

Defence Committee

Oral evidence: [SDSR and the Army](#), HC 108

Tuesday 1 November 2016

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Members present: Dr Julian Lewis (Chair); Douglas Chapman; Mr James Gray; Jack Lopresti; Mrs Madeleine Moon; Jim Shannon; Ruth Smeeth; Mr John Spellar; Bob Stewart; Phil Wilson.

Questions 223-300

Witnesses

I: Sir Michael Fallon, Secretary of State for Defence, Lieutenant General Mark Poffley OBE, Deputy Chief of Defence Staff, Military Capability, and Paul Wyatt, Head of Defence Strategy and Priorities, Ministry of Defence.

Written evidence from witnesses:

- [Ministry of Defence \(ARM0002\)](#)
- [Ministry of Defence \(ARM0012\)](#)
- [Ministry of Defence \(ARM0015\)](#)
- [Ministry of Defence \(ARM0016\)](#)

Examination of witnesses

Witnesses: Sir Michael Fallon, Secretary of State for Defence, Lieutenant General Mark Poffley OBE, Deputy Chief of Defence Staff, Military Capability, and Paul Wyatt, Head of Defence Strategy and Priorities, Ministry of Defence.

Q223 **Chair:** Good morning and welcome to our fourth oral evidence session on the SDSR in relation to the Army. Welcome, Secretary of State. I would be very grateful if you and your two colleagues introduced yourselves for the record.

Sir Michael Fallon: Good morning. It is a pleasure to be back in front of the Committee. I am Michael Fallon, Secretary of State for Defence. On my left is Paul Wyatt.

Paul Wyatt: I am the head of defence strategy and priorities.

Sir Michael Fallon: On my right is Lieutenant General Mark Poffley. He is colloquially called MilCap, but has a better title than that: Deputy Chief of Defence Staff, Military Capability.

Chair: Yes indeed; we had evidence from him very recently and thank him for that. We are going to start with a couple of topical items briefly—the first is from Colonel Bob Stewart.

Q224 **Bob Stewart:** Secretary of State, I am very happy with £1.9 billion being allocated for cyber-defence, but am less happy that it seems to be coming out of the defence budget. I am pretty unhappy, too, that 15% of the security personnel in MI5, MI6 and GCHQ—say 1,900 people—might be charged to the defence budget. I am really concerned that Trident is now being put inside the defence budget envelope, and about the fact that MOD pensions are counted, when some of our allies do not count them. I am really concerned in consequence that this 2% is a bit of a fudge. May I ask for your comments on that?

Sir Michael Fallon: Thank you and good morning. Certainly, the 2% is not a fudge. It is not possible for this country to fudge its return, because it is NATO that decides in the end whether or not each member's return meets the NATO guidelines. That is a matter for NATO. We are above 2% at the moment; I wish other countries would get up there and meet the 2%.

Defence pensions have to be paid out of the defence budget. They are part of military expenditure; they cannot come from any other source. Successor, now called Dreadnought—the Dreadnought submarine project—has always been part of the defence budget in recent times, and is already provided for. The initial expenditure is provided for under the 10-year equipment programme that we announced at the time of SDSR 15.

My colleagues may be able to add a little on cyber, but a lot of the expenditure on cyber is defence related. Two weeks ago, I set out at



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length defence policy on cyber and announced an initial allocation of expenditure. We are playing our part in the new National Cyber Security Centre, which has been set up very close to our Ministry. One of my colleagues will pick up on the specific point about the £1.9 billion.

Paul Wyatt: In terms of cyber expenditure, as the Secretary of State outlined, NATO considers a wide range of security outcomes, not just narrow defence expenditure. A number of nations, including us, consider cyber that contributes to national security as part of that 2%.

Q225 **Bob Stewart:** They also include the fact that our security services have paid for them in their defence budgets, do they?

Paul Wyatt: Our calculation of NATO spend is produced on the basis that it is the same as other nations'. We have no additional criteria, and NATO scrutinises that spending.

Q226 **Bob Stewart:** I just make one final comment. It does worry me that if 1,900 additional personnel are being hired by MI6, MI5 and GCHQ, and apparently there are 12,500 in the security services, that is equivalent to 15% of the security services' personnel being paid for by the defence budget. That worries me.

Sir Michael Fallon: That is not right. It is not our budget that is directly paying for people inside the security service. We make a contribution to the overall cyber-security budget and we are heavily involved in cyber-security—both defensive cyber and offensive cyber.

Q227 **Chair:** It is a fact, though, isn't it, Secretary of State, that the last time we faced the combined threat of serious confrontation in Europe and a major terrorist threat, then from the IRA, was the 1980s? In the 1980s, we regularly spent between 4.5% and 5.1% of GDP on defence. Although we made a great trumpeting of the fact that we had not dipped below the 2% minimum—and it is a minimum—in reality we were still spending 0.1% less GDP on defence in the new budget than we did in the previous year. At what point does the situation get so bad that we really have to go back to the Government and say that 2% is not enough? We have never been anywhere near being down at the 2% level at this level of international tension.

Sir Michael Fallon: First of all, the strategic defence review last December evaluated these various threats to us. You are right that they are multiple threats, they are concurrent threats and they are very complex threats. We evaluated them in the SDSR and then set out the expenditure and equipment programme that we needed to deliver the capabilities to tackle them. Nothing much has changed in the nature of those threats since last December.

I would hope that the Committee would welcome the fact that we are now committed to the 2% target and we have met it this year. Irrespective of that 2% target, we also have the commitment from this Government that the budget will increase in real terms by 0.5% every year of this Parliament. I would hope you would welcome that.



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Q228 Chair: It is certainly welcome that we did not go below the 2%. I have one more question on this. If the Treasury, in a fit of revelation, said "Actually, you can have something nearer 3% of GDP to spend on defence", would you know what to do with it? Would you have the plans in place, if the international situation became seriously dangerous, to expand and regenerate?

Sir Michael Fallon: First, in terms of spending more money than I have at the moment, of course it is always possible to spend more. I am confident that the budget I have at the moment, which is huge—it is the fifth or sixth biggest in the world; it changes round during the year, but it is certainly the sixth and possibly the fifth biggest—is sufficient to deal with the threats that face this country and to develop the future capabilities we need to deal with future threats, not least in the replacement of our Trident submarines.

It is hypothetical to speculate what would happen if the situation got extremely serious. In previous times, when the situation has got extremely serious, the Government has obviously rallied round. But I am conscious that I am also part of the Government, and while other colleagues are having their budgets cut, mine is increasing.

Q229 Chair: We will be coming on to regeneration in more detail later, but at this point I will just wrap it up by saying "Have you got serious contingency plans in place were there very serious developments in, shall we say, East-West confrontation?"

Sir Michael Fallon: The SDSR itself contains contingency plans to deal with these threats. It returns us, for example, as I am sure we are going on to discuss, to the ability to fight at an increased divisional level, which would obviously help us to meet the kind of threat that you are suggesting. There are plans inside the SDSR to improve our capability and our ability to meet the kind of threats that you are suggesting.

Q230 Chair: Can you just tell us under what circumstances you could foresee the Army being expanded, and what work is in hand for such a rapid expansion of the Army?

Sir Michael Fallon: The SDSR itself of course expanded the Navy and the Air Force, in terms of numbers, and it set out a very extensive list of new equipment for both those services and the Army, in terms of armoured vehicles and so on, which I am sure we are going to discuss. It also—again, I hope we are going to discuss this—set out our plans to reorganise the Army, having come out of Afghanistan, to be able to fight at greater strength in a division of greater numbers than we planned back in 2010.

Q231 Chair: I am going to bring in Jim Shannon in a moment and then Ruth Smeeth. Just to finish this section on, I hope, a point of convergence, we had a brief exchange, Secretary of State, on 12 September on the Floor of the Commons about the BBC Monitoring service at Caversham Park, which, as you know, is under serious threat of cuts. You were asked whether you agree that the service provided by BBC Monitoring to open source intelligence is of vital interest to the MOD. You were happy to



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confirm that that was your view. I would like to give you the opportunity to restate that today, given the threat to close Caversham Park, break the link with the Americans, who cohabit the building, and move the remnants of the monitoring service into odd corners of Broadcasting House.

