

Defence Committee

Oral evidence: [The UK contribution to European Security](#), HC 520

Tuesday 8 July 2025

Ordered by the House of Commons to be published on 8 July 2025.

[Watch the meeting](#)

Members present: Mr Tanmanjeet Singh Dhesi (Chair); Alex Baker; Lincoln Jopp; Emma Lewell; Mike Martin; Ian Roome; Michelle Scrogham; Fred Thomas; Derek Twigg.

Also attended: Richard Foord, on behalf of the Foreign Affairs Committee.

Questions 279 - 360

Witnesses

I: Luke Pollard, Minister for the Armed Forces; Paul Wyatt, Director General, Policy, Ministry of Defence; Jim Carter, Director General, Commercial and Industry, Ministry of Defence; and Air Vice-Marshal Mark Flewin CBE, Assistant Chief of the Defence Staff, Military Strategy, Ministry of Defence.

Examination of witnesses

Witnesses: Luke Pollard, Paul Wyatt, Jim Carter and Air Vice-Marshal Flewin.

Chair: I call to order today's House of Commons Defence Committee evidence session. This is our final session on the UK's contribution to European security, and it gives me great pleasure once again to welcome the Minister for the Armed Forces, Luke Pollard MP. We also have with us Paul Wyatt, the director general for policy at the Ministry of Defence, and Jim Carter, the director general for commercial and industry at the Ministry of Defence. It is a pleasure to welcome Air Vice-Marshal Mark Flewin, the assistant chief of the defence staff for military strategy at the Ministry of Defence. A very warm welcome to your good selves. Thank you for taking the time out to help inform the Committee's inquiry.

We will have a fully packed two-hour session—there are various areas that we need to cover—so my request to you, Minister, and your colleagues is to make your responses as concise as possible, and no doubt Committee members will be just as concise with their questions. Ian Roome will kick us off.

Q279 Ian Roome: Minister, NATO is mentioned over 180 times throughout the SDR; it is like a golden thread through everything that we are doing. Are we really, truly committed to the principle of NATO first for our personnel? If we are, when will we recognise and actively promote NATO service as a career-enhancing opportunity, rather than allowing it to be perceived as a barrier to rapid promotion within our own Armed Forces?

Luke Pollard: Good morning. Yes, NATO first is an absolute golden thread throughout the strategic defence review, and deliberately so. It has been very clear that we are focusing on the Euro-Atlantic as our primary area of concern, and that is why the SDR rightly contains a lot of NATO. You will note that it also contains a commitment to put our people at the heart of defence policy. Some of that relates to how we look after our people. There is lots of focus on how we look after our people at home—improving defence housing, for instance—but some of our people serving abroad do not always get the support that we thought they deserved in the past. It is one of the reasons that one of our early announcements was about increasing childcare support for those people deployed abroad and making it more attractive to be deployed abroad.

The SDR also sets out our ambition to create an expectation that, to attain senior rank within the Ministry of Defence, you should have had an overseas deployment, ideally at NATO. The idea behind that is to build familiarity with NATO structures, our NATO allies and how we co-operate and work together on an international basis, so that when we say "NATO first" it is incentivised and our high-flyers want to get a NATO posting, and it is not, as it is sometimes regarded, a cul de sac for a career.



HOUSE OF COMMONS

The people we have at NATO are absolutely first class and the Government are placing more emphasis on those roles. The UK has a low vacancy rate at NATO compared with many of our European allies. We want to see all those roles filled, obviously. To do that, we need to make service at NATO a more attractive offer and be clearer about where it sits in someone's career trajectory. That is why setting the expectation early doors that advancement requires international roles, especially at NATO, is a key part of that.

Q280 Ian Roome: So what steps are being taken to ensure that serving with NATO is seen as an asset for promotion, professional development and leadership, and that it is properly valued in promotion and career progression decisions? There are not so many high-ranking officers in all the services who have spent a great deal of time in their career in NATO. They may have done a little three-month tour or something, but a lot of the high-ranking officers throughout all three services have not committed a lot of their career to NATO. I sometimes get the feeling, as I did after our visit to Ramstein, that it is seen as a sidestep, maybe because it is left to other foreign, higher-ranking officers to write their appraisals.

How can we change that mindset? What steps are we taking to actively say that deploying to NATO is like a zig-zagging approach that actually enhances someone's career, and that they will not be below their counterparts for promotion? I do not know whether you would like to say something on that, Air Vice-Marshal; you probably have this from some of your colleagues.

Luke Pollard: I will give the headline and then I will ask the AVM to come in. Setting the ambition and the clear direction in the SDR is a really important part of signalling to the entire system, and to our people, that a career at NATO is going to be more valued than it has been in the past. As part of that, as we look at implementing defence reform across all aspects of defence, including in the MSHQ, it is important that we are clear to the career managers—effectively, the people who look at where you go next in your career—that we are valuing NATO roles more.

We should not underestimate the importance of the offer in that, especially for those with younger families, for example, for whom the childcare was not right, and some of our personnel deploying into European Union-based roles since Brexit, whose partners have found it harder to find work because they are outside the permissions that were set by the Brexit deal. We know that that limits and constrains some of that. An important part of bringing that commitment to life is the focus on saying, "These are important roles. We are going to value them more, and we have a deliberate policy of improving the offer. We have made some steps on that but there is more to do."

Air Vice-Marshal Flewin: Just to reinforce the Minister's point, NATO has clearly been the bedrock of European security for over 75 years now. We are very well represented across NATO, in MARCOM, LANDCOM and AIRCOM. Actually, to your point about senior officers, we are very well represented at the highest level in the Navy and the Air Force in AIRCOM.

To your specific question, the defence people area has taken the SDR and looked at the people work strands, and it is working that through now. Looking at NATO and how we make sure that that career path is catered for is one of those work strands, and that work is under way out of the SDR.

Q281 Derek Twigg: We went to Joint Force Command at Norfolk recently. It was a very interesting visit. In the Committee's previous guise, it went to Naples. On those visits, some concern was expressed about the vacancies that were being carried. We know from the answer to a recent parliamentary question that 80 vacancies exist, which the UK should be filling. How do you square those 80 vacancies, some of which are very important positions, with a NATO-first policy?

Luke Pollard: If I recall, the PQ that I replied to on that matter—I think it was yours—said that it was 8.6% or something like that.

Q282 Derek Twigg: But when you say 80, it sounds a bit different from 8.6%, doesn't it?

Luke Pollard: It certainly does, and that is why it is important to have the 80 and the 8.6% alongside each other. That demonstrates that the vast majority of our NATO roles are filled. I looked at the breakdown and at just how many roles have been gapped for some time. If a role has been gapped for five years, that is not a proper, full role, because the system has adapted to live without it. There is a conversation about how we make sure that the people we assign to NATO roles are the right people—the ones that we can get a benefit for themselves and the nation out of. We want to fill more of those roles, and part of that is about making NATO roles more attractive for people's careers. If you look at the breakdown of roles, most of the vacancies are not at the senior level; they are more at the middle level and junior roles.

Q283 Derek Twigg: I do not think that necessarily reduces the importance of the role.

Luke Pollard: No, absolutely not. The point I am trying to make is that we are making a clear statement that, to succeed to the highest levels in the Ministry of Defence and in military roles in the future, we have now set an expectation about roles. Over time, that should help people at early stages in their career inform the career decisions that they will want to take throughout it. It is much harder for people in very senior roles to retrofit a NATO deployment on their career. It is much easier for someone at the start of their career, or midway through it, to recognise that the opportunities of serving at NATO are different now from how perhaps they were previously.

Q284 Derek Twigg: How many vacancies do you expect to have in a year's time?

Luke Pollard: As part of our model, we expect to continue to fill those vacancies.

Q285 Derek Twigg: You expect them to be filled.

Luke Pollard: No, we will continue to make an effort to fill those vacancies as we go through.

Q286 **Derek Twigg:** So there is no guarantee that you will have filled those vacancies in 12 months' time.

Luke Pollard: The intention is that we have all our vacancies filled, but we know that there is a challenge in overcoming some of the issues that I just mentioned, in relation to the previous question, about the offer that some of those roles—

Q287 **Derek Twigg:** You can understand the perception: if we are saying that we have a NATO-first policy, but there are 80 vacancies, that does not quite tally.

Luke Pollard: In the NATO-first approach that this Government will have, we aim to fill more vacancies and make service in NATO roles more attractive to people—especially European NATO roles, where we know there are some obstacles. If you compare the UK participation and fill rates with those of some of our comparable NATO allies, we fill considerably more of our roles than many of those comparable nations. That is not to say that we should be taking our eye off the ball of those low rates, but the broad target is 95% fill. We are nearly at that, but we still have some work to do.

Q288 **Michelle Scrogham:** Going back to the previous question, something that was raised regularly on our visit was whether it is attractive to work there. One of the big issues was that you could not have your partner with you for a long portion of the time. If you wanted to work there, but you could not have a partner with you, that would be very negative. For those who could their take partners with them, their partners found it quite difficult to obtain employment while they were out there. Is that something that you are looking at?

Luke Pollard: It is absolutely something that we are aware of. I realise that not all NATO roles are in the European Union—some are further afield—but for the ones that are EU based, especially where we are filling at NATO headquarters, SHAPE, or the maritime missions in Italy, for instance, the Brexit deal removed the opportunities for people's partners to work in the European Union. We have discussed that with the EU, but we have also been discussing it in terms of some of the new bilateral relationships and bilateral treaty refreshes. We are trying to understand what might be possible within that.

When the Government say that we want to put people at the heart of the agenda, it is important that we do not narrowly define the people as just the men and women who serve in uniform. They come with families, and we need a much greater understanding of the overall family unit and how that works. That is part of the work that we are undertaking. I cannot promise that that will change overnight, because it is wrapped up with much of the Brexit deal and its implications, but it is certainly not lost on many of our European allies that, if they want more UK forces deployed—this is about not just NATO roles, but forward deploying some forces and

more permanent basing—then it would be helpful to overcome this obstacle.

Chair: Ian Roome wants another bite at the cherry.

Q289 Ian Roome: Just to wrap up, the point that I was making was exactly what Mr Twigg was saying: do you think that some of our NATO vacancies are due to people thinking that the roles are going to affect their career progression? How do you propose to make those postings more attractive and prioritise them, so that people know that they will give them priority in their promotion sphere? At the moment, I think the culture is that, if you go to NATO, you are out of sight, out of mind, with you peer group left here, and the drafting officers are saying, “Well, it’s going to affect your career. When you come back, you’ll have to start here.” How do you go about changing that culture so that people think applying for NATO will enhance their career, and will possibly be looked at as a priority?

Luke Pollard: I entirely agree. Having an element of churn in our overall post fill is quite normal. NATO allows for a 5% churn, and we are nearly at that point. Not many of our NATO colleagues are anywhere near that, so that is welcome. Our offer has to be about family life, service life and career. The SDR set this out very clearly, which is enormously helpful. I have spoken to some of our people who serve at NATO, and they were looking for that very clear, high-level commitment to their service and the role that they play at NATO—telling that story.

