

Defence Committee

Oral evidence: [Future Force 2020](#), HC 512

Wednesday 17 December 2014

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Written evidence from witnesses:

- Ministry of Defence, [FUT 0006](#), [FUT 0018](#)

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Members present: Rory Stewart (Chair); Richard Benyon; Mr James Gray; Mr Dai Havard; Dr Julian Lewis; Mrs Madeleine Moon; Sir Bob Russell; Bob Stewart; Ms Gisela Stuart; Derek Twigg and John Woodcock.

Questions 220-355

Witnesses: **Rt Hon. Michael Fallon MP**, **Air Marshal Sir Stephen Hillier** and **Peter Watkins** gave evidence.

Q220 Chair: Welcome to the public, and a particular welcome to the Secretary of State for Defence; Air Marshal Sir Stephen Hillier, Deputy Chief of the Defence Staff, military capability; and Peter Watkins, director general, security policy at the MoD.

The Defence Committee is conducting an inquiry into Future Force 2020. Secretary of State, could you begin by giving us a sense of what Future Force 2020 is for you? In blunt, general terms, how would you explain to the public the differences between our force in 2020 and our force in 2010 or 2015? What is this thing that you are envisaging?

Michael Fallon: Good afternoon, and thank you for the invitation to appear in front of you. The basis of Future Force 2020 is to have a force that is structured to enable us to deploy highly capable assets quickly across a range of different operating environments, but that can also be scaled up as necessary from smaller to larger units. So in my book it is about agility and deployability, as well as some of the structural elements that we will probably go on to discuss—the combination of the force in terms of Regulars and Reserves.

Q221 Chair: To what extent is it shaped by the reality of spending? In explaining to the public what Future Force 2020 is, are we explaining that we will, for example, be spending a lower proportion of our GDP on defence in 2020 than we might have done in 2010?

Michael Fallon: We are spending at the NATO target of 2% this year and we will go on spending 2% next year. That is the spending review period that takes us right

up to the end of March 2016. I cannot forecast for you where the percentage will land beyond that.

I think it is important to say that a defence strategy is not deliverable in the broadest sense unless it is affordable—that is probably a self-evident truth. To that extent, therefore, the resources that you have at your disposal are shaped by your strategy and to some extent vice versa.

Q222 Chair: Before I turn to Derek Twigg, one of the things that is very striking when we hear the Prime Minister talk about defence, as he did in Prime Minister's Questions today, is that he tends to talk a great deal about technology and kit. I wonder whether, in terms of understanding Future Force 2020, we have a force that is more and more dependent on fancy, exquisite pieces of technology, with fewer and fewer people—whether the balance of our Armed Forces shifting from people towards equipment.

Michael Fallon: There are a number of points there. The Prime Minister is right to contrast the sadly necessary redundancies that were a feature of the early part of this Parliament with the result of getting our budget under control, which has enabled us to invest very large sums of money in new capabilities and refreshing old capabilities. You may describe them as fancy and exquisite; I am not sure whether the Navy would agree with that description of an aircraft carrier or whether the Air Force would agree with that description of an F-35B, but we are now able to invest in equipment—the Prime Minister gave that figure of a £160 billion investment programme—only because we got the budget in order. Getting the budget in order meant some painful decisions, both on the investment side, on the maritime patrol capability and, indeed, on the people side.

Finally, I should make the point that as the economy recovers, we need to do more to be able to recruit and retain the people to man the kit. I am giving quite a bit of thought to that at the moment. I gave evidence to the Armed Forces Pay Review Body last month and they, too are thinking about precisely that. You can have the best aircraft carrier in the world, but you do need the engineering ratings and officers to man it, and we need the pilots to pilot our aircraft and so on.

Q223 Derek Twigg: Can I go back to your comments about the need for the Armed Forces to be affordable? Was it the case that the Treasury said to the MoD, “This is what you have got to spend. Fit your strategy for the future of the Armed Forces within that,” or did the MoD go to the Treasury and say, “This is what we need to be able to fulfil our duties and responsibilities in terms of the security of the country.”?

Michael Fallon: I was not closely involved back in 2010, but I think what happened then is what will probably happen again next year, which is that both these things have to be looked at together. As I said, for a security strategy to be deliverable, it has to be affordable, and to be frank—I was hoping we could keep this reasonably bipartisan—when we came in in 2010, we found some stuff that clearly was not affordable and a lot of stuff that had been programmed but was not actually capable of being financed or was years behind budget. I think there were supposed to have been 21 Nimrod aircraft by 2003, and there were none; that is an example of how the budget was completely out of control. These things do have to go together. We had a proper look at the defence and security strategy and

developed a proper strategy, and planned the future shape of our armed forces accordingly.

Q224 Derek Twigg: Not to be bipartisan—

John Woodcock: Not to be bipartisan!

Derek Twigg: Yes. I never have been. The Government have made their decision, a political decision, to ring-fence the health service and education. Are you aware of any discussions about ring-fencing defence? After all, the security of the country must be the most important responsibility of any Government.

Michael Fallon: It is, and that is why we have enjoyed relative protection.

Q225 Derek Twigg: What do you mean by “relative”?

Michael Fallon: We have had relative protection. For the last few years, we have had a budget based on an increase in what is called flat-real, plus 1% in equipment terms. We also have the knowledge that we hit the NATO target this year and we are going to go on hitting it next year. Of course defence should have the priority that you want to accord it, but our constituents want to see public money spent on other things as well, so these are challenges that we will face next year.

Q226 Derek Twigg: Coming in as Secretary of State, did you have any concerns that there were not enough resources to be able to carry out the functions that the armed forces should be able to carry out?

Michael Fallon: I came in and found a budget that had been put back in order.

Q227 Derek Twigg: So you are happy with it?

Michael Fallon: I was certainly happy with what I found.

Q228 Derek Twigg: You are happy with the budget you got.

Michael Fallon: Let me just answer. Let me say first that I was happy with the Department that I inherited—indeed, I am publishing today Lord Levene’s third annual report on defence reform, and he reports on a Department transformed. To quote just one sentence from it: “To me the MOD is now a very different animal from that which I left some 20 years ago...in terms of showing that they can be trusted to manage the money.”

Q229 Derek Twigg: With respect, Secretary of State, I was very clear in my question. Are you happy with the resources that you have?

Michael Fallon: You asked about the budget, and I am quoting Lord Levene—

Q230 Derek Twigg: No, you are quoting someone else’s view. I am asking you for your view. Are you happy with the resources that you have currently?

Michael Fallon: Yes, I was content with the budget that I inherited, but I am just—

Q231 Derek Twigg: You are content with that.

Michael Fallon: I am just pointing out that Lord Levene himself, who assesses this every year, said that we have shown that we can be trusted to manage our money.

Q232 Derek Twigg: Are the Chiefs of Staff happy—content—with the budget that they have?

Michael Fallon: You have seen the Chiefs of Staff and no doubt you asked them that question.

Q233 Derek Twigg: They said it was adequate.

Michael Fallon: I think Chiefs of Staff are always likely to say that it is adequate, rather than saying how pleased they are. I think that probably comes with the uniform.

Q234 Derek Twigg: What do you think “adequate” means?

Michael Fallon: Adequate to do the jobs that have been thrust on us. You have seen this year how we have responded, particularly how the Royal Air Force has responded to the demands put on it in terms of countering ISIL, and you have seen all three services in action down in Sierra Leone helping to combat Ebola. Nobody turned round to me and said, “We haven’t got the capability and we haven’t got the budget. We’re not able to do these things.” In fact, we were able to deploy a ship, three helicopters and several hundred men within 10 days of being asked, and send them a very large distance. Very few countries can do that.

Q235 Derek Twigg: So we have established that you are content with the budget. Was it predicated—2020—on the basis that the armed forces would not be significantly engaged on operations after the withdrawal from Afghanistan?

Michael Fallon: No, it was based on retaining the ability to deploy at length on the other side of the world and to sustain—I think the exact phrase is to be able to, if I can find it—

Derek Twigg: You’re not sure?

Michael Fallon: To be able to “deploy a Brigade-size expeditionary force on an enduring operation or a Division-size force on a short-term operation”. That is a very good description of the capability that we have at the moment.

Chair: Sir Bob and James want to come in briefly before John Woodcock.

Q236 Sir Bob Russell: Secretary of State, clearly the two go together, but I think it is best that the horse goes before the cart. Would you agree with me that the first responsibility of any Prime Minister, of any Government, of any Secretary of State for Defence is the defence of the realm?

Michael Fallon: Absolutely.

Q237 Sir Bob Russell: So what comes first: the cost or the defence requirement?

Michael Fallon: The horse and the cart travel together. Of course the horse is—

Sir Bob Russell: But the horse is first.

Michael Fallon: The horse may be first, but the point of the horse is to take the cart with it, otherwise we will not get anywhere. That is why I said at the beginning that a strategy, to be deliverable, has to be affordable. These two things do go together, and we will have the opportunity next year to refresh the SDSR alongside the discussions that we will inevitably be having about the next spending review period.

Q238 Sir Bob Russell: But the first requirement is the defence of the realm. Was the removal of maritime surveillance helpful or not to the defence of the realm?