Sir Michael Fallon: I strongly agree with that, and I believe I said so at the time. I don't simply agree with it; I have been doing something about it. I have taken it up with the BBC and my colleagues in the Government who have more direct responsibility on this. I would certainly welcome the Committee's continuing support for that.

Q232 **Chair:** I am very grateful for that answer. One thing you can help the Committee with is this. The Foreign Affairs Committee was not able to get a Minister to step up and speak to them on the matter. We have been campaigning to get a responsible Minister to come before us when we have our final evidence session in our inquiry on the matter. Any influence you can bring to bear will be much appreciated.

Sir Michael Fallon: I will certainly have a look at that.

Chair: Thank you very much indeed.

Q233 **Jim Shannon:** Minister, in relation to the ability to respond and the resources that will be available to make that happen, which the Chairman has asked you about, Estonia is very topical at the minute. We have already sent, I understand, 800 troops to Estonia to build up the reserves that are needed there, but do we have the resources—the manpower and the equipment—and the logistical ability? I understand that it may take five days to respond if something happened. If Russia were to attack, five days is too late, because Estonia would be overrun, as would Latvia and probably Lithuania as well.

I just want to know whether we are in a position to respond. This comes back to the issue of contingency, which the Chairman mentioned. What have we got in reserve to make sure we can respond to things that happen very quickly in the world—particularly Estonia, in which many on this Committee have an interest?

Sir Michael Fallon: So far as Estonia is concerned, I confirmed at the NATO Defence Ministers meeting last week that we will be deploying a battalion of about 800 personnel as part of enhanced forward presence. There will also be companies from France and Denmark in alternate years, plus other enablers. The total force is about 1,000 men in Estonia. That is being matched by the three other countries that are committing to enhanced forward presence. That is being matched in Latvia, Lithuania and, indeed, Poland. We will also be contributing a company to the Polish battalion, which is being led by the United States. You will recall that I announced last week that we will be sending the RAF Typhoons next year not to Estonia but down to the Black sea—they will be based in Romania—to contribute to NATO's southern area policing alongside the Baltic air policing, which will be conducted by other air forces.



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We are making that commitment to the borders of NATO, and we are able to do so because we have strength in reserve. We have, as you know, an Army of 110,000 altogether. We are able to make those commitments to Estonia, and we are also prepared to lead the very high readiness taskforce, which is the first response group in times of high tension. We will be leading that force of around 3,000 personnel next year.

So far as the five-day interval is concerned, the whole point of forward deployment to Estonia is to arrange, if you like, an earlier tripwire so the force there does not have to wait for tension to escalate. The force will be there from next spring in any event, in all three Baltic states. It is partly reassurance, but it is also deterrence, to make it clear to any potential aggressor that NATO is ready to respond.

Q234 Mr Gray: I have a brief question on the same subject. What is your reaction to the letter in yesterday's *Times* or *Daily Telegraph*—I cannot remember which—from General Sir Richard Shirreff, saying that the reinforcement was woefully inadequate and that the content of his recent book, "2017: War with Russia", becomes ever more likely? Is he simply wrong as the last DSACEUR or he is now free of the shackles and able to tell the truth, even if it different from yours?

Sir Michael Fallon: A lot of people are writing books and trying to sell them. His is a very good book. However, I do not agree that war with Russia is likely next year. That is too extreme. We have seen much greater Russian aggression this year and in previous years in terms of long-range aviation, submarine activity, the Carrier task group that sailed through our waters, and the role of Russia in Syria and elsewhere, but I do not think that that presages an open conflict next year.

I hope that General Shirreff recognises—I think he does in his letter—that NATO is now responding. At the first NATO meeting that I went to back in September 2014, we had an alliance that was just waking up to what had happened in the Crimea, and was just developing its thinking about reversing the decline in defence expenditure and deploying troops as a proper rapid reaction corps and a proper presence on its border. That is now happening. Countries are increasing their defence budgets to match our 2%, and we are now seeing forward deployments on NATO's borders precisely to reassure its members. NATO is waking up to the challenge.

Q235 Ruth Smeeth: Good morning, gentlemen. To bridge from our conversation to the report that we hope to write, could you give us some indication of what the renewed focus on deterrence that was outlined in the SDSR last year means for the shaping and development of the Army in terms of the joint force for 2025?

Sir Michael Fallon: I'd be very pleased to do that. As we are now moving on to discuss the Army, I think it would be courteous to let this Committee know first of an announcement that I am making today: as part of Project Allenby/Connaught, we are investing more than £1 billion in new accommodation and facilities for soldiers and their families by 2019, creating more than 2,500 new bed spaces alongside extra housing, and



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office, catering and leisure facilities in bases at Salisbury Plain and Aldershot. We will forward details of that announcement to the Committee.

So far as deterrence is concerned, my response is in three parts. First, we set out in the SDSR the capabilities that we would need for conventional deterrence. The Army is probably a key component of that. The reinvestment that we have set out in a modernised, nationally self-sustaining, war-fighting division of up to 40,000 troops is perhaps the key statement of that. That division provides the framework from which we are contributing the enhanced forward presence, the very high readiness task force and other reassurance measures.

Secondly, the programme of defence engagement is set out in the SDSR. That recognises that we need to reduce our vulnerability to hostile action, meaning that we need better to understand our potential adversaries around the world. We are doing that through the equation of regionally aligned brigades, for examples, to some of the more challenging parts of the world such as North Africa and the Middle East.

We are doing more to understand how we need to carry out defence engagement to protect and understand as well as to promote our prosperity.

Finally, deterrence is of course an equally important part of protecting homeland security. There, you will see that we are optimising our support to the civil authorities in this country to strengthen our resilience, and we maintain through Operation Temperer a trained and ready force of around 10,000 personnel that can respond very rapidly to a national emergency such as a terrorist attack.

Q236 Mr Spellar: I am very pleased to hear that the single living accommodation programme that I inaugurated as a Minister is continuing to roll out.

The Chief of the General Staff outlined to us the evolution of the Army's core doctrine to one of integrated action, which he said is due to be published in 2017. Are the other services undertaking similar studies of their core doctrine? What mechanisms are in place to ensure they interconnect, particularly in terms of ensuring interoperability between the services and other relevant Government Departments? In that context, what consultation is taking place with NATO and other allies on the development of integrated action doctrine and ensuring that that there is compatibility between doctrines to enable the delivery of the required capabilities?

Sir Michael Fallon: First, in regard to your initial remarks, let me recognise the work that was done under the previous Labour Government in terms of Project Allenby/Connaught. What I have announced today is an amendment to that original contract that triggers the additional expenditure on Salisbury Plain.

So far as integrated action doctrine is concerned, it obviously applies to all land forces—that includes the Royal Marines and the RAF Regiment, for



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example—and it is aligned with NATO’s comprehensive approach. Paul Wyatt will say a little bit more about that in a moment. The Army doctrine publication on land operations was reviewed by the RAF and Royal Navy warfare centres, and future publications like that will be specifically aimed—I think this is your point—at informing service personnel in the other services, and indeed the civil servants who work alongside the land forces. I hope, Chairman, that you will allow Mr Wyatt to elaborate on the specific point about NATO.

Paul Wyatt: In this context, it is worth highlighting the work and role of the Development, Concepts and Doctrine Centre, which is a very important element of our long-term conceptual thinking. We are working very hard, as much as anything in the context of our innovation work, where we are focusing on developing not just science and technology but capability and the way that we think about how we are going to fight in the future. We are working very hard at the moment on developing our future operational concepts within a body of work that is being run by the Development, Concepts and Doctrine Centre. They are developing future operating concepts for all three of the environments and working very closely with the joint environment and Joint Forces Command. That is a very collaborative piece of work. Wherever possible, the doctrine that results from those concepts—DCDC publishes a lot of doctrine documents on a regular basis—is common to NATO doctrine. We develop doctrine for and with NATO as part of that programme.

