



Defence Committee

Oral evidence: [Decision-making in Defence Policy](#),
HC 682

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

Questions 178-279

Witness: **Rt Hon Lord West of Spithead**, former First Sea Lord, gave evidence.

Q178 Chair: Welcome to the third evidence session for the Defence Committee's inquiry into decision making in defence policy. Today we are focusing on the case study of the carriers. We are very lucky to have the right hon. Admiral Lord West of Spithead, former First Sea Lord and Chief of the Naval Staff.

Lord West, just to explain what we are up to, we are trying to look at decision making and whether it works well in the British Government. The carriers is just one case study; the other one that we have been looking at is the decision to deploy to Helmand. What we really do not want to do is get dragged down into the weeds of whether or not those were good decisions, or why the decisions were made. We are much more interested in how the decisions were made and who made them, and perhaps interested if people are not clear who made the decisions. It is really about future-looking. The idea is that we come up with a report that suggests to the British Government what might be gaps in the way decisions are made and how we can make decisions better in the future.

If I may begin with a general question, Lord West, regardless of your personal opinion of what the correct decision was on the carriers, there seemed to be a certain amount of to-ing and fro-ing, such as on numbers of carriers or whether there would be cats and traps. I am very interested in knowing briefly—says he, being a little bit directive—what your conclusion is on how those decisions were made, possibly hinting at how they could have been made a bit more efficiently and how we can avoid getting ourselves in a situation in future where we flit back and forth.

Lord West of Spithead: The first thing I would say is that it is a very good question. I have always explained the carrier programme to people by calling it the bloodstained carrier programme, because from the moment that the first decision was made—those decisions were made in the context of SDR '97, '98, coming out of the policy part of the centre and

the debate between the Secretary of State, the CDS, the policy people at the centre and the Permanent Secretary—and the SDR was produced, within that it was decided that there would be two larger aircraft carriers to replace the three Invincible class carriers, because it was felt that there was the need for carrier strike for initial entry to operations abroad, for proper control of expeditionary operations, etc., a whole package of reasons why they should be there. To achieve that, it was felt that we needed to have larger aircraft carriers to carry a larger number of aircraft.

Just as an aside, the general rule historically had always been that for every 1,000 tons you get one aeroplane, but that does not quite work now because of other factors. Historically, that is roughly the number, so the Invincible class of about 20,000 tons could carry about 20 aircraft, although the initial design for them, believe it or not, was for nine Sea King helicopters and three of the original Harriers—so again, bigger than the design. By the end, when I operated as a battle group commander, I had 24 aircraft operating from them, which shows that they are capable of expansion.

Anyway, the decision was made to do that, and there was also a general feeling down in what is now DE&S, in the procurement world, that metal and space are not expensive and that if you build things small, you end up having a problem, because people want to put other things in, and later in life that becomes a real issue, so build it bigger because that is not expensive. In a general sense, that is true. The problem within the MOD is that as soon as you build extra space, some bastard wants to shove something in it, which immediately adds to the cost of it, but that was the reasoning behind the decision.

We had that decision to go for two aircraft carriers. There was not clarity, I believe, as to what exactly was wanted, but one could sort of understand that at that stage—in terms of its design, exactly what type of aircraft it was going to carry and so on. There was an understanding of what was required, looking to the future, and then all that work had to be done. So I suppose, in a sense, that decision-making process worked within the policy area, within the centre of the MOD, with the construction of the SDR. My only input into that personally was that I was Chief of Defence Intelligence and I was articulating the sorts of threat that we might be expecting to face as a nation, globally, in general terms. We had already started getting a terrorist risk, and indeed the first bomb plot we unfolded was when I was CDI, also the first attempt to poison the north London water supplies—all before 9/11. More generally, in terms of classic-style warfare, it is about how we utilise it, why we need it, use for initial entry, etc.

I then came across the carrier again when I was Commander-in-Chief—I became Commander-in-Chief in 2000—and that was really as a member of the Navy Board and the Admiralty Board, where general discussions were going on about what the design should be for these carriers. The Navy Board, however, had very little input to this, to be quite honest. The Comptroller of the Navy of course belonged to the procurement world, but all of this design work was really done within CDP's area and within the Minister responsible for procurement's area, although we could put an input in and say, "Well, actually, we need these capabilities. It has got to have an airborne early warning capability. It is less than we had reinforced in the Falklands. We need this level of offensive air effort for the first four days of attacking when we are going into initial entry, which is predicated on having 35 strike aircraft on board. We need this level of ASW capability with rotary wing." So we came up with figures for aircraft.

Meanwhile, down in the procurement world, they were looking at various designs and people were being asked to look at designs for those things. Because the Board, where we have control of manpower, said, “We want as few people as possible,” it became very clear that we wanted to have automated weapons-handling systems. One of the biggest drivers of people in an aircraft carrier are the people to load up all the aircraft with bombs, rockets and this sort of thing, so an automated system was put in. This in itself took up quite a lot of space, so the scale of the carrier started growing. The size had not been specified very accurately. People said, “Well, let’s say about 40,000 tonnes, because 40,000 tonnes means about 40 aircraft.” It was as rough as that, and to be quite honest I am not sure who actually made that specific choice.

Q179 Chair: Lord West, I will just interrupt you very quickly. I am very keen to bring in colleagues, too. It is very interesting that you are not quite sure who made that decision. Is one of the problems, circling out from aircraft carriers to the general big picture, that it is quite difficult in the British system sometimes to know who has made a decision?

Lord West of Spithead: It is unbelievably difficult, and it is a real problem because, if you know who made the decision, you can bloody well go there and bang his head against the wall, can’t you? The problem is that it is very difficult to find the person whose head you are going to bang against the wall to make things happen. Historically, before all the various changes in the Ministry of Defence, the First Sea Lord—when it was Jacky Fisher, for example, before the First World War—was totally responsible. If he got it wrong, he was the one who had his legs chopped off and he was out. Now it is very difficult to put it at anyone’s door. It is extremely difficult.

Q180 Chair: Why, specifically, is it so difficult, even for someone who is very senior and who has operated at many different levels of the British Government system? Why is it difficult even for you to know exactly who has made a decision?

Lord West of Spithead: Because exactly who is responsible for exactly what piece of this decision making is hidden in layers of bureaucracy. For example, there was a cost figure attached to this. Who actually decided on that cost figure? It was clear when I was CDI and certainly when I was C-in-C, and it was very clear when I was First Sea Lord, that the cost bore no relation to what it would cost to build a carrier of that sort of scale.

There is entryism—we all know of entryism—and it is a way of getting something into the programme. You need to look at the Typhoon programme, and the figure I will quote in a moment is about £30 billion—it is actually more than that—but the entry figure was something like £9 billion. Similarly with the carriers, they were talking at that stage, I think—I am not sure of this—of a figure of about £1.8 billion to £2 billion. It was quite clear that it wouldn’t be that. I remember speaking with people and saying, “These will cost about £6.5 billion.” That was inevitable when we looked at the design. That cost figure slowly crept in, more and more accurately, as we moved forward. Lo and behold everyone said, “My goodness, what amazing cost growth!” Well, it wasn’t really amazing cost growth. There was cost growth because it wasn’t well handled.

The other thing I would say is that, although the decision had been made that we were going to get two big carriers, there was entrenched opposition in many areas of the MOD and across Whitehall, so at every step people were blocking and holding, which caused delays, more cost and more difficulty.

Q181 Mr Gray: I hope you don't mind my reminiscing about a private, jocular and jovial conversation that we had last night before dinner. To me, the carriers are, gosh, almost carriers. Over dinner last night, I said, "Tomorrow we are going to see you at the Select Committee, and we are going to give you a hard time over who decided on the carriers." Jocularly, and you can withdraw it, because I don't mean to breach a private conversation, you said, "I haven't the faintest idea." Was that a reasonable summation of your position?

Lord West of Spithead: Yes, I think that is what I just said, isn't it?

Q182 Mr Gray: Wouldn't you agree that it is a funny old world?

Lord West of Spithead: The decision in the SDR, in a strategic sense, that we should replace the three Invincibles with two larger carriers was sound, and it was the people working in the policy divisions who did that. I understand that, but who actually made some of the decisions on whether there will be 40,000 tonnes and whether more design work was needed, and that sort of thing, is much harder. When I became First Sea Lord—sadly, we had already cancelled the FA2s for various reasons that I don't want to go into now, and the FA2 was the best fighter that this country ever had—I discovered that the new carriers were going to have the STOVL aircraft. That decision had been taken about a month before I became First Sea Lord. I wasn't even aware of it. I immediately tried to get it changed because I felt that the catapult-launched version gave greater range and all sorts of capabilities, and at that stage, if you are building the carriers from scratch, it seemed like a good idea. The decision had already been made, and it seemed to me that it had been made somewhere within the Air Staff. I was unable to get it changed—it had been decided. I said to the procurement people, not that I have control of it, that the new design for this carrier has to have an ability to be converted to have cats and traps at minimal cost. I was told at that stage, "Yes, we will do that. It'll only take three compartments." Jumping to the present time, when the decision was taken by Liam Fox and the team that we would go for the catapult launch version, lo and behold, it was going to take a change to 130 compartments.

Q183 Mr Gray: I think we are coming back to all that in more detail in a moment. Just before we leave that bit, is it not a rum old world that the First Sea Lord arrives, does not know who it was who decided to have which kind of aeroplanes on the aircraft carrier, cannot find out who it was who decided to do it, and despite the fact that he personally wasn't that keen on it, could not get it changed? It is a funny old business, is it not?