Michael Fallon: The maritime capacity that we wanted, as I said, simply was not there. The Conservative Government left a plan in 1996 that 21 of the new Nimrod aircraft would be in operation by 2003. When we came back into office in 2010, we found no aircraft and a budget that was some £800 million overspent. That is the kind of stuff that we inherited. It is nice to say that you are going to have 21 aircraft, but if you have not actually got them and cannot finance them, then it is not a strategy that is deliverable. In the end, the defence of the realm does depend on sound public finances and an economy that continues to grow, so those two things are part of that primary duty that you ascribe to the Government.

Q239 Mr Gray: May I just ask about a detail that might have been a slip of the tongue? You said a moment ago that you are content with the budget for the past few years, which has been flat real plus 1% on equipment. I think you meant plus 1% on equipment from 2015. Am I correct?

Michael Fallon: Yes, sorry, for the next period.

Mr Gray: Thank you.

Q240 John Woodcock: Secretary of State, so we are all clear, is it the position of the Government, four-and-a-half months before a general election, that you cannot forecast where the percentage of defence spending will land beyond next year?

Michael Fallon: No, it isn't.

Q241 John Woodcock: That is what you just said.

Michael Fallon: With respect, I have committed us to spending 2% of GDP on defence, not this year, but next year, 2015-16, up until the end of March 2016.

Q242 John Woodcock: Yes, and you cannot forecast beyond that.

Michael Fallon: The next spending review is to be decided next year. Spending from 2016 to 2019 is something that will be decided in the spending review next year.

Q243 John Woodcock: So on a cornerstone commitment to NATO and with an equipment programme set out, you cannot even make a forecast, let alone give an assurance, of whether the Government, if they are re-elected, will meet 2%.

Michael Fallon: All of us members of NATO made that commitment at Newport. I have pointed out to you already that we have not only made the commitment, but met the commitment—we are meeting it this year, and we will go on meeting it next year.

Q244 John Woodcock: For how long from next year?

Michael Fallon: Right until the end of 2015-16.

John Woodcock: Yes, and then you just don't know.

Michael Fallon: The next spending review has not yet taken place. It will obviously be up to each Department to fight its corner, but you have seen the commitment that we have made and we have managed to meet it. In terms of equipment, it is because we have got on top of the defence budget and got it back under control from the shambles that we inherited that we have been able to invest in the longer term equipment programmes—the decisions to take the second carrier into the Navy, to build offshore patrol vessels, to invest in armoured vehicles—that take us well into the next spending review period.

Q245 John Woodcock: They do, so as a contribution to fighting your corner, presumably you would accept that, in terms of the equipment commitments that you have laid out—you have made a great show, as others have done, of talking about how this Government balances its commitments to future expenditure with its budget—if the Government in future does not meet its 2% commitment this plan is not affordable.

Michael Fallon: No, the plan we have at the moment on the equipment side certainly is affordable.

Q246 John Woodcock: So it would be affordable on less than 2%?

Michael Fallon: We would not enter into these long-term commitments unless we were able to finance them properly. That is what went wrong before.

Q247 John Woodcock: Does that mean that you need 2% for it beyond next year or not?

Michael Fallon: I have already answered the question on 2%.

Q248 John Woodcock: But not on that particular point. This is really important. Is this programme affordable on less than 2% or not?

Michael Fallon: This programme is affordable. We would not have signed these contracts unless we could afford it.

Q249 John Woodcock: And does that mean you need 2%?

Michael Fallon: I have already indicated—

Q250 John Woodcock: You haven't beyond next year.

Michael Fallon: We are meeting the 2% target at the moment. I cannot forecast as you ask me to. It is not possible to forecast where the spending decisions will come out. It is also important to note that the economy itself is growing rapidly, so the 2% figure itself will be changing—probably quite markedly over the next few years if the economy continues with the growth we have already seen.

Q251 John Woodcock: So are you saying that that is a reason why it might be harder for a future Government to meet it?

Michael Fallon: It might be harder; it might not be.

Q252 John Woodcock: So if you meet your growth forecasts, it will be harder to meet the 2%.

Michael Fallon: If we meet our growth forecasts, the 2% figure will increase, of course. That follows. It will be a larger figure.

Q253 John Woodcock: So in a way are you sort of softening up the public for the fact that you may not meet your 2% target?

Michael Fallon: I have been quite careful this afternoon not to soften or harden the public in any way.

Q254 John Woodcock: I am just trying to interpret the reason why you introduced growth into the conversation. There must be a reason for that.

Michael Fallon: I have introduced growth into the conversation because the 2% target you and I have been discussing is a percentage of GDP. Now, we have had a number of revisions to GDP over the past few months that have affected the target and we will, I hope, continue to see our GDP grow if we maintain our policy and stick to the long-term economic plan, which I am sure you hope we will.

Q255 Chair: Secretary of State, before I go to Julian Lewis I will just finish up this line of questioning from John Woodcock. Given, first, that we said in Newport to many other NATO countries that they should meet a 2% target, secondly, that we have some expensive equipment commitments and, thirdly, that we are facing very unprecedented threats from perhaps the most dangerous situations we have seen for 20 years, with Russia and Ukraine and a nightmare scenario in Iraq and Syria, would you accept that there would be serious concern among this Committee and among the public if, beyond 2016, any Government—whoever was in government—was to drop below 2%? Would you accept that it might be possible that people would interpret that as hypocritical because of our pressure on other NATO countries, and dangerous in terms of our national security?

Michael Fallon: I hope you welcome the agreement we got at NATO. A number of countries are nowhere near 2%, and some of them are only just above 1%. We played our part in encouraging every single member of NATO—there were some laggards right up until the last moment—to endorse that commitment and accept the aim. Encouragingly, a number of the countries that are well below 2% are now actually increasing their defence budgets—we have seen that in Poland and in two or three other countries that are already beginning to increase their budgets now—and the French are holding their budget in very difficult fiscal circumstances. So

the overall commitment is there: people want to see defence spending increased rather than reduced, and that is certainly what I want to see, too.

Q256 Dr Lewis: On exactly the same line, we have heard today from you, Secretary of State, and have heard many times from the Prime Minister—it trips off the tongue—that defence is the first duty of Government. For that reason, why do you think that defence is not ring-fenced when other areas of Government activity are?

Michael Fallon: You say that it trips off the tongue of the Prime Minister and myself, and it also tripped off the tongue of the Committee. It is the first duty of Government. I think that the Government would have difficulty ring-fencing absolutely everything, because there certainly would not be enough money to go round. The Prime Minister was at the NATO summit and played a very big part in encouraging us to make sure that as many NATO members as possible accepted the new obligation. He is well aware of the importance of defence, and he and the Chancellor absolutely get defence and take a strong interest in our work.

Q257 Dr Julian Lewis: But do you accept that every time another area of Government activity is ring-fenced, if cuts are to be made they will bear disproportionately heavily on the remaining areas of Government activity, and defence is one of those?

Michael Fallon: If every area starts to be ring-fenced except defence, yes, of course that follows. You are assuming a huge package of cuts, and I think it is too early to make that assumption. We were told that the world was going to end in 2010, and it did not. We are able to fulfil our commitments, and have been able to fulfil our commitments, around the world with forces that have been slightly reduced in number. There were some capabilities that we had to dispense with—the decision over the Harrier and over Nimrod—but we have still been able to fulfil those commitments and to accept the new challenges that have been thrown at us this year. We have proved that we are capable of doing that.

Q258 Dr Lewis: The Chairman made the point that we have got an increased threat environment, along the more traditional lines of what we faced at a much more intense level during the Cold War, plus the existing far-flung areas of concern. Would it not be an absolute disgrace, bearing in mind that for half a century this country spent between 4% and 5% of GDP on defence and then cut it with the ending of the Cold War, if this country failed to fulfil the NATO 2% minimum indefinitely as long as NATO has that 2% minimum?

Michael Fallon: On your first point, there are challenges that have increased, but equally there are other pressures that have eased. For example, the spending pressure from Afghanistan has significantly eased with the drawdown of our troops from Afghanistan. These pressures ebb and flow. I am proud that we managed to meet the 2% target this year and that we will meet it next year. All I can do, in front of this Committee, is to ensure you that I will be fighting my corner when the spending review begins next year.

Q259 Richard Benyon: Secretary of State, you have mentioned the intention of being able to deploy an integrated force at brigade level for a sustained period and at divisional level for a shorter deployment. How confident are you that that can be quickly ramped up in order to meet an emergency?

Michael Fallon: Reasonably confident. I think that that is the point of the new configuration—that these forces can be deployed quickly in whatever shape they take, whether they are part of the joint expeditionary force or the very high readiness taskforce that we also agreed to set up at NATO. Speed is what is necessary, particularly in the NATO context when we want to give reassurance to our NATO colleagues. The front line elements of the armed forces are held at a range of different readinesses, as you will appreciate, so that they can be deployed at pre-determined time frames. Those readiness levels vary across the different services and they reflect the different requirements of the National Security Strategy. I am confident that we can deploy as agilely and as fast as we need to.

