HOUSE OF COMMONS

Defence Committee

Oral evidence: Flexible response? An SDSR checklist of potential threats, HC 493

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Watch the meeting – An SDSR checklist of potential threats

Members present: Dr Julian Lewis (Chair); Douglas Chapman; Mr James Gray; Jim Shannon; Ruth Smeeth; Bob Stewart; Phil Wilson

Questions 35–59

Witness[es]: ***General Sir Nicholas Houghton***, Chief of the Defence Staff, General ***Sir Richard Barrons***, Commander of Joint Forces Command and ***Campbell McCafferty***, Director of the Civil Contingencies Secretariat, Cabinet Office gave evidence.

Q35 Chair: Welcome to the second session of our inquiry into what we call "Flexible response?" which is an attempt to build up a checklist for the forthcoming Strategic Defence and Security Review to see whether it is versatile enough to meet the potential threats that might appear. Today we want to obtain a better understanding of the methodology that lies behind the estimation of potential threats that we have to be prepared to meet. I ask our three witnesses to identify themselves for the record.

> ***General Sir Nicholas Houghton:*** I am General Sir Nicholas Houghton, Chief of the Defence Staff.
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> ***General Sir Richard Barrons:*** I am General Sir Richard Barrons, commander of Joint Forces Command.
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> ***Campbell McCafferty:*** I am Campbell McCafferty, director of the Civil Contingencies Secretariat.

Chair: Thank you very much indeed. I will ask Colonel Bob Stewart to start.

Q36 Bob Stewart: Hello and welcome to everyone. Why is the SDSR essentially being run with the Cabinet Office in the lead, when it is such an important matter to the Ministry of Defence? Campbell, perhaps you might want to answer that first.

> ***Campbell McCafferty:*** Since 2010, when the coalition Government came to power and created the National Security Council, the Government have looked to deal with national security on a much broader front. It is about the traditional hard end of security, the defence side, but it also covers wider areas and soft power—the Foreign Office, the Department for International Development and even my own Civil Contingencies

Secretariat—so that it can cover both domestic and international, and takes an all-risks approach to cover threat and hazards. In that situation, therefore, the Cabinet Office is co-ordinating the inputs from the other Departments, rather than leading it in the way you suggest.

Q37 Bob Stewart: So the s of security brings in the Cabinet Office?

Campbell McCafferty: Yes, and the National Security Council.

Q38 Bob Stewart: General Nick, what is your comment?

General Sir Nicholas Houghton: I think it is more fundamental. It is not that defence alone has equity in the security risks to the country. In many ways, an SDSR, and a national security strategy on top of it, has to be a whole of Government synthesis of what is the national ambition of the country, to which there are inputs from the FCO and the Home Office in terms of our ambition, our place in the world, our international strategic authority, our moral values—all those sorts things. That has then to be set against the wide-ranging risks and threats—not just hard security threats but threats that might emerge from economics, demography and natural hazards, as Campbell has said—and synthesised such that Government resources are applied to mitigate the threats to national ambition to a level that is tolerable to the Government of the day on behalf of society. I think it is wholly proper that a national security strategy and an SDSR address threats at the highest levels of Government, with the authoritative body being the National Security Council.

Q39 Bob Stewart: So it is a proper thing to do. General Richard, my old friend, mindful of the fact that you are responsible for troops to tasks—providing the troops to do the operations—do you actually think that this new method is better? Are there any risks that, by doing it this way, we might brush over problems that the Ministry of Defence thinks are very important from an operational point of view?

General Sir Richard Barrons: I absolutely begin in the space that confrontation and conflict are whole of Government business. We are trying to align all the levers of national power behind the desired HMG objective. Provided that process works well, the place of the military in any one particular issue should be properly heard and properly cemented. It is a very small part of my responsibility to make sure that organisations such as PJHQ are properly attached to and follow the business in Whitehall. We have to recognise that there are very hard choices about money and balance of effort, and it is probably helpful and a good thing that this decision rests at the heart of Government.