Lord West of Spithead: It certainly is. I understand that the Air Staff had a sort of priority in this, because by then, they really were controlling our fixed-wing aircraft. One saw that again in SDSR 2010 when the Harriers disappeared, because we were not controlling our fixed-wing aircraft, so that is a problem. But yes, I had no ability to say, "This is wrong, we shouldn't do this," or even to get the full detail of all the information that had been used to make the decision. I think the decision was made because the Air Force wanted to have the F-35A for themselves and the F-35B to be the one that was shared, which clearly was a nonsense, because we were never going to get two types of these things anyway, but that is another issue.

Q184 Chair: Just to confirm, you became First Sea Lord in September 2002. So at the moment you took over in September 2002, the debate had already begun about whether to revert back to cats and traps?

Lord West of Spithead: No, no. The debate had already happened that we were going to have the F-35B. When I arrived, I was surprised to find that.

Q185 Chair: And then effectively, eight years later in 2010, the Government tried to do something you might have been interested in doing eight years earlier in 2002, but were not able then to do?

Lord West of Spithead: Yes, by which time it was discovered that clearly, the work had not been done to make the design easily changeable, so it would involve huge amounts of change to the design, and therefore it was really not feasible to do it because of the cost factors.

Q186 Mrs Moon: We are interested in the process of decision making, rather than whether it was the right decision. How did you learn that the decision had been made? Would you be told verbally? Would you have a memo, and where would it come from? Who would tell you that the decision has been made?

Lord West of Spithead: I am trying to remember how I first found out. At that stage, my office was in the old War Office. I can remember my shock at discovering that this decision had been made and I had not even been aware of it as Commander-in-Chief; I had been at Northwood, of course. I think I was told by one of the Naval Staff, because I asked questions of where we had got to on this carrier programme, because to me, it seemed the most important part of the naval programme and I wanted to know where we stood and how the design was. I sent for the designers to come up and talk to me and it came out that this was the case. I was not sent a piece of paper about it—my predecessor might well have been; I don't know—because the decision had been taken by then.

Q187 Mrs Moon: So you would not get minutes of a committee where the decision had been made, or you would not have a memo from the Secretary of State saying, "This is what we are doing."? There would be no paper trail, just somebody saying, "Oh, they've made that decision."?

Lord West of Spithead: I did not see a paper trail of that decision myself. There might have been before, because the decision had been made before then, but I did not see it. I am trying to think of other instances after that. You tended not to get something from the Secretary of State saying, "This has been done." As a First Sea Lord, a lot of what you do is influencing people. For example, a lot of the decisions are made in the Central Staffs. The way you can put pressure in there is to send for the naval officers on it and make it clear to them individually what your priorities are. It is very hard to feed down into the Naval Staff through the central MOD apparatus.

Q188 Mrs Moon: I am still quite confused—perhaps it is my simplistic mind, coming from a local government background—because somebody controls the purse strings. Somebody makes the decision. Yes, you can put your two pennyworth in and you can say, "Well, I think this should happen," and, "I think this is the right decision and this is why," but ultimately, are there not clear decision makers identified in the Ministry of Defence who have the authority clearly designated to them to sign off on decisions, such as the fact that we are going to look at a short take-off and vertical landing aircraft?

Lord West of Spithead: Yes, and that would have been done within the Air Staff and the Central Staff, and then it would have been signed off, because you need to have procurement people involved in it as well, and the Permanent Secretary would be involved. That would be the group that did it, not one of the Chiefs of Staff.

Q189 Mrs Moon: So why could you not trace that back? Or did you not have the authority to challenge a decision that had already been made?

Lord West of Spithead: I didn't have the authority to challenge it really. I did go back and say, "Why have we done this? What's happened here?" I remember talking to the Chief of the Air Staff, and he said, "Well, this is the decision that we have made: we should go down this route. This is the appropriate aircraft." That was the problem: I was not in the loop for that. Admittedly, the decision had already been made and I was trying to say, "Let's look at it again," but I had no authority to actually do that.

Q190 Mrs Moon: So even as First Sea Lord, you had no authority to say, "We have made a poor decision, in my view, about the type of aeroplane that we are going to fly off the carrier"—you couldn't call that in.

Lord West of Spithead: I couldn't change it, because you would have to get the Chief of the Air Staff, the Chief of the Defence Staff and the policy part in the centre—all of them—to agree that the change should happen. I could not achieve that.

Q191 Mrs Moon: Could you go to the Secretary of State and say, "This is a really bad decision," and ask him to call it in?

Lord West of Spithead: I could have gone to the Secretary of State and said that it was a really bad decision. I could have gone to him formally and done that, but it is actually quite hard to do that when you have been in post only for a week and just arrived there—to say to the Secretary of State, "This is a really bad decision; I want to go across the road and see the Prime Minister," which you are entitled to do. You don't want to use that too often. I used that threat only when it looked as though they might cancel the carrier programme. On a couple of occasions, I made it very clear to the Secretary of State that I would go across the road to see the Prime Minister and make it public if that happened, but I did not have the clout to change it myself.

Q192 Mrs Moon: I appreciate that you wouldn't have the clout, but you would be a key informed voice, with knowledge and experience. Quite honestly, I would have thought that if the First Sea Lord came and said, "I think you're going to regret this one," any Minister would sit up and think about it.

Lord West of Spithead: I did make it clear that I was surprised that that decision had been made, but they were not willing to change it. As I say, I also made it very clear that the design of the carriers should be such that they could very easily be converted to cats and traps; it became very clear to me in 2010—I had left the job a long time before—when the decision was made to go to cats and traps, that that had not been done.

Q193 Mrs Moon: Do you believe that the right people were consulted? Did the Minister have access to the right people? Were the right papers sent for? Were the industry outside experts—the right people—involved in the decision making? Or do you not even know that? Was all you got someone telling you that the decision had been made?

Lord West of Spithead: Again, this is a difficult one, because it happened before I was actually in post, which I think you understand, but I am sure that they talked to lots of the right people. There will have been a lot of factors—for example, we were already flying Harriers, so we were already flying jump jets, so we had jump-jet experience. When we moved on through to the new carriers, that jump-jet experience of flying them right up until then was very useful, which is why I was a little surprised when they were cancelled in 2010, because suddenly we lost that. But I am sure that in those debates people were asked about that.

There was also the issue, quite clearly, where the Air Force wanted to have F-35As as their standard attack aircraft, and the F-35Bs were going to be a small adjunct to be put in the carriers and run by the Air Force and the Navy. That was another driver for them. I am sure that all those things were addressed, but I am not sure whether, when there was a debate at any high level, at something like the Defence Management Board, there was any major battle—to be quite honest, I do not know what my predecessor's view on this was—with people saying, “Hang on, this is a big mistake.” Perhaps I was wrong. I don't know whether that was done. Personally, I don't think I was wrong, but that is a different issue. Perhaps I was wrong. I might have made a wrong decision, and perhaps theirs was right; I don't know.

Q194 Sir Bob Russell: Lord West, until 15 minutes ago I had assumed that all significant decisions to do with the aircraft carriers had been taken by the democratically elected Government of the day—in other words, politicians—based on advice. Am I correct in believing that what you are telling the Committee is that, when you assumed the post of First Sea Lord, you were unable to establish who made decisions, when the decisions were made and why the decisions were made?

Lord West of Spithead: I was unable to establish who made the decisions on things such as how much money they were going to cost and what exactly the design was going to be. Those are things that I was unable to discover.

Q195 Sir Bob Russell: So were the decisions made by politicians, civil servants or military leaders?

Lord West of Spithead: The amount of money available is a mixture of all of those, with the final decision being made by politicians. It is a mix of all of those. They are looking at the programme, the amount of money in the programme and the amount of money that will go into each of these areas, and they will come up with a figure, which I am sure is how they arrived at the figure. That has to be agreed. In the old days it would have been by the Defence Management Board, but a different group does it now, and they would have said, “Okay, well that is how much should be spent on it.”

Q196 Sir Bob Russell: I am a great fan of “Yes Minister” and “Yes, Prime Minister”, and the scripts are more open and transparent than what you are telling the Committee happens at the Ministry of Defence. Is that a fair criticism?

Lord West of Spithead: I don't think I would articulate it in that way. I would say that it is sometimes quite opaque and difficult to work out who has decided certain things.

Q197 Sir Bob Russell: I need to press this point.

Lord West of Spithead: For example, who actually decided what type of equipment would do the automated loading of weapons into the aircraft? Clearly that is a decision made within the Procurement Executive down in Bath, but it impacts on a number of people, and things like that. I don't know exactly who down there makes the decision. It wasn't something that was debated in the Admiralty Board or the Navy Board. I am talking about those sorts of issues.

Q198 Sir Bob Russell: I am bound to say that I am absolutely flabbergasted at what we are hearing. It seems to me that things were made up as people went along, and we don't even know which people were making it up as they went along—somebody down in Bath.

Lord West of Spithead: I don't think they are making it up. I hope that is not quite what I was saying. Someone in Bath was making decisions about what the design would be, and those designs were having an impact on costs, and they were not discussed at Navy Board or Admiralty Board level. I don't even believe that they were discussed at DMB level. Large issues are discussed at DMB level, such as, "This is the amount of money available for the carrier. Why is it now going to be this much more?" There would then be a debate on that and whether there was sufficient funding to be able to do it and how the money would be moved around. That was debated and talked about.