Q260 Richard Benyon: The Committee met recently with our opposite numbers in the French Parliament and we have met with the French defence academy. We are starting to push to see how this new arrangement with the French is going to work and what it means. It is clear that they have a very different system of deployment—presidential decree. They have different interests in different parts of the world. How confident are you that the Lancaster House agreement, in the light of our commitments to both NATO—the very high readiness joint taskforce—and to work collaboratively with the French, is realistic within the constraints that you face?

Michael Fallon: There are, of course, differences. They are able to deploy without the authority of Parliament. The convention here now is that we have to have parliamentary approval before military action. I have been quite struck since taking up this job at just how close the working relationship is with the French. I have met my French counterpart four or five times since July.

Peter Watkins: Five.

Michael Fallon: Five times. We speak regularly. We speak on the telephone and we share a very similar approach. There is a very good working relationship, as you will have seen, between the top of our respective Armed Forces. We are working with the French at the moment on the implementation of the agreement for the very high readiness taskforce to make sure that the command and control—the governance of the force—is right and can be deployed within 36 hours of being required.

Q261 Richard Benyon: What training is being done to understand whether the very high readiness joint taskforce can deploy effectively and quickly in a fully operational manner?

Michael Fallon: I wonder if you would allow me to turn to one of my colleagues on that rather technical question. Who would like to take that one?

Air Marshal Hillier: First, there is an extensive amount of training and co-operation going on at the individual service levels. All three of the Services and Joint Forces Command are deeply involved in both capability planning and exercise planning to make sure that we can enhance our capabilities. Last Monday, I was in Paris with the Vice Chief of Defence Staff and we were with our French counterparts, reviewing progress against that. Our general sense was of very strong progress and that this was really coming to life now after the planning we put in place.

In terms of the specific question of when this all comes together, I would need to check the exact dates. There will be a Griffin strike exercise in 2016, which is major—I think that the figure is around 10,000 people involved across the two nations. We are aiming to bring together a Joint Taskforce in an exercise scenario and prove that we can do what we set out to do. That is the culmination of all the work we have put in but, as I say, it is the culmination of many years of hard work and a lot of co-operation. Individual exercises are already taking place. Of course, as the Secretary of State said, that is exercising but the real world is allowing us to do this on operations. If I look at the extent to which the UK has, for example, provided airlift, intelligence and reconnaissance assets in support of French operations in Africa, that is a real demonstration of us doing this in reality, not just planning for a future possibility.

Peter Watkins: In the Lancaster House agreement, it was decided to set up something called the Combined Joint Expeditionary Force. That will reach its full operating capability in 2016, as the air marshal said, following those exercises. We have a very close dialogue between me, my staff, my French counterpart and his staff on sharing our analysis of what is happening in the world, exchanging information and so on. I think that it is a good relationship.

Q262 Bob Stewart: Secretary of State, can we go on to the senior service—the Royal Navy? Could I ask a few questions on that? Others can come in on this. Obviously, I will start with the crisis in naval manning, which seems to be quite acute, particularly in Type 23 frigates and the Royal Fleet Auxiliary. I understand that there are about 35 US coastguards helping to man the Royal Navy vessels, and someone said that the French have possibly been approached to help man some of our ships. Would you kindly comment on that?

Michael Fallon: I think that there have been manning issues in the services where there are personnel involved whose skills are in great demand now, particularly as the economy recovers, and particularly in engineering and some of the other technical trades. The Royal Navy is working very hard and imaginatively to deal with that, competing with other industries—civil aerospace, civil nuclear and others—that are after the same people. It is also having to cope with slightly higher-than-anticipated outflow rates from the Navy at the same time. They are doing that through a range of measures, addressing the length of the deployments and some of the other things you need to do to get the work-life balance right, but I am not aware of specific issues with Type 23. I have been on board St Albans and Sutherland in recent weeks and I found the crews there in good heart.

Q263 Bob Stewart: They are in good heart. I have met a chief petty officer and a petty officer, both female engineers, who feel that they have no choice but to leave the Royal Navy. They do not want to, but they feel that they are away so much that they do not get a chance for an outside life. They are the sort of people who are crucial to the engineering branch of the Royal Navy. I simply give that as an example; I have actually met two people on Bulwark.

Michael Fallon: I am sorry to hear that. As I said, I think work-life balance is important. I hope the new deployment lengths will address that and give a longer break in the middle of a major deployment, and also reassurance that when people come back from a long deployment they are not immediately then going to be

poached to fill gaps in other ships. I hope we will see the proof of that by next autumn or the end of next year as some of those initial new long deployments take shape.

Q264 Bob Stewart: I'm afraid I'm a bit of a bore about maritime patrol aircraft, Secretary of State. That was because my brother commanded a squadron and he is on my back the whole time. Was any consideration given to the P8s as a quick fix for the MPA capability gap, which I know you are fully aware of?

Michael Fallon: I am aware of the gap. This was a decision that was taken back in 2010, which had to be taken. These were Nimrod aircraft that had not arrived. They had not been built. We were years behind and massively over budget. It was a painful decision, but one that had to be taken. I am not just thinking but looking at maritime capability more generally; not simply the patrol capability, but looking at all those assets that are involved in surveillance, because we need to be clear as a Ministry, before we go into the strategic and security review next year, just what the requirements are now, and they may have shifted a little since 2010. So it is something that I am keeping an open mind on.

Q265 Bob Stewart: My last question is on frigates. I am so old that I remember when I was told at the staff college that 42 frigates and destroyers were absolutely fundamental to our security, and we would never go below them. Now that we have 19 frigates and destroyers I am slightly concerned about how you manage all the commitments on that. Say three or four ships were required for each commitment. As a rough rule of thumb, I would think we could not do it without 21. For example, HMS Severn, a patrol ship, is being used in a frigate-destroyer capacity at the moment, so I wonder whether that will be factored into the next SDSR as well. The Royal Navy, on its current commitments, being fair to it, is probably light with regard to frigates and destroyers.

Michael Fallon: It is important to recognise that we are fulfilling our commitments. Of course, there is always more that you can do. We are always being asked to send ships to various exercises, expositions and commemorative visits that are planned and so on, but we are fulfilling our basic commitments with the 19 frigates and destroyers that we have. And we have only just seen enter into service the last of the T-45s, HMS Duncan, which was a part of the NATO summit. Those ships are fulfilling their commitments around the world. The decision that awaits us now is the replacement for the frigates, for the Type 23s, which is a decision that we hope to take shortly.

Q266 Chair: Just to follow up on that final question, presumably one of the big problems about having only 19 is that if you are in a conflict in which these things were sunk, we would be down to real bare bones. The reason we used to talk about 42 is that there was some redundancy in the case of these things being sunk. Are we taking a degree of risk by reducing to these sorts of numbers? What sort of contingency planning have we got around that?

Michael Fallon: We are accepting that there is not a lot of redundancy. As I said, the 19 are spread round the world, fulfilling their commitments.

Peter Watkins: I, too, am old enough to remember the days of 42 destroyers and frigates. Indeed, we used to talk about 50. I think it is fair to say that some of them

were pretty ancient. Many of them were unserviceable most of the time, so what we have moved to is a smaller, but much more capable and reliable fleet. We can be more sure that they are available if they are needed. They are also, to pick up the chairman's point, considerably better armed than some of those “,” “Old Ming” as the Navy call them, used to be. I think we can manage the risk.

Q267 Bob Stewart: And to help you, they don't need as much maintenance as the old ones did, so you can have fewer.

Michael Fallon: But they are also bigger and better ships able to do more than those ships that comprised your 42 or 50 strong fleet. We need to emphasise that they are fulfilling their commitments. We have commitments to keep our home waters secure; we have commitments in the north Atlantic and the Caribbean, to patrol in the Antarctic and to deploy periodically to other areas of the world such as the far east and the Pacific. The recent *Sun* military awards, the Millies, included recognition of the work that *Illustrious* was able to do in the hurricane in the Philippines.

Q268 Dr Lewis: I am going to talk about the carriers and the aircraft that will fly from them. Now that the Prime Minister has announced that the Navy is going to have both carriers, could you start off by giving a general statement on how they will contribute to the future defence of the United Kingdom?

Michael Fallon: Let me first report that I visited the two carriers a couple of weeks ago and I walked upon both of them. *Queen Elizabeth* is now coming along nicely, looking much more like a ship, and *Prince of Wales* is being assembled faster than *Elizabeth* was because of some of the experience and lessons that had been learnt from the assembly of *Elizabeth*. I am hopeful that *Elizabeth* will be delivered into the Navy in 2017 as is programmed. At the moment, I think she will be.

In terms of the number of aircraft involved, and the Air Marshal will probably be able to give more technical detail here, when I came into office I think we had already purchased four aircraft. I bought four more last month and we will continue to purchase aircraft in batches to get us up to the initial operating capability that we need for 2018. We need the initial flying trials off *Elizabeth* later in '18 or at some point during '18 and then full initial strike capability by 2020.

Air Marshal Hillier: It is exactly as you described, Secretary of State. We have already signed up to four, have just signed up for another four and there are another 10 that we will sign up to in due course as part of an incremental buy over time. That buy profile is absolutely aligned with the construction commissioning and acceptance schedules for the ships. We will have worked up the ship in 2018 and, for the aircraft, we will have our first operational squadron. We will bring the two together in 2018 and then we will have an initial operational capability for carrier strike in 2020, which we will be able to deploy worldwide.