Q40 Bob Stewart: I will end with a quick question to you, General Nick. Does it work better?

General Sir Nicholas Houghton: The proof of the pudding will be in the outcome of the next national security strategy and the SDSR that flows from it. Clearly, the 2010 review was the first attempt to do one on this all-encompassing basis. People have different judgments on that, and clearly that SDSR and national security strategy was very much done in the context of responding to the strategic shock of austerity. We are in a different position now. The threat situation has worsened, but the opportunity for the betterment of the capability to mitigate threats means that we are confronted by a different set of choices. I absolutely believe, echoing what General Richard said, that this is among the

most important functions that Government discharges. You will never be able to mitigate every threat to your ambition as a nation, and therefore the risk tolerance must be one that is borne by Government on behalf of society. We can but recommend our best view of the way in which we can attenuate those risks militarily.

Q41 Bob Stewart: So the short answer is that the jury is still out?

General Sir Nicholas Houghton: No, it is more than that, because I think that any other methodology would not lead us to a holistically satisfactory conclusion.

Q42 Mr Gray: Two things immediately come to mind. Are you therefore suggesting that the 1997-98 SDSR was not holistic and did not take account of the risks you describe? That is question one. Linking into that, post Chilcot, do you think that the 2003 Iraq operation would have been conducted differently had there been before that an SDSR of the kind that you describe? In other words, that was largely No. 10-run. What I am getting at is that there is a complex of relationships across Whitehall. Don't you think that this system actually strengthens the Cabinet Office and No. 10 at the expense of the MOD? That is what lies behind my question.

General Sir Nicholas Houghton: I would probably say that you have perhaps conflated two things there that I would rather disaggregate—the purpose of a national security strategy and an SDSR with the manner and the way in which the Government oversee the strategic direction of operations. The advent of a National Security Council, which is there to ensure the proper national governance of operations and decisions to commit to operations, is appropriate, but that is not something that naturally flows from a national security strategy or an SDSR.

What you have under this new set-up is the appropriate subordination of some of the solely military aspects of how you mitigate threats. I will offer the comment that in previous SDSRs, which have not had this Government-wide holistic approach, perhaps you have had outcomes from SDSRs that were primarily about what capabilities you bought with what amount of money and how you allocated them to which service. In many respects, that can only be a decision that is derived primarily from an assessment of Government's risk tolerance to certain threats. Only then do we know how best we can further mitigate those risks.

Q43 Jim Shannon: Thank you for coming along, gentlemen. The last time that we considered the potential threat assumptions was back in 2010. Do you feel that things have changed dramatically since then? I will give you three examples of why I think they have.

No. 1 is that in the last five years we have had a rise in dissident republican activity in Northern Ireland. I know that it is a tier 1 response, but the issues have changed. No. 2 is that cyber-security has changed dramatically. In the last few days, we have had the issues with TalkTalk and the news this morning that a young boy from Northern Ireland—allegedly, a 15-year-old—has been arrested. Whatever that will lead to, if children of the age of 15 can break into the world of cyber-security, there is obviously a big, big issue that we need to address. No. 3 is what has changed dramatically for the whole world, which is the aggressive stance of Russia. So when it comes to the SDSR, I believe that the potential threat assumptions have greatly changed in the past five years. I presume that your assumption would be the same, but how do we then respond to those changes?

General Sir Nicholas Houghton: Perhaps we could break this into two bits. My first comment would be that you are absolutely right. In 2010, there was the national security strategy and the SDSR, which was entitled "Securing Britain in an Age of Uncertainty". It was also potentially an age of latent threats, but we have now moved to one of more patent threats, some of which you have highlighted. Therefore, the methodology that underpins the formulation of the national security risk assessment is not the sole factor in ascertaining what the Government response should be, but it is a hugely important factor. Perhaps Campbell is the best person to answer your question, because it is his directorate that impartially owns the methodology in this assessment. We might turn to him to answer your question.

Campbell McCafferty: Regarding the assessment, we work across Government Departments to ask them to identify the risks that they see, and then we assess those risks in a cross-Government way for their likelihood and impact. We have been using this methodology in the Civil Contingencies Secretariat since 2005, which was why we were given the job in 2010.

