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SofS

UOR FUNDING – IRAQ AND AFGHANISTAN

Attached is a piece of advice noting the need to ask HMT for a significant increase in funding for UORs; £330m, of which £100m will be spent in this financial year.

This is a significant hike so I have done a little digging for the colour that is absent from the submission. Two main observations:

- The UOR system - the people who make bids on it and those who sanction bids within it, are changing their attitude. There is a greater willingness to ask for technical solutions to reduce risk and discomfort and less inclination to block such bids. Partly this is because there is a perception (rightly or wrongly) that the political environment has changed, and money is no longer the constraint it was. Whilst it never was for UORs/operations, many in the MOD became used to it as a constraint in restructuring and that attitude bled across to other things. As such, once we would have said of air-conditioning in Warrior that it was a luxury and that people should put up with the discomfort – no longer. In part this change is a good thing that we have tried to encourage, but as ever the balance is difficult to strike.
- The other factor is that our aspirations are rising and the harder we fight the better we want to do it. I think we are starting to look at the US capability less enviously and more calculatingly, hoping to match elements of it. This is reflected in the surge in requests for ISTAR equipment (around £30m for each theatre) among other things.

There is one positive and (at least) two notes of caution to add:

- Min(DP) has introduced a tracking system for UORs which did foresee us running out of UOR funding (it predicted a £200m requirement rather than £330 though) and we have been engaged with HMT officials from the start on tackling this. Greater transparency is coming in, but it is giving a better view of a very fluid situation. This is also a bid that looks further out than the end of our nose, which is a step in the right direction.
- This notes that a further UOR bill for enhancements to aircraft DAS (some £130m) is also coming together; I think it should be included in this. To send another request within weeks would make us look stupid. As such I suggest we wait until the status of this becomes clearer, incorporating it if we can, rather than responding now.
- No account is taken of any UOR increase for higher force levels; although some of the spending might be outside the current financial year the authorising probably would not. A fair degree of work has gone into what might be required. Again, a few weeks further down the line, we might want to consider flagging this up with some costings, to give a more inclusive (but more alarming) figure.

So – ignore the letter for the moment and just familiarise yourself with the detail. I suggest we then talk about the UOR culture that is forming and whether we need to re-steer a little or accept this is the new price of doing business, and keep the pressure on to make sure prediction gets sharper. We can also discuss timing.

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