Q269 Dr Lewis: As we have gone straight into the aircraft numbers, I will stick with that for the moment and then, if I may, go back to the question about the role of the carriers in a bit more detail. In terms of the aircraft numbers, the intention is, and I believe always has been, to buy 48. Is that correct?

Michael Fallon: We have deliberately not confirmed the total number that we are likely to buy. You will appreciate that some of this is a commercial negotiation over the aircraft, so I would not want to be tied down to the actual numbers. As I say, we had four, we bought four more last month and we are going to continue to buy them in batches to meet the schedule that Air Marshal Hillier has described.

Q270 Dr Lewis: Has the decision to proceed with the second carrier and deploy it in any way affected, upwards, the number of aircraft that we are going to purchase, or are we going to have exactly the same total of aircraft that we would have had if we had bought only one carrier and deployed it?

Air Marshal Hillier: As the Prime Minister said, we will bring both of the aircraft carriers into service and we will be able to operate both. In terms of the number of aircraft, we said that is an SDSR15 discussion. We will look in SDSR15 at total through-life buys of F-35 and what that means for our operational posture with the carriers. That is an SDSR issue because, as you will appreciate, aircraft of such complexity are expensive, and that scale of decision is, quite properly, within an SDSR remit.

Q271 Dr Lewis: Instead of looking at maximum numbers, let's look at some minimum numbers. How many aircraft will be available from the moment that you are able to start flying any aircraft off the first carrier, Queen Elizabeth?

Air Marshal Hillier: Our plan is that when we get to carrier strike initial operational capability in 2020, we will have an operational squadron and a conversion unit building up to support it. As for the number of aircraft on the ship, this is where we get into the operational planning space: we put the number of aircraft on the ship for the tasks that it needs to do at the time, so it is not helpful to say, "It will always have this number of aircraft."

Q272 Dr Lewis: That was absolutely not my question, and I am sorry if I did not make it clear enough. I am asking: what is the minimum number of aircraft that we will need when the first carrier starts to fly aircraft in terms of making the first landings and take-offs? What will be the minimum number in your conversion unit and the minimum number that you will have on the first ship when it starts operating aircraft in any capacity at all?

Air Marshal Hillier: In 2018, we will start the first-of-class flying trials. I expect that those are likely to happen off the eastern coast of the US, because at that point more of our aircraft will be based in the US as we start to work up, so one aircraft will be the first thing that happens, logically. That will be a big moment for the carrier itself, but our aircraft, with UK crews, are already starting initial flight trials on US Marine Corps aircraft off the eastern coast of the States. I was there about a year ago, witnessing some of those early activities. So it will start with small numbers and build up to be a squadron's worth by the time we get to the initial operational capability.

Q273 Dr Lewis: And how many aircraft in a squadron?

Air Marshal Hillier: It ranges between 10 and 16 aircraft. There is no fixed number for a squadron; it is what is required for the task.

Q274 Dr Lewis: Okay. I think that I have got as much blood out of that particular stone as I can expect to, so let's go back to the role of the carriers.

The supercarriers emerged from the 1998 strategic defence review and the concept was clear that, because the Cold War had ended, if we were to find ourselves in conflict it would presumably be in other parts of the world where we no longer had a chain of bases from which to operate, so we would have a sea base centred around an amphibious task group and a carrier taskforce. Does that concept still hold good today? If not, what is the concept for operating the carriers worldwide?

Air Marshal Hillier: The fundamental concept is the ability to deploy air power at a time and place of our choosing. The evidence is clearly there at the moment that we can rely on allies to provide land basing, but we cannot be sure that we can rely on them in all circumstances. What it gives us is the flexibility and choice to do this in a sovereign way. That basic concept, which is essentially as you described, endures.

Q275 Dr Lewis: Right, so we will have a situation where, in far-flung theatres, we would have a taskforce based around one or both carriers and that would still be the same plan, protected by an anti-air-warfare destroyer to give it protection from air attack and by an SSN submarine to protect it from other forms of surface and sub-surface attack. Given that the plan was originally formulated in 1998 for the moveable sea base based around the amphibious force and around the carrier strike force, can you absolutely assure us, Secretary of State, that there is no question that the number of frigates and destroyers will go below 19, when at the time it was originally going down—if I remember correctly—from 35 to 32, and then it went to 31, and then it went to 25, and now we are at 19? So, bearing in mind that the concept for the use of the carriers remains fundamentally unchanged, is there any danger at all that we will not get the 13 frigates that are necessary to take our frigate and destroyer force up to the minimum total of 19?

Michael Fallon: Well, I wasn't around in 1998 dealing with this, so I don't quite recognise some of the numbers you have given—

Dr Lewis: They are correct, I can assure you.

Michael Fallon: I am sure they are, but I am not quite familiar with some of the numbers you have given. Our decision is to have continuous carrier capability; that is the decision that was reinforced by the Prime Minister just for the NATO summit. That obviously has resource implications, both in the number of ships and indeed in personnel, and those are largely going to be addressed in the spending review next year. I do not think I can say any more, other than that at the moment I am actively considering the new Global Combat Ship to which you are referring as to the timetable and the number of them that we need to order.

Do you want to add anything on carrier screening, Air Marshal?

Air Marshal Hillier: I think I would just add that, again, it depends on the threat. There is no single carrier task group for all circumstances. We will defend the ship according to the threat, and where we put the ship will depend on the threat as well. The other key aspect is allies. We would expect in any high-intensity conflict to be deployed alongside allies, and we would be able to use their screening forces

as we would be able to contribute to their screening forces. The ally context is very important in this. The final point is a comparison with where we were in 1998—the point that Peter mentioned earlier. A Type 45 is far more capable than a Type 42, which is what we had in 1998.

Q276 Dr Lewis: I am going to pass over to other people now, but I am disappointed that I have not had a confirmation that there is an irreducible minimum number, because you can make a single ship more and more powerful but it can only be in one place at any one time, and if—God forbid—it is put out of action, then you have lost a higher proportion of your firepower. Is there no one who is going to say that 13 frigates, given the way the numbers have come down, is an irreducible minimum?

Air Marshal Hillier: I would be focusing not so much on the frigates as on the Type 45 destroyers, because the anti-air capability is significant, and the nuclear submarine capability as well, with seven Astute class submarines; again, they are far more capable than what we have had before. Clearly, numbers have an advantage in themselves, but having been in these positions myself in the operational command, it is not just about, “You do something and it only has this size, and it can only move into these places.” You moderate and regulate your task according to the capabilities that you have in place at the time.

Dr Lewis: One last comment. Remember that the number of destroyers was originally billed as 12; then it was going to be eight, and it ended up at six. The number of submarines has come down as well. You cannot substitute one class of ship for another and we have to bear in mind that all these numbers have been reduced.

Chair: Thank you, Dr Lewis.

Q277 John Woodcock: Secretary of State, can I just check that the evidence the First Sea Lord gave us a couple of months ago was correct when he said that the Government are not currently making provisional plans to be able to deploy both carriers with air strike capability at once in extreme situations and that that is a matter for the forthcoming defence review?

Michael Fallon: Yes. We have announced continuous carrier capability—

John Woodcock: But not air strike.

Michael Fallon: —but the exact nature of that capability on each of the carriers need not necessarily be the same. As I have said, however, there are resourcing implications there that will have to be sorted out next year.

Q278 John Woodcock: So I guess that you also agree with the First Sea Lord when he asked, “Why wouldn’t you reinforce the strategic opportunity?” and then said that “fundamentally we will need enough jets to make those carriers credible as strategic assets.” Is he right?

Michael Fallon: I think he may well be right. I note that the United States has four carriers at sea, but 11 altogether, so this concept of having one from two continuously available is—

Q279 John Woodcock: To be clear, he is talking explicitly about air strike capability.

Michael Fallon: I must look at exactly what he said. I do not doubt you.

Q280 John Woodcock: I am reading it verbatim for you. He said that “we will need enough jets to make those carriers credible as strategic assets.” They are not going to be credible strategic assets unless they have planes.

Michael Fallon: I do not know whether he is referring to both of them being at sea at some point together.

Q281 John Woodcock: With air strike capability, he is.

Michael Fallon: But that is not actually what I have said. I have said that the capability has to be continuous so that one is always available 100% of the time.

Q282 John Woodcock: His exact words to us in evidence were that that would be a matter for the defence review, “but why wouldn’t you?” because they will not be “credible as strategic assets” if they are not. So presumably he is right.

Michael Fallon: What he is saying is that that is one of the arguments that we will have in the spending review next year. He will no doubt be pressing his case, which he does pretty vigorously.

Q283 Ms Stuart: I want to turn to the Queen Elizabeth carrier. You will have strike capacity by 2020 but sea trials will begin in 2017—is that right?

Michael Fallon: At the moment, it is planned that the Queen Elizabeth will be ready for us in the first half of 2017.

Q284 Ms Stuart: At that stage, what will be the first planes to take off from the carrier? They will not be F-35Bs, will they?