Lieutenant General Mark Poffley: Could I add just one comment? This is a routine business in many ways, because inevitably, the threat is always evolving and therefore your response to it is always doing the same. The experience of the past 15 years or so has led us to recognise that particularly for air/land, joint is actually quite a refined business these days. That is something that the Army and Air Force in particular—and the Joint Forces Command—absolutely recognise. The inevitable developments that we are now seeing in the maritime sector mean that the Navy is similarly recognising its need to refresh to deal with the contemporary threat basis for its doctrine. All three services, plus the Joint Forces Command—it is the Joint Forces Command, as Paul has said—are the conduit by which we allow that doctrinal development to take place. We then feed that back into our force structure work subsequently.

Q237 **Chair:** At our previous session, there was some doubt among the witnesses as to whether or not a plan exists for the defence of the realm as such. Right up to the present day, for some considerable time the question around defence has been, “Should we or shouldn’t we intervene in some other theatre?” But if conflict were to come to us and our homeland were to be placed directly under threat, presumably in the context of an article 5 triggering situation, is there a coherent and comprehensive plan for the defence of the realm?

Lieutenant General Mark Poffley: Yes there is. Could it be further refined? Inevitably, as with doctrine, that is an ongoing process. If you take the essence of the strategic defence review, it said, “Yes, we are going to deter but also defend the UK territories and the overseas



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territories that we have responsibility for.” That absolutely is explicit in the strategic defence review and flows down into all our planning, in terms of the allocation of force structure to those tasks.

Q238 Mrs Moon: Secretary of State, you told us when you came to see us in July that there were capability gaps for specific operational theatres within the Army. What has happened to those capability gaps? Have they been filled? Do we still have the capacity to provide a war-fighting division for high-intensity combat operations?

Sir Michael Fallon: Well, they are being filled. I hope that my reference then was to gaps that were fairly self-evident from the campaign in Afghanistan, for example. There was not a need for combined Army manoeuvre. There was not a very direct threat from the air. We did not need counter-mobility, for example. We did not need to use our tanks. So there were areas that naturally fell into some disuse, and those gaps are now being addressed in preparation for the increased war-fighting strength of the division that is being established. There were gaps, but they are now being addressed.

Q239 Mrs Moon: I am glad you mentioned air, because the Chief of the General Staff told us that we cannot “confidently say that we own the airspace” and that that bit of the Army “needs significantly to invest in and to train for”. Are we going to increase ground-based air defence capability, to cover those current vulnerabilities? In particular, are we going to replace some of the Rapier Field Standard C by 2025? Will the replacement provide ground-based air defence for both the Falklands and a division based elsewhere?

Sir Michael Fallon: I will ask—

Mrs Moon: If you do not have that to hand, I am happy for you to come back to us.

Sir Michael Fallon: I may not have that detail to hand, but I will certainly ask General Poffley to comment in a moment. It is worth putting on the record that the Army are getting from the SDSR the new Apache helicopters, which will be a huge improvement to their air attack ability. General Mark, would you like to add something on air defence?

Lieutenant General Mark Poffley: One needs to remember that air defence is a tri-service responsibility. It would be wrong to suggest that it is purely the Army’s responsibility, and indeed it sits inside a NATO construct. It is a multinational responsibility as well as a national contribution to that overall effort. For us, ground-based air defence is an Royal Air Force lead. The RAF have principal responsibility for managing that capability. Rapier currently provides that capability in the Falkland Islands, and then for our contingent forces we use HVM regiments. In the future, we intend to bring in the Future Local Area Air Defence System—FLAADS—to replace Rapier with an in-service date of 2019. That will indeed go down to replace the Rapier capabilities in the Falklands, to attend to that particular task. As far as HVM replacement is concerned—



Q240 **Mr Gray:** Sorry, what is HVM?

Lieutenant General Mark Poffley: High-velocity missile, forgive me, which is a point weapon that provides protection for deployed ground forces. In the context of a division, you would see a layered defence with an air defence from the air, obviously a Rapier-type system to provide area coverage, and then point defence provided by a high-velocity missile system.

That high-velocity missile system, again, is being considered in the next planning round as a series of options, in part to attend to the sorts of issues the Chief of the General Staff has mentioned to you, but as part of a routine look at our replacement of ground-based air defence in the round. Again, we will make some judgments about the structure and size of that contribution as General Carter takes forward his 2020 Refine work, which is under way at the moment.

Q241 **Mrs Moon:** Could we have regular updates on that so we are sure as to what is happening?

Lieutenant General Mark Poffley: I'd be delighted.

Q242 **Mrs Moon:** Can I ask for clarification? I am unclear. Why would you not extend FLAADS outside the Falklands?

Lieutenant General Mark Poffley: You will indeed have the opportunity to do so. It draws on a common weapon system, which we hope would be applied both in the maritime and on land area. So FLAADS would be deployable inside a divisional construct too.

Q243 **Mrs Moon:** Can we have an assurance that a division would have the air defence protection of equal quality to what we are going to provide in the Falklands?

Lieutenant General Mark Poffley: It is certainly the intention to provide a layered air defence system for the division as it operates in the 2020 timeframe.

Q244 **Jim Shannon:** You mentioned earlier the deployment of troops in Estonia and elsewhere and the deployment of the Royal Air Force to Romania. I have had the opportunity to visit the Thales factory in Belfast and speak to them about the technology they were developing. I am very conscious that if we want to be at the forefront of developing technology, we need to be working closely with the likes of those companies that are developing that. Where are we when it comes to advancing our technology, our knowledge of it and our capabilities? Is it better, Minister, that we should be deploying some of those GBAD capabilities in the likes of Estonia, Latvia, Lithuania, Romania, wherever we can? Because when it comes to a quick reaction, they can do their bit before, to give us time to get our troops in.

Sir Michael Fallon: I might ask General Mark to comment on the very last part of that question. On the first, a key part of the SDSR was the focus on innovation. We have now developed our innovation strategy,



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which mirrors to some extent the offset strategy of the United States, calling on our technology companies, particularly those that have not yet got involved in the defence sector, to consider how their applications might be able to help us. This reverses the previous orthodoxy, where a number of defence applications found their way through to the civilian sector because they had been developed for the military. We want to change that, so that some of the very best and particularly the most innovative thinking of our small companies in the civilian space can be harnessed for military applications. We have put that challenge out to the technology sector. We have put some money on the table in terms of innovation funding, some £800 million. Those first competitions are now running.

Regarding your specific question on whether these kind of technologies should be employed on the eastern border of NATO, I am going to ask General Mark to help us on.

Lieutenant General Mark Poffley: There is every opportunity for us to do so. One needs to be careful about the messaging that such a deployment might take. Of course, there is a fine balance to be made here. The operational staffs and, indeed, our political governors will need to make a judgment about those messages when you deploy something like ground-based air defence. Ostensibly, it may be seen as a defensive mechanism, but it can also be seen from an opposition's point of view as an offensive deployment.

The judgment also needs to take into account what other air-defence systems are already in place in Estonia. Again, forgive me, I am not privy to the low-down of the Estonian defence force, but undoubtedly, NATO has provision for air defence in the round, both from the point of view of being able to see what threat currently exists and therefore being able to respond to it in a calibrated way, so that you do not have miscalculation.

Could I just add one additional point about advanced technology into this sector? It is absolutely the case that when we look at the requirements, we are now engaging with industry to establish what is in the art of the possible. I would highlight two manifestations of that.

There is a Defence Solution Centre based in Farnborough which now takes a number of companies and is increasing its database of technologies that are available for the development of capability in the round. Through a Government-sponsored initiative, it is able therefore to track where there are mutually beneficial technologies between companies and those that are most of use to us in helping to shape our requirements. Our dialogue with industry is becoming a far more profound and meaningful one than previously.

The second initiative to highlight is the Defence Growth Partnership. Companies such as the one you mentioned are actively engaged in this in making sure that we have a collaborative approach to servicing some of our requirement needs.



Q245 Chair: Do you have an estimate that you can share with us of how much Russia is investing in defence? According to reports, some of that investment is in area denial weapons. We have taken the decision, which we are continuing with, to withdraw the Army from the continental bases that we have. What are the realistic prospects, in a crisis, of being able to deploy a division to a front-line NATO state in the face of Russia's investment in area denial technology?

Sir Michael Fallon: Let me start on that. First of all, although we are withdrawing from our bases in Germany—a long-standing decision—we are deploying to the eastern border of NATO. The RAF has been there three summers running. We are putting troops in Estonia next year, we are putting troops in Poland and deploying the RAF to Romania. So we are deploying on continental Europe.

