



HOUSE OF COMMONS

Defence Committee

Oral evidence: Armed Forces Readiness, HC 1317

Tuesday 20 June 2023

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Members present: Mr Tobias Ellwood (Chair); Sarah Atherton; Robert Courts; Dave Doogan; Richard Drax; Mr Mark Francois; Mr Kevan Jones; Gavin Robinson; John Spellar; Derek Twigg.

Questions 72-111

Witness

I: The Lord Houghton of Richmond GCB CBE DL, Former Chief of Defence Staff.



Examination of witness

Witness: Lord Houghton of Richmond.

Q72 **Chair:** Welcome to this Defence Committee hearing on Tuesday 20 June 2023. We are continuing our inquiry into UK Armed Forces readiness. I am delighted to welcome back an old friend of the Committee: General Lord Nick Houghton. Sir, thank you very much indeed for joining us this morning. You headed the Armed Forces back in 2013. You had a number of roles prior to that, including in Iraq at PJHQ, and originally joined the Armed Forces as a Green Howard, I think, back in 1974, which must seem a long time ago now. Welcome. Since departing, you have been a commentator, and are therefore very familiar with the state of affairs, so we are very grateful to be able to learn from you today. May I invite you to say a few opening remarks to kick us off on this important subject?

Lord Houghton: Thank you for inviting me. I would start by saying that, despite the somewhat flattering introductory comments, I am conscious that I am out of date regarding the current situation of Armed Forces readiness in detail. I retired in the summer of 2016, which was on the back of three years as CDS and four years as vice-chief prior to that. I suppose that, in terms of readiness as it was assessed at the strategic level, those would be the two most relevant times from which I am drawing on my memory.

The issue, however, of Armed Forces readiness, particularly warfighting resilience, has probably been a strategic issue or risk since at least the defence review of 2010, so this is a very useful inquiry that the Committee is undertaking. Thinking back to 2010, that review was part of the Government's response, if you like, to the strategic shock of austerity, when calibrated risk was taken against readiness—particularly the likelihood of formalised warfare at high intensity. I think it is fair to say that the resilience of warfighting capability has remained at risk ever since that time—certainly since 2010, when formalised risk was taken against it. The degree of risk has become far more significant—I am sure that you would all share the same view—primarily because of the change in the threat, which has gone from patent to latent to active.

I think a few words about methodology might be useful. Readiness is the common methodology, certainly in the United Kingdom, used to assess the ability of Armed Forces to be committed to operational activity. In my time as vice-chief and chief, some form of strategic readiness assessment was part of the monthly Defence Board information pack. It was discussed on a monthly basis to varying degrees of depth, depending on the nature of the change in that readiness profile and on concerns that prompted more immediate action.

The readiness assessment was a somewhat grandiose chart of every major force element or capability across all three services and of the readiness of what is now called Strategic Command but in those days was called Joint



Forces Command. It gave a colour-coded RAG assessment—red, amber, green—of readiness, based principally on manpower, training, equipment and logistic support. The chart also gave a forward indication of improvement or deterioration in readiness based on known factors such as future funding, future equipment obsolescence, new equipment coming into service, manning predictions and things like that.

It is perhaps important to appreciate that the force readiness assessment table was not just a mechanism to inform Ministers about readiness. It was also a very useful tool to appreciate the risk—the capability gaps, if you like—and the need to prioritise resources to ameliorate risk. Indeed, I would argue that the management of capability risk is one of the most important Defence Board functions, especially at a time of significant resource constraint. Risk is not necessarily a sin, so long as it is both recognised and managed. I think you should not see the readiness assessment as an end in itself but as a means to an end—a way of understanding constraints, freedoms, options, funding choices and risk.

Finally, by way of context, I would stress that the force readiness assessment table was not the sole data point that informed the ability of the Armed Forces to respond to an operational crisis. There would always be a range of more subjective judgments about the priority of task, the priority of the threats of the mission, the ability to break notice, the overall sustainability levels of a new commitment in the context of wider commitment levels, and perhaps even the ability to deploy a meaningful contribution to another ally.

Ultimately, political judgment was/is the key factor. The military responsibility was always to provide optionality. That is probably enough, because I have been forewarned of some questions that will naturally pack some of that out, or take me off down a corridor, wherever you want.

Q73 Chair: Sir, thank you very much indeed. Just one question from that: did the force readiness assessment table that you referred to allow the Prime Minister, and no doubt the Foreign Secretary and the Defence Secretary, to know at any point what was ready to go at any time?

Lord Houghton: Yes, in very general terms. To my knowledge, the Prime Minister of the day or the Foreign Secretary of the day never said, "Send me the force readiness table." That was very much an in-house Ministry of Defence document. There was nothing on it that we kept secret from the National Security Council, the Prime Minister and the Foreign Secretary, and they would always have a general sense of the overall readiness profile of the Armed Forces, but it was only really at times when a potential mission or operational activity was starting to bubble up that they then might have said, "Right—we now need to understand more clearly what the optionality is from a military perspective about what we can do by way of a national contribution or a national response."

It was definitely never kept secret from them. In fact, I would go beyond that. I had thought about this in answer to one of the subsequent questions. The tactical elements of the table—which force, which unit,



which capability, whether or not there was some amber there because they needed to do some more training, or whether or not there was red there on some bit of kit—were all in the relative weeds of it. The big things that the Prime Minister needed to know were readily available. In my time, not as the vice-chief but as the CDS, when I felt that things were getting a little more risky, I formalised in a letter to the Prime Minister on an annual basis a three-pager, which offered him my view, warts and all, of where we were taking risk at a more strategic level, rather than just tactical entities.