I think that you are absolutely right in what you said about the increased or changed threat picture. That has been identified by Departments and we have assessed it, working with intelligence analysts and experts in academia to come up with the assessment and the three tiers that we have circulated to the HCDC, and you will see that there is a recognition of some of that—without going into detail—in the tier 1 risks this time round.

Q44 Jim Shannon: The fourth one, which I omitted from my introduction, is clearly the potential for change of the United Kingdom in relation to the regions that are part of it. Do you feel that at this stage we need to be considering where we are with our defence establishments in Scotland in relation to any potential situation of them leaving the Union? I recognise your accent.

Campbell McCafferty: I was wondering why I was asked that one. There was a referendum in Scotland last year and there was a vote to stay part of the United Kingdom, so in many ways that threat has diminished in the short term. We will wait to see how politics develop in Scotland. Risk is dynamic and any risk assessment will only give you a snapshot in time, which is why it can only be one part of an SDSR process. Then you have to be flexible and agile with what comes from the end of that to allow you to face the new risks and threats as they arise.

Q45 Chair: My questions concentrate on this concept of tier 1, tier 2 and tier 3 threats. We have discussed the changeover of ownership of this process from the MOD to the National Security Council and, effectively, the Cabinet Office. If the National Security Council is acting as the assessing body for these threats, can you tell us whether there has in the past been any disagreement between the Cabinet Office, as it were, and the MOD? If so, how has that been resolved?

General Sir Nicholas Houghton: Again, I will defer to Campbell for some of the detail of the methodology. In the process of staff work that is done on this, there is a huge amount of iteration among those people who have equity in the way in which the risks end up being assessed. I can, for example, recall that in the context of the most recent assessment, insufficient emphasis, I felt, was being laid on the ability of the threats to appear in compound form. So you could just look at the isolated threats and think, "That is within

levels of tolerance," but when you looked at the potential linkages and the compound nature of some of them, it would give you a darker picture.

From the point at which the assessment reaches the level of what is termed the NSC Officials, which are the four stars—it includes the likes of myself—the PUSs and the policy directors of the relevant Departments, virtually all those differences of opinion are accommodated in what we deliver to the NSC for its endorsement. Campbell might want to explain some of the journey that it takes to reach that stage.

Campbell McCafferty: The general is absolutely right. It is a long process. We almost start when we finish the last one, with lessons learned, which leads us into a methodology review to make sure that we are using the most up-to-date methodologies that we can. At every stage, Departments are involved, because Departments have the experts in the risks that they face.

The first process is to identify the risks that we might face. We look at them against likelihood and impact, and that is not a Cabinet Office judgment; that is departmental experts, intelligence analysts and also the academic community. We go outside and workshop the impacts and the likelihood. For natural hazards, it is quite easy; they tend to happen a lot and there is a large body of scientific evidence, so you can quickly assess the likelihood and impact. For some of the threats, in particular, on the national security side, it is a little bit more subjective, so we will go and speak to various experts from outside.

By the time we have brought all of that information and analysis together and we have ranked the risks as we see them, Departments have been involved from the start, but it is actually quite an independent analysis from Departments, so we do have to be careful that Departments are not trying to move things up and down the risk register to perhaps suit their own agendas. That is why we try to make it much more independent than that.

General Sir Nicholas Houghton: Perhaps I can say, in case we mislead the Committee in any way, I have never believed that if you apply your intelligence to the available intelligence, the future can be discerned with certainty. The national security risk assessment does certainly not pretend to be that view on the future that gives certainty about the manifestation of threats. It is a generic tool that acts as an independently derived checklist which the National Security Council has to take into consideration when it then embarks on its own process of threat tolerance, resource allocation and capability purchase.