Air Marshal Hillier: In 2017, we plan to accept the carrier from industry. There will then be an extensive period of going through the commissioning and acceptance and ensuring that the ship does what we expect it to do; then we will start to train the ship’s company to be able to operate the carrier effectively in all circumstances. In between those times, there will be small periods of ship maintenance, so it will be quite an extended and extensive period through 2017. In 2018, we will start to do the first-of-class flying trials. The first flying trials will be with helicopters, as you would expect, as it is fairly straightforward, so we will have Navy helicopters on the ship. We will then take the ship and introduce the F-35, so the first jet aircraft that I expect to be on our carriers will be the F-35 in 2018.

Q285 Ms Stuart: And not US Marine Corps aircraft?

Air Marshal Hillier: The plan is not to have US Marine Corps aircraft, but we are working extremely closely with the US Marine Corps. Our plan is that our first operational squadron will be formed in the United States. We will do a pooled training effort with the US Marine Corps through 2016, 2017 and 2018. We expect the first aircraft to be UK aircraft, but having the US Marine Corps as part of it is a critical part of our future capabilities. That we can embark other nations’ aircraft shows the strength of the capability that we can deploy. It is a strength in strategic terms of being a full part of an alliance with the US.

Q286 Ms Stuart: I do not question that at all. I just want to establish that your aim is that the first aircraft to take off will be a British F-35.

Michael Fallon: Yes.

Air Marshal Hillier: Yes.

Q287 Mrs Moon: We have agreed that a squadron has an unspecified number of planes—between 10 and 16. We have now got only seven fast-jet combat squadrons. Can you break that down for us?

Air Marshal Hillier: In terms of the types of aircraft?

Mrs Moon: Yes.

Air Marshal Hillier: At the moment, we have four Typhoon squadrons and three Tornado squadrons.

Mrs Moon: So four Tornados—

Air Marshal Hillier: Four Typhoon and three Tornado.

Q288 Mrs Moon: Can you break that down into the number of aircraft?

Air Marshal Hillier: I couldn't tell you how many aircraft are in each of those squadrons at the moment. I would need to go away and talk to the Air Force. It averages out at about 12 to 14, I think, but I would need to check to give you the exact number.

Q289 Mrs Moon: So we do not know exactly how many we have now. Do we know exactly how many we will have in Future Force 2020?

Air Marshal Hillier: In terms of the numbers of aircraft or the numbers of squadrons?

Q290 Mrs Moon: The number of fast-jet combat squadrons and the number of planes that will be flying.

Air Marshal Hillier: We expect that in 2020 we will have increased to five Typhoon squadrons, and by that stage we will have one F-35 squadron. The Tornado will be out of service.

Q291 Mrs Moon: This inquiry is looking at Future Force 2020. We need to have on the record that we do not know how many planes we have now, but we do have an idea of how many squadrons we will have in 2020.

Air Marshal Hillier: I know the number of squadrons. It is not that we do not have an idea of the number of aircraft. All I am saying is that I do not know right now how many aircraft are in those individual squadrons, but I can go away and provide you with that answer. It is straightforward.

Q292 Mrs Moon: That would be very helpful. Monitoring it is part of our duty, so we must be quite clear about what we have now and what we are going to have.

Secretary of State, I have to pick you up on a couple of points that you made. You said that the MRA4 had not been built, and you said that there were no Nimrods at the time of the last strategic defence review. I do not think that is correct. They might not have been delivered, but there were certainly plenty of aircraft, and flight tests had taken place; otherwise, how do we have film footage of their being sliced into small pieces when you withdrew the contract?

Michael Fallon: None of them had actually been delivered.

Q293 Mrs Moon: That is a totally different thing.

Michael Fallon: It is an important thing. Aircraft that have not been delivered are not very useful. Do you want to add to that?

Air Marshal Hillier: As the Secretary of State said, they were in the development programme—I flew in a Nimrod MRA4 in 2009—but they had not been delivered. Part of our decision making was influenced by the fact that we were having significant difficulties in the development programme—there were concerns about the level of effort still required to ensure that the aircraft were airworthy and that we were going to be able to certify them for use—so that was another layer to the decision making at the time. There was also the question of value for money, because the numbers were getting so small that the support for those aircraft was starting to look disproportionately expensive.

Q294 Mrs Moon: So there were Nimrods, they had been built, and they had been flown by the RAF.

Air Marshal Hillier: They were not owned by the RAF at that stage. Some RAF crews were involved in the development process, but I am pretty confident that they were still owned by the company at that point.

Q295 Mrs Moon: At the point of deciding that Britain, within our strategic defence review, could do without maritime patrol aircraft, why did we not carry out an inquiry into what we would replace it with until after we cut them up? That evidence was given to the Committee when we did our inquiry into the MRA4, and it was clearly demonstrated to us that the Ministry of Defence decided on a financial basis to cut the MRA4 and then put together a committee to look at what we were going to do to provide maritime patrol capability. Why are we making decisions in such a cack-handed way?

Michael Fallon: With respect, I think it was the programme that was cack-handed. As I told the Committee earlier, there were supposed to be 21 aircraft, but that was eventually reduced to nine; in 2010, those aircraft were seven years late, still not accepted into the RAF and nearly £1 billion over budget. What was cack-handed was the programme and whoever was running it at the time. We had to take some difficult decisions to get the budget under control. The budget is now under control and, happily, we are now able to invest again in the equipment that our Armed Forces need.

Q296 Mrs Moon: Again, I have to take you back, Secretary of State. I appreciate that you were not Secretary of State at the time, but the MRA4 was not part of the first tranche of cuts; it was not part of any cuts at all until the Treasury came back and

asked for further cuts. It was then decided to offer up the MRA4. So the decision was not about their capability; it was about the level of cut that had been requested. So for Future Force 2020, can we have any sort of guarantee that we will have some sort of maritime patrol capability?

Michael Fallon: I can only repeat what I said earlier. It is because we have sorted out the defence budget that we will be able in the review next year to look at these issues again: not just that capability, but some of the other capabilities that had to be reduced when we took some of these painful decisions to get the budget properly under control and properly managed. We are now able to do that. We will be able to have a fresh look at a number of things next year precisely because we are no longer spending beyond our means on programmes that are not being properly controlled. If you look at Lord Levene's report today, you will see that he acknowledges that for the first time we have got our spending properly under control and that we are now capable of managing these large-scale equipment programmes. It is because of that that we will be able to look at all of that next year.

Peter Watkins: If I may add to that, Secretary of State, my recollection is that the decision to cut the MRA4 programme was announced in the 2010 SDSR along with the other decisions; it did not come later.

Chair: We have done rather a lot of work on the historical, so could we try to keep the focus on Future Force 2020?

Q297 Mrs Moon: That is fine. I am happy to do that, but I also have a clear recollection of being lobbied in Central Lobby by senior members of the RAF on that issue at the time.

ABC15 is looking to reduce the numbers of C17s, C130J Sentinels and others. Can you give us the figures?

Michael Fallon: Which figures would you like?

Mrs Moon: Can you tell us how many of each platform you are planning to reduce?

Michael Fallon: No, I cannot tell you how many we are planning to reduce.

Air Marshal Hillier: For the C130J, we have a phased reduction in numbers which runs to, I believe, 2022, but I can check that for you. That phased draw-down of the C130J is to match into our build-up of the A400, the first one of which we took delivery of in the RAF last month. So by the time we get to 2022, we will have more tactical airlift capacity as a result of introducing the A400. So one is going down and the other one is going up. I can give you the exact numbers, but I do not have them to hand.

For the Sentinel aircraft, from SDSR10 there was an assumption that it would be withdrawn from service on 1 April 2015. As a result of the review of our capability requirements and managing our budget properly, we were able last year to continue the Sentinel in service for a number of extra years. Then, in SDSR15, we are going to look at Sentinel again as part of the whole range of airborne ISR capabilities and

decide on our future strategy into the 2020s and beyond. So Sentinel is in service at the moment and will stay that way, and we will look at it again in the SDSR.

Q298 Mrs Moon: So no plan to cut Sentinel by one?

Air Marshal Hillier: I have not heard cutting Sentinel by one. I am not sure what that is. The numbers we have in service at any one time—again, I would need to check with the RAF, if you like.

Q299 Mrs Moon: And Chinooks?

Air Marshal Hillier: I am not aware of any change to our plans on Chinooks. We expect in the future to have a force of 60 Chinooks of various marks, and they are expected to endure into the future—an extremely capable platform.

Q300 Mrs Moon: Okay. We have made a decision to retain the Tornado in service to 2019, I believe.

Air Marshal Hillier: Yes.

Q301 Mrs Moon: You will be aware of recent complaints from those who are in Cyprus that we have needed to provide eight to keeping two flying. Are you happy that they are capable of carrying out the roles and tasks that we are allotting to them?

Michael Fallon: Yes, I am. UK aircraft have flown some 220 combat missions¹ since Parliament gave the authority for them to do so over Iraq and a very high number of strikes as a result—I think, four or five times the number of French strikes by comparison. Tornados are performing extremely well. Indeed, one of the things we are looking at is whether some of the Tornado capabilities can be accelerated across to the Typhoon a little earlier than we had otherwise envisaged, because they have really demonstrated their worth in the campaign against ISIL this autumn.

Q302 Mrs Moon: Was the decision to keep the Tornados taken because we had no other capability of delivering guided precision weapons?