Q199 Sir Bob Russell: I have four questions, Lord West, and I think your answer to all of them is going to be, "I don't know," but I will try. What were the main motivations for changing the carrier from STOVL?

Lord West of Spithead: In 2010?

Sir Bob Russell: Yes. You don't know who made the decision. I am just asking what the motivations were.

Lord West of Spithead: The F-35C, because it is catapult-launched, does not have to carry an engine to lift it off the deck. It can therefore carry a much greater payload and much more fuel. It therefore has much longer range and can carry more weapons, which is always attractive in an aircraft. If one can do that, it would be attractive. Plus, if you have catapults and traps, you can use fixed-wing airborne early warning, rather than rotary-wing airborne early warning. Looking to the future, it will be much easier to use UCAVs—unmanned combat air vehicles. So those were all great attractions, and I am sure that is what Liam Fox and his team were looking at when they wanted to make that change. I think what they hadn't looked through was what the full costs of that were going to be.

Q200 Sir Bob Russell: Second question: do you think that long-term costs were adequately considered in that 2010 decision?

Lord West of Spithead: I wasn't there then, so I've got to be a bit careful what I say, but I think the advice that was given to the then Secretary of State and the team about this did not articulate clearly enough what the full costs were going to be, because the EMALS—the electromagnetic aircraft launch system that was going to have to be used—had not been fully developed and I don't believe the carrier had been designed to be easily convertible to catapults and wires.

Q201 Sir Bob Russell: In your opinion, based on what you have been able to ascertain since your appointment as First Sea Lord, do you think decision makers were provided with adequate support or information to make a well-informed decision?

Lord West of Spithead: I suppose it depends which decision. On some decisions, they were given plenty of information, but there were some decisions that I don't believe were taken at the right level and I don't believe that people who had an interest in them, such as the First Sea Lord, had sufficient input into them.

Sir Bob Russell: I will skip the fourth question, Chair.

Q202 Dr Lewis: I will concentrate almost entirely on structures, Lord West. I am particularly keen to try and establish this: is there a central forum in which differences of view on questions such as this can be debated and decided?

Lord West of Spithead: The really big issues, such as, "Are we going to spend the money on the carrier still, because the costs have gone up, or are we going to spend it more on future helicopters, or is it going to be on FRES?"—the future rapid effect system for the Army—were debated at the Defence Management Board; that was the forum where they were debated.

For example, on one occasion when it was quite clear that the money was not going to be there for the carrier and there was talk about the whole programme going, it was clear to me that the future helicopter programme had not been clearly articulated, that it was not clear what people wanted, and that this money was not going to be spent properly, and therefore that was cut to enable the carrier to go ahead. Also, the Army hadn't really been able to articulate what FRES even was—they didn't really know what it was—so some money could come across there.

That sort of very high-level debate was done at that Defence Management Board, which was chaired normally by the Permanent Under-Secretary and the Chief of the Defence Staff.

Q203 Dr Lewis: Right. And at that time, was it still the case that the individual service chiefs were on the Defence Management Board?

Lord West of Spithead: It was, yes.

Q204 Dr Lewis: Subsequently, they have been removed from the Defence Management Board and so the views of the service chiefs are now embodied in the presence on the board of the CDS and the Vice-Chief of the Defence Staff. When a divisive issue comes up, like the carriers, where perhaps the Royal Air Force has one view and the Royal Navy has another view, would you—as head of the Navy—be satisfied that the views of the Navy would be sufficiently considered, and a decision properly taken and then represented to the board, by the CDS and the VCDS, particularly if they were not from the Royal Navy?

Lord West of Spithead: I am nervous that you cannot guarantee a sufficient fight for your corner in those circumstances; I am nervous about that. Indeed, already when I was First Sea Lord the things that I was responsible for were the fighting effectiveness and morale of the Navy, not its equipment and its money; these things had all gone to the centre. For example, when I wrote a note to the Secretary of State about going to war, I started off by

talking about the fighting effectiveness and morale of the Navy being suitable to do this. That was the area that you had responsibility for, and where you had some levers to do something. In these other areas, yes, you could debate it at that level, but you had very little control at all over things like procurement and finance.

Q205 Dr Lewis: I am obviously more interested in what the Defence Board looks like now than what it looked like then, so in a sense I am asking you to project forward. Let us imagine that, for the sake of argument, the Royal Air Force is determined on one sort of aircraft for the carriers and the Royal Navy is determined on another. In the present-day environment, knowing what you know about the structures, apparently we still have the Chiefs of Staff Committee, then an Armed Forces Committee above that, and then we have the Defence Board above that. If there were to be a major clash between two or more of the service Chiefs, in which of those forums would you expect, today, to see that clash resolved, and a joint view put up to the next level?

Lord West of Spithead: I think it would be the Chiefs of Staff Committee where the fight would be, and then you would come to a cabinet collegiate decision and that would go forward to be taken by those other Committees.

Q206 Dr Lewis: I think that is where it should be, but do you think that really is the case now?

Lord West of Spithead: I just don't know, because I haven't been there. What is interesting about the Chiefs of Staff Committee is that, historically, that Committee used to be hugely powerful, but that power was weakened and weakened, and weakened quite dramatically by the time that I was in post, and very much as the CDS talking to the Secretary of State on a number of issues. I know that you have talked about Helmand, for example, and on those issues, the CGS and I felt that we were not really talked to at all about what was going on in terms of some of the decisions that were being made.

Q207 Dr Lewis: So what you are telling us, and you are not the first to indicate this, is that you can be the head of the Royal Navy, the head of the Army or the head of the Royal Air Force, but both in terms of campaigns such as Afghanistan, or in terms of major decisions to be taken on a procurement project like this, you can find yourself sidelined from the decision-making process.

Lord West of Spithead: Absolutely, yes. As a young lieutenant, I thought, naively, that as First Sea Lord I would be able to run everything to do with the Navy, but that is far from the reality.

Q208 Dr Lewis: But under the former model of the Chiefs of Staff Committee being at the centre of the decision-making process, you would not have felt like that?

Lord West of Spithead: No, because historically it did have a lot of input into aspects such as procurement. We understand why they have changed it, but that has made that happen.

Q209 Dr Lewis: Presumably, you know many former heads of the Royal Navy. Would you say that it is a fairly common view among your peers, in that sense of the word, that you can rise to the top of the Royal Navy but find yourself sidelined when it comes to major decision making on the campaigning front and on the decision-making front about major projects such as acquiring aircraft carriers?

Lord West of Spithead: I think that is true to say, and what is difficult is that one's people don't understand that you have not got the direct control of it. So when, for example, a certain decision is made, they can't understand it and they think, "How on earth did the First Sea Lord get that so wrong?" because they think that you have, but you haven't. I understand all the reasons why, and I understand how we have gone to a centralised MOD, and yes there are pluses, but that is certainly true.

Q210 Dr Lewis: This time last week, we had the Permanent Under Secretary, Jon Thompson, here, and I asked him whether it was his personal opinion that the individual service Chiefs are happy with how their views are represented by the CDS when he goes up the management board. Before I tell you what he said, may I check first of all, what understanding do you have of the role of the Armed Forces Committee between the Chiefs of Staff and the Defence Management Board?

Lord West of Spithead: I have to say that this has all happened post my time there, so I am not clear exactly what role it has, but I thought it was partly to smooth out differences, and to get clarity so that when a matter goes up to the next board, a clear military view can be put. That is as I understood it, but I have not been part of this at all.

Q211 Dr Lewis: The Permanent Under Secretary said, "I see the service Chiefs on a regular basis, given that I am on several governance forums with them. I do not hear any significant complaints. The new cadre of service Chiefs...have taken on the delegated model and the responsibility. If you talk to General Carter, he would describe himself...as the chief executive of the Army. That seems to be the kind of approach that we want." By moving away from the model of the Chiefs of Staff being a centre of decision making, we now have services Chiefs who look on themselves as chief executives of the Armed Forces. Is that a change for the better, or does it partly explain why we are having difficulty pinning down where decisions are taken on major projects such as the aircraft carriers?

Lord West of Spithead: This is the Levene changes, effectively. I think in theory it is a good idea to give people the money and responsibility for things. What I am not convinced about is exactly how much control an individual service Chief has and how much flexibility he has in terms of playing with his budget to do the things he wants. That has always slightly been the case, but I think the fact that they have now got some money does give them more power if they are being allowed to do that.

There is a Stalinist aspect to the MoD in having central control: they do not like letting people have control of money so that they cannot make something happen. But I know that there has been a little bit of flexing: for example, I know that Admiral Stanhope managed to make some savings on manpower and spent them on the Viking refurbishment.

If things like that can be done, that is very good news. The more power they get to do things, the more you go back to the old system where the individual service Chiefs did have more clout and control over some of these projects. But they have not really got a handle on or money for projects in the procurement area. What it means, for example, is, let us say that the First Sea Lord has to get the Type 26 frigate and he is told that he has £6 billion or whatever to run the Navy on. If the cost of those frigates goes up, as he has to think about the manning and cost of them and everything, he is the chap who will have to say, "I can only get two of those." But can he say, "I will take two of those, but I will not

bother to do this task down in so and so, which means that I can get rid of those four MCMVs and do this instead”? The answer is no, because that has got to be done from the centre, so he has not really got the flexibility that they are talking about.

Q212 Dr Lewis: Finally from me, I know that the Defence Management Board meets on a monthly basis, and I think that the Armed Forces Committee does as well. How often does the Chiefs of Staff Committee meet? If it meets regularly and there are significant policy differences between the services, would those differences probably not find their way on to the agenda for those meetings?