The nature of the interchange between the Ministry of Defence and my personal relationship with both the NSC and the Prime Minister would not leave them in any doubt about ultimately what risks the Government were running. To take a step back, what are the two primary roles of the Chief of the Defence Staff? One is to offer the Government operational advice and the operational employment of the Armed Forces. The second is his role as the custodian of the military capability of the nation. Ultimately, you can mitigate risk only by the addition of more resources. That is ultimately a political choice, not a military one. It was my job to point out the way in which money could further mitigate risk, but the level of risk that the nation runs against its defence and security is ultimately a political choice, and a risk that is held by the Prime Minister, and collectively, I suppose, within the Cabinet and the NSC.

Q74 John Spellar: General, nice to see you again. The UK Armed Forces, as you know, are currently tasked with a range of operational deployments—warfighting, crisis response, national resilience, and military aid to the civil authorities. What task or tasks should UK Armed Forces readiness be measured against?

Lord Houghton: I would say that we have two different sorts of task: standing commitments and contingent commitments. Formally, the standing commitments and the contingent commitments must be met to whatever level of readiness, or notice to move, that would ensure that they are not defaulted against. Some of those standing commitments are commitments to domestic security tasks. There are a range, from explosive ordnance disposal to domestic counter-terrorism. There is an operation that is probably still running—I think we called it Emperor—which is the degree of notice that a body of Armed Forces are held on contingent to mass terrorist activity in mainland UK.

There are certain specific special forces counter-terrorist tasks within the UK and within oilfields in the North sea, all of which are standing commitments. We put in a few more quick reaction aircraft, the ship-ready escort, the spearhead battalion—and we are now talking about going into overseas commitments—and these are all, if you like, national responsibilities to cover off all those things that, aggregated over time, we think we have a non-discretionary requirement to be able to respond to, quite often with very specialised capability at very high levels of notice to move, and therefore readiness.



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The contingent requirements are those that are more about our liability to allies and to alliances. They are principally driven by our readiness to deploy forces at stated readiness into NATO. That is where you then have tier readiness of variance formation, but these can be at quite lengthy notice to move—14 days, 28 days—and they are subject to formation readiness cycles that constantly bring them up to a degree of notice. Again, we would strive to ensure—you can declare yourself that for some particular reason, you may not be, for a period of time, in all respects making that particular readiness profile. That is accepted within the NATO system, but you strive not to.

Then there is a whole range of other things that, if you like, define readiness, but they are those things that the Armed Forces are called on to do just by way of bad things happening. Certainly, if I track back across, they are not always bad things—Olympic security, foot and mouth, floods. There is a whole range of civil contingencies for which there is no formalised commitment, other than that that is in the MACA policy—military aid to the civil authority—which effectively says that if there is imminent risk to life, the Armed Forces will, out of any available spare capacity, go to the aid of the civil authority until such time as that risk to life has passed or has been passed on to someone else.

There are standing, contingent and then “the rest”, where ultimately we are the guardians of last choice, as it were, or ultimate choice if there is a domestic crisis. Covid was another example. Does that help?

Q75 John Spellar: It does, although it seems that the Government have lent too readily, and the Armed Forces frankly have become the labour agency of first resort too often, but that is a different question.

You referred to contingent commitments. If you are looking at warfighting, you say that risk has to be recognised and managed, but exercises undertaken with an assumption of a major military incursion on the eastern front of NATO demonstrated that the Army ran out of munitions in less than a week. Precious little seems to have been done, either from the Army or the Ministry of Defence or, indeed, in mobilising the industrial capacity to remedy that. Why was that?

Lord Houghton: I wholly agree with you and I would say that, if you like, the hollowing-out of warfighting resilience within the Armed Forces has been the single most obvious shortfall in our warfighting resilience, certainly in the period since 2010. In my opening comments, I wanted to stress the point that if that defence review in 2010 was a response to the strategic shock of austerity coming out of the global financial crisis and all that, one of the ways in which we were able to cope—take risk with less money—was to take risk against the warfighting consumables, or stocks, that we held for major warfare.

Arguably, you could say that at the time—2010—that was a fair risk to take; clearly, in the judgment of the Government of the day, it was a fair risk to take. By the time I was writing my first letter on arrival to the Prime Minister, from memory, I was warning him then that the threats of



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the possibility that we might be called on to cross the threshold of formalised warfare against an aggressive Russia were no longer latent but patent, to use my language. And they were acknowledged.

Was anything done about it? Not really. And one of the reasons is—if you like, I have abandoned trying to compartmentalise what I have thought of the questions I thought I was being asked; I just do it as it comes along. One of the reasons is that the British defence industrial base is not established as a co-operative enterprise that, as it were, is an extension of our military capability to be agile and sustain surprises, and the requirement to manufacture and generate warfighting resilience.

It competes on fixed-term contracts for specific amounts of stuff within a specific time frame. For example, it will be quite well known to the Committee that with the NLAW missile, for instance, or the High Velocity Missile, or HVM, there was a finite amount and the manufacturing capabilities to sustain that no longer exist, because the MoD had not let a sustainment contract; they had bought a fixed amount of kit. Any defence enterprise does not, at its own expense, keep manufacturing capability going just in case the Government change their mind and want some more.

To me, that is a gross strategic error in our national resilience, because of the nature of the relationship we had—still, to a large extent, do have—with the defence industrial base. It is one in which we run it as a competitive market; we don't run it as an enterprise partner in the certain specific areas where we should not now, and should not for a little while, have been taking risk.