Michael Fallon: Well, this is our fighter—our fighter-bomber. This is what it is designed to do and it is doing very effectively. They have been working extremely hard down there.

Q303 Mrs Moon: But they will not go out of service, many of them, next year.

Peter Watkins: One squadron is due to go out of service in 2016, which we are now running on, but the planned out-of-service date for the fleet of 2019 remains unchanged.

Q304 Mrs Moon: Are we now able to give the personnel serving in Cyprus a hot meal in the evening when they are working on aircraft?

Michael Fallon: They are treated exactly the same as any other—I hope you have visited RAF Akrotiri, as I have done. They are treated exactly the same as any

¹ Including Reaper Remotely Piloted Air Systems.

other RAF station. The meals and the back-up there and the support services are no different.

Mrs Moon: So they can now have a hot meal in the evening if they are doing the night shift?

Michael Fallon: They can have a hot meal.

Q305 Mr Gray: Given our known commitments through to 2020, and given the known extras that we already have in place—the rapid reaction corps and the Iraq deployments, and all those things—but, more important than that, given the global risk profile through till 2020, can you conceive of any circumstances in which we could manage with a Regular Army smaller than 82,000?

Michael Fallon: Well, I think we have set out what the overall number should be—we are aiming for an overall number of 112,000—and I think that is the probably the best way to look at it, because increasingly, now that we have halted the decline of the Territorial Army and we are building up the Reserve side, I think you should look at it as the whole force together. So I do not think it is going to be particularly useful from now on to talk simply about 82,000. I would rather rest on the 112,000.

Q306 Mr Gray: I will come back to that quite important, interesting point you make. Let's call it 112,000 then: can you think of any circumstances under which the entire Army could, by 2020, be fewer than 112,000?

Michael Fallon: Well, I don't have a crystal ball. It seems to me that the shape of the armed forces is pretty well what we want them to be, but I don't have a crystal ball for the future.

Q307 Mr Gray: Are you committed to maintaining the numbers at 112,000 altogether?

Michael Fallon: That is what we have said for the period of this review. Of course, we will look at all these things again next year, but as I have said to you, it does not seem to me that the overall shape of the armed forces needs substantial adjustment.

Q308 Mr Gray: Will there be a Conservative party manifesto commitment to maintaining the Army at 112,000?

Michael Fallon: That is a question probably best addressed to the authors of the manifesto. It is probably a little too early.

Mr Havard: The 1922 committee now, is it?

Mr Gray: Sorry, it is probably a little too early.

Q309 Mr Gray: The line of questioning is quite important. I detect from your answers a less than iron commitment to maintaining the Army at its current strength.

Michael Fallon: You should not detect anything from my answers. The Conservative manifesto has not yet appeared.

Q310 Mr Gray: My question is not a matter for levity, Secretary of State. My question is whether you, as Secretary of State, are determined and committed to maintaining our Army at 112,000 altogether, or not. That is the question.

Michael Fallon: I have said that it seems to me that the overall size and shape of our armed forces is about right, but we have the opportunity every five years to have a look at these things again, and we will do that in the context of the strategic review next year. The Conservative manifesto has not yet appeared, and when it does, that will be one of the sections you will be looking at.

Q311 Mr Gray: I would like to think that you had some commitment and input to it. I will come back to your interesting point that we should no longer look at it as being 82,000 Regulars and 30,000 Reserves.

I remind you of a change that occurred between your two predecessors, the first of whom said that we would reduce the Regular Army to 82,000 and increase Reserves simultaneously; it was Liam Fox who said that. That was changed under your immediate predecessor, who said that we would reduce the Regular Army to 82,000 and will subsequently increase Reserves to 30,000. You seem to have changed that line slightly by saying let's talk about an Army of 112,000 and the mix within that of Regulars and Reserves may vary, presumably. Sometimes it may be more Regulars and sometimes fewer. Is that how it works?

Michael Fallon: The two changes have been happening at the same time, so both my predecessors were right. These things have been happening at the same time. We have had the last of the redundancies already announced, and they are now just taking effect, and the number of Reserves is now increasing.

Q312 Mr Gray: Slowly.

Michael Fallon: Slowly but surely. That overall total is going up. We have until 2018 to get to the Reserve total that we need, so we have some time yet to get to that final configuration.

Q313 Mr Gray: But you remain committed to 30,000 Reserves; is that still the figure you are aiming for?

Michael Fallon: That is the target figure we are aiming for. We are at just under 20,000 at the moment and we are heading up towards the 30,000, but we have some time yet. I believe it is March 2018 that we have to hit that particular target—sorry, March 2019.

Q314 Mr Gray: I am picking you up on the 112,000 total, because it is a very different use of language. I wonder, if there were fewer than 30,000 Reserves—let's imagine you only manage 20,000—would that imply an extra 10,000 Regulars above the 82,000? In other words, might we be talking about an Army of 92,000 Regulars and 20,000 Reserves?

Michael Fallon: That is not the target we have set.

Q315 Mr Gray: I know it isn't.

Michael Fallon: We have set the target of 30,000 Reserves. I don't want to start speculating about other targets. That is the target I am working towards, and we have taken a number of steps this year. With the Minister for the Reserves and the new Chief of the General Staff, I have taken steps to accelerate and improve the recruitment process for the Reserves that I think will get that programme back on track and get us up to the total of 30,000. I don't see any scope at the moment for varying it.

Q316 Mr Gray: Given that that is the case—82,000 Regulars and 30,000 Reserves, just as it was—why did you pick me up on it when I asked you about the 82,000? You said no, it was much more important to look at the 112,000 total. That is what you said—that we should not think about the 82,000 and 30,000. Now you are saying that it is 82,000 and 30,000.

Michael Fallon: No, I am saying that the Army should increasingly be seen as one force. It is quite hard to distinguish Reserves now when you are out with the Army units—to see who is a Reservist and who is not. They are melded now into the units and that is a very welcome thing. They are a proper part of our armed forces, and that is why I urge you to think of the whole force as 112,000, rather than a force of two separate elements.

Q317 Mr Gray: On that, may I ask you about what I perceive to be a change in the way that we perceive Reserves from when this was first announced to where we are now? At that time there was lots of talk about single force, single Army, whole force, all of that. It was presumed that Reservists would do the same tasks and fill in with the Regulars—be indistinguishable, as you now describe them. But the current CGS, in various comments he has made, including in front of this Committee, has significantly changed the language. He is now talking about the Reserves being used simply in times of national emergency, their being a homeland force much more like the old TA, rather than the single Army concept that we were led to believe was the case. Is the perception of a slight change in emphasis correct?

Michael Fallon: I have not picked that up in his language. We have had Reservists serving out in Afghanistan and we have now a few Reservists serving out in Sierra Leone, so I don't recognise that description of them as a home guard force.

Q318 Mr Gray: Nor did I say that. That is quite a significant misquotation, if you don't mind my saying so; that is not what I said at all. What he has said is all on the record. The CGS has said many times in public, I think, and in articles in newspapers as well, that he sees the Reserves' purpose as being in times of national emergency. They would be used for surge purposes. The written brief that we have from the MOD says, I think, exactly that. This is item 5 in your brief: what are the plans for use—I beg your pardon; that is the Regular Reserve. I'm sorry. Okay, you are saying that it is still one force and there is no change whatever to the use of Reserves. They are going to be just as actively used as was presumed at the time, and the CGS's slight change of tempo is not necessarily something you recognise.

Peter Watkins: I do not have a copy, Mr Gray, of the brief; I have read it. I don't think there is a fundamental change. Of course we would use Reservists as a surge, but we also use them all the time. The Reservists bring particular skills in certain

areas, such as intelligence and so on, that we consider a very valuable supplement to our normal activity.

Q319 Mr Gray: I have it! My expert and excellent Clerk has provided me with it. The Chief of Staff's vision for the Army Reserve, the Army command information network document produced on 20 October 2014, is very different in tone from previous comments about the use of the Reserves. I have it here; you can borrow it if you like. Okay, let me ask one last question on this. You are obviously a bit flummoxed by that. It might be worth looking into; you might want to write to the Committee if you feel there has been a change. Can you clarify one final thing for me? What is the function of the Regular Reserve and do its numbers form part of the 30,000?

Peter Watkins: As far as I'm aware, yes. It's an all-up number of 112,000—82,000 Regulars and 30,000 Reservists.

Q320 Mr Gray: Yes, but including the Regular Reserve, which is quite different, of course, from the Reserve Army—how many Regular Reserves are there?

Peter Watkins: I don't have that figure on me.

Q321 Mr Gray: I can tell you. It's an enormous number—70,000, I think, from memory. My friend here is one. I think you may be getting a little muddled here. The Regular Reserves, of course, are former Regular officers who still have some commitment.

Peter Watkins: Residual reserve service.

Q322 Mr Gray: I am astonished to hear that they are going to form part of the 30,000. If they are, we need to know how many Regular Reserves there are, how old they are and how many of them are ready for deployment. I suspect this is a new piece of news about the Regular Reserves. All right, this is a similar question. Do the university OTCs form part of the 30,000?

Peter Watkins: Some of them will, I believe.

Q323 Mr Gray: Again, that is new, I think, or it hasn't been told to us before. So some OTCs and Regular Reserves form part of the 30,000.