A key part of the preparation of both enhanced forward presence and the preparation of the very high readiness taskforce is to deal with these issues of border crossing—of movement across NATO borders internally. Huge progress has been made in the last two years in ensuring that forces can deploy more rapidly across NATO's internal borders; that the various permissions that are needed, have now been sorted out. I am satisfied that that has improved enormously.

Lieutenant General Mark Poffley: In terms of the eastern Europe context, the ability to move by land quite clearly is something that is being looked at very carefully to ensure that those cross-border permissions and the bureaucracies associated with that sort of activity are cleared away. It is also to ensure that the logistics that we talked about earlier are similarly in place to be able to effect that level of deployment.

It is sometimes worth noting that for some parts of Europe it is quickly to go by sea and therefore the investment we are making across defence to re-establish our ability to protect our home waters and our near-abroad waters plays very strongly into that particular theme of anti-area access denial.

Q246 Chair: It is the fact that we are deploying on a rotational basis—is that right—partly to send a signal to Russia that these are not standing armies that are going to be there. But wouldn't it be the case that as Poland, for example, is one of the most exposed NATO countries, an ability to deploy to Poland from Germany in the event of a severe worsening of relations would be rather easier than by any other means?

Lieutenant General Mark Poffley: Ostensibly, you could say yes. Interestingly, once you have moved potentially large forces, particularly armoured forces, and more substantially their logistic stocks across land borders, it is sometimes quicker to go by sea. The distance between Germany and Poland does not make a significant difference, in terms of the logistic effort required to do that.

Q247 Douglas Chapman: Just to follow on very quickly from the Chair's question. If we were having an extended stay in some of the Baltic states, for example, is there a capability to have the joint force stable at



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the 50,000 that you predicted by 2025?

Is that a realistic option given the current manpower levels and so on? What plan do you have to make sure that these numbers are sustainable over the longer term, if that is what was required by the needs of the region?

Sir Michael Fallon: Yes, we are looking to sustain this, certainly over the medium term; this is not a one-off deployment. Obviously we will rotate through it, and we are in discussion now with our partners—principally France and Denmark—as to how they, too, will rotate the companies that will add to our force. But I am confident, yes, that can be accommodated within our overall build-up of the war-fighting division to proper divisional strength.

Q248 **Douglas Chapman:** The SDSR 2015 announced the creation by 2025 of a war-fighting division comprising three brigades and the new strike force. Given the change in character of conflict and the rapid progress that we are seeing towards an information age, how can you be confident that that capability is what will be required by 2025? I have an inkling that the Committee might want to scrutinise you on that, but what internal methods are you using within the MoD and the services to make sure that you are continually assessing and challenging your own assumptions?

Sir Michael Fallon: Again, General Mark may want to add to this, but of course one should not think of the war-fighting division as simply the four brigades—the two strike brigades or the two armoured infantry brigades. They will have in addition to that the ISR and the 77 Brigade, which is beginning to specialise in this quite novel type of warfare.

Lieutenant General Mark Poffley: From a governance point of view, we look at this certainly on a six-monthly basis in outline and on an annual basis in significant detail, and we confirm that the tasks we have laid not just on the Army, but across the three services and the Joint Forces Command, are actually being met to the standard that we have mandated. That is articulated in the defence plan, and it is audited six-monthly with a holding-to-account session with the permanent secretary and the Chief of the Defence Staff in the chair. I am wholly confident that we have a good handle on the development of these capabilities, and I would just reiterate the point that the Secretary of State made, that getting to 2025, I am absolutely confident, given our current programme, is achievable.

Q249 **Chair:** Just on that point, there is a lot going on in-house, as you say, but do you subject any of these ideas and theories to external challenge at all?

Lieutenant General Mark Poffley: We are encouraging each of the Front Line Commands to do that internally themselves. So they, similarly, are bringing in outside advisers—in the Army's case, I think they have commissioned McKinsey—to provide absolutely that level of scrutiny and authority. Of course that works both ways, not just for their dialogue inside their organisation, but also for the dialogue they now have with the



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Ministry of Defence in terms of, "Are we properly resourcing them?", so there is a creative tension that is supported by external advice.

Q250 Douglas Chapman: In the last 15 years, they have been involved in a lot of counter-insurgency work. Obviously, the different divisional-level combat ops as you describe them now are quite different, but in terms of working with allies, which will be an increasing part of our forward thinking as well, how can we make sure, even if you are on top of your game, that the doctrine, training and so on that you do will be consistent with that of our allies, and how do we make sure that everything moves along at the same pace and is integrated?

Lieutenant General Mark Poffley: I will pick up on the detail, but Paul may want to say something about the broader, international flavour. From the detailed point of view, each of the Front Line Commands is actively engaged with a number of international partners, largely following the direction of the centre of the Ministry of Defence in terms of which relationships we think are worth investing in for our future capability development. Those dialogues taking place between the services and their international partners are absolutely about making sure that they can operate together, and that they understand the strengths and weaknesses of each other's organisations. That includes doctrine. Where we can, we are seeing quite a few of their programmes becoming significantly aligned. There are some obvious partners, most notably the United States, but also France and Germany here in Europe.

Paul Wyatt: One of the fundamental ideas that sat inside the SDSR from a defensive perspective was "international by design", which is a term coined by the Defence Secretary. What that means to us is being realistic about the realities of how we expect to operate in the future. When we conduct complex operations, be they defence engagement or reassure-type operations, all the way through to war-fighting operations, we expect to do so in a combined context—with other nations. Our plans essentially define three different approaches to that. One approach, fairly obviously, is that NATO coalition partner approach, in which we would expect to be plugging into a larger formation. The second is thinking about operating in partnership. That is probably best characterised by operating alongside the French. Finally, we expect to have the ability to operate as a lead framework nation.

There are two really important initiatives sat inside that space. One is the joint expeditionary force, where we work with our northern group allies and others to think about how we train and operate together and have the ability to do that. Then there is the combined joint expeditionary force—sorry; there are too many JEFs in this—which is the UK-French partnership about delivering deployed UK and French capability to deal with crises as they emerge. It is right in the middle of the way in which we think and the way in which we develop and train our forces.

Q251 Phil Wilson: Secretary of State, the SDSR announced major equipment initiatives for the Army. I will ask a couple of questions about the introduction of Ajax, but I just want to mention that a lot of them seem



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to be upgrades, such as the Apache attack helicopters, the Chinook helicopters, the Warrior armed vehicles and, of course, the Challenger 2 main battle tank. All of those are going to be upgraded. Is that a strategic requirement for the Army, or is it just pushing off major investment decisions until a later date?

Sir Michael Fallon: There has already been a major investment decision, which was the decision to provide Ajax—the armoured vehicle—for the Army. There will be some 500 of those tracked vehicles. We will obviously be adding to that later on the mechanised inventory vehicle and others, which General Mark may want to add to. You are right that there are some upgrades, in terms of Warrior and the Challenger 2 tank. Those are still efficient vehicles and, of course, you could regard the Apache itself as an upgrade—an improvement to that particular helicopter. It is a mixture of investment in entirely new vehicles and equipment and an upgrade to some of the existing programmes.

Lieutenant General Mark Poffley: I would make one point: inevitably, coming off a significant period of campaigning in both Iraq and Afghanistan, the Army's challenge is one of dealing with a degree of obsolescence in some of its systems. For example, with Challenger and Warrior, there is a need for us to programme in dealing with that obsolescence into the future. For both of those it is absolutely an opportunity to also incrementally upgrade, because quite clearly technologies have moved forward. Programmes like Ajax, the mechanised infantry vehicle or, more particularly, the multi-role protected vehicle—which replaces equipment such as Land Rover or the Pinzgauer light platform—reflect an adjustment that we would like to make in the context of the strike brigades. There is therefore a very definite ambition there to adjust the force structure, to provide a degree of more choice going forward for political decision makers. You would quite clearly expect us, I would hope, to exploit the very best technologies that are available at the time while making sure that is sustainable well into the future. There is a balance to be struck across the Army's equipment programme that attends to that. Absolutely, this is as much about improvement as it is dealing with obsolescence.

