paul,

## PROTECTED VEHICLES

Thank you for your letter of 20<sup>th</sup> July giving details of your review of protected vehicles available to our forces operating in Iraq and Afghanistan, and your proposals for rectifying the gap in capability which this review has exposed. I realise that Des is under pressure to make an announcement in the House on Monday and that considerable work has been undertaken by your officials in scoping the requirement within this tight deadline.

2. I fully recognise the need to provide our Service men and women with adequate protected mobility in these challenging environments and I support the proposals you make in your letter. I am pleased that you have been able to find the resources within your Equipment Programme to fund the procurement of additional Vector PPVs. However, I am not comfortable that the commercial terms have been reached for the requirements for FV430s and Cougar PPVs to be properly costed. I am able at this time to agree to you entering into commercial arrangements to uparmour up to 72 FV430s and procure up to 108 Cougar PPVs at a combined cost of not more than £89.2 million. However, I would be grateful if our officials could remain engaged on this issue, and if you could write back once the full costs (including those of

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(Contractor Logistic Support) are finalised at which time I will be able to formally uplift your UOR envelope.

3. In order not to weaken the taxpayer's commercial hand, I would also be grateful if you would avoid the inclusion of costs in your announcement on Monday, and if you could clear the text of this announcement in advance with my officials.

4. I am copying this letter to the Prime Minister, Gordon Brown, Margaret Beckett, Hilary Benn and Sir Gus O'Donnell.

*Yours ever,*  
*Stephen*

STEPHEN TIMMS

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