Peter Watkins: The OTCs are a mixture. Some of them are cadets, and there are some Reserve officers among them.

Michael Fallon: We can write to you about it in detail.

Q324 Mr Gray: Can you clarify the point about the Regular Reserves? That is a very large number, and if they are in fact part of the 30,000, you needn't bother recruiting Reserves because you have plenty already.

Michael Fallon: We will clarify.

Q325 Richard Benyon: For the record, I think I have now been put out to grass. May I ask about Op Fortify quickly? When we talk about this in the Chamber or here, we always look down the process pipe from one particular end; it's a very processy

conversation. Do you agree that perhaps the pitch was not rolled right at the beginning, and that what has happened in the United States is well worth looking at? There, employers are lauded at local and national level for allowing people to join their equivalent of the Reserves. The nation's socio-cultural comprehension of defence is much more advanced than ours. An awful lot more could be done to keep the Army in the public eye—KAPE, as we called it—that would have helped this whole cultural thing.

On the face of it, the numbers are actually not that difficult—I think it is 16 new Reservists per constituency, which should be very easy to do—but we have been obsessed by process, IT platforms and various other things. Actually, there is a major public relations community job to be done in talking about where defence is in society today. That might draw more people to want to be part of it alongside a career elsewhere.

Michael Fallon: I agree with you. I think it was important to make some changes. It disturbed me that it took much longer to join the Reserves here than it does in the United States, and that some of the process surrounding joining was unnecessarily bureaucratic and cumbersome. We have made some changes there, and the new CGS has made changes. The numbers are now going up fairly steadily.

Overall, yes, you have seen more marketing spend on the attraction of being a Reservist, and we are also doing more work with employers through the armed forces corporate covenant, for example, to ensure that employers are as Reserve-friendly as they could be in terms of releasing Reservists for service and understanding the benefits that Reserve service can bring back to the company. We are now moving down from the very large companies into the medium and small companies, to make sure that they too understand it. But your overall point is very well made; Reservists are twice the citizen, and they are performing something very worth while.

Peter Watkins: Mr Chairman, I realise that I mis-spoke earlier. I got confused between Full-time Reserve Service and the regular Reserve. Full-time Reserve Service is something quite different, and they are part of the 30,000.

Q326 Derek Twigg: Secretary of State, going back to Future Force 2020 and capability, could you tell the Committee whether we could deploy a division with the right people and kit, fully trained?

Michael Fallon: Yes, we could. That is what we are working towards.

Q327 Derek Twigg: You said “towards”.

Michael Fallon: Towards, yes.

Q328 Derek Twigg: How far away from that are we?

Michael Fallon: I think a couple of years would be fair. We are a couple of years off that.

Q329 Derek Twigg: So we have no worries about any gaps in capability when deploying a division?

Michael Fallon: No, you have seen how we are able to respond by deploying effectively: not at division size, but—

Q330 Derek Twigg: I am asking specifically about a division.

Michael Fallon: Yes.

Q331 Derek Twigg: You are saying you are confident that that can be done?

Michael Fallon: That can be done, yes.

Q332 Derek Twigg: In two years' time?

Michael Fallon: Yes.

Q333 Sir Bob Russell: Secretary of State, whether we talk about current strategy or the Future Force 2020 strategy, would you agree that they must not be rigid, and that there must be scope for flexibility for unknowns?

Michael Fallon: I agree with that. Many of the central tenets of SDSR 2010 still hold good, but obviously some things were not foreseen: the Arab spring, for example, the resurgence of Russia, the annexation of the Crimea and the interference in eastern Ukraine. Those were not foreseen. I think this year of all years has probably demonstrated the need to retain that kind of flexibility, but we will have a look at all this when we start the review as soon as the election is out of the way, Sir Bob.

Q334 Sir Bob Russell: I appreciate that answer, as it has led me neatly into the substantive part of my question to you. There are unknowns, but then there are possible predictions. The possible prediction could well be the resurgent Russia, with what it has already done in Crimea, its meddling in eastern Ukraine and its noises and more on the borders of the Baltic countries. Do you think, in the light of that, there might be a need to deploy eastwards to assist in the NATO deterrent in Poland and the Baltic states, which might make it worth while looking afresh at shutting the bases in Germany and bringing the troops home? Is there not a case at least to look at whether we should, if nothing more, at least pause the withdrawal of troops from Germany?

Michael Fallon: I am not sure that those two things are related. We need troops that are here, agile and deployable, so we can move them quickly to different parts of the world, rather than having them encamped in Germany, but we certainly need to do more to help reassure our allies, particularly on the eastern flank. That means that we need to be ready to deploy more exercises there—more continuous exercises, larger-scale exercises. We have participated in a couple this year. More of those exercises need to be organised through NATO, rather than bilaterally. So there is a case for more frequent and larger-scale exercising on the eastern flank. We are also offering reassurance and deterrence in other ways, through our contribution to the Baltic air-policing mission and to the quick reaction alert operations that we conduct over the north from RAF Lossiemouth.

Sir Bob Russell: I have raised a question, Chair, and I will leave it there, but I think that we may wish at some point to return and reflect, rather than saying, “No change, all troops are coming out of Europe.” I will leave it there for now.

Q335 Mr Havard: We have talked about Future Force. Our terms of reference for our inquiry not only included things like the integration of Regulars, Reservists and contractors, the integration of the three services and joint forces, and so on, but also the impact of the decision-making processes about involving other people. Sir Peter, before he retired, was saying things about who he takes to war, or would take to war in future, and part of that would be contractors. So there is this question of a whole force concept as well, and partnering arrangements. You are probably familiar with a recent RUSI paper, “Making the Whole Force Concept a Reality”, which raises the question of how you endanger the commercial sector and others when you have sponsored Reserves and how you can gain something from the contractors. The 2010 survey numbers given were of 7,000 employed because of Telic and various other things, and the cost of this was £2.6 billion. So there is a cost to it, but also an advantage. Will you say something about what work is being done to make the whole force structure also sequenced with the whole force concept?

Michael Fallon: Yes, I think you are right to focus on the whole force concept. We have learned a lot from Afghanistan and others in the use of contractors and also about the way in which we use civil servants. There are four parts to this defence effort and I think it is useful to look at the whole force and to make sure that we are deploying people as effectively as possible, and that we do not have professional soldiers or airmen doing some of the jobs that could quite easily be done by contractors further back from the front line.

Q336 Mr Havard: These people offer opportunities, don’t they, in terms of training? Simulation, as well as physical activities, engineering support and that sort of stuff—there is a whole range, is there not?

Michael Fallon: There is.

Q337 Mr Havard: Can they be brought in as part of the Reserve component as well and sequenced to get this integration?

Air Marshal Hillier: Quite often they turn out to be Reservists as well as contractors, I have noticed, but certainly simulation is now a big part of our training effort in the RAF and, as I saw the other day, the Royal Navy. Do you want to add anything on that?

Peter Watkins: A lot of what you describe is already happening. So if you went to RAF Marham in Norfolk at the moment, you would find that the synthetic training facility is run by contractors, many of whom are ex-service. You would find very much a whole force approach—a combination of RAF people and contractors in the servicing facilities. So a lot of this is already happening, but there is more to be done. An example of that would be our Reaper operations, which were previously in Afghanistan and are in operations in Iraq. A large part of the support for Reaper in its operational task, day to day, is contractor-provided. There are lots of models out there, and we are very much taking these sorts of initiatives forward.

Q338 Mr Havard: That increases the number of people involved in the process quite dramatically. There are lots of illustrations we could give of this being done currently, and the language in the report was that it “already forms part of the taxonomy of defence”—that’s a good academic phrase for you. May I ask about the governance of it? Who in the MOD, in a discussion about the whole force concept—coming into a

defence and security review—is in charge of ensuring that that happens and that integration takes place, beyond just welding together the existing armed forces? What are the governance arrangements?

Michael Fallon: The Defence Board is in overall charge. I chair the Defence Board in the Ministry as a result of the Levene reforms. Below that you have CDS and the various commands.

Peter Watkins: Within each service, the chief of that service is responsible for the whole force—that is, for his Regulars, his Reservists, his contractors and his civil servants—and then the three chiefs plus the head of Joint Forces Command, the CDS and the vice-chief meet as the Armed Forces Committee, which meets regularly and also oversees the development of the whole force concept as a contribution to Future Force 2020.

Q339 Mr Havard: If I look at that wiring diagram, what I also see is that the heads of the individual services are not on the board. The CDS is on the board. There is also a question about the Levene reforms—you mentioned Levene yourself earlier on, Secretary of State; I do not know whether you were making some statement tomorrow about that. Presumably those management-style processes are described very well, but what I am asking is, who is, if you like, the champion of the whole force concept within the process?

Air Marshal Hillier: The person who owns it on a day-to-day basis is the Chief of Defence Personnel, who is a three-star general in the Ministry of Defence. He is responsible to the Defence Board for that overall integration and coherence with what we are now trying to call the Whole Force Approach—in other words, it is not a concept or an idea, but something we are actually doing in practice. In terms of your point about how we make sure that the single Services are aligned and doing the right things, we write that into the Defence Plan, which is what the service chiefs are then held to account for delivering against, under our delegated operating model. That is the means to make sure that we put it all together properly.