John Spellar: That is very helpful. Thank you

Q76 **Mr Jones:** You said that you sent the letter up to say that these things were now of concern. You said you had no response. But one of the things that seems to be the case since 2010 is that budgets have gone down but what you have been asked to do has not actually been—there's no political decision to say, "We're not going to stop doing that, because we can't afford to do it." There has still been this idea that we can cover all bases still on a reduced budget.

I mean, is that the problem, that really there needs to be some realistic thing? If we are going to keep the defence budget as it is—and it dropped by something like 16% over that period—realistically you will spread the jam so thinly that readiness is not really going to be there. When you ask to do it, it is not going to be there.

Lord Houghton: Again, with these things you have to be selective about it. The major Armed Forces throughout that period will have maintained high levels of readiness for certain activities. For most of the standing activities, no problem; for most of the contingent ones, no problem. But against warfighting resilience, to consume significant quantities of stock on a sustained basis, no. You are absolutely right—probably more operational activity, more widely dispersed, and more demands. The Armed Forces are



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consistently on some form of operation. Not a lot of them are left at home, in the locker.

I would add to your commentary a series of defence reviews that in a way cling to the totemic capabilities of great power to retain the strategic authority of a nation—carrier-enabled power projection and to an extent the maritime renaissance. I would have supported a maritime renaissance, but not necessarily one that was carrier enabled, and of course the nuclear enterprise.

When you have the nuclear enterprise sitting within the defence budget and a commitment to carrier-enabled power projection and a commitment to a fifth-generation fast jet in significant numbers, you can bring manpower levels down a bit, which has happened and which some people are uneasy with. The next place to go is to take a risk against stockpiles, resilience, sustainment, and what we call activity levels, which is a sort of translation for training. Arguably, they are the easiest to start to regenerate when funding allows. You cannot suddenly think, “We have changed our mind. We will have two aircraft carriers.”

In reality, there has not been a step change in defence funding. What there has been—I am not a financier; I am a Yorkshireman—is a series of bungs from the Treasury to bail out a series of in-year dramas about keeping the major programmes going, which is no way to run a 20-year defence equipment programme.

Q77 Mr Kevan Jones: But if you look at the 2015-16 defence review, it was all predicated on “efficiencies” that were never going to be met. It perhaps balanced the budget in-year, but realistically they were never going to be met, were they?

Lord Houghton: It was what I called at the time the alchemy of efficiency.

Chair: We need to make some progress. Thank you for that. Richard Drax is next.

Q78 Richard Drax: Good morning. To what extent is the readiness of the UK Armed Forces integral to its deterrent posture, and does the secrecy around readiness aid or harm the UK’s ability to deter?

Lord Houghton: I have slightly answered the second part of that question. On the MoD reporting to the NSC and the Prime Minister on the readiness and capabilities of the Armed Forces, we are externally loyal and confident but internally honest. Perhaps the language I have used today is more honest, but internally I could be very honest about the risks that were being run.

Richard Drax: We have found that on this Committee in recent months, I can assure you. We have found honesty and not dishonesty but bluff maybe.



Lord Houghton: You have a duty to buy in to the loyalty of the Government of the day that has these very difficult decisions to make. The majority of the Armed Forces leadership bought into the narrative that the best chance of getting better funding for defence was to buy in to a prosperity agenda. That prosperity agenda was the 2010 and even more so the 2015 narratives on the whole of those integrated reviews. I think it is absolutely right and I am sure that if the CDS was here, he would not spin this but present it in a way that says that what we are absolutely doing is attempting to run defence in a way that maximises its deterrent effect.

The areas where we are taking a risk are those where the contribution to strategic deterrents are not as significant. I absolutely agree with you that there is a tension between being publicly ridiculously honest about every widget and undermining the deterrence posture that we need to project. The first part of the question—

Q79 **Richard Drax:** To what extent is the readiness integral to the deterrent posture?

Lord Houghton: Well, it is. You have to demonstrate that you are ready to do things and capable of doing things at a given notice. I would question the idea that the actual physical capabilities of the UK Armed Forces stopped us doing anything that we needed to do in response to a particular set of events. It was more often a political decision not to do something. I will give you a couple of examples of that. Famously—or infamously, maybe—there was the 2013 recall of Parliament to vote on whether we should prosecute a very time-sensitive air campaign against Assad in the aftermath of him using chemical weapons against his own people. We had options on the table to do that, but I question whether you would have been better using the Queen’s privilege to go and do it to not surrender surprise. But it was political caution about use without parliamentary support that effectively called for the abandoning of the response. Arguably, I would therefore say, how does that psychologically feed into your deterrent posture?

Also—dare I say it; as an infantryman I would always hate this—in the context of Libya as another example of this, yes, we would do an air campaign, but there was no question of boots on the ground. I know why Ministers were saying that—almost to, in the context of Afghanistan and Iraq, reassure a British public nervous about a foreign policy ambition—but it just sends all the wrong messages about optionality, and what you should or should not and what the Armed Forces can achieve if there are no boots on the ground.

Back to the start of your question, I do not actually think the military capability of the country has been eroded to the point where we should worry—well, certainly not at the strategic level. There is the start of a separation between, if you like, conventional deterrents and nuclear deterrents. It is very interesting in the context of Ukraine. We are still managing to keep Ukraine as a limited war—limited certainly by means and by geography—because we do not want to risk an escalation to a



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nuclear initiation. The degree to which that will be successful, I am not certain, but I am not certain that our nuclear capability alone is the thing that deters a Russian first use. It is whether upping the amount, or what we could still residually do within conventional weaponry, might still deter him from going tactically nuclear. We got quite involved there.