Q252 **Phil Wilson:** Can I ask a couple of questions about the Ajax project? In *The Times* this morning, one former defence official was quoted as saying "It is fine if you are operating against incompetent enemies, but if you are up against a peer enemy this thing is useless, it's a death trap". What would your response to that be?

Sir Michael Fallon: We do not agree with the article that appeared in *The Times* this morning. The Ajax is designed to protect itself to a degree that is scalable to the threat it faces. These are not tanks, they are not going to be used as tanks and we should not expect them to have the armour that tanks do. We believe that Ajax is the best in class and that the use of manoeuvre and well practised drills, for example, should reduce the threat of direct artillery fire. I will also add in respect of this morning's article that the qualification of the weapons system and the integration of the weapon



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into the vehicles are running on schedule at the moment, and they are running to budget.

Q253 **Phil Wilson:** Is it going to be armoured to the same level as the Warrior CSP?

Lieutenant General Mark Poffley: I am not sure that the classification of that discussion will allow us to have as open a debate in this forum as we might wish, but I will be very happy to provide you with that detail downstream in perhaps a more discreet form.

Q254 **Chair:** But in general terms, I understand that the Warrior was able to have different levels of armour attached to it. The Secretary of State mentioned scalability. Presumably that principle will be applied in some form?

Lieutenant General Mark Poffley: The principle will apply that this will deliver an equivalent level of protection for the scenarios in which we envisage its being used.

Sir Michael Fallon: There are different variants of Ajax. If you go down to the General Dynamics factory near Newport, you will see the different models that will be available to the Army.

Q255 **Phil Wilson:** The other point raised in the article was that once on a training initiative the guns stopped working. Lockheed Martin has said that that was a component fault, not a design fault. Can you confirm that that is accurate?

Lieutenant General Mark Poffley: I have checked with the project team today and they have confirmed to me that it was as Lockheed Martin described in that article. They would go further and say that the trial that is being conducted at the moment did not demonstrate this on an Ajax vehicle. The trial is proceeding as we would have expected—they are now 2,000 km into a 3,000 km trial—and we have picked up no significant faults as a consequence of it that would support the analysis in the article.

Q256 **Phil Wilson:** So basically the gun that had the fault was not on the Ajax. Is that what you are saying?

Lieutenant General Mark Poffley: I cannot confirm what vehicle was being quoted in that article.

Phil Wilson: But it wasn't an Ajax? The impression given—

Sir Michael Fallon: We believe that it was not an MoD trial.

Q257 **Chair:** Can I just make a general inquiry? A few years ago, everybody was talking about sophisticated state-based threats being a thing of the past and intervention, asymmetrical warfare and wars of choice being the war in which we were engaged, rather than a future state-on-state war that we might theoretically have to prepare for. I think it is fairly clear that, with the lessening of goodwill—to put it mildly—between Russia and the NATO countries, we have regretfully turned back to a more traditional scenario. When we have these new weapons systems coming through,



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can you collectively put your hands on your hearts and say that these weapons systems are designed and being carried forward in the context of that reorientation of the threat, and that they are not just a carry-forward from the previous scenarios of long-term counter-insurgency campaigns when we would decide whether or not to intervene?

Q258 Sir Michael Fallon: The SDSR was very clear that we regard state-based threats as on a level with non-state actors now. It was perhaps never quite as binary a choice as people might have hoped before. We have to deal with all these threats and make sure that our equipment programme is adjusted to do so.

Lieutenant General Mark Poffley: I make an observation that, absolutely, I think the restructuring of the Army on the 2020 construct is designed to ensure that we aim off for a state-on-state conflict, as well as having broad utility across a number of other scenarios. I am absolutely confident the equipment provides us with the flexibility to attend to those in the way that this structure has been designed—that in high-intensity war fighting, you can field a credible division that is able to operate in an independent form without being a hindrance or burden to anybody else. That is quite an important dynamic for our ability to assert influence in the conduct of some of those campaigns going forward.

Q259 Mr Gray: Can we turn our attention to the Army Reserve? First, on numbers, General Robin Brims's external scrutiny team came to the conclusion that the Reserves were unlikely to meet their target. You disagree with that conclusion in your written evidence. Given that you are using the same statistical database, how can you have come to different conclusions?

Sir Michael Fallon: That assessment by the scrutiny team is too pessimistic because of the changes we have made—I and the former Minister for the Reserves, the hon. Member for Canterbury—even in the short time I have been in the Department. The changes that were made there have helped to improve the situation. For example, when I arrived at the Department, it was taking on average about 240 days to join the Reserves and we have that down now to around 120 days. We have made a number of other procedural adjustments to the process, with the result that the numbers are now going up. The total strength of the Army Reserve on 1 September was 29,200, trained and untrained. There are 23,700 trained and 5,500 untrained, so the numbers are heading upwards. We are making solid progress towards the 30,000 trained target by April 2019. It is challenging and we are continuing to work away on the offer we make to the Reserves. We are continuing to refine the marketing and the other bits of the recruitment programme and to make sure that the improvements we are making in the recruitment of the Reserves are sustainable over the long term.

Q260 Mr Gray: Presumably the EST knew all that but none the less came to the conclusion that the Reserves were unlikely to meet the trained strength target.



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Sir Michael Fallon: That was their assessment. I think it is too pessimistic—

Q261 **Mr Gray:** All right, let me put it a different way then. What is the point in having an EST if all that happens is the Secretary of State turns round and says, "I am very sorry, you are external; you are independent. We have set you up to examine what we are doing, but actually, we are just going to dismiss your conclusions because I think I'm right and you're wrong."? What is the point in that?

Sir Michael Fallon: I am not dismissing it; I am saying that we think they are too pessimistic and that they have not fully recognised some of the improvements that are already in train. I have always accepted that it is a challenging target, but we are making progress towards it. I would have hoped the assessment team would have recognised that to a greater degree.

Q262 **Mr Gray:** Let me give a quote from your written evidence on this very subject. From dismissing what they say and saying they are being too pessimistic, you go on to say: "Not achieving the trained strength target would not significantly impact on capability as the Army Reserve currently delivers the requirements placed upon it within existing manpower and could provide the mechanism to deliver quick growth that CGS referred to" earlier. First, you say that the team got it wrong and in fact, they can achieve it, but then you go on to say that even if they didn't achieve it, not to worry because that would be fine. Surely that is a sort of Billy Bunter defence, isn't it?

Sir Michael Fallon: I don't accept that. The target is important. I have said it is challenging and I have said we are making progress towards it. It is important. We need to attract more Reserves. They are going to be an increasingly important part of the British Army, but the Army is functioning at the moment with its combination of regulars and Reserves.

Q263 **Mr Gray:** But if not achieving the target wouldn't significantly affect the output, why have you invested so much money, effort and political capital in achieving that target?

Sir Michael Fallon: Because we want Reserves to be a significant part of the Army and to play a role in the Army that they didn't before, when they were simply constituted as the TA and played that kind of weekend role. They are now an integral part of the British Army. Indeed, we are now looking at ways of making the Reserve service more flexible to give people the opportunity in specialist positions to flex their service between the limited number of days that Reservists would offer and the full liability of regular service.

Q264 **Mr Gray:** I accept all that, but you get my point. What's the point of setting a target? The external scrutiny team says you ain't going to meet that target, and you say they're wrong, and then you say, "But even if we didn't meet that target, it wouldn't matter because it will all be fine." That is all despite the fact that you are investing a gigantic amount in achieving that target. What's the point of having a target if it is quite so



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flexible?

Sir Michael Fallon: The target is not flexible; it is a Government target, and we have to continue to make progress to meet it. It also underlines our commitment to having Reserves as an integral part of the British Army. The target is important.

Q265 **Mr Gray:** Finally on this one, in your written evidence you say that not achieving the target would “reputationally damage the Army.” Who set the target?

Sir Michael Fallon: The Government set the target—

Q266 **Mr Gray:** Which part of the Government?

Sir Michael Fallon: —on military advice.

Q267 **Mr Gray:** Was it the MOD or the Army?

Sir Michael Fallon: I should think it was both at the time. It was certainly set on military advice and endorsed by Ministers.