Lord West of Spithead: I think the answer is that they would find their way on to the agenda.

Q213 Dr Lewis: How often do you think that the Chiefs of Staff Committee meets?

Lord West of Spithead: I would hope that it meets monthly.

Q214 Richard Benyon: You mentioned Lord Fisher, and the development of the Dreadnoughts was the high water mark of defence procurement: we created a world-beating warship in a very short time that went a long way towards winning a rather important war. You said that Lord Fisher would have had complete executive control about the design and development of that vessel. He, or those close to him, would have taken decisions on quite a lot of details of the armaments, engines and so on that we are now talking about in a more modern context.

Lord West of Spithead: Yes, because the procurement and design people worked for him, not for some central authority somewhere else.

Q215 Richard Benyon: Okay. So if that was the most perfect system and today we have an imperfect system, at what point in the past 100 years did that go wrong? I am not asking for a history lesson, but were we procuring things quicker, better and more efficiently in the 1950s or 1960s or 1970s? When did it all become so complicated?

Lord West of Spithead: First of all, to say that that was the most perfect system is probably not true. It worked very well in the fact that you could build a new battleship with a completely new design inside 12 months, which was rather impressive, I have to say, but we had an amazing shipbuilding industry. But there were of course faults, because he could decide to build something that perhaps was not quite the right thing to build and there were no checks and balances at all. The sheer complexity of technology and things that have to be produced, the sheer tying together of all of the various services in a much more joint way, all of these things inevitably meant, I believe, that we could not have stayed going down that route.

There were procurement problems historically as well, but it has got more and more complex, particularly with all the linkages and the C4I aspect of everything, which makes life so complex, and it is since that has happened that we have found a lot of these programmes starting to lose their way. There have been some, and you can run through them as well as I could, really terrible examples of where things have gone completely wrong. For example, the MRA4 programme and how the cost escalated on that. It was cancelled in SDSR 2010, but to be quite fair, one does wonder how long it would have taken to get all the airworthiness things ticked off for it, and everything like that. Why on

earth did that programme take so long? Why has the Typhoon programme cost £30 billion? How has this happened? The carrier programme, in fact, has not been nearly as bad as that, but you look at some of these other programmes and they have been a complete nightmare.

I am not quite sure how we can get the process right, but you need clarity of vision of exactly what you want, and someone completely in charge of saying, “No, you’re not going to put that into it, stuff that! It’s only going to have this, because what I really want is that one capability”—that would be quite a good way. Instead, lots of people start adding their little bits in, talking to it and it gets very complex, which all adds to the problem.

Q216 Richard Benyon: In your experience, did you find an increasing or perhaps even tiresome involvement of other Government Departments when it came to large projects such as the aircraft carriers? We know, obviously, that ultimate sign-off would have come from No. 10, but BIS and perhaps even foreign policy might have had a lever as to whether these were a good projection of Britain’s power in the world. Were there other Departments that you found you were up against in terms of the delivery of major decisions like this?

Lord West of Spithead: The Foreign Office was very on side for the carrier and very on side generally for defence, as long as it does not take any money from them and, let’s face it, they are very screwed money, poor Foreign Office. The Treasury, I think, sometimes shows too much interest in the detail of what is being done within the MOD. Historically, it did not really trust the MOD anyway—if you go back to the 1920s, it had to wrest control of money from the War Office and the Admiralty. The Treasury thought that things were badly run within MOD, certainly in the ’60s, ’70s and ’80s, and therefore had a real down on that. Sometimes the focus that it puts on projects—“Do you really need this?”—well, the Treasury is not really there to make military decisions, it is there to say how much money can be provided to the MOD. I think that sometimes that went wrong.

The issue with BIS, I think, is that there is a genuine and proper discussion to be had as a nation about the benefits, etc., of building certain things. I mean, the carrier figure you can give is that 10,000 people are involved in building it, with all sorts of high tech and things like that, and what is the real cost when those people are being paid and paying taxes and everything else? There is a real debate to be had there. So BIS was not anti that. Generally, I think it was very keen on military work going on in this country. It is a valid debate to have in terms of, if you want to buy something abroad— yes, it might be cheaper, but actually you are not then paying skilled people in this country, who then pay taxes in this country. Has anyone really done the sums? Sometimes, I do not think that the Treasury has. So there are those issues as well.

Generally, only the Treasury did not like the carrier or amphibious shipping—it took us 15 years to get the amphibious shipping replaced, because of fights, and fights within the MOD. Similarly with the carrier there were fights, because it was not convinced that we needed a carrier, but it is not really its job to be convinced whether we need a carrier. The decision about whether we need the carriers was a strategic decision and a decision made in that SDR. That decision was there. The Treasury’s job was to say, “Well, there is money”, or “There isn’t money”, not to say, “Is this what you need?”

Q217 Derek Twigg: Can I follow on from that? Let me go back a little bit, because I think what you said before is that a decision was taken in 1998, or just after, to have two new carriers. It was therefore some time after when a decision was taken about exactly what these carriers should do. Isn't there a big issue here? When an idea or a proposal is put forward, it is not so much about whether the cart is put before the horse or the horse before the cart: actually, you should be more specific about what the carriers should be required to do, and then work back from that—and what is affordable.

Lord West of Spithead: In the context of SDR '97, that was done by the policy people, and the concept of what was needed was done. It is how you then convert that into a platform and vehicles to do it: that is the complex thing after that. But we did want if for initial theatre entry, for certain protection of assets at sea and for an ability to deliver on all the other things: support amphibious operations, do things for dependent territories, disaster relief. A whole raft of things were articulated, but then at that stage, we got a sort of slightly blank sheet. It had not been decided then what the strike aircraft would be on board the things. It had not really been decided at that stage would it have catapults or would it be STOVL. All these things had not really been decided. Those things are then put in place as they start developing and working out the design of the ship, what should be done, what is required there.

Q218 Derek Twigg: Why can't that be done earlier rather than later?

Lord West of Spithead: Well, it's because that would be putting the cart before the horse. If you say, "I think we need—". There wasn't even an F-35 at that stage. The Joint Strike Fighter was still on drawing board. They did not really know—

Derek Twigg: We are going to have this shell and then we are going to talk about what we are going to put in it—

Lord West of Spithead: No, no. It said, "These are the capabilities you require. This is the concept, this is the operation you require."

Q219 Derek Twigg: But you made the point before that the fitting of it and all was up for discussion, and it was back and to.

Lord West of Spithead: Yes, for example, the size of the ship and what sort of aircraft. For example, the airborne early warning: would it have a catapult and then be a fixed-wing aircraft, like the Tracker?

Q220 Derek Twigg: How could we improve that, so it did not get delayed to such an extent or chopped and changed so much?

Lord West of Spithead: I think the way you can improve the delays is not to have big arguments and people within your organisation—within the MOD—who don't like it, don't want it, hold it up at any stage, and the Treasury holding it up. It becomes a bit of a football and things get delayed and delayed and then people say, "Well, hang on, it's now going to cost this much. Can we really afford that? Let's re-look at the whole programme again. Let's delay the programme a bit." As soon as you delay it, it costs you more money.

Q221 Derek Twigg: So if a firm decision was taken by the Defence Board or the Chief of Defence Staff and the Chiefs and Ministers early on, saying, "That's what we're doing",

rather than let it sort of drift along—I cannot think of a better analogy—that would enable it to be sorted quicker.

Lord West of Spithead: I would have liked there to be something like when the Polaris executive was set up to run the Polaris programme. Basically, an admiral was put in charge of it. He was told, “We want to have a submarine at sea, firing the first missile for test on this date. This is the amount of money you’re going to have to do this”—in that, you put a big contingency: for example, a huge contingency for Trident was put in by Margaret Thatcher—“Now go and do it.” And you have absolute authority. You drive it through, you take the decisions and you come up to the board and you are responsible to the Defence Management Board for doing all those things. With the Polaris programme, the missile was fired one day earlier than predicted 10 years before and it came in under cost. That is because one person absolutely drove it. That is not what you see in most of these other programmes.

Derek Twigg: So you are saying that so many people have their hand in the fire here—

Lord West of Spithead: Absolutely, and some of them are running their own agendas and some of them don’t want it to succeed.

Q222 Derek Twigg: You are saying there are too many people and no streamlining regarding how decisions should be taken, etc.

Lord West of Spithead: Yes.

Q223 Derek Twigg: To come back to another point I think you made: when you are the C in C, you will be third most senior in the Navy.

Lord West of Spithead: Second.

Derek Twigg: Second most senior. But when you came in as First Sea Lord, you were not aware of some of these issues regarding the carriers.

Lord West of Spithead: I didn’t know the decision had been made that we absolutely were going for the STOVL variant. I didn’t realise that.

Derek Twigg: Which is rather remarkable—

Lord West of Spithead: I thought that was still going to be up for debate.

Q224 Derek Twigg: Was it never discussed at the Navy Board?

Lord West of Spithead: It wasn’t at the Navy Board. No one said at the Navy Board, “We are definitely going for STOVL.”

Derek Twigg: What I am trying to get at here is that, in terms of the process’s decisions, the Navy obviously has a view and wants to do certain things and is pushing every single project. Would it not have been better if it had been discussed? I understand that you are not a democracy, but would it not have been better for the Navy Board to discuss it, so that everyone is aware—everyone who is senior in the Navy, at least—and can come to a position and be able to express their views and concerns?