- Q80 **Richard Drax:** May I quickly go back to the last point on whether we got the balance right between the public, and Parliament having the right scrutiny? Information about the defence planning assumptions was published until 2015 and then it was stopped—it was classified. Have we got the balance right? You were rightly saying that we do not want to tell the enemy too many bad things. As a member of the Defence Committee, we have recently seen some quite shocking things that in public would be impossible, or perhaps not possible, to say for undermining our—

Lord Houghton: Given the nature of our open democracy and all that, we are not a million miles off. I do think that some of our enemies must look at some of this and say, “Is this disinformation or is this the real thing?” Dare I say it, is it not one of the tenets of our nuclear deterrence that it is based on constructive ambiguity? Therefore, in the world of disinformation and alternate truths, this is just yet another of them.

- Q81 **Richard Drax:** So it is about right, in your view?

Lord Houghton: The fact that I am going “Ooh, ahh,” is probably because it is about right. They do need holding to account.

Chair: We have two more follow-ups from this one before we come back to Kevan. Dave, and then Gavin.

- Q82 **Dave Doogan:** Constructive ambiguity, General. What is not ambiguous, though, is that when you look across the defence enterprise and you see the areas that are demonstrably extremely challenged—those of satisfaction rates within service personnel, voluntary outflow of very experienced personnel to be replaced or not by people with no experience at all, and very stressed and traumatic procurement enterprises across all domains—all that is visible and known. How much do you think that contributes or otherwise to this, “Let’s not talk too much about readiness because we might give rise to joining the dots between all these stressed elements of defence and a less-than-optimal readiness level”?

Lord Houghton: I do not think that, among the great rank and file of the UK Armed Forces, they worry too much about the nature of life beyond the frontiers of their own battalion, unit or whatever. Morale is to an extent a localised phenomenon. Good leadership, high activity levels, interesting training and occasional operational deployments can resolve that. In many respects, it goes to the question about being open about things. We are now so open about our continuous attitude surveys on what people are thinking, what life on the patch is like and all that, that sometimes we do ourselves a disservice. If you ask any squaddie, it is only when he does not tell you that there is something wrong that you realise that there is something that is going gravely badly. Most of them will tell you what’s



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up. I am not worried about tactical morale, but I think within the more mature elements of the officer cadres, when they can see the imperfections, that is where I would be a bit more selective about my response to you.

Forgive me, I have not done any research, but I know the Army is struggling with manning at the moment, to an extent: the retention of some skilled people and all the rest of it. By and large, the things that relate to military manning are not those that are about—for example, morale is not some sort of measurement on a happiness index. Morale is the ability to endure in adversity. I think the British Armed Forces have got it in spades. However, their happiness level might be a bit wobbly. Their happiness level would be that if there were a really good dust-up going on somewhere and they were off on operations, strangely, morale would improve.

Q83 **Chair:** And recruitment.

Lord Houghton: And recruitment would. The three biggest drivers around recruitment are: the economy, therefore the labour market; the demography of the country, in that some in the room are old enough to remember MARILYN, which was the mnemonic for the “Manning and Recruiting in the Lean Years of the Nineties” report, because 20 years previously everybody had started taking birth control so suddenly there was a great deficit of people in the 18 to 25-year-old pool; and then it is whether there is a good scrap going on. That is what will dictate it. At the moment, the various factors are not flowing in our favour. There is, undoubtedly, out there at the moment a battle for talent and the Armed Forces are struggling.

Chair: This is wonderful stuff—really fascinating, but we have to make lots of progress. Gavin wanted to come in here and then we will go back to Kevan.

Q84 **Gavin Robinson:** Good morning, General. I am intrigued by your reference to sustainment and NLAWs as a classic example, and the discussion on balanced truth versus spin that you have helpfully opened up for us. Thales is responsible for NLAW in my constituency. It has engaged in discussions around a light weapons system portfolio agreement that would not only give longevity for industry, but sustainment and savings over a long period of time.

Our Committee probes these issues month after month, year after year. We hear all these interwoven cycles: four-star general here, gateway process here, DE&S there. The Public Accounts Committee will criticise the process; we will say that it is a bureaucratic nightmare and is not set up to do what it is supposed to do.

From what you are offering us this morning, am I to take it that in many ways the outworkings of all those processes are only there because there has been a decision to say, “Not right now”? Would it be a lot easier if at times the MoD were more honest in saying, “Not right now,” or, “Strategically, that doesn’t fit where we are right now, but we could look



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at it in future"? We are doing that now with stockpile issues in Ukraine: we are saying, "Absolutely, a light weapons portfolio agreement is what we need right now." But do we waste a lot of time criticising, questioning or challenging bureaucracy, accounting processes and every other wheel or cog that is turning, when actually we should just say that the answer is "Not right now, and a strategic decision has been taken to say that"? We shouldn't all be in a spin until we get to the point where we say, "The time is now right."

Lord Houghton: There is a question, which I touched on earlier, about whether our defence industrial base should be on an enterprise basis or a competitive marketplace basis. I just don't think that the MoD has come to terms with that strategic issue. The answer has got to be a hybrid solution. Particularly because of all the things that have been happening in the world of late, we are now wanting to build in sovereign resilience; we don't want to rely on supply chains that come from all over the world. We should have the domestic capability to provide things such as NLAWs and HVMs ourselves.

There should be an element of defence procurement that has long-term partnering arrangements, which might be more costly but are part of the strategic resilience of the nation. I should probably confess that I have advised Thales in certain ways. Letting those sorts of contracts for fast-moving consumables, so you never get to the point where you need to spend £4 million or £5 million reassembling a manufacturing plant, ought to be part of the overhead of resilience.