Now our job is to play that forward, as the Air Vice-Marshal was talking about, into the career management pathways of our people and to be absolutely clear that NATO roles will be valued more. To a certain extent, I imagine that the way that is implemented will look at things like how you make sure that reporting deployments means deployment value, rather than just being a matter of, “We’re not bumping into Bob any more, because Bob’s been deployed to NATO.” It is about understanding that the role now attracts more value—that we are placing more value on that service as a Department—and trying to remove some of the “out of sight, out of mind” perspectives that you raise. Certainly, we need to value more our people in NATO and in overseas deployments. We have started on that journey—some early announcements set the ambition very clearly—but there is more to do.

Chair: I am glad that this issue has had a particularly good airing, and not just because of the Government’s NATO-first policy. On our recent visit to Ramstein and the NATO Air Command headquarters, some of the people we met, as Ian Roome mentioned, felt out of sight, out of mind, but the same is true of some of the Committee’s visits to military bases across the UK. If we do not quite get this right, it will be very off-putting in filling the vacancies that Derek Twigg pointed to. I am sure the Minister will have heard that loud and clear. Let us move on to other issues pertaining to NATO with Lincoln Jopp, please.

Q290 Lincoln Jopp: Begging your indulgence, Chair, I want to stay on this issue for one more question. Air Vice-Marshal, have you ever done a NATO job?

Air Vice-Marshal Flewin: I have not, but I have many colleagues who have had very fulfilling roles in NATO—

Lincoln Jopp: Some of your best friends have been to NATO.

Air Vice-Marshal Flewin And have done very well in their careers. To the point that people do not have a fulfilling career out there, I think there is evidence to counter that. I think people go out, enjoy the role, enjoy the centrality of the role and the career, and then we utilise that expertise when we bring them back to the UK.

Q291 **Lincoln Jopp:** It is just that I identified a bit of a schism between what you said and what the Minister was saying. Minister, I thought you were going to suggest something like you could not attain starred rank unless you had done a NATO post, and yet the Air Vice-Marshal said that the career managers have taken away the SDR, they have seen the words “NATO first” and they are going to ensure that—I think this is the quote—“that career path is catered for”. That seemed like quite a gap between those two positions.

Luke Pollard: No, I don’t think it is. It is about how you implement that objective. We have to be very cognisant that if we want to fundamentally change the incentives within the system about attractiveness of job roles and attractiveness of an individual for their next job role, we have to have that throughout their entire career structure. Simply saying, “You can’t attain this rank if you haven’t done this,” would be unfair on those individuals who have not had the opportunity to do that straightaway, but setting the demand signal within the wider system, which then starts pointing at those roles, makes those roles more attractive for individuals. It also makes those people with that experience more attractive in terms of their career management pathway.

I think both are entirely achievable and, having set that very clear commitment from Ministers and in the SDR, I expect that to be carried through and implemented through the career management pathways. I also expect us to continue to look at how we improve the offer. All those things need to go hand in hand, but that is the direction of travel we are very clearly going in. We are saying, “If you have a NATO-first approach, it has to be a lived NATO-first approach, not just something that sits in the SDR on a shelf.” That is why we are seeking to implement it in all our activities.

Paul Wyatt: I recognise that the Committee is primarily interested in military careers, but you might be interested to know that I deployed to Afghanistan as a policy adviser under NATO command and control, reporting to NRDC Italy for the first two months and then subsequently the ARRC. In those roles, I was under the chain of command of JFC Brunssum. It does matter for senior policy people too, and I think I have done my time.

Q292 **Lincoln Jopp:** Thank you very much indeed. Moving on to the prioritisation of resourcing between NATO and the Joint Expeditionary



Force, who makes those balance of investment and resource prioritisation decisions in the Ministry of Defence?

Luke Pollard: All resource allocations are done via the established process of creating an Armed Forces plan that flows from the SDR and allocating those resources. There is temptation to answer your question by saying there is a set of forces held solely for JEF and a set of forces held solely for NATO. That is not the case. In many cases, you can see JEF operations being entirely complementary. If you look at the Baltic after the Estlink 2 situation, we were able to activate some JEF options that have now docked very neatly under the NATO umbrella. In fact, one of the key parts of JEF operations now is that they provide greater flexibility on sub-article 5 activity, focused on the High North, north Atlantic and Baltic area, so we can move faster than some of the NATO aspects, but they can be badged as NATO because they can be integrated into NATO at the same time.

That is where those things fit together. Certainly, if you look at some of the JEF exercises that we have done, they are entirely complementary to NATO. I would not want the Committee to believe that our commitment to JEF is in any way in competition with NATO—far from it. Resource allocation delivered between JEF and NATO is delivered to look at our whole-force approach. Those forces may be dual hatted, especially if they are held in reserve capacity for us to use in support of our objectives. It might be that our objectives are best delivered via a NATO model, a bilateral model or a wider perspective. That gives us the options to deliver that.

Q293 **Lincoln Jopp:** It is worth giving you the feedback—I have to be very careful to launder my sources here—that on one of our visits we got the impression from a NATO perspective that, to a certain extent, JEF activities represented buccaneering privateers and were not altogether helpful in the NATO construct. That is what was suggested to us. Is the balance of resource decision ever a political decision, or do you just let the machine do it?

Luke Pollard: No, I certainly do not recognise the buccaneering suggestion there, because it is part of an integrated model of deterrence and deployments that we have across the European theatre. Our partners in JEF are very clear that JEF is entirely complementary to NATO. Now Finland and Sweden have joined the NATO alliance, where previously they were members of JEF but not NATO, that has changed some of the dynamics between JEF and NATO. The membership of both is now the same, which has helped the integration further.

When it comes to the decision around which allocations go where, there is clearly a role for ministerial sign-off on the big picture, but as part of defence reform and how we are allocating resources to the commitments we are making, the recommendations would come from the policy situation. I might ask Paul to describe with defence reform the decision-making matrix that comes from the Department of State that sets the policy. The military headquarters, MSHQ, effectively raises the personnel



HOUSE OF COMMONS

and deploys them, and that is resourced via the National Armaments Director Group to provide the kit and equipment it needs. I think that is broadly correct. Correct me if I am wrong, Paul.

Paul Wyatt: That is right, Minister. It is exactly as the Minister says—ultimately, Ministers decide. The process that we have in place essentially allows us to look at forward demand and the availability of forces and then put together a plan that not only utilises ships, tanks and aeroplanes, but also thinks about other levers of defence endeavour, such as exports. It is not just about forces; it is all the things that defence does to contribute to European and global security.

From a Department of State perspective, my job is to set out clearly and usefully what the policy criteria are for planning. The process, which is called the strategic effect cycle, is then run by a team under Air Vice-Marshal Flewin. Maybe he can talk about the way in which the MSHQ discharges that responsibility to do the plan and the force allocation.

Air Vice-Marshal Flewin: On the Minister's point, whether it is the JEF, CJEF, the Lancaster House or Trinity House agreement, all are additive to capability and credibility and therefore NATO deterrence. Just to reassure you on resource, we have a strategic effect cycle. That takes a golden thread from the strategic trench to the NSS, the armed forces plan and the policy envelopes that Paul has just mentioned and matches resource to it. It also ensures that we are not exceeding the resource we have available. It very carefully matches ambition to resource. There is undoubtedly choice within that. To reassure you, that SEC runs all the time. It manages the in-year position, and the recent middle east crisis meant we had to adapt our force posture elsewhere. It also looks to the five-year plan, and the plan for 2026-31 is about to go through four-stars to Ministers for sign-off.

Q294 **Lincoln Jopp:** I want to be clear: Minister, you described it as coming in for "ministerial sign-off", and Mr Wyatt describe it as requiring "political direction". I just note that distinction.

Luke Pollard: I think it is the same one. As Paul says, Ministers decide.

Chair: Good.

Q295 **Mike Martin:** Is there a danger of double counting here? I note that, with Finland joining, we have commitments with Finland. In Estonia, we have a battle group, but actually we are holding the remainder of the brigade in the UK. We also have a commitment to the NATO mission in Kosovo, where we are the reinforcing nation. We have also the JEF, and we are meant to provide the Allied Rapid Reaction Corps headquarters with two divisions, and that is just in the European theatre, let alone if something kicked off in the middle east, which it seems to with regularity. If I were Russia and I was seeking to overload Britain's capabilities, I would create tensions in all those areas at the same time, which Russia is perfectly capable of doing. We would then not be able to, one assumes, fill all those commitments. Could you comment on that, Minister?



Luke Pollard: I will bring the team in on the details of how we manage the tensions between different commitments. What I would say is that the SDR very clearly set out that our defensive posture and moving to a warfighting readiness is underpinned, yes, by our NATO membership and our leading role within NATO, but also through the bilateral, multilateral and minilateral agreements that take place, which we have with our partners across Europe at the same time. That provides options and optionality about how you respond to a situation. Certainly, the greater number of options we have, the increased deterrence against Russia causing difficulties, because it provides us with more options for a response and a greater number of options that they have to plan against, in terms of their disruptive activity.

But it is certainly true that some forces are held with multiple hats on, in terms of readiness. That is pretty standard for military deployments. Some of our reserve forces, for instance, that we hold at readiness for any eventuality may be held at readiness for other bits. That is proportionate, I think, to manage the risk against them. Certainly, when it comes to that risk, we work with our NATO allies and with NATO headquarters, so that we are very clear about what forces are held at readiness and about the readiness timing that would be required. That means that we are able to respond, but for most of our NATO missions, we work as part of a multilateral, multinational framework, so we can pull in resource across NATO. Certainly, when it comes to adjusting readiness or deploying, that is something that we do in partnership with NATO, rather than in opposition to, so that it is better able to understand what resources and assets SACEUR has available at any one time.

Q296 **Mike Martin:** If I could have a quick comeback on that, I call it double counting and you call it double hatting. Are you personally comfortable, Minister, with the degree of double counting, where our forces are assigned to two potential operations or avenues of deployment? Are you comfortable that we can fulfil everything we need to, if we are pressed in all those areas that I listed in my earlier question?

Luke Pollard: Yes. What we need to make sure of is our ability to respond to those crises—and we plan, in some cases, for concurrent crises. If you are going beyond concurrent crises, you are moving into much more of a warfighting position, which then moves from effectively holding forces at readiness to forward deploying forces. That is a very different situation if we were in that stage of a build-up to a conflict, from holding forces in readiness and being able to respond to smaller-scale crises, which is a different part of our war planning.

Am I comfortable with where we are at the moment? Yes. Do I want to make sure that we fill the gaps in our personnel for all our units? Absolutely, and it is one of the reasons why we put so much effort into dealing with the retention and recruitment crisis that we inherited, because I want to make sure that all our units are fully deployable, and to be fully deployable, you need to address the gaps that may exist within those personnel.