Q268 **Mr Gray:** So when you say “reputationally damage the Army”, surely you are saying that, if indeed that were the case, it is your reputation that would be damaged.

Sir Michael Fallon: Ministers are held accountable for progress towards the target, which is what you are doing at the moment. Ministers should be accountable for this. What is important for the Army, though, is that Reserves are better recognised. As I have said twice now, they are going to play a much more integral part in the Army than they have been doing in the past.

Q269 **Mr Gray:** But this reputational damage to the Ministry of Defence comes really from the National Audit Office report of June 2014, with which you are probably familiar. It said: “the department did not assess whether it was feasible to recruit and train the number of Reserves within the necessary timescale”. You set a target, the external scrutiny team said the target isn’t achievable, you said that it doesn’t matter anyhow, you invest an awful lot in it, and the NAO said that when you set that target you didn’t actually consider the circumstances that would achieve it, so it is a worthless, meaningless target, isn’t it?

Sir Michael Fallon: It is a cheap shot, but I arrived in the Department in July ‘14, a month after that report. It is certainly true, and the record shows it, that 2013 was a bad recruiting year, and I think to some extent 2012 was as well. In 2014, the new CGS, the new Minister for the Reserves and I set in train a number of improvements to the way that we market and process applications and the way we attempt to retain Reservists by integrating them more closely with regular units in their locality. All those improvements were set in train in the summer, autumn and winter of 2014, and I think there is now evidence that they are bearing fruit. We have not had the—what did you call it?

Mr Gray: Reputational damage.



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Sir Michael Fallon: We haven't had reputational damage at the moment, so this is hypothetical. It is a challenging target, but we are making progress towards it and we are not as gloomy as the external assessment team about it.

Q270 **Mr Gray:** Presumably the achievement or not of the target depends very crucially on the degree to which the regular Army is properly recruited. In other words, if the regular Army is properly recruited, it doesn't matter; if the Army isn't properly recruited, it does matter. To what degree are you content with the current rate of recruitment for the regular Army?

Sir Michael Fallon: The Army at the moment is slightly under-recruited. I think the figures will show that. We made a clear manifesto commitment to a regular Army of 82,000. We are not changing that commitment; it is what the Army and the CGS are working towards. Clearly, we need to get the current level up—I think it is about 79,000. It is a tough recruiting environment at the moment. The economy is growing as well as and probably better than other countries in the G7. We are increasingly competing in some of the specialist trades against sectors of the economy that are growing, so that too is a challenge. Around 8,000 people joined the regular Army in 2015-16—8,100, which is an increase of 250 over 2014-15—so that is progress. Again, the Army has adjusted a number of its policies to make it easier to join, including attempts to reduce the waiting involved in the different stages of training.

Q271 **Mr Gray:** And sorting out Capita.

Sir Michael Fallon: And sorting out Capita, working close with it to make sure its performance is what should be expected. There have been improvements already. It still has to deliver on the ICT package that supports recruitment and that is due to go live next year. We obviously want to see that live as quickly as possible.

Q272 **Mr Gray:** One final thing on the 82,000, there has never been any suggestion that that should be land forces. That is the regular Army, not including the RAF regiment or the Royal Marines.

Lieutenant General Mark Poffley: That is the Army.

Q273 **Jim Shannon:** Reference was made in the answer to James to the issue of officers. The indication I am getting from Reservists back home and those who wish to join is that the process of becoming an officer, from the time you inquire to the time you complete, can be as long as nine months, the time it takes a lady to have a baby—the gestation period. That is a long time, so many people are put off. Some of those I have spoken to who wanted to join when they responded told me they were concerned it took so long for that to happen.

I am keen to find out how many people start and how many finish their Sandhurst training. I understand those figures may not be as available as they should be.

I am making three points at the same time. The Army is looking further at how the Regular Reserve can be best utilised. I know it has done a recent



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voluntary recall to ascertain the skills of Reservists. I am aware of that, but again many Reservists tell me they have had no correspondence from the MOD in relation to their skills. Would it not be a good idea to look fully at the Army Reserve to see what its readiness level is and its capability to use equipment? If a regular soldier can be trained to use equipment in three or four months, a part-time Reservist might take 12 months over a number of weekends to attain the same skill level.

I am very conscious of those issues, which I wanted to raise, but you told us, Dr Lewis, to do so as quickly as we could.

Sir Michael Fallon: I have said already that we have reduced significantly the period it takes to join the Reserves in general from around 240 days to around 120 days at the moment. When I took over as Secretary of State, I was very conscious that we were out of line with other reserve forces around the world. It was taking longer to get into ours than was the case in the United States and Australia. I do not have the specific figures to hand for officer rank line, but I am happy to write to you about that.

Your other point was about whether we should maintain a skills database of where training has got to.

Lieutenant General Mark Poffley: That is certainly the ambition and will be incorporated into not just the recruiting process, but a more fundamental database that the Army intends to hold at the Army personnel centre in Glasgow.

Absolutely, on your point about how to maximise the talent that every individual has inside the organisation. I assure you that is absolutely an ambition and the implementation of it is part way through. Inevitably it will take some time to catch everyone in that process. We will see where that takes us.

Q274 **Chair:** With reference to the point about niche skills among Reservists, within the last week I was told by a long-time Reservist who was a journalist that for many years there was a cohort of journalists in the Reserves who were able to bring their special skills to bear, particularly in relation to cold war propaganda. That, he regretted, has now disappeared. Although that might be of interest to 77 Brigade, it might also be looked at in terms of Reservists.

Lieutenant General Mark Poffley: I am surprised he said so, because as I understand it, that is alive and well inside 77 Brigade. Indeed, many of the media specialists inside that brigade are Reservists, so we might need to connect him with someone individually.

Chair: It is encouraging to hear that. We are going to come back to regeneration. Of course, the preferred role of our armed forces is to deter conflict, rather than actually have to fight it. If nuclear deterrence fails, that is the end of civilisation as we know it, but if conventional deterrence fails, which is sometimes more likely because of its unpredictability, we have to be in a position rapidly to expand. I hope you will forgive us for covering regeneration a bit at the beginning. It is so important to be able,



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if the worst happens, to build up our forces rapidly in order to defend, not just deter, that we feel we need to give this topic special attention. On that note, I call Jack Lopresti, our newest member of the Committee.

Q275 Jack Lopresti: Before I do that, I would like to go back to one of the answers the Secretary of State gave to James. He said there were 23,700 trained Reservists currently. What does “trained” mean? Does it mean deployable?

Sir Michael Fallon: Yes.

Jack Lopresti: So we have 23,700 Reservists we can deploy next week?

Sir Michael Fallon: Let’s have a proper military answer to that.

Lieutenant General Mark Poffley: The trained assignment is that they have completed their basic training and therefore are able to complete a basic soldier function. Inevitably, with each of the trade groups, there will be a variable series of courses in which they would need to specialise. That phase 2 and 3 training is not included in that figure, but that is a continual process. If we take a basically trained soldier, quite inevitably you are going to refresh his training through his career, whether he is a regular or a Reservist.

Jack Lopresti: So that could mean essentially they have just walked off the parade square and passed out at the very initial stages.

Lieutenant General Mark Poffley: They have completed phase 1 training.

Q276 Jack Lopresti: Can you give us a percentage of that 23,700 who we can actually use?

Lieutenant General Mark Poffley: You can use all of that 23,700 to a lesser or greater extent. It depends on the functions you wish them to deploy. If you, for example, want someone to deploy as a Challenger 2 commander, that is not necessarily that easy straight out of phase 1 training. There is an extensive course to do so. That does not diminish the utility of that individual in a raft of other roles. Quite clearly, some of the more basic tasks require only a phase 1 trained soldier to do.

Q277 Jack Lopresti: As the Chair has said, a new emphasis is being placed on the Army Reserve as a means to provide regeneration and reconstitution. In what circumstances might the Army require regeneration and reconstitution?

Sir Michael Fallon: You might have, for example, a larger number of concurrent small operations than we had planned for, giving us gaps in niche capabilities that we might want to fill, or—heaven forbid—some more serious situation of homeland security, where larger numbers are required than were in our planning assumptions.