But there are other situations—for instance, these glacial, intergenerational platform replacement projects. Let's open up the market more widely and go for the cheapest mechanism, and not always be dominated by, dare I say it, shipbuilding on the Clyde or tanks for BAE Systems. There is a hybrid there, but I am not certain that the MoD has yet reached a policy decision about that strategy going forward.

Chair: We had a very interesting visit to Thales in Belfast, where we learned exactly that. Contracts have all timed up and now the MoD is having to go back and rekindle them, but all the kit, equipment and component parts are obsolete.

Q85 **Mr Jones:** We actually did that, though, didn't we, Nick, with the multi-year munitions contract, which was 15 years? That actually helped, but it didn't include things like NLAW. That is the problem.

Lord Houghton: Yes.

Q86 **Mr Jones:** Can I ask whether Ministers actually understand what readiness is?

Lord Houghton: Are you talking about MoD Ministers?

Mr Jones: Well, you have mentioned others.

Lord Houghton: I don't think Ministers outside the MoD get it. When they think of readiness, they think about being ready to go on holiday. "Have



you packed your case?”—that sort of readiness. When you break it down into the simplistic things of equipment, manpower and training, those are all pretty straightforward. Have you got the men, have you got the kit and are they trained?

But there are so many interlocking factors. Imagine you are putting together a force element table for a specific mission, in which the nature of the threat is diverse. You need to take so many different components, which may or may not have been trained together or may be at different states of readiness or resilience or whatever, that it becomes far more complicated. That is before you even begin to roll in the issues about whether it is politically discretionary, the nature of the risk and how long it will be, and its sustainability over time.

There are so many factors that go into a decision about whether something is sensible or not sensible to do, and readiness is an ingredient of that. To be honest, I don't think Ministers do understand it. It is only in the context of the specific that you can get them to understand it, because then they will realise that there is political capital riding on it, and that galvanises attention, which is a good thing. I am not criticising Ministers; they are very busy doing other things. That is why the civil servants and the professional military at the MoD have got to be good at this, honest about this, and very clear in the way they express the limitations of the true knowledge base.

Q87 Mr Jones: You will remember, when you and I were both in the MoD, the understanding outside of the MoD of readiness was “The Army will do X.” Like you always said, the understanding of capability needs to be not just about what is needed to do a task, but about whether it should be done at all. Certainly, at the tail end of Afghanistan and Iraq, there were reports that the military should be asked to do X, whereas in reality we were pretty up against it at the time.

You mentioned Libya earlier—the political decision that it was going to be an air campaign and the reason why that was, post Afghanistan and Iraq. We are in danger there, aren't we? One of the issues that was raised at the time was the fact that the Libyans had weapon stashes everywhere with sophisticated weaponry in them, which was never going to be secure. We have seen the result of that, when it has leeches into west Africa and other places. What role is there for you to ensure that, for example, when a Prime Minister is deciding something for political reasons—I accept that it is ultimately his or her decision—the wider strategic issues are understood? In the case of Libya, the wider strategic issue was sophisticated weaponry getting into the hands of people it shouldn't. How would an understanding of the bigger context be communicated?

Lord Houghton: To be honest, to an extent this is where the National Security Council earns its pay. The Ministry of Defence and the defence intelligence services certainly do not own a monopoly of intelligence. It is very much the agencies and the JIC that will pull it all together. The principal spokesman on the threat dimension of this will be the Chairman



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of the Joint Intelligence Committee. He will pull on all sources. In the dynamics of the NSC, it is more the agencies and political opinion looking at the range of military options. We provide optionality. We have our own view on what makes more sense, but you are a fool to go along with only one option.

- Q88 **Mr Jones:** You talked earlier about political decisions being taken on budgets. I referred to the fact that the jam was being spread increasingly thin. You said that the reason why, as the military, you bought into that was that the prosperity agenda would mean you got the pennies later on if the strategy worked. But we have not seen that, have we? What we have got is a situation now where there are really only two options. It is a bit like "The Wizard of Oz"; when we pull back the curtain there is not very much there. Is it not the point that we are now in a position where there are two options: we either increase the defence budget substantially to meet those needs, or we politically say—I accept it is not a military decision—"We are not going to be able to do that in future." That is where we are left, isn't it?

Lord Houghton: The answer to all these things is never quite so black and white. I think that one of the strategic realities for Ministers facing up to the condition of defence at the moment is how they stock an empty larder. You open the cupboard and there is nothing in it. There are things like letting a contract in Northern Ireland to rebuild the NLAWs and the HVMs. An element of restocking to re-establish a level of resilience is an absolute must, but that does not mean that the floodgates have opened—Christmas has not arrived. All these things will be a slight compromise.

- Q89 **Mr Jones:** But it is worse than that, isn't it? In recent years, we have had the narrative of global Britain and the Indo-Pacific tilt, which the Navy obviously likes because it means nice warm cruises to south-east Asia. But if you are going to do that, you will need the budgets to match it, and that is the problem. The analysis in the strategic review was right, but you have to then find the resources to go with it, do you not?

Lord Houghton: From a military perspective, a global Britain is now sunk costs in terms of the capital assets to do it. You have your operating costs, and therefore you may be able to make some military savings in the margins, but that particular policy idea has left port, as it were.

- Q90 **Derek Twigg:** Before I ask my main question, I want to go back to what you said before about a letter you wrote to Ministers saying that Russia was now a threat, and they acknowledged that. What year did you write that in?

Lord Houghton: That was 2013 to 2016. On arrival in 2013, I think I probably wrote it once I had had my feet under the table for a few months. I do not want to make too much of it.

- Q91 **Derek Twigg:** No, it is just for the record.