Q46 Chair: I think this is a central point, because is it not true that, historically, our ability to predict conflicts and crises has been remarkably poor and that most wars and conflicts in which we have been involved in the modern era have arisen either at very short notice or completely out of the blue? We have taken written evidence for this inquiry, and a memorandum by Dr Tuck and Dr Sanders of King's College London summarise the situation by saying: "Our capacity accurately to predict the future is extremely limited. Despite this, thinking about future military challenges continues to be dominated by predictive approaches that focus on developing specific scenarios designed to shape the development of future military capabilities." Isn't it really the case that we are not very good at predicting the future and that our best approach, rather than trying to assess risk, would be to maximise the flexibility of our armed forces to deal with whatever threats subsequently arise, probably with little or no warning?

General Sir Nicholas Houghton: I wholly agree with what you have said, but I do not think it is at odds with a national security risk assessment. As I say, it is a generic tool. You are quite right: if we felt we were so clever as to bet on two or three potential risks materialising, and then optimised our national approach and our defence capability around just those risks, we would run the most significant risk of being caught out. This is why a generic model that tells you all the things that might happen and analyses their probability of happening and their impact if they do happen, does lead you towards a more generic-based set of capabilities and also a more adaptive approach, but they can indicate significant trends. No one at the moment would be blind, for example, to the challenge of cyber, as if this was some transitory thing. It is another thing—Richard's organisation is part of that on behalf of defence—that we have now got to factor into this more adaptive approach.

General Sir Richard Barrons: On this point, there are three things that we are trying to reconcile. The first is the broad recognition that the strategic environment is different. It is more complex, it has more uncertainty in it, and some of these things are enduring for different periods and present different risks. Trying to synthesise certainty out of that is a tough ask. The second thing, which I think is less widely recognised, is how the way conflict is conducted keeps changing. We have talked about cyber, but we should also register the effect of ballistic missiles, long-range precision fires, and the proliferation of advanced anti-access capability—the means to shoot down aeroplanes and destroy ships at range. Those two things constitute a different military mix.

Then there is a third dimension, which is how do you exploit the technology of the information age to deliver a different capability recipe that keeps you at the front edge of being very competitive. All of that takes you to a point where you have to create a joint force that is flexible, because it does not really know what it is going to be pointed at; much readier than in the past, because these things happen at no or short notice; and capable of enduring; with allies; and to meet the sort of problem it is actually asked to deal with, so not everything will look like a nail if you only own a hammer. That is our present challenge.

Q47 Chair: Thank you. I have one more point before I come to Douglas Chapman. There are three tiers. It is hard to take issue with tier 1, which considers both likelihood and impact. Where there is a high likelihood, as best as we can predict, and where, if the threat materialised, there would be a huge impact, that is obviously a strong category 1 issue for consideration. Similarly, tier 3 is straightforward. It is where you put those threats that you believe have a relatively low likelihood and an impact that is not as great as some other threats.

The problem that I have—I see you smiling slightly, General Barrons—is with tier 2, which is threats that, should the threat come to reality, would have a huge impact, such as a nuclear attack. Although I do not notice "nuclear attack" in the three tiers—I just see one reference to nuclear under CBRN—a nuclear attack would be of low probability, but would be of colossal impact if it occurred. What is the point of putting something that would be absolutely devastating in tier 2 just because we believe it has a low probability? If it is so devastating, are we not going to have to make the investment anyway? Also, does it not rather oversimplify the problem, because people simply say, "That is a tier 2 threat; it is not as important as tier 1"?

Campbell McCafferty: What we are trying to do with the tiers is provide evidence and context for the decisions that you have to take in a resource-constrained SDSR. While you could take the low likelihood, high impact risks and spend a lot of money on them, it would be for the Government to decide that that was something they wanted to do. There is a question about proportionality and about whether that would recreate the cold war scenario of bunkers across the country, which would be very costly for something that might never happen. What the tiers are trying to do is provide some evidence and context to inform that decision making for Government, so that they can rightly make the decisions as to where they will spend resource.

Chair: Thank you. Douglas?