HOUSE OF COMMONS

Certainly, there are units that we run not quite frequently—I would use the Air Force as a good example, because that is the most deployed part of our armed forces at the moment. There is a lot of demand on some of our combat air assets, in particular Typhoons. Being able to make sure that, with the demand that we place upon them, there is the requisite time for the reconstitution of those forces, for training and for upgrades, is a part of the planning cycle that we deliver at the moment.

Air Vice-Marshal Flewin: I would absolutely support the Minister's point. Force attribution against the plan is very carefully managed through the strategic effect cycle, which I have just described, and I think a good example of that is the recent middle east crisis and the Combat Air tension, where we very quickly reattributed, reprioritised, and were still able to balance the force against all the demands, managed very carefully through that cycle.

Q297 **Mike Martin:** Where did you pull airframes from to do the recent middle east crisis?

Air Vice-Marshal Flewin: We had a high-readiness squadron that we deployed forward, and we are able to rebalance the force against the priorities that are managed through the SEC, which draw, as I say, the golden thread through SDR/NSS and are ultimately signed off by Ministers.

Q298 **Michelle Scrogam:** Capability decisions will come out on the back of the defence investment plan in the autumn. Have you considered whether some of our allies could take on some of the burden that the UK currently has?

Luke Pollard: It is a very fair question. The defence investment plan will be looking not just at kit and equipment, as the old equipment plan did. That effectively loaded the attention on kit and equipment and did not load it on infrastructure at all, and our people. The defence investment plan is designed to be broader in its approach than the versions that it replaces.

What we are looking at is effectively the implementation of NATO's new regional plans, which are being implemented at the moment, because they change in some cases the force lay down and how we would fight in any particular area. As an example, it is not necessarily about swapping job A between the UK and another tasking; it is about how we make that role more efficient.

Take the Baltics, for example. The UK maintains and will continue to maintain our forward land force in Estonia, but what we are seeing is the previous construct, on a very basic level, fought as Estonia, Latvia and Lithuania, as very different battle spaces. What we now see with the new NATO regional plan for that area is a single battle space, effectively, with the units working together much more.

In that respect, the objective is to increase our lethality, which enhances our deterrence, and increase our interoperability with not just host nations. Actually, NATO regards our FLF in Estonia as the best-in-class

example of integration between a framework nation and a host nation, but how do we make sure that we do so if you are thinking about all the Baltic states, and are now including Finland and Sweden into the wider Baltic/Nordic area? We need to have greater interoperability. That provides opportunities for new partners to bring in new capabilities, but it also creates a demand signal from NATO for nations to be able to invest in what they are looking at doing.

For instance, having more Swedish fighters involved in that space provides opportunities for where you distribute your combat air within that wider battle space. Are we going to NATO saying, "Please, can we stand down from this, this and this so that someone else can do that?" No, but that negotiation and discussion is a normal part of implementing NATO regional plans. That was signed off at the Washington summit, I think. We are implementing those at the moment.

From my point of view, that makes us more efficient. It also makes us more interoperable, because one of the concerns that certainly I had in opposition, and something that we are mindful of at the moment, is that it is not enough just to increase defence spending for our European partners in particular; what is spent needs to be more interoperable and deployable. In that respect, we increase our overall ability to deter Russian aggression.

Q299 Michelle Scrogham: You mentioned the US. If the US withdraws capabilities, where is the UK best placed to replace those?

Luke Pollard: The US global force posture review is ongoing at the moment, and it will be for them to decide what capabilities they seek to redistribute across their priorities globally. I think, to be fair to the Americans in this respect, they have been saying under various Administrations for quite some time that it is their intention to rebalance some of their global force posture from the Euro-Atlantic and Africa to an Indo-Pacific focus.

What we have been reassured by in our discussions, is that it is not withdrawal; it is a new balance. That is really important because the debate around this often excludes the balance side and the commitment that the Americans still have to Euro-Atlantic security. The discussions that will take place around this will look at what the opportunities are and what the road map ahead is. What the Americans have been very clear on is that big picture, in terms of the rebalancing. It is burden sharing, not an exit, which I think is really important to restate.

Q300 Michelle Scrogham: You are talking about a rebalancing, rather than an exit. Where would the UK be in that balance, and what would we be bringing?

Luke Pollard: We are already stepping up as a country and looking at that. The Americans have asked Europe as a whole to spend more on defence, to step up support for Ukraine and to demonstrate our ability to refill stockpiles—so we are better able to warfight and therefore have greater deterrence. We are already doing many of those things.

If you look at, say, the F-35A announcement that we made a few weeks ago, the ability for the UK now to say that we are purchasing F-35As—which is better for our training of F-35B pilots—also allows us to join the NATO nuclear mission.

That is a really important part of increasing our lethality, because one of the bits that we have a perspective on is that, for NATO to be stronger in an era of enhanced threats, we need to increase our lethality. That means increasing our interoperability, yes, increasing our spend, the depth of our magazines and our experience of deploying together.

If you look at some of the recent NATO JEF exercises we have participated in, from Northern Strike in Finland, to Exercise Hedgehog—brilliantly named—through to Steadfast Dart in central and eastern Europe, what we are seeking to do is demonstrate the ability of NATO partners and the UK to deploy quickly, create dilemmas for anyone who seeks to oppose us, and, in doing so, reassure our American friends that Europe is stepping up on security.

That is our objective as a Government. I think you will have seen that at the recent NATO summit, with the broad approach to 3.5% by 2035, and, behind that, the increase in our ability to have a greater defensive posture.

Air Vice-Marshal Flewin: The only thing I will add is that NATO has a very mature defence planning process. If a member were to alter their posture, that would be considered and rebalanced through that process.

Chair: Thank you very much. It is also a pleasure to welcome Richard Foord to our Defence Committee hearing today; he is guesting from the Foreign Affairs Committee. It is wonderful to have your expertise here, especially given that you were the former Lib Dem spokesman for defence.

Q301 **Richard Foord:** Thank you, Tan, and thank you, Minister. Staying with the example you gave of the procurement of the F-35A, what do you make of the charge that this decision to procure nuclear-certified aircraft is on the one hand restoring sub-strategic nuclear capability to the UK, but on the other hand ironically making the UK more dependent on US decision making?

Luke Pollard: First, it is good to see more west-country MPs involved in defence, so it is good to see you back doing that.

The decision to purchase F-35As is deliberately designed to increase the strategic dilemmas we can pose, as the United Kingdom but also as a NATO ally, to Russian nuclear escalation. Our current proposition only offers nuclear deterrence at the strategic level.

By and large, with one nuclear submarine always at sea, maintaining a continued at-sea deterrent, we cannot change the deployments, posture or visibility of those submarines—for very obvious reasons. That means we do not have the ability to manage nuclear escalation in the same way we will when the F-35As arrive towards the end of this decade or the

beginning of the next. That is an important part of providing us with greater options.

It also helps to solidify and firm up some of our European friends, who have really welcomed the addition of the UK to NATO's nuclear mission, because that provides greater certainty behind their involvement and greater optionality. Having the RAF involved—not just because I am sitting next to an RAF officer at this point, but as the mother Air Force for many of our European friends—provides a substantial increase in how the NATO nuclear mission is felt by many of our allies.

It also helps deliver a very strong US objective: increasing European warfighting deterrent capability. It is a different nuclear model from our continuous at-sea deterrent. It does not take anything away from CASD—in fact, this Government have been the most vocal for a very long time, in our commitment to CASD—but it provides additional options for us. Yes, those additional options do play into the wider framework of a NATO nuclear mission, so it is not an independent deterrent or an independent weapon that only we decide when to use.

Q302 Richard Foord: That is a departure from what we saw when we last had this level of tension between Russia and the west, back in the 1990s. Then, the UK had its own independent air-launched nuclear deterrent. Recently in the Lords, Admiral Lord West asked the Defence Minister, Lord Coaker, whether the UK ought to reassess its nuclear doctrine. What do you make of that suggestion?

Luke Pollard: I do not mean to put words into Lord West's mouth. That is a dangerous pursuit for anyone, let alone a Minister. On the fundamentals of the question about updating our nuclear doctrine, clearly if we have an air leg to our nuclear capabilities, that does in effect update our nuclear doctrine because our nuclear doctrine was founded and, at least in recent years, based on a single nuclear platform: the continuous at-sea nuclear deterrent. When those F-35As arrive, they will provide greater options for us in deployment, training, and exercising. It creates more opportunities for us to signal, manage escalation and deliver. So, is it different because it provides more options? Yes, the playbook will need a few more pages to be able to deal with that. Does it take away from the fundamentals of our nuclear deterrence, with our strategic independent nuclear deterrents? No, it does not. It is important that, when we talk about adding to the deterrent capability, we are not seeking to diminish, remove or somewhat qualify what our submarines can offer. It just provides additional options for us.

Q303 Richard Foord: One last question: it provides additional options and additional capability, but I am suggesting that this could be an opportunity to review the UK's nuclear posture. I am thinking about the posture of deliberate ambiguity that we have had for many years. We last considered it when NATO had conventional inferiority to the Warsaw pact; now we have conventional superiority to Russia. What do you make of looking again at our nuclear posture?



HOUSE OF COMMONS

Luke Pollard: In the respect that an air leg to our nuclear deterrence provides an update and a change from where we were before we announced it, we will add it to our fighting spirit and to how we plan. It provides options for our management of any crisis, escalation and support. That would be a given. However, I do not think that it fundamentally changes the key facets of our nuclear doctrine. I would make a clear distinction between the main doctrine, or nuclear policy, of deterrence and the additional ways of being able to message that to an adversary and deploy sub-strategic weapons in a deterrent capability, and how we do so alongside our allies. The key thing about the F-35A mission is that it would be delivered with our NATO nuclear allies, rather than being an independent nuclear deterrent that we dedicate to NATO. The Secretary of State has that wonderful phrase about us being “very British” in dedicating our nuclear deterrent to NATO, in the sense that we have done it for decades, but do not often push that—we just do it—whereas the debate around French nuclear sovereignty has recently created a lot of energy around whether France is involved in dedicating that to, say, a wider European mission. We already do that for NATO and that is not changing, on the CASD side of things. When you say “doctrine”, I want to understand what you mean by that.

In terms of posture, we would maintain the CASD as it is today. Financially, we hope to make it better, in terms of the missions not being as long, and bringing on new Dreadnought-class submarines.

Q304 **Richard Foord:** This is not just about capability; it is also about intent, and about signalling the conditions under which the deterrent could be used. We have had this long-standing approach, a posture of deliberate ambiguity, but many Russia experts are telling us that this time we need to make clear how we are communicating. We do not have the same bilateral links that we had before. We do not have the arms control arrangements or the INF treaty, so it could be an opportunity to look again at our posture.

Luke Pollard: It certainly provides more opportunities. I would say that this capability is not being developed from scratch. That is useful for us to look at. Frankly, as a defence nerd in this House, there has not been much debate since I was elected about NATO’s nuclear mission prior to the F-35A announcement that we mentioned in the SDR. That can create the impression that this is a brand-new thing that is being invented for the very first time, but the NATO nuclear mission has been in place since the 1960s.