We have had quite a bit of debate about readiness, going back to the Secretary of State saying in *The Times* earlier this year that we could not field a fighting division. We have asked various witnesses about this, and



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we had the Armed Forces Minister not too long ago saying, “Well, actually, we could,” but then other experts have cast doubt on that. Given the current threat—we have talked about there possibly being a non-discretionary war—what is the minimum level we have to be at in terms of the Army to meet that readiness criteria? Is a fully equipped fighting division the minimum?

Lord Houghton: I think the coinage of this needs reissuing, because what you and I might remember as a division is no longer the case. You can get more military capability out of a brigade than you could out of an old division. It is really about what the nature is of the capabilities that you need to take to a specific theatre.

The most important military capability that nobody ever talks about, because it is not a platform, is command and control. One of the things the United Kingdom still has is several command and control nodes—brigades, divisions, corps—that still will enable the orchestration of an allied formation to produce a significant amount of ground and air integrated combat power. The contribution, therefore, of an individual nation at that scale of warfare does not necessarily have to be a fully formed division. It was two armoured brigades and an air mobile division that went in the first Gulf war; it was not a fully fighting division.

It is “Readiness for what?” When “what” manifests itself, it is about what is ready and how you can make good either by the use of other force elements of your own nation or potentially force elements of another nation—how might the Joint Expeditionary Force, which is nine nations of northern NATO, decide against a certain threat to force-generate to meet that threat? You may well have to look beyond purely what you have in your own cupboard, because that will necessarily be, in some ways, impaired, as you are never going to hold perfect readiness at all times.

I go back to the point of the purpose of this readiness table. It would be nice, in a world where resource is not constrained, to be ready for everything all the time. That is not the nature of the world in which we live, and therefore the readiness table’s purpose is to tell you what your freedoms, your constraints, your risks and your optionality are, and then you resolve that into options to offer Ministers.

Q92 **Derek Twigg:** Let me go back to your letter, which you diplomatically said was acknowledged. In writing that letter, you must have expected something to happen to meet that threat. It was not just saying, “Here’s a warning, Ministers. Let’s just file it and go away.” There must have been something in your mind about what readiness would mean if that threat came about.

Lord Houghton: In many ways, what you are doing is formally passing a risk to the attention of Ministers so that they recognise that.

Q93 **Derek Twigg:** But you are there to advise as well.

Lord Houghton: Yes, and then, as you then go about on your force readiness table, you would, in the context of the freedoms of the Ministry



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of Defence, advise it to spend some of its money to mitigate those risks. That is what you do month in, month out, year in, year out.

Q94 **Derek Twigg:** And did it?

Lord Houghton: Well, again, given how many decisions we made collectively about resolving this and resolving that, you can't say, "And did it?" as in, "Did you come up with the answer?" The answer is a highly sophisticated compromise, and you do your best to ameliorate some of the problems. Did it resolve the problem of the state of the defence industrial base? No.

Chair: Thank you for that, Derek. According to the clock, we have five minutes left, or three chunky questions. I beg your indulgence: are you okay to stay a little longer?

Lord Houghton: Oh, yes. The two don't equate—five minutes and three chunky questions.

Q95 **Chair:** We are asking for a bit more time, unless there is some urgent Lords business that you have to rush off to.

Lord Houghton: Edgbaston business, not Lord's business—and they might not have started yet.

Chair: Let's press on, then.

Q96 **Mr Francois:** It is nice to see you again. Your opening statement was very good, so I am not going to ask you the question I had, because you have kind of covered it. I just want to follow the flow of what you were saying earlier and to go where the evidence leads.

In 2010, the National Security Council was established, loosely on the US model. In 2011, they produced a national security strategy that famously said that there is no existential threat to the United Kingdom. You became CDS in 2013 and started writing letters to the Prime Minister saying, "There are some things that we really need to be concerned about." Presumably, those letters highlighted what happened in Crimea in 2014.

We were recently on a visit to an MoD establishment, and someone put it to us that since about the middle of that decade, the Government—not necessarily the Ministry of Defence—had effectively been operating a tacit 10-year rule. In other words, there was no expectation of a major conflict for at least 10 years. It is a bit similar to the policy that we had in the 1920s. Does that comment ring true to you?

Lord Houghton: When you say a tacit 10-year rule—

Mr Francois: We certainly didn't have a public 10-year rule.

Lord Houghton: Correct. Certainly in 2010, and still to a degree in 2015, although they recognised, because of what happened in Crimea, that Russia would continue to be an active menace, there was the idea—nobody ever put it to a vote in the NSC or anything like that—that Russian



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activity would stay below the threshold of formalised warfare. Now, how do you describe that? I think it was still felt that the sort of thing that we subsequently experienced in Ukraine more generally was some time away. I use the phraseology “latent”, “patent”, “active”, and the patency was perhaps not fully embraced by all.

- Q97 **Mr Francois:** Right. I want to press you on this because I think it is important. If that was the unspoken assumption—for want of a better phrase—that obviously influenced how you spent your resources. That probably explains how we got into the situation that you described earlier, whereby we don’t have the war stocks to prosecute a sustained war with Russia. I think that is kind of an open secret, really. I just want your opinion on whether we were running on that basis for years. We had the anti-terrorist tasks and all these other things pretty well covered, well rehearsed and resourced, but all the time, at the back of the Government’s mind, in the collective sense, there was the thought: “Don’t worry. We are very, very unlikely to have to fight a major war, so we don’t need to prepare for one and we don’t need to spend our money against that threat.” Is that about right?