Q48 Douglas Chapman: Good morning gentleman. Our witnesses last week argued that the loss of expertise in Defence Intelligence and Foreign Office posts had adversely affected our understanding and assessment of emerging threats. One said that the Foreign Office has suffered an erosion of what most of us regard as one of its most primary utilities, which is area specialisation and regional knowledge. In terms of that loss of expertise in the field, how are we coping with that? How does it affect how we evaluate risks and threats in the future if our base of knowledge has been weakened to such a drastic effect?

General Sir Nicholas Houghton: I might deflect that question both ways, but with an introductory comment. On how we retain expertise at the national level to inform something like the national security risk register, Campbell can talk to that. There is significant external engagement in that—it is not an in-house activity. From a defence perspective, we have to be careful to constrain our own levels of expertise to those that relate to the military dimension of threats. Some of that relates to technical knowledge about opponents' capabilities and all that.

Also, there has to be disinvestment in certain areas and investment in others. Perhaps Richard—particularly because of his ownership of the Development, Concepts and Doctrine Centre, which is that area of defence that covers global strategic trends and from which we also derive certain estimations of the origins of future conflict—can illuminate some of that and the degree to which expertise is brought into that. Perhaps Campbell can go first, and then Richard.

Q49 Douglas Chapman: But do you personally feel that there is a gap in our expertise at the moment?

General Sir Nicholas Houghton: No, I think it is one of those things where you have got to seek constantly to—you have to hang on to a generic base of expertise on all things, because in an age of uncertainty and with a multiplicity of threats, we need to retain a certain level of competence. In terms of the very deep competences that we have held over the years, Soviet studies is obviously one where there has inevitably been relative disinvestment since the end of the cold war. We have had to reinvest, certainly in Middle East-type competencies but also in global strategic trends and the economic origins of warfare as well. So I don't think you can make this as a fixed investment over time; you have to have been constantly changing the ways you make your investments in retaining deep specialisation. Sometimes, you have to accept that you contract it out.

Campbell McCafferty: The General is absolutely right. By going to the external world, we try to build on the expertise that we have while also looking for where we have gaps. As part of the process we have had a number of workshops in which we have involved people with expertise in natural hazards. When looking at impacts, we have employed people with expertise in behavioural insights, as well as the traditional threat specialists from RUSI and IISS—the places you would expect to see them.

Equally, we will use industry. We have used the insurance industry a lot to consider the economic impacts of some of these risks, should they actually come to pass. We can work with our own chief economists and chief scientists in Government, but it is about building on that expertise to make sure that you really have covered all the bases that you possibly can.

General Sir Richard Barrons: From the perspective of Joint Forces Command, and particularly Defence Intelligence, there are a couple of things I am pretty happy with. First is the way we are able to survey the horizons. My sense of the MOD's Development, Concepts and Doctrine Centre, its product *Global Strategic Trends*, which I hope you have seen, and the family of things that flow from that is that we are internationally competitive at being able to set out how the world is evolving over time.

The second thing that DI does, which remains fundamentally important to all outcomes, is that it must look at those things that are specifically military. The evolution of military capability in the hands of others is very important to how we create our own capability and construct plans and operations. That requires resource. In fact, in some areas, over the past five years, I have found money from my own budget to put more resources into some of Defence Intelligence's areas.

We have also had to grow new skills. In the arena of cyber in particular, we realised that we are looking at a changing world and needed new skills, so we put money into it. It takes time to train the right capability. Through all those things, the fact is that Defence Intelligence is never going to be the total answer. It has to see itself and be seen as the centre of a network—so, how does Defence Intelligence reach into academia, to our allies, particularly in the "Five Eyes" space, or employ reservists? A very relevant example is how we were able to take up reservists at very short notice to look at the Russia problem. That was massively important to us. The more DI becomes a centre of a network of the broadest possible expertise that we can call on over time, the more effective it will be, but it will never be a total answer itself.

Q50 Douglas Chapman: Is there not still a gap? We have had a 19% cut in the Foreign Office budget in this area and a 7% reduction in staff. Many of the staff who have gone had built up a level of expertise that we cannot just buy back in again. Are the mitigation factors that you are introducing enough to cover what we need to do?