We are joining it, and with that comes the body of work that has been established with NATO for many decades. We are not starting with a blank piece of paper to then rewrite where we get to, but there is certainly a new era of threat. From our perspective, we needed to increase the number of options that we had, which is why we made the F-35 announcement as we did. It has been very well received by our NATO nuclear allies and the US in particular.

Q305 **Chair:** Several individuals who have given evidence to our Committee,



HOUSE OF COMMONS

including for example Ed Arnold, have criticised the UK Government's position. For example, we have not met many of the NATO capability targets in previous years. The UK is also towards the bottom in terms of progress reports for the NDPP—the NATO defence planning process—capability targets. Would you say that the Government is being disingenuous when it says everything is harmonious with regards to UK capability targets and NATO?

Luke Pollard: No, I would not use those words at all. I would apply the assessment of the situation we inherited a year ago. We know that our armed forces have been hollowed out and underfunded for quite some time, which means that we have to invest more in defence and our capabilities. That is why, at the general election, I stood on a manifesto to increase defence spending to 2.5%.

We have now brought that forward three years early, and we have gone further with 3% in the next Parliament and 3.5% by 2035. That provides us with greater certainty now to deal with some of the capability gaps we have inherited and the fact that, in many cases, some of our stockpiles are not as full as I would like them to be.

That is why the SDR sets out the move to war-fighting readiness, which requires us to address some of our capabilities and reform some of them. In some cases, that means retiring old platforms and bringing on new ones. There will be a period of transition between old and new in respect of that, which we have seen in some of the early announcements that we made: retiring HMS Albion and HMS Bulwark, two ships that were never planned to go to sea again under the last Government.

Q306 Chair: So basically, the aim of the Government is to meet those capability targets, including those that we have not previously met. We have a lot to cover and there are still many individuals who want to come in. Let me move on to our leadership in NATO. During the recent NATO summit, Spain said they would like to meet only 2.1% in terms of their spend. In Slovakia, the Prime Minister, before the summit, noted that armament is not their top priority at the moment and they would like to concentrate on other issues.

What has the UK Government done to persuade some of our European allies that they also need to contribute, just as the UK needs to contribute to European security? Could you perhaps enlighten us about the UK Government's role in persuading Spain, Slovakia or other European allies to meet their targets?

Luke Pollard: As an approach, since we took office last year, we have been very deliberate and clear in stepping up our role within NATO and European leadership. Part of that was predicated on resetting many of the relationships that, in our assessment, had deteriorated under the last Government. The EU reset is an important part of that, with the strategic defence partnership that came out of that, but I also think that the UK's increased role regarding Ukraine support has made a big difference in terms of the impact and quality of UK leadership. We now co-chair the UDCG with our friends in Germany, and that has, for instance—



Q307 Chair: Minister, I fully agree with that. A lot of us are very complimentary about the UK Government's role regarding Ukraine. My question is more about our conversations with the Spanish and the Slovaks—those that are not meeting the targets. What has the Government done to ensure that they too are stepping up to the plate?

Luke Pollard: The point that I was trying to make was that increased leadership provides us with increased influence in that debate, and that is a deliberate strategy that we have been trying to undertake. We have been making the strong case to many of our European friends and NATO allies that the era of 2% is a relic of a previous time and is not applicable to the security challenges that we face.

Therefore, when we came to office, we were making the case that, yes, the UK was increasing defence spending, but we needed others to do so too, and not just increase spending but look at how that money is spent. That goes back to my answer to Michelle Scrogg's question earlier, when I was talking about that increased lethality and interoperability piece. We continue to have those conversations across NATO, with our friends, as indeed we do in terms of those member states that are also part of the EU, about UK participation.

The door has now been opened to potential participation in a number of those EU projects. Those conversations are ongoing at the moment, but certainly it is our assessment that we have to spend more on defence. It is a commitment that was effectively made and agreed to at the NATO summit. Our job now is to assist in spending that money wisely across Europe.

Chair: Thank you very much, Minister. Let's now move on to homeland defence and resilience. To lead us off, I call Fred Thomas.

Q308 Fred Thomas: Minister, homeland defence and resilience takes up a whole chapter in the SDR, and I believe it is part of your ministerial portfolio as well. I will ask a few questions around how plans are progressing, but I would first acknowledge that this Government inherited a homeland defence plan from the previous Government. Because we have had loads of questions about NATO, I just want to get this on the record: is that inherited homeland defence plan currently the UK's contribution to NATO, and is that what NATO holds to be our article 3 national defence plan, as NATO would call it? That is a sort of yes or no question.

Luke Pollard: Broadly, but we have implemented changes against that. As the Cabinet Office leads broadly on the aggregation of our article 3 commitments across the UK, we are making changes against that. We have been very clear that article 3 has not been upheld in the way that we would like it to be, and that is why it is not just homeland defence that features heavily in the SDR but the chapter on a whole-of-society approach, which I think can be viewed both as an inside-the-military perspective and as an article 3 chapter. That is why the Cabinet Office is undertaking updates of that.

Q309 Fred Thomas: If the answer to this is no, I think you can safely point to



HOUSE OF COMMONS

the previous Government and what you inherited, but would you say that, currently, we are upholding our article 3 responsibilities in NATO?

Luke Pollard: I think we have been very clear that we are not satisfied with article 3 in the UK. But, equally, I think that is a position that every European NATO member state is clear on as well; there has been a correct focus on article 5, but there have not been many people looking at article 3. That is why we are seeking to change that with the SDR, the national security strategy and an updated homeland defence plan.

Q310 **Fred Thomas:** Thank you. We will come on to the whole-of-society approach—I think we are interested in that—but I just wanted to understand a bit more about the division of responsibility and accountability. Who would you say is in charge of national resilience in the UK, at the political level?

Luke Pollard: Overall responsibility sits with the Chancellor of the Duchy of Lancaster in the Cabinet Office, then responsibilities are held across Government for different areas of expertise. For instance, last week, with the Chair, I was in front of the National Security Strategy Joint Committee, and we were looking at underwater cable defence. Although it is the Cabinet Office that holds overall responsibility for homeland resilience, DSIT looks after cables, the Royal Navy looks after the protection of some of those cables—in deep water, for instance—and there is a civilian role for looking after some of our CNI.

Q311 **Fred Thomas:** Does having those different stakeholders concern you from an accountability point of view, or do you think that is good as a system?

Luke Pollard: It only concerns me if it does not work.

Q312 **Fred Thomas:** Does it work?

Luke Pollard: At the moment, the system works in terms of the structure and there is an understanding of who has responsibility for what. What I think the SDR sets out clearly is the fact that we have under-invested in our homeland defence and under-invested in, or have not really adopted, a whole-of-society approach to meet the threats that we have. That means how we meet and improve homeland defence work is not just an MOD job. That has to be all Departments stepping up and doing so in a co-ordinated fashion, and that is where the Cabinet Office leads.

Q313 **Fred Thomas:** I understand that the Chancellor of the Duchy of Lancaster is making a statement shortly in the Chamber about the resilience action plan. Have you been briefed on that already?

Luke Pollard: The Ministry of Defence will be involved with all of those, but it is for the CDL to make his statement.

Q314 **Fred Thomas:** Have you been briefed on it personally?

Luke Pollard: We were involved in the work that underpins some of that, but, no, I have not yet seen every word of his statement.

Q315 **Fred Thomas:** Okay. I think there is a concern that some of our national



resilience is too stovepiped. The idea that the Chancellor of the Duchy of Lancaster is making a resilience action plan statement in the Chamber today and the Armed Forces Minister has not been briefed in detail on it sort of suggests that there might not be very good information sharing, which we understand is really difficult across Government Departments. Nevertheless, it is slightly concerning.

One thing that the national security strategy laid out is the need for exercising and annual testing of this whole-of-society approach. We will come on to the cadets and the reserves, but so far, the only thing that has really been made public about that is the idea of testing the ability of the Government to send out an SMS text message to everyone's phones, which I hope they are able to do. I think we kind of got that from covid as well. From an armed forces point of view, what do you see as a resilience exercise possibility?

Luke Pollard: First, I would challenge you: I do not regard it as slightly concerning in the way that you framed it in your question, mainly because I have spent most of today either here or preparing for here. I have not been looking at other aspects of my portfolio because I have been in front of the Committee. I am not worried about that because I think the structure broadly works. That is important, because to make this work, you need both to have the central leadership and to have each part of the system taking responsibility and to be trusted to deliver its part of that resilience framework. That is why the overall approach of saying, "Do more on article 3" matters.

The national SMS was used previously. It was also used in Plymouth, which we both represent, when it came to the Keyham bomb. That shows that some of the structures work, but it needs to be more than just those minor elements. Take, for instance, parts of our article 3 role that defence would have a larger role in: some aspects of cyber resilience and protection of energy infrastructure, offshore cables and other parts like that. We identified that in the SDR as an area that needs further investment.

That is an area in which we are working with colleagues across Government to be able to deliver increased investment and co-ordination. Certainly, my experience, having done this role for a year, is that actually the cross-Government co-ordination on this is pretty good. What we need to do is make sure that the spending and the prioritisation of spend within each Department delivers that wider whole. To your concern about the individual stovepipes, certainly it is fair to say that that is broadly what we inherited, but we need to make sure that there is co-ordination between all those. I do not need to know the detail of what the Department of Health and Social Care is doing; I just need to be reassured that, in the event of needing to press play on the plan, DH has everything it needs ready to go.

Q316 **Fred Thomas:** Thank you. I appreciate you were busy this morning; I doubt the action plan was written this morning.

Let us turn to cadets and reserve forces. I was really interested to see a



HOUSE OF COMMONS

lot of focus on them in the SDR. That is built on the whole-of-society approach—how do we communicate to the wider public that we are in a heightened state of threat? You spoke there, Minister, about prioritisation in the spending of money. How much new money is the MOD going to spend on cadets specifically? The data on pull-through—people who go through a cadet experience and then actually join the military—shows that that is not why you would invest money in it, as there is very poor pull-through. Can you explain the reasoning behind that?

Luke Pollard: Cadets are led by the Minister for Veterans and People. I can write to the Committee with the details of spend against our commitment to increase cadets by 30%, which we set out in the SDR. The full implementation of that is with my colleague Al, so I am happy to write to the Committee, because I am not across the full detail of that.

It is worth dwelling on the approach, because I do not quite share your perspective that it is not value for money in terms of recruitment; we know that people who are cadets and join the military serve longer than people who are not cadets prior to it. There is a real value to doing so, and it also creates the opportunity for us to have greater visibility and surface area for the military. A key part of cadets is not only that it provides experience for people to understand the opportunities that military life and the service culture and ethos provide, but that it creates greater visibility within society.

One of the reasons we wanted to increase cadet numbers is that, as the population increases and the national service generation sadly leaves us, the experience of families and individuals knowing someone who serves is considerably reduced. That is not the case in Plymouth, where we have lots of military people, but it is certainly more the case across the nation. Our greater focus on reserves and cadets, as well as our commitment to increase the size of the army—the modest increase to 76,000 we want to make in the next Parliament—are designed to increase the visibility of those services and create a greater connection with the public.