Lord Houghton: You are trying, in a Defence Committee sense, to get me to commit to my view of what other people were thinking rather than saying, which is quite a difficult thing. This is what I will say, and there are plenty of sensible things to back it up: there was, institutionalised within the Treasury, a scepticism about military pleading for more resources—a sense that the Ministry of Defence was financially incontinent, that efficiency could be the alchemy to all ends and that the Treasury should not give in to all this pleading about wars.

- Q98 **Mr Francois:** That is a very good answer. Was that partly because, time after time and programme after programme, the MoD had unfortunately proved that it was very good at wasting money?

Lord Houghton: It is like all these things: you are only as good as your worst performers. I’m afraid that when you are trying to bring in highly sophisticated new equipment, you do not have the pleasure of making 10,000 Minis before you actually sell one. Some of these things are not going to work, they are going to break down, or there will be overruns or cost overruns—and all the rest of it. So the degree to which it is fair to accuse it of being a financially incontinent organisation is debatable, but nevertheless it is quite difficult reputationally. Factually, it is the case that there was a period of time—I think it was lifted only towards the end of my time—when the MoD was on special measures, as it were, from the Treasury and was not allowed to spend a capital sum greater than £50 million on anything in whole-project terms.

Mr Francois: £50 million?

Lord Houghton: I think that was it. It had to have Treasury approval. Actually, in military spending terms, £50 million is not a huge amount of money in whole-life terms.

- Q99 **Mr Francois:** Lastly, I think most of the Committee would agree that



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there is a growing threat to the security of the United Kingdom that will necessitate us at some point having to spend a fair bit more of taxpayers' money to meet it, if we are sensible. Is it fair to say that if the Ministry of Defence is going to get those sorts of resources out of the Treasury, under a Government of whatever colour, it will probably have to do quite a lot of work to put its own house in order first? Is that a fair statement?

Lord Houghton: After so many reviews about defence procurement, the relationship between ourselves and the defence industrial base, and about Government industrial strategy, it is still not anywhere close to where it needs to be.

Q100 **Robert Courts:** I wanted to ask you about your personal assessment of the readiness of each of the Armed Forces, but I am conscious of your comment just now about "readiness for what?" So let me focus on your personal assessment of what each service is ready for and what it is not. Can I ask you to go through each service in turn?

Lord Houghton: To do that now—being seven years out of date, working on quite a lot of hearsay and understanding the complexity of force-element mixes across all three services—is quite a difficult ask in 35 minutes. There is no doubt that the Royal Navy is undergoing a maritime renaissance, but its shortage of available vessels is deeply disturbing. The amount of things that actually work in the Royal Navy is quite disturbing. Now, some of that is to do with legacy engines and things, and some of it is to do with the fact that the maritime renaissance has not fully clicked in. Yet again this afternoon, my good friend Admiral West will be asking questions about Type 32s and all these. Although the maritime renaissance looks very attractive on paper and looking forward, submarines are not in crisis in terms of essential availability for the ultimate tasks that we have to do but, in terms of wider availability, they are not where we want them to be. They are going through a difficult period.

The RAF, in its platforms and weapons, has good kit, but few of them. It also has, for whatever reason, a pilot shortage problem. You can pick that up without having to look at RAG tables.

The Army's problem—

Q101 **Robert Courts:** Before we move on to the Army, let us concentrate on the RAF for the moment. What about missions served? What about what it has been used to doing over the course of the past few years as against what they might have to do now? Your experience will be directly relevant to that.

Lord Houghton: The problem is that the RAF has not been asked to do very much on its own that is not a standing task relating to QRA or something. Much of the operational activity of the Royal Air Force, apart from the logistical dimension of air transport and all that, is normally done in alliances—so Afghanistan, Iraq, Baltic air policing and all that. Of all the three services, the air forces of the advanced part of the world are the best at working together, because their procedures are to a great extent



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harmonised and known. The RAF can force packet—that is run from CAOC—in a way that is impressive, but far more ugly with ground combat.

To take that across to the Navy—all part and parcel—personally I think that the days of decisive maritime engagement at scale at sea are a thing of the past. Hundreds of ships manoeuvring to destroy each other in the middle of the Pacific is a bit of a leap of faith for me even to comprehend.

The Army, however, is now tending towards becoming capability-based, rather than built around structures—the divisions, brigades and whatever. It is not, “How good are your structures?”, but, “Have you got a suite of capabilities?” The overarching design principle of how many of what you have in an Army is slightly undergoing some rethinking at the moment.

Q102 Robert Courts: Yes. We will come to rethinking because of Ukraine, in any event. Clearly, the capabilities and structures will include stockpiles of parts, equipment and munitions. From what you have seen, do you think that that has been grasped?

Lord Houghton: I honestly could not give you a yes or no answer, partly because each generation of the Army invents language, and I do not understand quite a lot of what people talk about now, because they retreat behind the camouflage of doctrine and new words.

Mr Francois: If it is any consolation, we struggle with that too.

Lord Houghton: They have some excellent capabilities, but the whole business of collective all-arms training and formation-level training has for the moment at least been stalling. I make the point again that in terms of ground combat, I am not absolutely certain what we are going to do imminently that is not in the company of allies. That brings a whole different set of dynamics and options into play.

Q103 Sarah Atherton: I will cut my questions short, because a lot has been mentioned already. We have had witnesses suggest that the UK Armed Forces can successfully deploy at high readiness for small force effect operations, such as Op Pitting, but as you have just alluded to, they would be unable to mobilise en masse any combined forces—an example we always use would be a Falklands taskforce. Is that right? Would you agree with that?

Lord Houghton: It all depends on the scenario that you are projecting when asking, “Can we do something about this?” There are not many things in the realm of likelihood for which we would not have some military operations to generate and deploy successfully. But without painting what the specific is—and particularly, just to go back to the point at the end of the last question, with whom else are we fighting? Those are two key questions, and without that—you can’t really submit that to a yes or no answer.