General Sir Nicholas Houghton: To be honest, it is probably unfair of us to pass comment on the Foreign Office's levels of capability in this respect. We can speak, as Richard just has, from the levels that we have maintained. There are areas where we would probably have some concerns, but, as I say, there is an element of constantly reinvesting and this idea of being at the centre of a network. I would not want to pass an instantaneous personal judgment on the degree to which the Foreign Office finds itself under-resourced in certain areas of specialisation.

Q51 Chair: Would you consider it a matter of concern to the Ministry of Defence if you felt that the input you were getting about, for example, a country as important as Russia, given the changing threat picture, was not being resourced as well as in the past? There was a time very long ago when the Joint Intelligence Committee was actually a sub-committee of the Chiefs of Staff itself, albeit with a Foreign Office chairman. You obviously have an interest, do you not, in the reliability of the political intelligence on which your decisions are going to have to be based?

General Sir Nicholas Houghton: Absolutely, and I certainly would not default from that position. In many respects, the experience of operations over the last decade or so has absolutely reinforced the importance of pre-understanding about what it is you are getting into. We should not be disinvesting in our ability to understand the nature of the world in which we might be asked to operate.

Q52 Chair: Of course, there was the Advanced Research and Assessment Group at the Defence Academy. That was closed for what reason?

General Sir Richard Barrons: It was closed because, I think, the world had changed at that time and there were a whole range of new things in the decade of campaigning around Iraq and Afghanistan that the Army—I do not speak for the Army, obviously—needed to focus on. I don't think too much should be read into that, because the Army and defence generally have built other expertise to deal with the broader proliferation of uncertain threats that we deal with now. But it is absolutely the case that if you are suddenly confronted with a resurgence of something like the Russian question, you are going to need greater expertise, and you then have to reach out to a number of people who are in this room, who have maintained that level of expertise. You'll not have it in defence at that time.

Q53 Chair: So might we live in hope that something like this might be reopened in the future, given the changing threat?

General Sir Richard Barrons: I would like to think that the whole offer from the Defence Academy and defence intelligence constitutes a reasonable place to start, and provided we have those accesses—we tend to underplay the access to allies. There is enormous horsepower out there we can get very much more readily than maybe we did in the past.

Q54 Ruth Smeeth: There has been a great focus, which I think is somewhat reassuring, on collaborative working in terms of how you are more broadly engaging with other partners, academics and many people in this room. Within those conversations, what processes are in place to ensure that there is robust challenge to internal analysts and policy makers about how this is working and not working? Obviously, you are having to outsource some of your thinking at the moment. How are you making sure that that is both robust and a two-way conversation?

General Sir Richard Barrons: Essentially, my experience is that if you have three academics in a room, you will get three, four or five opinions.

Ruth Smeeth: Or a dozen.

General Sir Richard Barrons: The advantage of a network is you do get challenge.

Q55 Bob Stewart: What about military officers?

General Sir Richard Barrons: And we'll get challenge from our allies. There is a real danger of groupthink in the business of intelligence. One of the virtues of the collaborative system across Whitehall is that you will have experts in a number of places who are very good at what they do, but they don't feel the need to agree with their colleagues in other Departments and they will have a robust discussion. It also means, if you have a range of sources to talk to, that you are less likely to fall prey to single-issue fanaticism on any one particular issue. We recognise challenge; the art of red-teaming as a professional competence means that that is less likely, provided people listen to unpalatable truths when they are produced by that sort of discussion.

Q56 Ruth Smeeth: How do you ensure that they do?

General Sir Richard Barrons: I think that, as the Chief of Defence has described, something like NSC Officials, with a four-star body in Whitehall, is a very challenging place to raise a proposition. Some of the finest minds in Whitehall will shred your argument if it doesn't stack up.

Campbell McCafferty: Just in terms of the specific process around the national security strategy and the SDSR, there are regular challenge sessions with various groups—NGOs or faith groups—where we expose some of our thinking and leave that open to challenge from people on the outside.