Q278 Jack Lopresti: I think you said earlier that thought was given to a broader national strategy of regeneration. I am concerned about



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industrial capacity and capability to re-equip and keep supplies going to our troops if we were in a highly pressurised environment. Does that mean a new industrial strategy that would take in regeneration and reconstitution?

Lieutenant General Mark Poffley: There are two components of this. The first is: has the structure in being got sufficient equipment to generate the capabilities we have described in the Army 2020 construct? The answer to that is yes. Indeed, it has more than that, because it has recourse to what we call a war maintenance reserve fleet and a training fleet. So you could add beyond that division if you chose to. More profoundly, if you want to go beyond that and create a new structure, there is inevitably a question about the capacity of industry, particularly with more complex equipment, to be able to accommodate that in a short period of time. That is the nature of our business, I am afraid, and there will always be a limit on that. It is probably worth Paul Wyatt saying something about how we are incorporating this into our relationship with industry.

Paul Wyatt: The first thing to say is that regeneration and reconstitution both feature as explicit direction to the front-line commands in our planning documents. We make it quite clear in our direction down to the front-line commands that although our planning assumptions are the aim, the reality of military planning is that you often find that you are wrong. Our planning assumptions are the target, but there is a requirement to think through how they could reshape or regrow to be different from or beyond that target. A lot of work is going on in all three of the commands, particularly in the Army, around regeneration and reconstitution at the moment as they think through the choices they have in that space.

Part of it, inevitably, is around the utilisation of equipment in the training base. If you were in a situation of significant critical national emergency, you would draw on that training base equipment to equip additional formations, so that is part of the solution. We are working on that in detail at the moment so it is difficult to give you a great deal of depth. It is absolutely part of our approach to thinking about how we ensure that we have a flexible force.

Sir Michael Fallon: One thing to add, perhaps, would be on the Army's relationship with its Regular Reserve—the 30,000 or so soldiers who have left in the past five, six or seven years. I know that the Chief of the General Staff has work in hand to improve the Army's engagement with that cohort to ensure that it can communicate with them properly, track the skills that they have or have added since leaving the Army, and that they are ready to be part of the Army's output in that kind of scenario.

Q279 **Jack Lopresti:** Within what timescales will the CGS's work on the Regular Reserve be complete?

Lieutenant General Mark Poffley: His work to date has classified more than 27,000 of those who have left in the previous five years. That database is growing all the time. Inevitably, it is much easier to track



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those individuals if we are still paying them a pension and they are reasonably enthusiastic about giving their home details. Where there are voluntary declarations, we also rely on the individual to give their details. Increasingly it comes back to the skills point. We are particularly looking at those who have niche skills that are pressure points inside the structure, ensuring that we now track them as they retire in a far more deliberate fashion than we did previously.

Q280 Jack Lopresti: Finally, on the regeneration of the Army capability-wise, the Secretary of State said that he does not expect a war with Russia next year. But let's say that, heaven forbid, there was one the year after or the year after that. Do we have the critical mass, the expertise and the flexibility to get up to the necessary tempo with the capability?

Sir Michael Fallon: Yes; we would be ready to increase the tempo in that kind of situation, which I do not immediately foresee. Of course, we will be doing this not on our own, but as an active member of NATO, presumably in some kind of NATO scenario.

Phil Wilson: I have a quick question about Capita and the Army's recruitment partnership programme. I know that James mentioned it.

Mr Gray: I am sorry; that was unintentional.

Q281 Phil Wilson: You are forgiven. Secretary of State, do you have any concerns regarding how overdue the solution is, particularly given that, in December 2013, the MOD, in the words of the National Audit Office, decided to contract with Capita to "mitigate the risk of...delays" in providing the ICT. You brought Capita in to help to resolve the issues, come up with solutions, and help with recruitment, but it could not do that either. What is the situation with that? You said that a solution will be introduced next year. Can you tell us when next year?

Sir Michael Fallon: You are right that there have been difficulties with the delivery of the new ICT. We are monitoring that closely with all the stakeholders involved, including Capita. We are committed to it. We will not resile from it because we think it would enable the Army to maximise its recruiting performance. But of course we already have legacy ICT systems in place that are being used at the moment to provide adequate performance in the interim.

We are not seeing recruiting levels being affected by the current state of the ICT; we simply want to see it improve. The implementation has been delayed and may be delayed further. We continue to press Capita to give us as early a delivery date as possible next year.

Q282 Phil Wilson: So it could be beyond next year?

Sir Michael Fallon: I hope not. I certainly want to see this in place next year. I have not heard anyone speculate about 2018. There have been delays already and I want to see it in place next year.

Q283 Chair: Secretary of State, I have got one more question on my own list that I would like to ask, and then I hope you will not think it at all



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discourteous if I hand the Chair to Mr Spellar for our last few questions, because I have a long-standing undertaking to assist with the launch of the campaign to save HMS President 1918, which is one of our last three First World War ships still in existence. Please accept my apologies for not being here for the very last few questions.

My question is about efficiency savings. We hear a lot about extra money that is going to be invested in defence and some of it is new money from such funds as the joint security fund. The SDSR said that the MOD will deliver key capability enhancements through generating around £7 billion in efficiencies and that top level budget areas will have flexibility in how they deliver those efficiencies. How much does the Army have to deliver in efficiency savings? How does it propose to achieve this?

Sir Michael Fallon: I do not have the exact figures for the Army budget as distinct from the others, but the global figures are correct and a big part of our work at the moment is to ensure that those efficiency savings are realised so that we generate the additional investment that we described in the SDSR. One part of that, for example, is rationalising the defence estate, on which we have already made a series of announcements this year, focusing on fewer but better managed sites, particularly for the Army. I hope to announce shortly how that strategy will be fleshed out for the rest of this Parliament. I think we will have to write to you on the Army's share of the efficiency savings.

Chair: In terms of the figures—

Lieutenant General Mark Poffley: Over the 10-year period we were talking about £6.2 billion worth of efficiencies, which were translated into the Army 2020 programme. So the efficiencies described in the SDSR were baked into that Army programme, and those certainly have been identified by the programme such that they can afford the enhancements they want to make in the equipment programme and other measures, for example.

Q284 **Chair:** I would not want to be unfair—you had no notice of that question, which was rather specific—but can you perhaps give us a few examples? You mentioned the defence footprint, but can you give us any more examples of efficiency savings? Because obviously the worry that keeps coming back in relation not just to the Army but to all the services is that under the guise of making efficiency savings we are actually hollowing out the armed forces and making genuine cuts. We really need to know that these are savings that we can afford to make without reducing our capability.

Lieutenant General Mark Poffley: The figures I have given you relate to the Army 2020 programme. They are not the efficiencies that the Army is currently considering in terms of how it is going to take forward its programme for the remainder of the SDSR programme. The Army is currently in the process of submitting back to us, with the other TLBs, a series of efficiency measures that it thinks it can attend to by the end of the Parliament and this comprehensive spending review period. They relate not just to personnel—that is about the distribution of personnel



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inside its structure—but to activity levels and support assumptions. Again, as you look forward, some of the work that we have already identified in our sustainability work, is identifying that we may have been over-provisioning against the more likely activity that you might see on an operation of a particular type. That work is under way at the moment, in consultation with the DE&S organisation.

Mr Spellar took the Chair.

Q285 John Spellar in the Chair: The MOD signposted to us, after SDSR, what they talked about as refinement of the Army's resource-informed force structure. Can you tell us about that work and what it will mean in terms of changes to the organisation and numbers of the Army?

Lieutenant General Mark Poffley: The Army 2020 Refine recognises that there have been new threats emerging since General Carter commissioned the Army 2020 work—most notably, the rise of Daesh and most notably, a resurgent eastern threat. We have learnt quite a lot through the implementation of that Army 2020 structure to suggest that, inevitably, some of the things are not quite as we might wish them to be. For example, how are we attending to a less than benign air environment? The ground-based air defence construct, for example, will be considered inside the Army 2020 Refine work. Similarly, how are we going to take forward the use of specialised infantry battalions in the context of our defence engagement agenda, and when might that best be constructed? Again, those sorts of issues will be looked at. Finally, by way of example, similarly in the sustainability structures, what more judgments can be made about the use of contractors in defence engagement-type support arrangements, or in semi-benign environments?