Q317 **Derek Twigg:** Since the SDR, does Defence need to change how it works with other Government Departments to ensure readiness and resilience? If so, how?

Luke Pollard: Yes. The SDR set out that we want to do more to improve our article 3 role, homeland defence and national security. Some of those are shared endeavours. If I take the example of cyber-resilience, we have restructured some of our cyber-capabilities since the SDR by creating a new cyberEM command and looking again at the role of what was previously known as UKStratCom in cyber.

We are also undertaking to work more with other colleagues that have responsibilities. DSIT is a good example of that. The relationship between MOD and DSIT does not get enough attention, because it has huge opportunities in the future. What is the role of DSIT and the Home Office in terms of our cyber-defence? Certainly, at an operational level, the

connections between those Departments are superb, detailed and work well in terms of how we keep our cyber-infrastructure resilient.

We have to improve in terms of the more strategic policy level: how do we make sure we make sure we have enough people with the right skills? That is often not the sexiest topic, but it is critical, because if we do not have the right skills within cyber, we are not able to defend ourselves. That is a bigger play than just MOD and DSIT—it is a whole-of-Government affair. There are improvements we are seeking to make, and that is partly why the SDR has broad recommendations in some of the areas where the national security strategy sits.

Q318 Derek Twigg: Do Ministers have to do more to drive change?

Luke Pollard: To implement change—yes. Ministers need to set the clear strategic direction. In the MOD, we have done that by adopting all the recommendations in the SDR and driving the SDR consequences. It is not just implementing the 62 recommendations—although we are, and we will—it is also by taking the spirit of the SDR and applying that to the whole range of policy areas that flow from the SDR.

Q319 Derek Twigg: You have just done cyber-security; if I take another case study, in the SDR there is a whole section on defence medical services. In the start of that section it says, “Ensuring the health and operational medical care of the UK’s Armed Forces is vitally important to deterrence and defence”. It goes on to say, “A moral and legal duty on the part of Government, healthcare is also among the top three factors in personnel retention.” I was surprised, given that we already know there is a major issue in defence medical services, because Lord Robertson said that when he came to pre-brief us on the SDR before that occurred. On 17 December, when I asked General Robert Magowan whether there were shortcomings in defence medical support, his reply was “Correct.”

I put in a parliamentary question, which was: “To ask the Secretary of State for Health and Social Care, what recent discussions he has had with the Secretary of State for Defence on increasing the number of medical reservists joining the Armed Forces.” To my surprise, as part of the answer—I will not read it all out, but clearly there are suggestions that some discussions are taking place at an official level—was, “There have been no recent ministerial discussions on this issue.” I find that quite shocking, given the state of Defence Medical Services, because as we know, the biggest reservoir for Defence to have medics, medically qualified people, is from the reservists in the national health service. We know that from the way that they were stretched in the Iraq and Afghanistan conflicts, and even in this chapter on “Defence Medical Services”, it talks about a Defence-Health partnership. Can you tell me why there has been no ministerial-level interaction on the issue?

Luke Pollard: I can investigate that when I get back to the office, in terms of looking at it. The SDR is right that, if we want to move to warfighting readiness, which the SDR sets out clearly, we will need to invest considerably more in Defence Medical Services. That is a challenge—



HOUSE OF COMMONS

Q320 Derek Twigg: I understand that. My issue is that, given the seriousness of the problem in Defence Medical Services, I am just very surprised that there has been no ministerial discussion between the Department of Health and the Ministry of Defence on the issue.

Luke Pollard: In some areas, certainly, I have regular conversations with some of our DH colleagues about some of those questions, but I am happy to take that detail away.

Q321 Derek Twigg: Thanks. The Committee welcomes the Government's intention to enable scrutiny of the UK's warfighting readiness by publishing metrics every year. How will you consult on developing those metrics? How will you consult us, the Committee, on that?

Luke Pollard: I might ask colleagues to come in on the details of the metrics. I will take the broader piece about the journey that we need to be on and why metrics are an important part of it, and then I will ask colleagues to come in on the detail. When I came into office, I was quite surprised about some of the poor performance of our recruitment—even poorer performance than I had seen in opposition. Being clear about the journey we need to be on is therefore an important part of not only driving the change, holding those responsible accountable, including Ministers, but being clear with our people that things are changing. In some areas—defence housing being a good example—a lot of warm words have been said, but not necessarily always the action taken, under the previous Administration, to deal with some of those deep-rooted problems.

Q322 Derek Twigg: We are talking about warfighting readiness. I understand medics are an important support for our service personnel.

Luke Pollard: Absolutely. It is one of those key bits. If our service personnel do not feel that the offer and their experience in service life is good enough, we know what they do: they leave. That creates gaps and is one of the reasons contributing to the fact that, when we took office, for every 100 people joining, 130 were leaving. Inflows are now up 17% and outflows down 9%, so we are making progress, but there is more to do. On warfighting readiness, I will ask Paul to come in.

Q323 Derek Twigg: We need to know what metrics you are considering and how we will be consulted as a Committee, because that has been a long-standing running sore for this Committee.

Paul Wyatt: This is actually outside my portfolio; it will be a combination of my colleagues, including the director general for transformation, who will be working on the SDR implementation and making sure that we have the right metrics in terms of the plan. I do not know whether there is anything to add from the perspective of a tasking of the Armed Forces.

Air Vice-Marshal Flewin: One thing I would add is that, clearly, if we are going to improve warfighting readiness, we need to be able to measure it and baseline it. I assure the Committee that that work has been going on for a number of years under General Rob Magowan. Our improving defence output work across all the services and all the domains is seen as being able to baseline availability, capability and sustainability across all



HOUSE OF COMMONS

our capability areas, and to set improvement goals. There has been considerable progress across all three services in achieving that. We now have clear metrics with which to measure our warfighting readiness moving forward.

Q324 **Derek Twigg:** My question was, how will we be consulted?

Luke Pollard: I am happy to take that work and look at it, and to write to the Committee. I suspect that the Committee will probably have views, which you can share with us.

Q325 **Derek Twigg:** Air Vice-Marshal, you have spoken quite a bit about combat air in various guises and lethality. What percentage of our combat air is available for operations?

Air Vice-Marshal Flewin: You understand that that is sensitive data, and we would not want to talk about it in an open forum.

Q326 **Derek Twigg:** Will that not be one of the metrics shared with this Committee?

Air Vice-Marshal Flewin: It is one of the metrics we track very closely, but—

Derek Twigg: But not with this Committee.

Air Vice-Marshal Flewin: It is held at a higher classification.

Q327 **Derek Twigg:** Can that be shared in private with the Committee? You can see where I am coming from—we are talking about which metrics.

Luke Pollard: I can entirely understand where you are coming from. For anything that we seek to publish, there is a difference in what we can track and what we cannot publish. I am very happy to look at the progress of that work to see what might be able to be shared with the Committee in a private capacity, due to the classification and security measures that sometimes sit around that. There is a deliberate messaging benefit in being honest and publicly transparent around some of our progress here, and also around the difficulty in the journey as to how we recover some of our capabilities.

Derek Twigg: This is the nub of the issue. There will be some things that can be shared in private and some in public, but when we are talking metrics, we are not talking about just public metrics; it is how we, as a Committee, hold the MOD to account. Obviously knowing the number of combat aircraft that are available for operations at a particular time is an important way of holding the Ministry of Defence to account, because that is vital to the defence of our country.

Q328 **Lincoln Jopp:** Minister, fairly recently there was a major incident where three electricity substations caught fire and Heathrow airport went dark. Could that happen to any of our UK airbases?

Luke Pollard: The SDR has identified protection of our CNI as an area that we need to do more in. The lessons that we are seeking to learn from



HOUSE OF COMMONS

not just that incident but others that have happened more recently—Brize Norton is an example—highlights that under-investment over a long period of time has meant that there are greater vulnerabilities than we would want in the move to warfighting readiness.

Part of the challenge that we need to grapple with, ahead of the publication of the defence investment plan later this year, is how we prioritise where the infrastructure investment needs to be to be able to meet some of those immediate and longer-term challenges. I would not be able to talk about single points of failure with any of our military infrastructure in front of the Committee in open session, but certainly the intent of increasing our resilience as an integrated force is part of the wording and the spirit of the SDR that we are seeking to implement.

Q329 Lincoln Jopp: Okay. I do not know whether I can take from that that you know the answer to the question I asked or not. I will turn to Mr Wyatt to ask a slightly different question in the context of defence reform, a more muscular policy shop, a military execution arm and an armaments director. Bear in mind that the Minister said, "Each part of the system plays its part and it is important that it is trusted to play that part. I do not need to know the detail of everything the Department of Health are doing." If after that incident, a Minister were to come in and say, "Paul, can you go and check that this could not happen to any of our airbases," under the new model, are you meant to say, "Do you know what, Minister, you need to put your long-handled screwdriver away. This is not a policy decision. It may be a political risk for you, but this is something that you need to let other people get on with."? How is that model meant to work under the new system?

Paul Wyatt: In that example, and in any example where Ministers have a request for information, the responsibility of the Department is to provide Ministers with the evidence and the material that they need to make decisions. In that particular example, the approach that we would take would be to work with colleagues in the military strategic headquarters to understand what the answer to that question is, and I would expect my MSHQ colleagues to answer the ministerial question in that case because it is a delivery rather than policy question. We would work rapidly with them to ensure that we understood who was best placed to answer the question, and we would answer the question promptly.

Lincoln Jopp: Wonderful, thank you.

Q330 Chair: I am assuming that in due course we will have the Minister for Defence Procurement before the Committee so that she can answer some of these questions. I will move on to supply chain resilience. The Prime Minister noted on the Floor of House on 26 June that the nation needs to focus on resilience. I was recently representing the Committee at the GLOBSEC forum in Prague, where we discussed critical raw materials. Minister, I think you would agree with me that our ability to purchase and to ensure that there is a steady supply of critical raw materials and minerals is incredibly important, so why did the Government not feature this in the strategic defence review?

Luke Pollard: Securing our supply lines and resilience is featured in the SDR, and it is also important that we implement the spirit of what the SDR tells us. As a Department, we are very mindful that we need to look again at our resilience in the wider sense. That is what the SDR asks us to do in terms of warfighting readiness, homeland defence and supply chain resilience.

To do that, we need to work in partnership with industry to understand their supply chains and the vulnerabilities in them. We have identified supply chain issues in a number of areas. The availability of energetics on the global stage is one of the areas we have identified as a problem. That is why we include energetics as part of our commitment to build six new munitions factories.

We also have to be alive to the fact that onshoring and friendly-shoring some of our supply chain are important parts of making sure that, in a more contested time, we can have greater resilience. The Minister for Defence Procurement and Industry leads on that type of work, but I am happy bringing in Jim, who also has that within his portfolio.