General Sir Nicholas Houghton: Clearly, in an open session, one couldn't pass comment on a detail, but in the dynamics of the functioning of the National Security Council, the officials who present their propositions, in terms of intelligence, threats and options for action, are significantly challenged by a differing range of political opinion around that table.

Q57 Phil Wilson: A number of the risks in previous national security strategies would not require military intervention. How does the MOD approach the test of turning the multi-departmental exercise of compiling the NSS into the SDSR that for the MOD is affordable within the constraints of the MOD budget and sufficiently flexible to meet the unpredictable nature of threats?

General Sir Nicholas Houghton: Going back to the NSS-SDSR methodology—I am slightly repeating the entry bit here—it is not possible or sensible for the Ministry of Defence to embark on spending money on capabilities without this comprehensive understanding of the nature of Government ambition, the role that they want the country to play in the world and their enduring interests in all sorts of ways, including international power and values. The context of the threats that might undermine those things and the areas that give the Government of the day the greatest concerns must be understood, because the Government are elected and appointed to make judgments about the things that they believe society and Government should most preserve and make precious. You may wish to make a trade-off between some aspects of global power projection in respect of something that relates to a more proximate security threat. It is only in the knowledge of that that you then make your recalibration of military capability over time in order to conform to that synthesised view of ambition and the threats to it.

I think that this is a wholly healthier process. I wouldn't say that it ever was this way, but it could have been that the way you actually arrived at military capability was a sort of equal-shares-for-all system within three single service entities, none of which was a reflection on the true needs of the moment and of the future, but rather an attempt to buy off pressure groups and people in the hinterland of the services. Pet projects started to dictate sensible decision-making over capability development. One reason why the Joint Forces Command was brought into being, partly as a result of the last SDSR but also the Levene reforms, was to ensure a stronger proponency for intelligence, surveillance, target acquisition, command and control, cyber, special forces and so on—to make certain that the proponency for that within the debate was a stronger one—but also that, fundamentally, the allocation of defence resource to capability was one that flowed from a political assessment at the highest level.

That is not to say that we do not make very firm recommendations about optimum military capabilities and their employment in order to meet the risk mitigation that the Government want. You are actually talking about the very heart of the synthesis between the national security strategy and our own SDSR, which is when we translate those risk tolerances and direction through the NSS into our own allocation of resource and capability development over time.

Q58 Mr Gray: On red team testing—I think that was the expression you used—does crisis management adversarial testing form a routine part of the way that you assess the effectiveness of the NSS and the SDSR? Are senior managers, be they civilian or military, constantly put through crisis-management-type scenario role play?

General Sir Nicholas Houghton: Yes, we have a part to play in that, but the advent of the Civil Contingencies Secretariat in the aftermath of the 9/11—you will recall "The Strategic Defence Review: A New Chapter"—was brought about for many of these specific reasons.

Campbell McCafferty: The Civil Contingencies Secretariat runs the Cabinet Office briefing room, or Cobra, and within that setting there are regular exercises based on various scenarios, some of which are CT scenarios or natural hazard scenarios. We bring in a mix of Departments and ensure that they understand—

Q59 Mr Gray: Forgive me for interrupting. I don't think I asked the question very clearly. The question is about whether that sort of game process is applied in working towards the SDSR. I am sure it works in civil contingencies. The question is about whether the Chief of the Defence Staff and the permanent under-secretary are put through a series of game testing to work out their decision-making capabilities with regard to their approach to the NSS and the SDSR.

General Sir Nicholas Houghton: We do not do that as a formalised part of informing the SDSR. We have dry-run exercises in the normal course of our business, against scenarios we can see crystallising ahead of us.

Chair: Thank you very much. Sadly, we come to the point when we have to ask members of the public to leave, because we are going into closed session to explore a little more about what is coming up in future risk assessments. Although this information will become public in due course, obviously it can't become public until the relevant announcements are made.

With regret, I ask the public to leave us now. I request that those who are remaining do not just put their phones on silent, as we always have them, but switch them off completely. Thank you very much.