Lord West of Spithead: The answer is yes, but you have to get it in the context of our looking at something happening 10 years away. The answer is that it was not discussed in the Navy Board when I was there; the decision had already been made. Clearly, there were options of what the type of aircraft might be. There was no clarity on that, and I found that the decision had been made, effectively, in that two-week period when I left one job and went into the next.

Q225 Derek Twigg: You said earlier that you had these concerns, but as the new boy on the block, even in the No. 1 position in the Navy, you felt a bit reticent to say what your issues and concerns were, because you were new and had just come into the job.

Lord West of Spithead: I felt that to go and rattle cages and stomp across the road would not be a clever thing to do.

Q226 Derek Twigg: You didn't have to stomp across the road. You could have spoken to the Secretary of State or the CDS.

Lord West of Spithead: In conversations with people, I certainly said that I felt that we should be looking at the catapult-launched version. If you are going to really make a fuss, you need to say, "Right, I want to see all the paperwork and everything involved in this." This was an air staff decision; it was not a naval staff decision. It was the air staff talking with the central staffs. It was their decision because they had the fixed-wing aircraft. They run that programme and still do—they run it today. Although the Joint Strike Fighter is going to be on the aircraft carriers, it is run by the Air Force.

Q227 Derek Twigg: Some of the evidence that has been given to the Committee is about a concern that Ministers might not necessarily have taken the right decisions or taken them quickly enough, because they did not feel confident about certain military and equipment issues. Was it your view that things could have been improved if Ministers were better informed or better advised?

Lord West of Spithead: I think that generally, Ministers were given good information about things. It is quite difficult for a Minister to get to grips with some of the complex military issues, but generally, I think they were given the sort of evidence they needed. They had their own SPADs to give a political spin to these sorts of things, because there is always a political aspect to some of these things, such as where it is built. There is no doubt that one of the great things about the F-35 is that quite a large percentage of the whole sale of them is going to be built in this country. If 3,000 are sold around the world, that is incredibly good for UK employment and UK jobs, which is good news.

Q228 Derek Twigg: My final question is generally, given your experience, what single thing could improve decision making in defence?

Lord West of Spithead: That is a very difficult question—as I say, having one person responsible for pulling everything together. You need someone to whom you can say, "This is not going right. You are responsible for it. Your legs are going to be chopped off if you get it wrong." That is very difficult to do. With how many people in defence, over the years, when all these things have gone wrong, have you seen that? How many Permanent Secretaries have been taken out like Admiral Byng and shot? In the Navy, we always want to encourage admirals by shooting one occasionally. Maybe a bit of that

might be quite useful. You have to give them the power and authority to do act, then if they get it wrong, you can get them. So often, it is so many different people. It is very difficult to identify who did something. Why is it now £30 billion to get these Eurofighters? Why is it, with the Typhoon, that we are only going to end up with fewer than 100 of them? We are talking about £300 million. Who the hell did this? If you try and pin that down, it is just impossible. I do not want witch hunts. I feel that there should be one person responsible for big projects and then, if he gets it wrong, he bloody well knows he has got it wrong.

Q229 John Woodcock: How does political accountability play in with the model you suggest, going back to one person—an admiral—being responsible for a project?

Lord West of Spithead: Although I say the admiral is responsible for it, at the end of the day politicians, the Ministers, always carry the can, don't they? We know that. For example, on that Polaris executive, yes, he would have been the man responsible, but the Secretary of State carried the can as well. There is another little issue. Let's say that, as First Sea Lord, you are responsible to the Secretary of State and the Prime Minister for the deterrent. Actually, that always runs very well. The deterrent side runs very well because you have complete responsibility for driving it all and making sure it is there and ready 24 hours a day, as it has been for the last 46 years. That runs very well because you have that direct and total responsibility for it, but it has to go up through a Minister, because at the end of the day Ministers—politicians—run the country and we are just servants who are able to deliver things.

Q230 Bob Stewart: Can we talk about the influence of French and American carriers on how we might approach building our own? For instance, the French did not have STOVL. Was that an influence on us—the way we approached it? And the American carrier is of course slightly different. Was that an influence as well?

Lord West of Spithead: Clearly, the other carrier nations and our allies were looked at; compatibility and things like that were talked about. We were coming from a different position, because the Invincible class carriers were not catapult-type carriers. They had been a way to keep ourselves in the fixed-wing naval aviation business. Indeed, after the cancellation of CVA-01, we could not even call them aircraft carriers. They were called cruisers and had a cruiser pennant number on them. They were not allowed to be called aircraft carriers until the Falklands war, when Margaret Thatcher called it a carrier battle group. Then we were able to paint an R on them and have them as aircraft carriers. So they came up a strange route. The Navy knew that we needed to have fixed-wing aircraft at sea if we were going to be a proper power that could deploy around the world. But that meant we did not have catapults. We were not used to doing that.

The French had kept their catapult-launched aircraft carriers. They had built those; they had Clemenceau and Foch. They kept those. Then they built the Charles de Gaulle. The lesson we really learned from them was, "For goodness' sake, don't go for nuclear," because that had been a real mistake for them. I'm talking about the serviceability and maintenance aspects, the difficulty of berthing and things like that. It was quite clear that was not a good thing to do, so we learned that as a lesson, even though the Americans do it on a grand scale.

We looked closely at what the Americans do. They had very large carriers, of course. We saw with them that you need room for growth. On their 90,000-tonne Nimitzes, they decided there was not enough protection against certain attacks with those carriers, and they put another 10,000 tonnes of armour in them, which makes them 105,000-ton ships, so we knew we needed growth in these things and that was part of it when we were building our carrier: "Let's leave room for growth." We have 65,000-tonne carriers, but we allow for growth, so they can go to 75,000 tonnes, because over 50 years things do grow. HMS Victorious was flying Swordfish; that was what she was designed for. She finished flying Buccaneers. That is the sort of change that can happen over their life. So we learned those lessons from them, and we would have liked to be able to fly bits of the air group off the French and the Americans and on to us. Clearly, that could not be done when we were doing the STOVL thing.

There are advantages sometimes to STOVL. In the Falklands, you don't have to go on to such a prolonged flying course. You can land in amazingly grotesque visibility and so on, so there are sometimes advantages, but you don't get that payload. Because you are carrying an engine to do it, it means that that engine's worth of weight is not fuel and bombs.

Q231 Bob Stewart: Can we talk about cats and traps? I seem to recall that one of the problems with cats and traps was that the cats and traps that the Americans had were so utterly different from ours and the cost of us trying to build our own cats and traps was a major factor. Do you have a comment on that?

Lord West of Spithead: That was an issue. To go right back to the beginning, when I said, "Look, we must design these things so they could be converted," they said, "Well, the steam catapult has come to the end of its life. We'll have to go for an electronic system. It's called EMALS. This hasn't been developed yet." I said, "Well, if it doesn't work properly, can't you design the ship so that you shove in a controlled superheat boiler in a compartment high up in the ship to provide steam for the catapults anyway?" "You don't understand, Admiral, what the complexities are." I don't believe it. Fisher would have said, "Bloody well do that," and we could have done it, I reckon, if EMALS had not worked, but you are not able to do these things, because it has to be looked at by God knows how many committees. Everyone thinks about it and it all becomes far more complicated—and, yes, the cost, the catapults and the arrestor wires, and the complexity of it—because the design had not been built for it.

As I say, initially they talked about there being only three compartments that would have to be changed, if it had been designed from that stage. I think it was 130 compartments they mentioned to Liam Fox, wasn't it? Something like that, and it became a huge issue. To be quite honest, by that stage, because the design was so solid and the ship was being built, it was not a good decision to make that change. It was not. I can only assume that the Secretary of State and others were not given all the facts about the cost. I have to assume.

Q232 Bob Stewart: My final question, Lord West, is, when you are wearing your naval captain's hat, which carrier would you prefer to have operated with: a US Navy one or a US Marines carrier? In your professional judgment which did you like better?

Lord West of Spithead: Well, the US Navy carriers are full-strike carriers, so they have that huge range of capability.

Q233 Bob Stewart: So that is your choice.

Lord West of Spithead: That would be my choice, but that does not mean that you cannot—the Marine carriers are primarily aimed at providing shore support for the US Marine Corps when it is there. They are airborne artillery. We will be using ours—our STOVL variants—much more in the way that the strike carrier will be using theirs. So it will be available to do that, but it will also be doing these other tasks as well.

Q234 Bob Stewart: So you wanted a carrier that was more ubiquitous.

Lord West of Spithead: Yes. You need it to do initial insertion in an area; 70% of the first raids in Afghanistan, even though it is land-locked, came from carriers. You can get to these places, 500 miles a day in any direction; no one can stop you. You have got this immense flexibility. Terrorists cannot blow—not a single of our carriers has been touched by anyone since the second world war, even though we have been in fights like Korea and the Falklands. There are all of these capabilities, which are very attractive.

Q235 Bob Stewart: I am so sorry—this is my last question, and probably I am incorrect; but is not the distance from the sea to Afghanistan 800 miles? And therefore you could not actually launch a STOVL attack.

Lord West of Spithead: I don't know off hand what is the range is—

Bob Stewart: I think it's 800 miles.

Lord West of Spithead: All I know is that we were running the Special Forces operations in Afghanistan, during the initial attack, from HMS Illustrious.

Q236 Ms Stuart: Lest we run away with Fisher's time as so fantastic, I seem to remember that he sort of threatened to resign eight times before the ninth, and he did resign—

Lord West of Spithead: Who is this, sorry?