Jim Carter: It is a key part of the SDR; I think there are 16 recommendations that relate to having a robust and resilient supply chain. There is also a critical programme, the defence supply chain capability programme, and an element of that is specifically related to supply chain risk. We are quite active in understanding and illuminating the supply chain more deeply, as well as working across Government Departments to share that kind of intelligence.

Q331 **Chair:** My understanding is that this was mentioned, but there is a difference between mentioning something and it being an intrinsic and a focal part of the SDR.

Let me move on, Minister. How is the MOD working with other Government Departments to ensure that there is supply chain resilience in areas of critical importance, such as semiconductors, critical minerals and steel? While giving evidence to our Committee, ADS noted that there are 15 key critical materials and that China was very much the lead for 13 of those. If they decided to pull the plug on those, our resilience and our ability would be significantly curtailed. What steps are the Government taking to ensure supply chain resilience with respect to them?

Luke Pollard: First of all, the defence industrial strategy, which will cover some of these points, will be out later this year. Not everything that we intend to publish was in the SDR, because there are elements of detail and focus on sectors for which the defence industrial strategy is probably the better place. Those will be featured as part of that.

The SDR absolutely recognised that resilience is a problem for both the UK military and, effectively, wider UK plc. That is why we have taken the steps that Jim has just outlined. There will be more parts of that in the defence industrial strategy, as we look at how we set a clearer demand signal to industry. One of the demand signals that we will be setting is not just saying, "We want to procure this type of platform in the future and



HOUSE OF COMMONS

invest in these things,” but being clear about our expectation for the resilience of the industrial supply chain that follows from that. But I am afraid that questions about the detail of that would be best answered by Maria Eagle rather than myself.

Chair: Good, good. As a matter of clarification, Mr Carter, I am reliably informed by our Committee specialist that I am not going mad: there was only one recommendation in the SDR, which was actually on the nuclear supply chain—that is it. But I am grateful for your clarification, Minister, that these issues will hopefully be discussed in the defence industrial strategy. At the moment we seem to be operating just-in-time deliveries, just-in-time financing and so on, and that is not conducive to long-term planning. We could really come a cropper if those issues are not addressed. I am glad that there is going to be a focus on that. Let me also bring in Emma Lewell on this issue.

Q332 **Emma Lewell:** Morning all. In relation to defence industry and supply chains, you will be all aware that at our meeting last week the Secretary of State would not commit to a future order of Typhoons and that as of yesterday existing orders at Warton came to an end. Why was that information not shared with this Committee, because the Department must have known about this last week, and are you not concerned about the loss of industrial skills, especially the knock-on effect for GCAP?

Luke Pollard: Procurement matters would be matters for Maria Eagle, so I would not be able to answer that question in detail. Certainly, preserving our capability to build high-end combat air platforms is absolutely essential to our national security; that is something that I think everyone here would agree on. It is not just about how we build Typhoons but about how we prepare for GCAP and the platforms that will come in the future, so we need to preserve that. Matters of what we are buying would be part of the defence investment plan, which comes out later this year, and so—

Q333 **Emma Lewell:** But consistent orders came to an end yesterday, so all that skillset is now going to be lost. We are part of the GCAP. How will we fill that gap, and why was this information not shared with this Committee last week when we asked direct questions about it? Surely the Department must have known that this was going to happen yesterday.

Luke Pollard: As that is a procurement matter, it is not within the area that I look after. I am happy to ask the Minister for Defence Procurement and Industry to write to the Committee with the details, but I do not have the knowledge of that, as it is outside my swim lane.

Q334 **Emma Lewell:** For those workers there, there is some anger, because the decision to buy the F-35s may be seen as prioritising US workforce over UK workforce when we have made a great play about making sure that we build our own defence industrial base, and then a contract has been issued to a foreign country and people here are potentially losing their jobs.

Luke Pollard: I know the workforce and I know the supply chain, having met many, especially in opposition, when I covered more of that brief than



HOUSE OF COMMONS

I do today. They are superb and that is certainly the reason why the Secretary of State and MinDPI have been working in this area.

It is probably worth saying that a Typhoon buy and an F-35 buy are different platforms for different—

Q335 Emma Lewell: I know that, but it is the perception of the public. If you are one of those people who works in defence industry and your job is on the line, how would you view it?

Luke Pollard: I can absolutely understand where you are coming from, but it is worth saying that an F-35 is a different platform with different roles than a Typhoon—

Emma Lewell: I know that.

Luke Pollard: But certainly the SDR makes clear our commitment to GCAP. However, on the details of that point, I will have to write to the Committee, or ask Maria to do so.

Chair: As I mentioned earlier, we need somebody—in particular the Minister—to be able to answer those questions, so perhaps you could take that message back as well, because I think it is definitely long overdue that we have the Minister here to answer all these questions, given the strength of feeling, as you will have ascertained.

Q336 Lincoln Jopp: One of the recommendations in the strategic defence review was for further investment into an integrated air and missile defence system for the United Kingdom. Obviously, the defence investment strategy is going to cover the detail of that, but could you just give us, in policy terms, a sense of any capability choices that you are pursuing or have ruled out? Secondly, is it your policy assumption that the UK's overseas territories will be covered by said capability?

Luke Pollard: An entirely fair question. The defence investment plan later this year will set out what we are buying and what our long-term signal to the sector is. However, we have been very clear that we want to invest more into integrated air missile defence. That is why the SDR not only sets that as a priority but allocates £1 billion—I think it is—against that project.

In terms of what that is seeking to do—to answer your question—first of all, it is the ability to detect missiles and one-way effectors earlier. An integral part of understanding how you defeat that is to be able to detect it early.

Secondly, it is about how we work with our allies, in particular our NATO allies, to be able to get there, because although it is possible for a missile or one-way effector to arrive in the UK mainland from any compass point going, the predominant threat risk from that type of angle will come from certain approaches, so understanding how we work with our NATO allies to detect and defeat those things is an important part of that.

Then, it is about investing in what other capabilities we would need in order to do that. The SDR sets out our commitment to have DragonFire,



HOUSE OF COMMONS

our directed-energy weapons system, brought into service on four of our six Royal Navy destroyers, as operational platforms, by 2027. That is a really important part of testing new technologies to be able to defeat the threats that we are facing. We are also looking at the other aspects of what a layered integrated air and missile defence would need to look like.

On your question about overseas territories, if you were to draw up a league table of the biggest nerds on OTs, the Minister for Overseas Territories and I would probably be towards the top of it. Stephen Doughty and I certainly spend a lot of time talking about the security relationship. You may know that, as part of the OT work that the FCDO leads on with the cross-Government board, there is now a security board that sits underneath it, which myself, Stephen Doughty and a number of other Ministers sit on. That board looks at the security arrangements for our overseas territories.

There is less of a missile risk for many of those, so it is about other aspects of security. For instance, if you look at the system that we have in the Falklands at the moment, which is probably the overseas territory that faces an immediate aerial risk, our commitment to maintain that system there is long-established. It is certainly true that we probably do not have enough systems, which is why the SDR identifies us needing to invest further in integrated air and missile defence. Also, the Sky Sabre system there is very good, and the people working on it are excellent. We do not have as many of those platforms as I would like, and that is why the SDR's focus on integrated air and missile defence is important.

If I were to relate that back to your wider inquiry, and how we do that alongside our NATO allies, a really important part of that is the UK's work on the DIAMOND initiative, which is the cross-NATO integrated air and missile defence initiative. We need to make sure that any system or operation that we choose to adopt in the UK is fully integrated as part of that wider NATO approach. For most missiles that pose a risk from a Russian platform, if they were to get to the UK, they would probably fly through NATO airspace of other member states before they reach us. It is about how we defeat them, detect them and create that layered approach.

If we are looking at the experience of Ukraine in that respect—I am guilty of using the shorthand of "missile defence" just there—it is also about how we look at ballistic missile threats and cruise missile threats, as well as one-way effectors and drones. That is why I would encourage the Committee, when looking at that issue, to have a view of the wider layered approach that we need to adopt. That will cover capabilities on the UK homeland that are deployable and work in conjunction with our partners, including those that are maybe forward-deployed. That could include Combat Air and the ability of Typhoons to shoot down missiles in flight.

As we are seeing more drone warfare, including more severe impacts from Russian drone warfare, as well as how Ukrainians use drones as part of their defence of their country, our wider air defence picture needs to not just be about the ballistic and cruise missiles but the wider swarm drone

effects. There is plenty in that area that we need to get at, but I am really pleased that it got a good mention and funding allocated to it in the SDR.

Q337 Lincoln Jopp: We had an evidence session with Professor Peter Roberts from Exeter University, who said that, at the entry level, you are talking about £20 billion. Obviously, that is iterative because move creates countermove, which creates counter-countermove—it is a dialectic. It is important that we are getting into this business, but like so many of these things, it has the ability to swallow up all the defence expenditure, alongside CASD, and everything else can go home.

Luke Pollard: The defence investment plan will set out the spending priorities, and we certainly need to be on a journey towards having an integrated air and missile defence at a level that we can have more confidence in, based on the experience of what we can see Russia using. As part of that, we need to square a circle of how we use what can be incredibly expensive missiles to shoot down what are relatively inexpensive one-way effectors. The economic dynamics of this have fundamentally changed, as we are seeing in Ukraine. That is partly why the tactics are evolving so quickly in Ukraine. Using drones that are designed to intercept other drones is an important part of that. We can see that as part of the iterative effect of drone warfare, which, as you will know from your experience, changes every two to three weeks in Ukraine due to the complexities of the EW-jammed environment. I want to make sure that the system and the modus operandi we buy into can be scalable and have spiral development, because that is a much more agile and innovative sector than perhaps some other parts of our deterrent picture.

Air Vice-Marshal Flewin: I think it is worth reinforcing that we have effectors now in service that can defeat. As the Minister said, this is about strengthening detect and track and broadening our ability to engage. To answer your point on costs, it is very much about partnering.

Chair: Good. Thank you. I am mindful of the fact that we have only about half an hour left. There are five areas that the Committee would like evidence on to help the formulation of our report. I know that Members will be mindful of that fact, as will panellists in their responses. Approximately five to six minutes on each area should ensure that we get all the evidence and finish on time. To highlight an excellent example of that, let me pass on to Mike Martin.

Q338 Mike Martin: I would like to ask some questions about defence inflation. Mr Carter, I will come straight to you. We—not just the UK but our allies—are entering an era of spending more money on defence. If we do not have increased capacity, the right financial structures and so on, that creates inflation; we have seen that with the cost of the 155 shell, which has doubled over the course of the war in Ukraine. Mr Carter, there are two sides to this that I would like you to speak about. One is consistent demand signals to industry and how we are co-ordinating those with our European partners, because we are all buying off the same firms, more or less. The other side is financial structures, and what we are doing to create the right investment and credit market for our suppliers.