Michael Fallon: Let me just pick up the point about Lord Levene that I was trying to explain to Mr Twigg, who quite rightly shut me down because I was not answering his question. I have published today Lord Levene's third annual report, which is his final report on the transformation of the management of defence. One of the key reforms there is the whole force approach to better managing our people, alongside the establishment of the Joint Forces Command, the newly reconstituted Defence Board and the budget delegation that we now give the individual commands. He did say that a leopard really can change its spots and that it is much improved. I have invited him to conduct a fourth and final report at the end of next year to make sure that the reforms that he acknowledges have happened have really bedded in.

Q340 Chair: I am afraid we have very little time—and thank you very much for your time—so we move on now to the final subject, which is Iraq, bringing Future Force 2020 to a close. We have, I imagine, 10 minutes left.

Peter Watkins, in previous testimony to us you suggested that it was unfair of us to suggest that Britain was not making much effort in Iraq, and that our resources were

limited—I remember you saying that numbers aren't everything. We have just come back from a visit to Baghdad and have discovered that, outside the Kurdish areas, the Australians have 200, with a further 300 to 400 about to be deployed, the Spanish and Italians have 280 and 300 respectively, and the number of British soldiers outside Kurdistan is currently three. Do you really think it is fair to say that numbers aren't everything and that it is unjust of the Committee to say that three is a pretty small number compared with those other numbers?

Peter Watkins: Well, I think that you should look at the size of our total effort in support of the campaign, which is considerably more than three. It includes people who we referred to earlier, who are flying the jets, supporting them and so on. If you put all that together, we are making a considerable contribution. I would still stand by what I said before, which is that one should look at the quality of the contribution as well as its quantity. The contribution is deliberately designed, as I said before, to support a politically-led strategy.

Michael Fallon: We are making the second biggest contribution in Iraq; let there be no doubt about that. If you can do it in numbers and in terms of the number of people we have involved, it is many more than three. It is several hundred if you add them all together from Akrotiri and the different control centres. We are playing the second part in terms of air operations, with the largest number of missions—second only to the United States, and five times as many as the French. We are playing a big part in the number of strikes involved. We are probably the major source of surveillance and intelligence gathering, second to the United States, in the surveillance aircraft that we are flying. We occupy the second place in this campaign.

Q341 Chair: Secretary of State, specifically in Iraq outside Kurdistan, with the exception of a small defence section, we have exactly three British soldiers. It is in Baghdad itself that the major decisions are being made by the Iraqi Government—that is where the Iraqi Government are based—and it is where the central decisions are being made by Centcom, by John Allen, by General Bednarek and others. All of that is happening out of Baghdad. Is it really plausible that we, the British Government, can have a full and comprehensive vision of the joint Iraqi coalition strategy—in particular in relation to Sunni engagement or the Shi'a militia—and those decisions being made out of Baghdad if we have precisely three soldiers?

Michael Fallon: We have some pretty high-powered presence in the other control centres—in the major control centre in Kuwait, the overall command centre there, and in the air centre up in Qatar. We have some high-ranking officers involved there. But it is not simply the number of people you have on the ground; it is the overall effort, as Peter Watkins said. We have been supplying equipment. We have been airlifting other people's equipment and helping to train on it. We are playing our part, as I said, in the surveillance and air strikes concerned.

Q342 Chair: The strategy as developed by the Baghdad Government and as endorsed by the United States imagines the taking of Mosul by the summer of next year, and there is a big plan for the creation of a national guard and how Sunni tribes in particular will participate in that. It is going to have a big view on holding back the Shi'a militia in order to effect a reconciliation. To what extent is it possible for the Ministry of Defence to provide objective and independent assessment of that Iraqi

strategy, or even influence that Iraqi strategy, given the resources we have deployed on the ground in Iraq?

Michael Fallon: We discuss these things with the Iraqi Government—I did so myself with Defence Minister al-Obeidi during my visit to Baghdad. There is the overall ambition of the campaign—as you said, one of the milestones will be the retaking of Mosul, I hope in the early part of next year—and the difficulties and challenges that have faced them in the retaking of ground, particularly through IED and vehicle-borne IED. We have continued to discuss with them the gaps in their capabilities, the further equipment they need and the training they might find useful, which the United States is now taking the overall co-ordination of. These things are discussed through the coalition and the Iraqi Government all the time. You do not need hundreds of people in Baghdad to do that.

Q343 Chair: Just to try one last time to explain the problem, when we were in Afghanistan and when we were in Iraq the last time, we had sufficient military officers and political officers on the ground to have a very credible influence on the US and Iraqi policy. In other words, if we were debating Sunni engagement, for example, we had enough people to be able to talk with confidence about the Sunni tribal leaders; if we were talking about the Shi'a militia, we had people studying the Shi'a militia; if we were talking about the Iraqi national army, we had enough British soldiers embedded in the Iraqi national army to be able to credibly influence US policy because we had people hopping on and off helicopters up and down Iraq, there at the front line, looking at the national guard, watching them being issued with their weapons or their cash, talking about how many of them were deserting and how many of them were going on leave. Would you accept that we are no longer remotely in that kind of position or able to have that kind of information and influence?

Michael Fallon: I would, but that is not the part that we are playing in the campaign. We are not going back to the military effort that we put into Iraq in the shape and form that we put in in the past, but we are helping hugely in other ways, such as in the air campaign and, as I said, in the supply and lift of equipment. We are looking to see what other support we can provide, but we are certainly not involved in the way that we were involved previously.

Peter Watkins: You mention three soldiers, but it is important to point out that we are providing the deputy commander in the coalition headquarters, which is actually based in Kuwait rather than in Iraq itself. I would suggest that that is rather an influential position to have.

Q344 Derek Twigg: Secretary of State, have you any concerns about the massive gap in intelligence about what is happening on the ground in Iraq? There is a paucity of intelligence, and we do not seem to know what is going on. For all these other things that we are doing, do you have any concerns about that?

Michael Fallon: Yes, we are remedying some of those intelligence gaps through the surveillance flights that we are flying—

Q345 Derek Twigg: Are we going to know what is going on with the Sunnis and Shi'as on the ground?

Michael Fallon: I think it's fair to say that the speed of ISIL's advance in the summer caught everybody by surprise. There were certainly gaps in our knowledge of the ISIL leadership and of its deployment. We are improving that intelligence picture and that is an area where the United Kingdom really is playing a major part.

Q346 Derek Twigg: Sorry, but I'm still not clear. You are saying that putting stuff up in the sky will give us the intelligence that we need about what is happening on the ground.

Michael Fallon: Yes.

Q347 Derek Twigg: You believe that.

Michael Fallon: Yes, indeed.

Q348 Derek Twigg: Right. May I ask you another question about future efforts? Will we be deploying helicopters in support of our troops?

Michael Fallon: No. We are not committing troops to Iraq. We have made that clear.

Q349 Derek Twigg: Are we committing troops in terms of trainers?

Michael Fallon: We are not committing combat troops, and we haven't taken—

Q350 Derek Twigg: I know, but I was specific about troops. Have you any plans or do you believe that we will put helicopters into Iraq in support of our troops?

Michael Fallon: We have not taken any decision like that.

Q351 Derek Twigg: Is it under consideration?

Michael Fallon: We obviously keep looking at where we can help best.

Q352 Derek Twigg: The question is very clear, Secretary of State. Is that under consideration at the moment?

Michael Fallon: Lots of things are under consideration all the time.

Q353 Derek Twigg: So it is then.

Michael Fallon: No, we are not considering putting troops and helicopters back into Iraq at the moment, and I don't want you to have that impression.

Some 40 countries are involved in this international coalition. All of us are doing slightly different things. We are all offering different capabilities and different types of assistance. Some are helping with logistics and some with the strikes themselves. Our major effort is the surveillance and intelligence gathering, the air strikes, the lifting of equipment and the filling in of some of the gaps. That has been the effort up to now. We have not yet decided what more we will do in the future.

Q354 Mrs Moon: There are reports that ISIL has anti-aircraft capability and drones. Are you at all concerned about that?

Michael Fallon: I was certainly concerned to read reports that they had some anti-aircraft capability, because that would obviously be a concern. Do you want to add to that, Peter?

Peter Watkins: Simply that we are watching carefully how they are developing their capabilities and how they are adapting them. If we were to come to the conclusion that they had certain capabilities that would affect the security of our forces, we would adapt our procedures and tactics accordingly.

Air Marshal Hillier: Could I add that our aircraft do have self-protection capabilities? They were extensively developed particularly for operations in Iraq and Afghanistan, so it is not a question of our being undefended against those potential threats. We are aware of them and have the capability to deal with them.

Q355 John Woodcock: Do we think is true that they have acquired drones?

Air Marshal Hillier: You can buy commercial drones off the shelf. They are becoming pretty widely available, so it wouldn't be beyond the bounds of possibility. Anybody can buy one at the moment. It is about whether they will have a decisive effect on what we are doing, about which I have my doubts.

Chair: Secretary of State, Air Marshal Hillier, Peter Watkins, thank you very much indeed for your time. If members want to continue in private session, we will be back at half-past 4, but this is the end of the public evidence session.

Michael Fallon: Thank you.