Ms Stuart: Fisher.

Lord West of Spithead: Oh, he was a bit of a—he was quite a character, yes. I am not suggesting we should all be like that; but he did do some good things as well.

Ms Stuart: It has always been stormy, the relationships. I just wanted to say that the Americans have got a distinctly different decision-making process. Do you think we could learn from them?

Lord West of Spithead: I think we can. I think one needs to learn from lots of countries—the way sometimes the French do things as well. But we must be careful, because the Americans are on such an immense scale, and the amount they spend on defence is so huge. They do run their Navy—and their Army and Air Force run in more like the way we did before we had our centralised administration. Although they have got a Joint Chief—Chairman of the Joint Chiefs—my goodness me, the Navy has immense autonomy in deciding.

For example, their Chief of the Naval Service, CNO, decided he would go for the littoral combat ship. He effectively made that decision himself. He effectively then got the various

companies to bid for it; and he effectively then said, “Right, we are going to go and build these.” Yes, the Chairman of the Joint Chiefs had some oversight, but it is much more like the old system; and they can do that because they do have a huge amount of money. And they have their problems, don’t they?—you know, the incident of their £800 hammer or screwdriver, or whatever it was. So it is not just us who have problems on procurement, and indeed in many ways I think we do quite—our carriers, if you look at the cost of each carrier, are amazingly good value for money. It is amazing that no one around the world wants to buy them—I don’t want to sell—because they are incredibly good value compared with the American carriers or the French carriers.

Chair: Lord West, thank you very much. I think we could have continued much longer, but we are very grateful to you for your time, and for your clarity, and for your honesty and being very direct. Thank you very much indeed.

Witness: **Sir Nick Harvey**, former Minister of State for the Armed Forces, Ministry of Defence, gave evidence.

Q237 Chair: Sir Nick, welcome. Thank you for coming. May I begin by re-emphasising that this is about how decision making should happen? We are keen to draw on your experience as a former Defence Minister, as we drew on Derek Twigg’s, in thinking about how to bring this inquiry together. I will begin with a simple question. You have been sitting here listening to the testimony. What do you conclude from what you have heard? If you had a magic wand or a blank sheet of paper, what policy conclusions would you draw? What changes would you bring to the Ministry of Defence, based on what you have just heard?

Sir Nick Harvey: I recognised a lot of the dilemmas that Admiral West described to you. Some of them have been affected by the Levene reforms and the different way that things operate now, but some of the underlying truths would nevertheless remain. Big decisions should be taken by Ministers, who have to account for them. Decisions should be taken by Ministers after they have received and had adequate opportunity to interrogate financial advice, technical advice, legal advice, policy advice, military advice, and, critically, after they have had the opportunity to hear debate within Defence that leads towards the advice coming up.

One of the things that worried me a great deal about the old system of having a Defence Management Board on which Ministers did not sit, but which then came and gave a unified recommendation to Ministers, was that Ministers were missing something quite crucial in not having had insight into the debates that took place there. It is not particularly helpful as a Minister if you are being told by a permanent secretary or the Chief of the Defence Staff that this is the view of us all—in fact, some of them sitting there are grinding their teeth and do not really agree with it at all—but you have had no insight as Ministers into the debates and the tensions that have got them to where they are. To my mind, the new Defence Board, where the two senior Ministers sit around a small table with

the senior civil servants, the most senior chiefs and three non-executive directors, is a big improvement on the predecessor arrangement.

In terms of how the big decisions are taken, although it will be far from perfect, I saw an improvement during my relatively short time in the Department.

Q238 Mr Gray: What you are describing is a move from executive decision making by the Executive to democratic decision making by democratically elected Ministers.

Sir Nick Harvey: Yes, certainly, in terms of big strategic key decisions, I think that is a fair description. Of course, as Admiral West was saying, a vast number of decisions have to be taken all the time, and those will be devolved down through both the civil service and the military chain of command to an appropriate level.

Sticking with the big ones, however, it is much healthier that Ministers get the opportunity to debate issues with the military and the civil servants before making a decision, rather than just being given essentially the conclusion of the Executive, as you put it, on a take it or leave it basis, or if not, the hackneyed old business of, “Here are three options, two of which are self-evidently insane”, so that—on the line of least resistance—you go for the one they clearly intend you to go for.

Q239 Mr Gray: But is there not a very ancient and superb principle of the British system of government—this does not apply in America, for example, where everybody is elected, down to the local sheriffs—that civil servants and the military do the technical work and make the propositions, and Ministers and their special advisers take political decisions about those propositions based on advice.

Sir Nick Harvey: Yes, I agree with that characterisation, but I think that Ministers will take better decisions if they have had more insight into how the advice on complex issues has developed.

Q240 Mr Gray: If you are of the view that the current structure of the Defence Board is the right thing, which happened after you left, didn’t it, or just about the same time—

Sir Nick Harvey: No, it happened while I was there, and the new Defence Board had sat in its Levene/Francis Maude form for at least a year before I left, but I do not quite know what has happened since. However, I felt that that was a tangible improvement on what had been there before.

Q241 Mr Gray: Supposing it had been in existence for the previous 10 years, to what degree do you think that the to-ing and fro-ing, backwards and forwards-ing and up and downing with regard to “cats and traps” and STOVL would not have occurred? In other words, do you think the new post-Levene structure would have made the slightly shambolic—more than slightly shambolic; the shambolic—decision-making process over the carriers better?

Sir Nick Harvey: I think it might have; I can’t guarantee that. One of the problems is the rapid speed at which people move through positions, and on and out, compared with the rather slow speed at which some of these complex programmes develop.

Q242 Mr Gray: Including Ministers.

Sir Nick Harvey: Including Ministers, certainly. But military personnel, even more so than civil servants, rotate through posts so quickly that those who make some of these decisions, or recommendations, are long gone and their successor but four or five can be there by the time the consequences manifest themselves.

Q243 Mr Gray: Okay. In that context, to what degree do you think that the backwards and forwards-ing over STOVL and all that was caused by internal rivalry between the Royal Navy and the Royal Air Force—internal battling, personalities and all that—and to what degree would the new structure obviate that or prevent that?

Sir Nick Harvey: Now hang on, because—as I think you have heard—the debate has gone back and forth from 1998 onwards, and I can only cast any light on what happened from May 2010 onwards. There is undoubtedly much truth in the proposition that there had been, at an earlier stage, some pretty intense rivalry between the Navy and the RAF, but I do not think that was particularly part of the 2010 through to 2012 decision of this.

When the new Government took office in May 2010 and had to grapple with the financial problems in defence, it was clear that the carrier project was one of the biggest elements in that equation. Equally, it was clear that the contracts had not been signed and that a lot of the work on the first carrier had already taken place. It was too late, fundamentally, to unpick it. The advice Ministers were given was broadly that we would have to pay out the money and that it was up to us whether we completed the building or not. Either way, we were going to have to cough up the agreed sum of money. On that basis, it seemed better to have two ships, having paid for them, rather than not have the two ships. So there was not much choice but to carry on.

Liam Fox, in particular, was very seized of the fact that we had ended up at a point, as indeed we now will, with 65,000-tonne ships, off which we were going to fly jump jets that could have flown off something half that size. Really, the point of having a big ship was to fly an F-35C or something equivalent from it. Therefore, it was in no small way a politically instigated suggestion that it was worth having one final look at that issue while it was still technically possible to change course if we wanted to.

Q244 Richard Benyon: We have covered some of the points that I was going to make. You were sitting round the table as a new Minister in a new Government, asking a pretty fundamental question. In terms of the motivations to change this system from STOVL to the carrier variant, did you feel that the wrong decisions had been made previously? As a group of Ministers, did you feel that you were being put in an almost impossible position, having to try to make a decision which you would rather not have made?

Sir Nick Harvey: Yes, undoubtedly so, but it would be hard to pinpoint the exact stage in time at which it had gone wrong. The original decision was taken in the 1998 SDR to build two big carriers. But we know from what Lord West said to you earlier that when he arrived as First Sea Lord in 2002, the decision had already been taken to switch to the STOVL variant. In a sense, we were on a problem course from that point forth. I have considerable sympathy with what he said to you.

Q245 Richard Benyon: Do you remember discussions about how much risk there was in the adoption of the electromagnetic catapults?

Sir Nick Harvey: Yes.

Q246 Richard Benyon: Was that risk fully expressed to Ministers as part of the decision to opt for the carrier variant of the joint strike fighter?

Sir Nick Harvey: Let me just say this: the Strategic Defence and Security Review was a programme driven and run by the new National Security Council, the new National Security Adviser and the Cabinet Office. The defence component of that was undoubtedly huge, but it was not a Ministry of Defence review. The process belonged to the Cabinet Office. During the summer of 2010, when Defence Ministers were debating the defence components of this and we had taken a decision that—I think that everyone would have preferred the review to have taken something like 18 months; that is what everyone had anticipated before the election. But, because there was going to be a Comprehensive Spending Review in October 2010, we had to make a decision.

Were we going to do the thing as comprehensively and thoroughly as one would like over 18 months but risk being given a cash envelope in the Comprehensive Spending Review? We would then have had to design a defence policy to fit the cash envelope. Or were we going to do the thing on a far more accelerated time scale, accepting that it would be, in a sense, rather a quick and dirty review that would inevitably cut some corners but would equip us with the argument to do battle with the Treasury to try to increase the size of the cash envelope? We chose to do it quickly. Your Committee subsequently produced the report suggesting that that process was not without its shortcomings. Certainly as a Minister I acknowledged on the Floor of the House and elsewhere the merit in some of the critique that you were advancing.