Jim Carter: There are three key elements that can help to suppress inflation, which is about matching supply growth with demand growth. You mentioned the demand signal, which is a key part. It will be set out in three ways. The SDR sets out some of the commitments—for example, the £6 billion commitment on munitions. The defence industrial strategy will follow shortly and set out a lot of our strategic priorities, and the third element is the defence investment plan.

Acquisition reform, though, comes out strongly in the SDR as critical for accelerating the system, getting to contract quicker and pulling through that capability. It has an important role in UK defence innovation and pulling through that technology. In terms of the financial structures—

Q339 **Mike Martin:** Can I pick up on one of your points? How do we not make the mistakes we have made before? If we had been sitting in this Committee hearing 10 years ago, we would have said the same things about consistent demand signals to industry. How would you characterise the mistakes that we made previously—around us designing something, industry starting to build it and then us redesigning and rescopng it—and how do we not make those same mistakes again?

Jim Carter: Some of the changes in defence reform help, in terms of that structure under the core: clear accountabilities and a clearer demand signal coming into the National Armaments Director group. I recognise that some of these things will have been said before. I think the stars are aligning for some of the changes we are seeking to make in terms of increasing defence spending. When I talk to industry, there is a real appetite to go after some of the targets that we have set out in the SDR. In terms of the financial structures and attracting investment, the SDR sets out that we will have a financial services strategy and establish a defence investment advisory group. In fact, as we speak, the Chancellor and Secretary of State are together.

Q340 **Mike Martin:** Are you going to sit on that defence investment advisory group?

Jim Carter: That is being decided as we speak. I think there is a lot of effort. It is set out in the SDR. The defence and economic growth taskforce report is launched today. That will set out a number of recommendations that we need to implement. I also think the changes we are making to the acquisition cycle make defence an even more attractive opportunity for investment, because investors are getting the returns on their investment quicker, because of that pull-through in capability. What we are talking about is radical, in terms of that acceleration. The SDR sets out—this is one of the metrics that perhaps we could have put in earlier—that there is six years to two years for major modular platforms, three years to one year for spiral model development, and three months for commercial exploitation, which is bottom tier. That is profoundly quicker and will give the return I mentioned.

Q341 **Mike Martin:** On co-ordination with European allies and other allies, their spending is going up as well. We are going to be buying off many of the

same firms. Are we trying to get ahead of that curve, so that we speak with one voice?

Luke Pollard: I can answer that one—the answer is yes. There is the Trinity House agreement with Germany, the refresh with Lancaster House is ongoing, and we are looking to strike agreements with Norway and Poland. There are opportunities for joint development. Certainly, one of the pieces we need to be very mindful of is that, in the past, UK defence has had a siloed approach, with each service effectively buying separately. Now CDS commands all three services, we expect an integration, but we also have an approach where—

Q342 **Mike Martin:** So you have one investment plan?

Luke Pollard: Yes, but we are also having an approach where we are saying, “We need to have greater interoperability with our kits.” We need to have a built-in assumption of exports for the stuff that we are buying. That means not over-specing UK kit to be Gucci for ourselves, but to have it exportable. That was, I do not think, a sense that was always carried through in previous procurement campaigns on some of our platforms. That needs to be the default from now on, because we need to be able to build more, export more, and get a greater benefit from increased defence spending, but also have the interoperability benefits that come from many of our partner nations operating platforms similar to ourselves.

Q343 **Mike Martin:** I will make a comment and then hand back to the Chair. When you talk about European partners, and you list a series of bilateral arrangements, perhaps we need to do larger-scale, more multilateral co-ordination about how we are going to co-ordinate that. All this money is going to flood into the marketplace, and if it is not co-ordinated, it is going to create a very confused picture, which might lead to defence inflation.

Luke Pollard: Sorry to reply to your comment, but one of the bits that NATO is very good at, which does not often get attention and we are putting more effort into, is the co-ordination of the national armaments directors. There is more of a role there, which could play into some of those European initiatives that we have now opened the door to. What you have said is entirely right; we do need to work for the greater procurement, but the bilateral and minilateral arrangements provide opportunities for doing that as well.

Mike Martin: It saves us money, if we get it right.

Luke Pollard: Absolutely.

Q344 **Chair:** To build on what Mike Martin has just been saying, although there will be significant increase in defence spending, the Committee is very much focused on ensuring that there is value for money. I hope that the Government focus on that, and that it does not just lead for much greater profitability for defence firms, while the British taxpayer does not get bang for buck. No doubt, we will revisit that.

Briefly, Minister, given that this would be only one of a suite of measures, why have the Government not backed the Defence, Security and Resilience Bank initiative?

Luke Pollard: That is one of many initiatives in a space that we are quite excited about. There is a real opportunity, when it comes to multilateral financing for some of these opportunities, to look at what the right model is. Both the Treasury and the MOD are working to look at those. A number of the models have been backed not only on a multinational basis but by some very senior former British military figures. Indeed, a number of those are competing with each other. Our job is to listen and engage. We get the value of it—we want to do it. We need to reduce the options to the ones that can deliver the most and be supported as much as possible on a multinational basis.

Chair: Thank you for that clarification, because we have looked into that issue.

Q345 **Richard Foord:** Minister, since you last appeared in front of the Committee, the UK has agreed a defence and security memorandum of understanding with the European Union, and the UK is seeking access to the SAFE programme. How can the UK shape that programme, given that we are outside the European Union?

Luke Pollard: The benefits of the progress that we have been making with the EU reset are most acutely felt in defence. That is why it had such a large part of the security and defence partnership work that benefits us. The agreement that we have made with the European Union does not put us into SAFE at this point—as an example—but it opens the door for those negotiations to take place. We are now in discussions around that, as we are on some other elements of using the European infrastructure to look at how we can participate. Participation needs to be in the UK's interest, affordable for the taxpayer and all the other conditions, as you would expect, but we have got the door open. We now need to continue those conversations, but getting the door open in the first place was a really big step forward. Now that has happened, it provides the opportunity for us to explore what is in the UK's best national interest to participate in those projects. Certainly, we know that a lot of EU member states are very keen on UK participation in a number of programmes and want to see that happen.

Q346 **Richard Foord:** And some that aren't, perhaps.

Luke Pollard: I think, actually, there is strong support for us to be involved. There is a question about which programmes we feel there is a benefit for us to be involved with and how much we want to contribute and commit. Those are usual discussions. I do not think there is anything different from the discussions that we would normally have. We influence those by being part of them and, if we are, being clear about the objectives. For many of those European programmes, we are not alone in wanting them entirely aligned with the NATO approach. We are on the same page as many EU member states when it comes to that. Clearly, the

opportunity to have those discussions is now available to us and we are undertaking that work.

Paul Wyatt: I highlight the recent EU defence and security White Paper, which was very clear that the EU is seeking to meet NATO capability targets and NATO force targets. The EU endeavour is very much focused on NATO—something that we very much support.

Q347 **Richard Foord:** We suppose that the United States will not be part of the SAFE programme. Are there implications there for the UK?

Luke Pollard: As a leading NATO nation, we need to co-operate with both our European friends and our transatlantic ones. That would be pretty established as we develop capabilities and export kit and equipment across the NATO alliance and further afield.

Q348 **Richard Foord:** It is up to €600 billion. That is going to make a difference to UK-US relations, isn't it?

Luke Pollard: I think that the Americans are very keen for Europe to step up. I have heard that message clearly; I think that many of our European allies have as well. Stepping up means doing more. Doing more has an industrial focus and a military focus, but that is entirely where the US wants Europe to be. We have heard that. We are stepping up more as a country in our defence spending, our UK leadership and our operational availabilities. The door has been opened to those discussions now. I cannot pre-empt what the outcome of them would be, but having those discussions, and the ability to have those discussions, is a substantial step forward that we did not have until the security and defence partnership was signed by the Prime Minister.

Q349 **Alex Baker:** Thank you for your contributions so far. I was really pleased to see a real focus in the SDR on turbocharging the organisation within the MOD, and the segmented approach to planning and delivering by domain, threat and industrial need. Has that been put into practice yet?

Luke Pollard: We are implementing the SDR at the moment. On the procurement side, I think the biggest change the Committee will be able to see is when the defence industrial strategy is published, and then when it is put into practice, in terms of the kit and equipment and the infrastructure that we are seeking to spend that increased defence budget on. Some of the changes that we have sought to make, not just from implementing the SDR, but in the defence reform that the Secretary of State announced early on in his tenure in the role, have seen improvements in the way that DE&S—the NAD group in defence reform terminology—has been able to deploy and, certainly, the lessons learned from our procurement on Ukrainian gear being mapped over.

Not all those lessons are directly applicable. We are not buying frigates in the same way, but certainly, if you look at some of the support for drones, one-way effectors, and some of the ammunition platforms that we are now able to buy for Ukraine at such a fast rate, with spiral development built in, that should give us confidence on the ambition that we have on the

segmentation that Jim spoke about, in terms of the reduction of the contracting time in particular, the clearer demand signal for industry to be able to invest, and the clearer export opportunities that will arise from that. I think those are all positive, but the Committee will be able to see that best illustrated when the defence industrial strategy comes out.

Q350 Alex Baker: I am also really excited about the SME support hub. I think it is a really welcome step. How will it help smaller firms to get through those procurement hurdles and bring innovation into service faster?

Jim Carter: A key part of that lower segmentation point is critical for SMEs. You mention the SME support centre. That will be followed up with an SME action plan. I think the pace of acquisition for SMEs is critical. Before, we took one approach. We are being really clear about the pace at which we are trying to get through the process. The SDR set out that we are going to rationalise some of our defence conditions and defence standards, which can be quite difficult to navigate for SMEs. All of that helps them to accelerate.

SMEs, and those innovative ideas that are so critical to our capability, are also going to come through UK defence innovation. How the SME support centre and UK defence innovation work together—and they are working very closely together—to make that a seamless experience for SMEs is going to be key.

Luke Pollard: The target on direct spend with SMEs is really important. I know that a number of members of the Committee are really championing the involvement of SMEs in the defence space. We are really keen to pursue that. Certainly, the objectives set out in the SDR, the sense that the Government have, and what will be in the defence industrial strategy will be about having more direct spend with SMEs, having greater backing of innovation and ingenuity, and then being able to apply that to export arrangements at the same time. That is where some of the investment decisions that we can take via the national security investment organisations that we share with some of our friends across Government can make a big difference.

Q351 Alex Baker: One of the conversations that has pained me the most over the six months I have been really looking at these issues is defence SMEs telling me that they have gone to the US for their VC because they cannot get the cash to grow their business in the UK. They are then bought up and we lose all that IP. How is the Department tracking that? Somebody needs to be monitoring it, I feel. How is that being looked at?

Luke Pollard: I will ask Maria Eagle to write in detail on that point, but certainly the implementation of the financial services strategy that we seek to make will seek to recognise the difficulties that some firms have in raising investment and dealing with some of the valleys of death in terms of investment, bringing a product to market and then achieving the investment in purchasing, or the sales of that technology, whatever it may be. There is a number of areas that we are planning to undertake work on.



