

## OFFICIAL

DAVID WILLIAMS, CB



Ministry  
of Defence

PERMANENT SECRETARY

MINISTRY OF DEFENCE  
FLOOR 5, ZONE D, MAIN BUILDING, WHITEHALL  
LONDON SW1A 2HB

Telephone: 020 7218 7975  
Fax: 020 7218 3048  
E-mail: PUS-PrivateOffice@mod.gov.uk

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**Dame Meg Hillier MP**  
**Chair of the PAC**  
*Sent electronically*

Dear Chair,

### **Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 Programme – Accounting Officer Assessment**

1. It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start, or vary, major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio.
2. This assessment has been undertaken in accordance with the requirement to conduct an Accounting Officer Assessment when a programme joins the Government's Major Projects Portfolio for the first time. This occurred in September 2021, the Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 Full Business Case receiving final HM Treasury approval at the end of March 2022.

### **Background**

3. Investing in Typhoon strategic capability is essential to maintain relevance and UK political choice as detailed in the Defence Command Plan (2021). Without an upgraded capability, adversaries purchasing cheap, available, and easy to operate capabilities would be able to deny UK navigation, control of the air and/or Freedom-of-Action/Manoeuvre. This programme brings together 2 inextricably linked and interdependent projects: 1) Delivery of the European Common Radar System Mk2 radar hardware and software and 2) Phase 4 Enhancement package that integrates European Common Radar System Mark 2 onto Typhoon and delivers other essential upgrades in the same timeframe.

## **Assessment against AO Standards**

### **Regularity**

4. The European Common Radar System Mark 2 programme complies with all relevant United Kingdom and international legislation, regulation, and laws. The radar equipment is being developed in accordance with Eurofighter standards which have been agreed between the 4 Eurofighter Partner Nations in line with national airworthiness agency requirements for safety and certification. When in service, it will be operated by the Royal Air Force in accordance with Military Airworthiness Authority regulations.

5. European Common Radar System Mark 2 programme complies with Parliamentary requirements for the control of expenditure and has appropriate departmental and HM Treasury approvals in place.

### **Propriety**

6. The delivery of European Common Radar System Mark 2 continues within the allocated funding line and the scope of the existing project approvals. It is governed in accordance with and complies to relevant internal Ministry of Defence annual budget, project management and commercial processes. The programme is reviewed and assured using the Gateway Review process and is subject to oversight and scrutiny by the Department and the Infrastructure and Projects Authority through quarterly reporting. It is assessed that Air Command's governance of European Common Radar System Mark 2 authorised expenditure continues to be of an appropriate standard and that longer-term commitments are sustainable.

### **Value for money**

7. Benchmarking with other Typhoon radar options shows European Common Radar System Mark 2 to be of lower cost and deliver significantly greater capability. The programmes extensive test regimen has demonstrated that earlier iterations of the European Common Radar System (Mark 0 and Mark 1) are incapable of meeting the Key User Requirements. Comparable international radar development and manufacture costs greater than those of European Common Radar System Mark 2 and comparable technical challengers. In addition, European Common Radar System Mark 2 investment sustains a highly specialised, world-leading United Kingdom industry base and ensures advanced technical skills and expertise in complex sensors are available for the Future Combat Air System programme. Over the coming decade, this investment will generate and sustain over 1300 high-end engineering jobs across the United Kingdom. These include Leonardo United Kingdom (Edinburgh, Luton, Lincoln), Meggitt (Stevenage), BAES (Warton, Samlesbury, multiple RAF bases) and II-IV (County Durham).

### **Feasibility**

8. Overall Typhoon programme delivery is managed by the NATO Eurofighter and Tornado Management Agency. The UK has direct programme management and oversight of programme development within the boundaries of the NATO Eurofighter and Tornado

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Management Agency contractual framework. In April 2021 a Joint Project Office between the Ministry of Defence and Industry was established to improve Management Information and provide greater Departmental governance.

9. The technical requirements of the project are assessed as deliverable. Domestic investment to date has matured the technology and reduced technical risk on the programme; upon conclusion of current activity, a prototype European Common Radar System Mark 2 will be delivered ready for embodiment and flight testing on a UK development aircraft.

### Conclusion

10. Successful delivery of the Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 programme will enhance Typhoon with both hardware growth capacity and an enabling architecture which will provide rapid, low-cost spiral development of advanced military capabilities. This will ensure the United Kingdom can affordably keep pace with evolving threats and maintain operational advantage until the current Typhoon Out of Service date of no earlier than 2040. The Demonstration & Manufacture phase of Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 also enables the United Kingdom to fulfil export commitments, exploit future export opportunity, support a high-value national industry and the development of the Future Combat Air System.

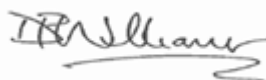
11. The Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 programme meets the Regularity; Propriety; Value for Money; and Feasibility standards.

12. As the Ministry of Defence Accounting Officer, I considered this assessment of Typhoon Phase 4 Enhancement and European Common Radar System Mark 2 programme and approved it on 13 December 2022.

13. I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this programme, I undertake to prepare a revised summary, setting out my assessment of those factors.

14. This summary will be published on the government's website ([www.gov.uk](http://www.gov.uk)). Copies will be deposited in the library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'D Williams', with a horizontal line underneath.

**DAVID WILLIAMS**