When we looked at this issue of the cats and traps, I have no recollection of a definitive decision to go down this route being taken. The last involvement that I recall having at the MOD, and the debate around the defence strategy group that was assembled throughout the summer of 2010 to look at it, was that we thought this option ought to be explored. We realised that to go away and to do a thorough job of exploring it was going to take several months of work. Therefore, we took the decision to explore this option.

Now, the SDSR has in it a definitive decision: “We are going to do the cats and traps.” I am afraid that I cannot cast any light on how that came about, but it was after I had any involvement in it that it became that black and white. It was not without an element of surprise that I saw the way this was presented and then discussed thereafter. I was equally surprised that the broad ambition of moving the Army home from Germany rather faster than was being planned had suddenly turned itself into: “They will be back by 2020 and half of them back by 2015.” I cannot cast any light on how that came about either.

Q247 Richard Benyon: But your best guess—you must have pondered at length, in the watches of the night, about how these decisions were made. Who did make them? Were they over your head? Were they being taken by people who never have to stand at a Dispatch Box?

Sir Nick Harvey: No, I don’t think so. I think they were taken on the other side of Whitehall. Quite how, and what goes on in that mysterious world on the other side of Whitehall, I simply don’t know. Maybe the National Security Council decided this, maybe

the Prime Minister decided this, maybe the spin doctors didn't think the thing sounded definitive enough and wanted it to be a bit punchier—I don't know.

Q248 Richard Benyon: This is quite a strategic change. One can understand the Spaderie making changes where there is a political thing, but this was actually about what kind of plane we were going to have flying off our very expensive vessels and possibly how we were going to prosecute a war in future years. It seems extraordinary that that decision seems to have been taken out of the hands of Defence Ministers.

Sir Nick Harvey: At the time we agreed to explore the option, we had been led to understand that changing course to fitting EMALS cats and traps was likely to add something of the order of £0.5 billion to the cost and something of the order of a year to the timeline of the project; that it would get us this far more capable aircraft, as Lord West described in his evidence to you just now; and that there were serious question marks in any case over the viability of the STOVL part of the F35 programme—it was in fairly serious trouble in the summer of 2010. Therefore, it seemed on the face of it entirely rational to commission some work to look at changing course. It would have to determine whether the cats and traps were going to be fitted to the Queen Elizabeth or to the Prince of Wales, for example, because you will recall that the SDSR took the decision that one of the carriers was going to be kept at extended readiness and that was not going to entail its having cats and traps. Therefore, the question was, was it too late to put them into the Queen Elizabeth or, to get the whole thing ready at the earliest possible date, was that the way to go?

The officials rendering the advice made it perfectly clear that the advice had been put together at breakneck speed and was not entirely reliable—it was simply indicative—and that far more detailed work would be needed to actually work this change up as a serious programme. That is why—I am sorry about the length of my answer—I thought it was worth pointing out that the decision to do an SDSR in four months always meant that some of the advice on which it was based was, as I put it earlier, quick and dirty.

Q249 Richard Benyon: I want to ask about one other decision taken at that time, which was the decision to take the Harriers out of operation almost immediately. This has left a gap in capability until the carriers are completed and equipped. Without considering the rights and wrongs of the decision, did you feel that there was enough consultation, and that you had all the facts that you and other Ministers needed to take the decision at the time? Were you able to voice or listen to objections to that capability gap's being created?

Sir Nick Harvey: Traditionally we have had two aircraft types, and in the long term we will have again two aircraft types: the F-35 and the Typhoon. In 2010, we had three. We had Harrier and Tornado and Typhoon coming on stream. In an era of appalling financial pressure, the view was very much being propounded by officials that we simply could not afford to continue operating three—we needed to come back down to two, and therefore a debate raged right through the summer about whether to axe Tornado and persevere with Harrier, or vice versa.

Again and again, I and others queried whether it was not a better idea to keep going with the Harrier, but you are asking me whether I think that the information was there to make the decision, and I think the answer is yes. Nobody wanted to do it. It was an appallingly painful decision. Whether it was the right or wrong decision is something that one can

debate, but your question is whether I think the information was there upon which to make the decision, and I think that broadly it was.

Q250 John Woodcock: Sir Nick, let me take you back to the decision over cats and traps. What did the Secretary of State say when you asked him how the decision had gone from a commissioning exploration to a firm decision?

Sir Nick Harvey: To all intents and purposes, I think, it remained the case that what we were doing was commissioning a piece of work on it, and it remained the case that both he and I, and the military chiefs and the civil servants, understood all along that it was entirely possible that that piece of work would conclude that this could not be done. When, ultimately, that is what happened in late 2011-early 2012, there was, frankly, not that great an amount of surprise in the Ministry of Defence.

I understand that the rest of the world was surprised when it was announced that we were not going through with cats and traps. It was very much viewed that we had made one decision and then turned back, but, from where I sat, there was a logic to exploring the option. Prima facie we had been led to believe it was a sensible thing to do to explore that option, and when the full exploration had taken place, regrettably, the cost estimate of half a billion pounds had grown to at least £2 billion. The time delay of a year had grown to something like four or five years. The risk in the EMALS project was becoming more and more evident and therefore there was a perfectly rational decision that this exploration told us what we needed to know, which was that this was not a viable option.

Q251 John Woodcock: So the SDSR was inaccurate.

Sir Nick Harvey: It presented as being a definite decision, something that I think inside Main Building was seen as an agreement to embark upon a study.

Q252 John Woodcock: So it misled Parliament.

Sir Nick Harvey: I do not know whether it misled Parliament. I think a decision had been taken above my pay grade that committed more political authority and capital to this than anything that I had witnessed would have quite explained.

Q253 John Woodcock: What you are saying to the Committee is very serious. Either the decision was not a decision and whoever presented the document had misled Parliament, or the Ministry of Defence was working on a different basis to that which it had expressed to the public and Parliament. Which one was it?

Sir Nick Harvey: I do not accept the premise of your question. As I pointed, out—

Q254 John Woodcock: How can you not accept the premise if you said this had been presented as a decision, but you worked in the Ministry of Defence as if it was not a decision? That is very serious.

Sir Nick Harvey: I said at the outset that the SDSR was the beast of the Cabinet Office and the National Security Council. Clearly, at their level, they had taken the policy decision that we were going to go down the route of having cats and traps. The task then fell to the Ministry of Defence of delivering against that expectation. And, during the

course of the exploration of that that followed, it became clear that it was not a viable way forward.

Q255 John Woodcock: But that is quantitatively different from the account you gave at the beginning. At the beginning you said that you had carried on on the basis that you were exploring whether to commission that. Did you just misspeak at the beginning of your evidence, or have you realised what you said and how serious that is?

Sir Nick Harvey: I think it was understood in the Ministry of Defence that the Government had taken a policy decision that it was going to go forward with cats and traps, and we continued investigating how we were going to deliver that. But I—

Q256 John Woodcock: How or whether? Because in your first account you clearly said whether, and now you are saying how. Those are two quite different things.

Sir Nick Harvey: Yes, okay, I hear what you are saying, but I wonder in practice how different they are. The decision had been taken in principle that this is what we wanted to do. We then explored the way in which it would be done. Everybody wanted to do it—please don't misunderstand me on that. I am not saying for one minute that some of us didn't want to do it and someone, somewhere else, did. Everybody wanted to do it, but I think that perhaps inside the Ministry of Defence we had got a better understanding that there was quite a lot of risk inherent in changing course this late in the day. It turned out to be even more difficult than we had understood at the outset, but I think that, when you try and give effect to a decision of this sort and you start immersing yourself in the detailed practicalities, that it became impossible to go through with it probably surprised us less than it did those on the other side of Whitehall.

Q257 John Woodcock: Why did you not convey publicly that doubt, which you clearly held from day one of this being announced as a decision?

Sir Nick Harvey: Because I was committed to the policy that the Government had adopted that it wished to go down this path. I don't see that it was necessarily my duty to express practical concerns that I had. We were all doing our best to make this work.

Chair: I am afraid that there may be a vote at half-past 4 so, as we are keen to get at least three colleagues in, please keep answers relatively crisp and short.

Q258 Derek Twigg: I am interested in the relationships with the Government Departments and what impact they had on decisions. It would be useful if you could outline the interest of other Government Departments affected by the 2010 decision to change from the STOVL to the carrier variant. During your answer, to save time, considering that BAE Systems had a stake in the tail assembly for STOVL and Rolls-Royce was building the engine, were the views of the Department of Trade and Industry, particularly the Defence Equipment and Support agency, taken into account in the 2010 and 2012 decisions? I want to know whether other Government Departments were consulted and what their involvement and influence was—the Treasury will be a big part of that—specifically the DTI or BIS, as it is now.

Sir Nick Harvey: I have no recollection of industry kicking up about this or trying to push back on it. My recollection is that it was reasonably relaxed about it because, either way, it would have got a slice of the action. The problems that the STOVL variant was running into at that stage were probably casting considerable doubts in industry's mind in any case.

I just do not recall that kicking off as an issue. Maybe I just did not know about it. Maybe they were beating a path to the door of the Procurement Minister and bending his ear about it, but I do not recall that bit.

Q259 Derek Twigg: Did you say that there was some doubt in industry about the STOVL version anyway?