HOUSE OF COMMONS

The defence reform work around the National Armaments Director creates a single responsibility for this within defence. That helps us to have a clearer sense within defence of responsibilities in this area. The drive to spend more directly with SMEs and to back more of our smaller firms is really important, but I think we are alive to the situation that you speak about around the availability and the development potential elsewhere within the NATO alliance. Although for many companies that may be a good thing, there is a strategic objective for us to preserve more of that within the UK, and that is what the defence industrial strategy will seek to do.

Jim Carter: If I can add to the Minister's comments, there is something about putting the money where the mouth is—so, £400 million ringfenced in UK defence innovation and up to 10% of the equipment plan on these kind of novel technologies. I think there is a real appetite to do that, and the SDR also sets out a kind of review of the IP handling as well, to make sure that we drive those home.

Chair: Good, good. We will have a very short, sharp intervention from Lincoln Jopp.

Q352 **Lincoln Jopp:** Mr Roome is not in his place, but he told a horror story about an SME in his constituency that was on a down select to a prime from eight to seven, and it was being charged 100 grand to do the testing for that down select. Leaving aside the fact that a down select from eight to seven is not a down select, surely the National Armaments Director has got to be empowered, at this point of maximum potential, to reach down the throats of the 18 primes and change their behaviours, on the basis that we have not nationalised them for the last 60 years.

Jim Carter: The support that our primes give to SMEs—their approach to SMEs—is a critical part. We have to have our direct work with SMEs working really well and be someone who small businesses like working with, enjoy working with and find it easy to work with, but just as critical are the primes. I am not aware of the specific example you give, but I do think that what is being stood up under the SDR—the Defence Industrial Joint Council, which the Secretary of State launched last month—is a great opportunity to engage with industry and drive home some of those important points that you make.

Q353 **Emma Lewell:** In the defence industrial strategy, the Government have said that their ambition is to have growth deals right across the UK. Will those defence growth deals be in every single region?

Luke Pollard: That is an area that Maria Eagle is working in. I do not want steal her sandwiches by pre-announcing anything on that, but certainly the intention, which the Secretary of State has laid out quite clearly, is to have more investment reaching our regions. Sixty-eight per cent of defence spending is outside London and south-east at the moment; we want to see that further increased. If you look at the investment decisions we have already been making as a Government, nearly every single one of those has been outside those—the investment



HOUSE OF COMMONS

in Barrow and the nuclear reactors in Derby, for instance. There is more opportunity and scope to do that, and that is where I am looking forward to the defence industrial strategy being able to set a clearer demand signal, not just for industry to invest, but also—I mentioned it earlier—because we need to get more skills into this sector. To do that, we need to get the local skills ecosystems investing. That means primes investing more in skills, not just for their own business, but for their supply chain and the locality. More certainty of investment is a key part of that, and that is what hopefully the industrial strategy will set out.

Q354 Emma Lewell: This might be another one for your colleague as well, but the MOD, as we know, is not comfortable with rapid change, risk or experimentation, or that fast-fail kind of environment that you would have with some start-ups and tech companies. What are you doing to improve conditions for them to grow and thrive throughout the UK, so that they do not all leave us and go elsewhere?

Luke Pollard: The critique you mention is probably valid when it looks at the big procurements, but we can show that fast-fail works incredibly well in our support for Ukraine. It is not that this cannot be done; it is that it has not been done. The cultural incentives, the bureaucratic incentives, were not pointing in the right direction for that wider procurement. As someone who looks after Ukraine procurement rather than UK procurement, I can say that we are operating in that environment very consistently for the equipment that we support our Ukrainian friends with. We have got experience of that, and that is why the section in the SDR where we are learning lessons from Ukraine is not just about, “How does drone warfare change where you put your troops?”, in terms of a combat situation. It is about how we procure, how we supply, how we iteratively develop and how we use data, and the movement towards some of those single digital backbones, for instance, are a really important part of learning from that. That is where some of the fast-fail environment has worked. Our job now is to translate some of those lessons, where applicable, to the wider procurement environment. The segmentation approach; the faster delivery; the move away from over-specing UK stuff—that all fits into the environment where you allow platforms to have spiral development built in, rather than spiral development being a painful process that only kicks in when that technology can already be out of date. That is what we want to avoid.

Q355 Emma Lewell: In your short time in post, have you seen a cultural change within the MOD more towards that?

Luke Pollard: I am seeing the process, yes. The process of cultural change is happening in the defence reform work—having shaken up the organisation, in separating and being clear about the new responsibilities between the Department of State, MSHQ, NAD group and the Defence Nuclear Enterprise. That is creating culture change within it.

It is fair to say that, across the wider look of defence, we need to be able to translate that not just at senior levels, but to the operational level. That is why we are being very clear from the get-go about our expectation of



time improvements and what we are seeking to deliver, so that no one who works in defence, whether they work in uniform, in a civilian role or in industry, can be in any doubt about the direction of travel.

That is important messaging that we have seen, but there is still more work to do as we seek to not only complete defence reform, but implement the SDR, which includes quite a lot of fundamental changes in practices and behaviours. A key part of that is changing the incentives within our system that previously might have moved towards risk aversion and over-complexity. We need to remove those if we are to achieve the warfighting readiness objective set out in the SDR.

Q356 Emma Lewell: We have talked about these issues quite a lot in the Committee, as we did in the previous iteration of the Committee before the general election, and we keep getting told that there are plans in place and that things are changing. When do you think start-ups will be able to come to us and say, "It actually has changed, and we're able to get on with getting contracts and getting the work we need"?

Luke Pollard: I hope they are already saying that in relation to Ukraine procurement, because we work enormously with SMEs in that space. I think they should be able to see that, although that is a story that is, for very obvious reasons, harder to tell. When the SME support hub is at full operating capacity, when it comes out of the industrial strategy, there will be quite a lot of significant change that I am aware of. I know that Maria Eagle—I get the impression that I will be encouraging her to sit in this spot in front of the Committee in due course—will be able to expand on that, because that is an area that she leads on.

Q357 Alex Baker: To finish off on defence finance, every week I have an SME contact me with either a banking issue or an HMRC issue. This is a very difficult time for SMEs in the sector. The FS sector is very clear that there is not an issue and the defence sector is very clear that there is an issue. There are clearly issues that need to be addressed. Luke Charters and I wrote a report, "Rewiring British Defence Financing", in which we recommended that there needed to be a much more invested approach to communication between HMT, MOD and DBT on these issues. How is that approach going? How are those conversations going between those Departments?

Luke Pollard: The first thing I will say is that the work that you have done with Luke Charters has been outstanding. It is a really good example of how really constructive challenge can create change. It is something that has certainly gripped the MOD and Treasury. One of the objectives that the Secretary of State and the team had when we came into office was basically to build a better relationship between the MOD and Treasury in particular. That was not there when we took over, and I think we benefit from a better relationship in looking at that.

It is also a better relationship in terms of raising the challenges that the defence sector faces. On the analogy split between whether the financial services industry or the defence industry is right, I recognise this as the lived experience of the defence industry, especially around ESG, access to

finance and others. That needs to change. It needs to change if we are to achieve the SDR objectives and it needs to change if we are to value those people that are looking to innovate in this area. There is a lot of work that needs to happen there.

Those discussions are happening with HMT colleagues in particular, because a lever to address the majority of the issues could be a regulatory response, and that is held by HMT. Those conversations are productive. I want to see more happen there. I encourage the Committee to adopt wholesale the approach that you are arguing for, but also to make sure that this argument is not held only within the defence realm. It speaks to the whole of society approach, but for defence to achieve our objectives of national security and national resilience in a changing time, yes, defence has to change, but we need the rest of Government to recognise that.

I have certainly seen that a lot more in our cross-Government interactions than I witnessed when I was in opposition, looking at the how different parts of Government are working together. I still think there is a lot more that needs to be done here. Some of the recommendations of your report are being looked at very closely, especially by Treasury colleagues. I know there is more that we want to do in this area.

Q358 Alex Baker: Great, that is good to hear. Another focus for me would be HMRC. A lot of SMEs are getting caught up and tied in knots with HMRC because of MOD procurement cycles, so that has got to be a real focus. There are companies being dissolved, or at risk of being dissolved, because they have not been able to get the cash through procurement cycles to pay their tax bill.

I want to come back to the primes issue. I was with a company in my constituency, which I think is a tier 2 supplier, that is on 120-day payment terms. What are we going to do about this?

Luke Pollard: Across the board, we have been clear right from the start that we want to reduce payment terms for SMEs. That was an early announcement that the Treasury made in the first few weeks after we came into office. That needs to be implemented. I want to see clearer, easier payment terms that support SMEs. I know that Maria Eagle feels strongly about this as well. If you could share that specific example with her, I am certain that it would help. It helps our arguments no end to have examples that demonstrate that we still need to do more in this respect.

Q359 Alex Baker: Looking beyond finance, let me come back to the wider ESG issue. SC Group—Supacat—down in your part of the world, Minister, have spoken publicly about how they have had their website taken off them because their provider achieved B Corp status and suddenly said, “We can’t provide your website anymore—you’re a defence company.” What is your message to B Corp?

Luke Pollard: Securing our national security is a job of everybody. It is absolutely right that those industries, big and small, that contribute to our national security in these heightened-risk times are supported and valued by the whole of society.

Knowing Supacat—it is involved in the production of the Jackal 3, which is built in the constituency I represent—I know that it is a great firm, doing really innovative stuff, with a focus on local suppliers, which is incredibly admirable and could be adopted by more companies. It is precisely organisations like that that we as a society should be backing. Looking at how we can make a stronger argument for that, ESG implications are not just about access to finance, debanking and the availability of loans and support, but can speak to the wider role that the defence industry can play. The Government are absolutely clear on this: we need to invest more in our UK firms, and we need them to be valued more.

When we talk about a whole of society approach, it does not mean just defence looking at a whole of society of approach; it means the whole of society having greater visibility of all the roles that they can play in our national defence. Supporting SMEs, which are often creating good, decent jobs in our regions, is an important part of how we create that added resilience and added national security that we need in this time of threat. I hope that firms can hear clearly the support that the Government is offering, and the defence industrial strategy will hopefully set out more about what we intend to do in that area in due course.

Q360 Chair: During today's session, Minister, you have mentioned that you will write to us on certain things, and there are other areas where we need further information. Can you please assure us that, if our Committee team writes to you by the early part of next week, at the latest, with all those various requests on one list, there will be a response forthcoming by no later than 27 August, in order that we can incorporate all those things in our final report?

Luke Pollard: Yes, I am happy doing that. I am aware that the Government evidence on this was submitted six months ago and the world has changed quite considerably in the last six months, as has Government policy. I am happy to receive that and I will undertake to get a good response back to you.

Chair: Thank you for that undertaking. Minister, directors general and Air Vice-Marshal, thank you so much for your time. I am in no doubt that your evidence will significantly enhance our final recommendations and report, which will be going out to you very soon. With that, I bring today's Defence Committee evidence session on the UK's contribution to European security to a close.