Q286 John Spellar in the Chair: Can I be clear about what you were saying about air defence, as to whether, recognising properly a heightened threat, we are actually looking at beefing up our air defence in favour of our deployments? Is that what you were saying?

Lieutenant General Mark Poffley: That is certainly one of the considerations that is being considered, but a judgment has not yet been made on it.

Q287 John Spellar in the Chair: The Department's written evidence outlines the considerable number of defence engagement tasks now being undertaken by the Army. Could you describe what effect those efforts are having against the Government's broader strategic aims in the regions where the UK is engaged, and how those aims are articulated?

Paul Wyatt: The use of the Army—in fact, the use of all three services—for defence engagement and other operations that contribute to the broader security environment is overseen in the Ministry of Defence by a bespoke team that look at what we are trying to achieve, and do so very closely in collaboration with cross-Government partners. We work with the Department for International Development and colleagues from the Foreign Office. For each regional area that we are considering, we set out a strategy and there is a series of measures of success that we then



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describe. The interventions from the Army tend to be around training teams, advisory capabilities, mentoring and those kinds of outcomes. It is about helping those we are partnering with to be better able to deliver security for themselves in the environments that we are operating in.

Q288 John Spellar in the Chair: Do you think that is working well at the moment?

Paul Wyatt: It is hard to give a general answer to that. I think that we had some notable successes, but I would say that one of characteristics of the approach we are taking is that we have established defence engagement as a funded task within defence. The second national security objective is around shaping and influencing, so we are seeking to take an approach that is about contributing to national security by contributing to global security, and doing so in a constructive way rather than waiting for crises to emerge and reacting to them. It is quite hard to prove a counterfactual, but we are seeking to contribute ahead of time rather than react to problems as they emerge.

Q289 John Spellar in the Chair: Where we are doing that in work that, as you rightly identify, also comes under the purview of other Departments, are we seeking a commensurate contribution from them?

Paul Wyatt: There are a number of different funding mechanisms, but there is a joint cross-Government funding mechanism—a stabilisation fund—that pays for some of these activities.

Q290 Douglas Chapman: Secretary of State, are you satisfied with the progress that has been made in allowing women to serve in a combat role? What do you see as the significant challenges remaining that you are not achieving?

Sir Michael Fallon: We are making good progress in opening up infantry roles to women, starting with the armoured roles and the Royal Tank Regiment. We have seen applications coming in, and the programme will be rolled out as we ensure that the physical standards we require of women and men are properly aligned. I do think that the announcement that we are opening up all these roles to women has in itself demonstrated the changing culture of the Army. I also think it has had an impact on recruiting. It has shown women the wider opportunities there are in the Army to get into these new roles.

Douglas Chapman: And what about the significant challenges in making sure that more women are involved?

Sir Michael Fallon: At each step of the way we have to ensure that we are not harming women who take up particular positions with the weights that they are asked to carry, bearing in mind the fact that they have to carry them for several years' service, and we have to get the physiological standards right. We have to proceed cautiously, and we are hoping to open up in each area successively, learning as we go along.

I have been encouraged by the growing interest among women in some of these very different roles. I have also been encouraged, if I may say so,



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by the response of the men in these units that are being opened up for the first time. When I talked to men serving in the Royal Tank Regiment, they welcomed the fact that women were going to come in and join the tank regiment. They didn't understand why we had always thought that a woman couldn't maintain or drive a tank just as well as a man.

Q291 Douglas Chapman: Have you set targets for future female recruitment and for significant minorities, such as the Asian community, being involved in and given opportunities in the services?

Sir Michael Fallon: Yes, we have a target of getting to 15% female and 10% BAME by 2020. In terms of the regular strength, we are at around 9% female at the moment, so there is still some way to go. In terms of BAME recruitment we are at around 10% at the moment.

Q292 John Spellar in the Chair: Does that include overseas?

Sir Michael Fallon: We can distinguish between non-UK BAME, at around 6%, and UK BAME, at 4.3%. So we still have some way to go there. Nevertheless, in both areas a lot of specialised recruiting and marketing is going on. I am certainly encouraged that more women are stepping forward.

Q293 Mr Gray: Surely we have stopped recruiting from overseas, haven't we?

Sir Michael Fallon: We are recruiting a limited number from overseas—I think it is an additional 400.

Lieutenant General Mark Poffley: It is 200.

Sir Michael Fallon: Sorry, 200 a year from overseas and the Commonwealth.

Lieutenant General Mark Poffley: But the numbers that the Secretary of State just cited inevitably include some from legacy enrolments.

Q294 Mr Gray: It will certainly make the BAME targets even harder to achieve by not recruiting from Tonga or wherever.

Lieutenant General Mark Poffley: Inevitably the major target ought to be a UK-based population.

Q295 Douglas Chapman: I have a final question. The Committee has noted the basing closure announcements made by the Minister for Defence Veterans, Reserves and Personnel. Are you anticipating any more defence estate closures to follow? What would be the timetable for any such announcements? Do you suspect there might be one large announcement, or will several be drip-fed through the system?

Sir Michael Fallon: We set out in the SDSR our overall ambition to have a more efficient defence estate, which means, yes, reducing the number of sites we occupy, particularly for the Army and, to some extent, for the RAF as well. We have published three tranches of sites that we no longer need and aim to dispose of. I think we did that in January, in March, and again in September this year. I have taken the decision that it would be better



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to publish all the remaining sites at once rather than tranches every four months for the rest of this Parliament. I think we have published just over 30 sites already; there will be another 60, or just under, site. We hope to publish all of those at once so that we can give the families involved some longer-term certainty as to where they are likely to be stationed or moving to.

So, in broad terms, we will come down from around 300 to around 200 major sites, which will give us an estate that is more cost effective to maintain. It means we can focus on improving those particular sites. It also means that we can release receipts from the disposal, all of which we put back into our budget.

Q296 **Douglas Chapman:** When you expect that announcement to be?

Sir Michael Fallon: Shortly.

Q297 **Douglas Chapman:** Imminently?

Sir Michael Fallon: Shortly.

Q298 **John Spellar in the Chair:** Anytime between now and the next General Election?

Sir Michael Fallon: No, shortly. I think it is right to give service personnel and their families as much certainty as we can. Sometimes these will be dates further out, saying, "We anticipate this barracks will close by 2030s even," but even that does give them more certainty than they have at the moment.

Q299 **Mr Gray:** You made reference to all of this as making a significant contribution to the efficiency savings, the X billions, you are required to make. In the ministerial statement announcing it, you allied the Government's ambition to build a large number of houses with the sales, yet some the sales are, for example, a single building—a historic building which might be sold for some other purpose—and some of the sales, such as two in my constituency, are completely and utterly impractical for housing. They have set a few hares running with everyone going: "My God, they are going to build a huge new town" in a place where there is absolutely no possibility whatsoever of that occurring. I just wondered whether the money coming for this that you announced is entirely dependent on that land being sold for housing, or how that has been worked out?

Sir Michael Fallon: I am sorry if hares have been set running across Wiltshire unnecessarily. That was not our intention.

Yes, there is a beneficial side effect of our efficiency programme, which is to release more public land, alongside other Government Departments, for the Government's overall housing target. That is important: we should not be sitting on land or buildings—I would hope you would agree, Mr Gray—that we don't use when there are young couples who want houses. It is right that it should be released for housing.



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Not all of these sites will be appropriate for housing but, where they can be released, they should be, so we will be getting on with that now. As I said to Mr Chapman, you will hear news shortly.

Q300 Mr Gray: The clarification you just gave us that not everything will be given over for housing is perhaps what I had hoped to see in the ministerial statement or the press release because, at the moment, a lot of people are getting their knickers badly in a twist quite unnecessarily.

Sir Michael Fallon: We hope where those sites can be developed for housing then it is a contribution to the Government's housing target.

Mr Gray: Of course.

Sir Michael Fallon: We would not want to discourage that in any way, but there may be other sites that can be released for commercial purposes.

John Spellar in the Chair: Thank you very much Secretary for State—yourself and your team—for a very full session. We look forward to seeing you again shortly.

Sir Michael Fallon: Always a pleasure.