Sir Nick Harvey: In America, in 2010, the STOVL variant—the F-35B was perceived as being in trouble and there was quite live speculation that it might get dropped altogether. By 2012, by the time that we had decided that the cats and traps were not a realistic proposition and we were going to have to revert to the STOVL variant, it had come back from the dead and overtaken the F-35C in the development pipeline and was in much better—

Q260 Derek Twigg: Was that based on cost rather than what was the best—

Sir Nick Harvey: Cost and technicalities, and the politics of—

Q261 Derek Twigg: So what about other Government Departments? In terms of the decision overall, how were they involved or were they involved at all?

Sir Nick Harvey: Not very much.

Q262 Derek Twigg: Just the Treasury, then.

Sir Nick Harvey: Yes.

Q263 Derek Twigg: We heard from Lord West before. To summarise what he said, basically the Treasury meddled too much in the detail of these things. Was that your view?

Sir Nick Harvey: My view is that they generally meddle too much in the detail of everything.

Q264 Dr Lewis: I wanted to check something with you. I had always assumed that it was because of Liam Fox's predisposition towards going back to cats and traps that the decision had been taken in that way. You do not seem to think that that is the case. I have picked up, through all this intensive questioning, possible culprits: No. 10, the National Security Council, the Cabinet Office, special advisers or the Treasury. Is there any particular ranking of those in likelihood? And who on earth in the Cabinet Office, of all places, would be qualified to take a decision as to whether or not to launch a particular type of aircraft off a particular aircraft carrier with a particular set of machinery?

Sir Nick Harvey: It is certainly the case that the decision to investigate anew the possibly of the cats and traps was sparked by Liam Fox's personal preference, which I entirely shared, and I entirely approved of the decision to investigate it. Only as 2011 unwound did it really become clear that this was not going to be a viable way forward. If you want to ask me who I think—I think that those who were responsible for the presentation of the document were the ones who crispened this up, because quite a lot happened to this document between the last time I saw it in the Ministry of Defence and the form in which it arrived in October in the House of Commons.

Q265 Dr Lewis: We are getting to the point. Who did that? Who were the people who made that change to the document?

Sir Nick Harvey: Well, the document was never the MOD's property. It was always the Cabinet Office and the NSC's property. When it left us, what we now recognise as the national security strategy and the SDSR were all one and the same thing. The decision—a perfectly rational decision—to separate them out and have them as two separate documents was made after it had left Defence and after I saw it for the last time. In an ideal world you would produce a national security strategy first, and having perfected that you would then embark upon a defence review.

Q266 Dr Lewis: I want to focus on the National Security Council. The National Security Council was up and running by this time, albeit fairly new. Would you say that they had full cognisance of what was happening? And, indeed, I am not entirely clear about the relationship between the National Security Council and the Cabinet Office at that time; so if the Cabinet Office had had a hand in this, would the National Security Council automatically have been party to that?

Sir Nick Harvey: Well, the National Security Adviser, Sir Peter Ricketts, basically owned the whole process, and he was in the Cabinet Office. The National Security Council is an entity of the Cabinet Office, and the National Security Secretariat are staff residing in and seconded to the Cabinet Office for this process; and I think there was a sense at that time that Defence needed just ever so slightly putting in its place, that this was not a defence review—it was a defence and security review—and that the final decisions would be taken in the Cabinet.

Q267 Dr Lewis: So we are saying that, as far as we know, it was the NSC that really turned what was an exploratory exercise into a policy decision.

Sir Nick Harvey: I think so.

Q268 Dr Lewis: Yes, I think that is the gravamen of what you are saying. Yet interestingly, Lord West, who at the outset of the process in 1998 had felt, like you and Liam Fox did, that the conventional carrier variant was the route to go down, with the cats and traps, said in his evidence to us that he was surprised by what happened because, even though he preferred that, it was clear to him by the time we got to this decision being taken in 2010 that it was too late to make the change. So he, as a former head of the Navy who was in favour of the carrier variant—it was fairly clear to him that this was not really a viable option; and yet somehow, something which you and Liam Fox had merely wanted investigated was transformed by the NSC into a decision which then had to be reversed a year or two later—as far as you know.

Sir Nick Harvey: Lord West, of course, would not, in 2010, have had sight of the sort of detailed background—he would have a very deep general knowledge of it, but he would not have current data in front of him. I was not surprised by what he said, but the advice that was provided inside Defence, to Defence Ministers, that led us to say we wanted to explore this, had made it seem—and we believed it to be—viable enough to warrant the exploration.

Q269 Dr Lewis: But in the end it was presumably the MOD and the defence experts who decided that it had to be reversed because it was not viable. Is that correct?

Sir Nick Harvey: Yes.

Q270 Dr Lewis: So we are really saying, “Doesn’t this show that the National Security Council is not better placed in reality to make decisions of this sort than the MOD experts from the armed forces?”

Sir Nick Harvey: Yes, I would have said that it did show that, but of course I can only give you my impression of what went on as best I perceived it.

Dr Lewis: Thank you.

Q271 John Woodcock: Surely someone in the MOD—either the Secretary of State or the Permanent Under Secretary—must have signed off the strategy before it was published.

Sir Nick Harvey: The Secretary of State will surely have been involved in those final decisions, because he is on the National Security Council.

Q272 John Woodcock: So if he were concerned, on behalf of the Department, about the disparity between a decision that was actually being investigated, rather than a decision that had been taken, that was his point at which to raise it, and he didn’t.

Sir Nick Harvey: I don’t know whether he did or didn’t. I wasn’t there. I wasn’t party to that.

Q273 John Woodcock: Why wouldn’t you ask him?

Sir Nick Harvey: It seemed to me it was a presentational issue. I am intrigued that you consider this as significant as you do.

Q274 John Woodcock: Well, I do, because within 18 months it had to be reversed and there were significant costs in that decision. I am surprised you do not think it is significant.

Sir Nick Harvey: This is something we wanted to do. This is something the National Security Council wanted to do. The decision was made to head down this route and ultimately it proved unfeasible. To be perfectly blunt with you, I am not clear what difference it makes—the point at which the decision was taken in principle. Either which way, the same thing would have happened.

Q275 Ms Stuart: I think we are so exercised about this because this inquiry is about how we can improve the decision-making processes. A number of people are saying that the National Security Council is the answer to everything, just because it’s the new kid on the block. I think Mr Woodcock and I find it slightly puzzling that, if you have a document that the Secretary of State for Defence then takes to Parliament, he is taking ownership of this document at that point and, if not, where is the accountability of this new body, which we are told is the holy grail, and who owns it?

Sir Nick Harvey: Well, he and the Prime Minister both stood up at the Dispatch Box and presented the document and debated it, so they were both comfortable with it. You are asking me my experience of the decision-making process, and I have explained to you that, after the point at which I was personally involved in it, a decision was seemingly taken that took this a good deal further than it had been at the last point I was involved with it.

Q276 Ms Stuart: Those of us who have been Ministers but not Secretary of State will all have had this experience of going round the block and it just ends up on the Secretary of State's desk, and the Secretary of State says yea or nay and that's it. Is that what happened there? You have a process, but then the Secretary of State just decides that this is the way to go, so actually the buck stops with him?

Sir Nick Harvey: Except that, as Dr Lewis pointed out, this was not solely a matter for the Defence Secretary to take. This was a review conducted by the Cabinet Office.

Q277 Ms Stuart: But that begs the question, you have the reviews that are conducted by someone else, but then across Whitehall, which does all this intermeshing, there may be equals, but some Secretaries of State have got that little bit more clout than others. I would have thought that if the Cabinet Office wanted one thing and the Secretary of State for Defence wanted another on a defence issue, he would kind of trump the Cabinet Office.

Sir Nick Harvey: I think your line of questioning assumes that the Defence Secretary did not want this to happen. I think the reality is that the Defence Secretary did want this to happen—and so did I and so did the Prime Minister. The fact that it ultimately proved impossible was regrettable, but I have to say that, to those of us who were inside the Ministry of Defence, it was not that surprising because we understood from the beginning that there was a great deal of uncertainty in this that could not be bottomed out and totally resolved quickly.

Q278 Ms Stuart: I asked Lord West whether he thought we could learn something from the way in which the Americans make decisions. What would your view be? Can we or can't we?

Sir Nick Harvey: I agreed very much with his answer. I think the Americans are so much bigger and their political system and culture are so different, and the way they make political appointments at all the senior levels of their Ministries, that it is very difficult to see how we could translate very much of their system. I do not know that I would want the pork barrel politics aspect of their defence procurement to become the norm here either. I would say that there is far too much secrecy for my taste. I personally think that a lot of these decisions would benefit from being far more open, and I think the point that Lord West was making about people being very precious about clinging to their authority to take decisions is unhelpful as well.

Q279 Chair: To bring the session to a close, I have a last cheeky question, which is probably unrealistic for you to answer in the time available. Looking back, how often do you really feel that as a Minister, the buck actually stopped with you? How often were you able to say to yourself and your family, "I made this decision. I made that decision", or do you think that to some extent, your responsibility was a fiction and the reality was that often Ministers do not really make decisions in that sense?

Sir Nick Harvey: There were specific operational decisions I made where it was undoubtedly the case that the buck would stop with me. Big political decisions were taken where I was part of the team that took them, so I do not think it is entirely a fiction, as you put it, but whichever American politician said, "Every time I climb another rung up the political ladder, power seems further away" undoubtedly had a point.

Chair: Thank you very much indeed.