Q104 Sarah Atherton: Should the UK Armed Forces, then, be more specific about what they do, who they deploy with and what regions they operate within?



Lord Houghton: Well, we can say what our limitations are. What can we do in terms of Arctic? What can we do in terms of desert? But ultimately, if we are going to forgo a climatic competence, we have to declare that, to see whether someone is prepared to take the risk on that. Again, I don't think we should foreclose on our ability to do anything given an amount of notice. But to be available at high readiness to do it is a different issue. If you are wanting to roll out things that can go and operate in desert conditions, and that can go and operate in Arctic conditions, that then puts a hugely high premium on the equipment and the training, and there is definitely risk being taken against those things.

Q105 **Sarah Atherton:** Is it time for politicians to start deciding what operations we—the UK Armed Forces—get involved with? We are underfunded; we are stretched too far—

Lord Houghton: Politicians should always be the leading edge of what we get involved in, not an afterthought. Ultimately, I am talking about Government Ministers here. But I don't see any appetite to put too many constraints on it. I would better help you if I knew the current state of the readiness tables. I don't, and it is probably right that I don't. But anything that closes off optionality isn't something that ever seemed politically attractive during my time.

Q106 **Chair:** Sarah, thank you very much indeed.

To wrap up the session, I have just a couple of short questions that bring together some of the themes that we have spoken about. You are right to say that what our capabilities should be depends on who we are going to fight alongside. But as Mark implied, the world is getting more dangerous, not less. We are placing greater burdens currently—today—on all three services. Would you agree that capability gaps are already appearing in land, sea and air?

Lord Houghton: Yes, definitely. Down at the tactical levels, there are weaknesses based on the resilience factors and training stocks. And there are some capability areas. I think there is a general sense that we lack ground-based air defence and that we don't really do land-based high-velocity missiles or hypersonic missiles—those things at the top end of the deterrent bracket, before you get to tactical nuclear.

Q107 **Chair:** I must press you on this. You talked about a brigade being more competent and capable than a division of old. That's right, clearly, with the advance of weapon systems, training and doctrine. But we would struggle to put a division together today; that would potentially be difficult with a brigade as well. Do you not think that the manpower in our Army is now simply too small for what is coming over the hill?

Lord Houghton: I think that if it can produce a framework division—actually, as long as we don't lose the ability to command at core, division and brigade level—if someone else is providing one or two of the brigades, I would be less concerned.

Chair: It is worth underlining that. We do well in providing the HQ elements at core, division—



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Lord Houghton: Correct, but there is a mindset in politicians that thinks headquarters are overheads that need to be got rid of. That is the most ridiculous statement. Command and control is the thing that sorted foot and mouth, sorted Olympic security—

Q108 **Chair:** I agree with that, but that's not my question. I am agreeing with you that we have that capability. When ARRC does its rotation, many nations are pleased to see Britain go back on point. That isn't my question. My question is actually on the ability to add to the very brigades that then sit underneath ARRC, for example. That is where we're missing—

Lord Houghton: Correct. I was told that the final question might be, "What are the greatest readiness concerns I would have?" One of them, which slightly plays into that, is that it beggars belief to me that we have a reduced size of Army. We have witnessed the first real formalised warfare above the threshold of war in Ukraine and Russia, and within weeks both sides have run out of troops. They have mobilised their nations and they have had to call on reserves, yet we as a nation have no strategic methodology for mobilising the reserves. We do not have a properly functioning reserve. To me, it is a national embarrassment, but they do not appear to want to do anything about it.

Q109 **Chair:** On CASD, you mentioned the nuclear deterrents. We still have major, 100 kiloton weapons systems. Tactical nuclear low-yield weapons systems are all the talk now, particularly to do with Ukraine. Do you think that we should be adjusting our CASD spectrum, or should it remain as it is?

Lord Houghton: Remain. I am not certain what the security of this is. Are we broadcasting to the world?

Chair: We are. I am not sure how many people are actually listening, but we are absolutely broadcasting—

Mr Francois: They are listening in Beijing.

Lord Houghton: I won't even— We ought to maintain nuclear optionality within warheads, but we should not proliferate our own suite, as it were.

Q110 **Chair:** Right. That is very clearcut. The final point is on the prosperity agenda you mentioned. An argument has been put forward by Treasury that our defence budget will increase by 2.5% when the economy improves. Would you agree that actually much of our economy is outward facing anyway, and therefore to wait for the economy to improve actually defeats the purpose of why we have to invest in defence—to protect our economy?

Lord Houghton: The greatest benefit that this Committee and Parliament could do for the Armed Forces is to get off the hook of linking the appropriate level of spending to GDP. It is the most farcical methodology of deciding what amount of money, and therefore capability, satisfactorily ameliorates the threats to the country, because you do not know what it is 2.5% of.



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Q111 **Chair:** It is a very crude yardstick, there is no doubt about it. It is so simplistic—you are right—but I hope you would agree that there is absolutely a link between our national security and our economic security. If you do not invest in our national security, our economic security suffers.

Lord Houghton: Yes, but to artificially repress one—I would now be sort of the other way around. I think that the ability through defence and security mechanisms to recapture stability globally will do more for the prosperity of the country than attempting to become a tech superpower around Old Street in the hope that that will finance the future forces of the country.

Chair: That is very clearcut. Thank you so much; you have been very generous with your time. We have overrun. Can I say thank you to our guest today? It has been very interesting indeed. General, thank you so much. Thank you to the Committee and to the staff. That brings this Defence Committee inquiry on readiness to a conclusion today.