

Defence Committee

Oral evidence: National Security Capability Review, HC 556

Tuesday 14 November 2017

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Members present: Dr Julian Lewis (Chair); Leo Docherty; Martin Docherty-Hughes; Mr Mark Francois; Graham P. Jones; Johnny Mercer; Mrs Madeleine Moon; Gavin Robinson; John Spellar; Phil Wilson.

Questions 1-114

Witnesses

[I](#): General Sir Richard Barrons KCB CBE (Rtd), Former Commander, Joint Forces Command; Air Marshal Sir Baz North KCB OBE (Rtd), Former Deputy Commander-in-Chief Personnel, Air Command; and Admiral Sir George Zambellas GCB DSC DL, Former First Sea Lord and Chief of the Naval Staff.

[II](#): Sir Mark Lyall Grant, Former National Security Adviser.

Examination of witnesses

Witnesses: General Sir Richard Barrons, Air Marshal Sir Baz North and Admiral Sir George Zambellas.

Q1 **Chair:** Good morning and welcome to this special session of the Defence Committee on the National Security Capability Review. We have three very distinguished senior personnel from the armed services, now retired and able to speak their minds. Before I hand over to Johnny Mercer to start the questioning, I would be grateful if each of you said a word or two to introduce yourselves.

General Sir Richard Barrons: I am General Sir Richard Barrons, Commander of Joint Forces Command, 2013 to 2016.

Air Marshal Sir Baz North: I am Air Marshal Sir Baz North. I was Director of Air Resources and Plans from 2007 to 2009, Assistant Chief of the Air Staff, 2010 to 2013, and Deputy Commander for Personnel and Capability, Air Command, from 2013 to 2016.

Admiral Sir George Zambellas: I am George Zambellas. My last job in the services was as First Sea Lord. I left in April 2016.

Chair: Thank you all. Johnny.

Q2 **Johnny Mercer:** Thank you, Chairman. Sir George, if I could start with you. We are talking about doing another security review now. The country has just had the 2015 SDSR. The average guy or girl in the street is going to be thinking the key is in the title—it is a strategic defence review. Now we are doing one sort of mid-term, what would your priorities be and why do you think we are doing it?

Admiral Sir George Zambellas: There are two fundamental considerations for conducting a capability review. The first is that the strategic circumstances have significantly shifted globally since the last defence and security review. You can spend some time examining what they are, but most of us have a feel for what they are. The second, which I think is a fundamentally misinterpreted responsibility, is the rise of technology, which is going to hugely change the nature of defence and security in the next 20 or 30 years. That includes the widespread use of autonomous vehicles and unmanned vehicles employing artificial intelligence and therefore taking people out of the loop in increasingly large numbers. I think those two characteristics are the fundamental reasons for having the review. There is another good reason, which is that there wasn't enough money last time, so, as a result of that, we can examine closely why we might have some more resources this time.

Q3 **Johnny Mercer:** Do you accept it is quite hard for the British public to accept that we put a lot of public money into doing a strategic defence review just two years ago, and we are so poor at looking at forward threats that two years later we have to do the whole thing again? Do you



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accept they might find that quite difficult to swallow?

Admiral Sir George Zambellas: The whole package includes the strategic decision by the nation to leave the EU and to change, by implication, the nature of our posture within the world. So that is a very good start to a review reconsideration. So is the finances associated with that decision, including such fundamentals as the fundamental shift in the pound-dollar balance. I think if the review comes up with the same answer, then you are right. If it comes up with a subtly different answer, then it was worth doing.

- Q4 **Johnny Mercer:** You touched on it there. The general perception out there—I keep coming back to it—is that the whole idea of being strategic is the ability to look five or 10 years in advance. If we cannot plan five or 10 years in advance, what is the point in having all these procurement processes that cost billions of public money? Surely this has got to have an underlying tone to it and it is simply not credible to say, “The whole world has changed more in the last two years than it has done ever before, so we are going to look at it again and again.” It is actually all about money.

Admiral Sir George Zambellas: I did not say that it has changed more than it has done ever before; you did. I think the conditions have changed sufficiently to justify a review.

Johnny Mercer: Okay. Thank you.

Chair: Can we ask the others to come in as well?

- Q5 **Johnny Mercer:** Sir Richard, what is your view?

General Sir Richard Barrons: We want to be absolutely clear that we are having this conversation at a profoundly important time. The reason we are having a review only two years after the 2015 defence review is that at no time in that review has the amount of resources provided to defence matched the programme. That balance is now out by £2 billion a year. We have started having a review because there is an enthusiasm in Government to reduce defence down to the money that is available. I think that reflects some outmoded instincts about where the world is now. What you are confronting is a strategic inflection point, where, as George has described, the defence programme is unworkable in its current construct. Maybe that would not matter if the world had not changed, but the world has changed profoundly.

The Prime Minister last night at the Lord Mayor’s banquet talked seriously about the problem of confrontation with Russia. That is probably not a conversation the Prime Minister would have launched even two years ago, not in those terms.

As a Committee, you are confronting a situation where you know the defence programme is falling apart and where you probably sense the armed forces are, to some degree, locked in a denial they can hold this together, but they cannot hold this together. They are effectively fielding



holograms of capability in some cases. Yet, you are seeing how the world has changed.

So yes, you need a proper strategic review of how the world is producing risk to the United Kingdom and how currently we cannot deal with that risk, and you should be deciding what you are going to do differently. Part of that is by stabilising defence with more money now—£2 billion a year for the next four years is about the baseline figure—and then, exactly as George has just described, looking at how to reform defence through innovation. That is a proper strategic discussion that Government are not having.

- Q6 **John Spellar:** But is it that the world has changed or that we wrongly assessed the underlying forces? In other words, did Russia become a problem overnight, or had there been a long-term potential and intention that we misread and therefore made a number of decisions that meant that we underestimated it?

General Sir Richard Barrons: No, I think if we had MOD officials here, they could show you pages and pages and pages of analysis that said, “We are in a different climate with Russia now, we need to worry about the North Korean programme and we need to worry about the various tensions in the Middle East.” They would also begin to describe how, just in terms of military capability, there are risks to the UK homeland that our armed forces cannot deal with and we should not be in that situation, and how there are risks to the UK’s place in the world as an inextricable part of a globalised trading infrastructure that we can no longer protect. They have said this for more than a decade, but it is not caught by the Government or the public eye.

- Q7 **Chair:** But the implication of what you are saying is the same as what Sir Michael Fallon told us recently in a long hearing we had with him, which is that this review is the result of—I think he used the word—an intensification of threats. The obvious response to that is that if the threats are intensifying, we need to allocate more resources to defending ourselves against them. So you would expect that everybody would be talking about this review as a demand for and facilitation of more resources for defence. Yet, people are talking in terms of cutting capabilities rather than adding to them.

General Sir Richard Barrons: That is absolutely the case. I firmly believe and have argued many times that we are at this inflection point. But all the habits in Government and, to some degree, in society are that gentle passage of the post-Cold War era, where we didn’t feel any existential threat and where, mainly, the west had the initiative in the world. All that is moving on. You are trying to have that debate at a time when people are feeling the pinch of austerity, where there are many claims on the public purse. Out of habit and instinct, defence does not get the profile. We need politicians and statesmen who can argue that, in the world as it is turning out, we are going to have to make some different choices and pay for them. If they don’t, they are failing in their duty to protect this country.



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Air Marshal Sir Baz North: If I may, some of the things that one needs to focus on are the assumptions made in 2010 and 2015 with respect to where we were not funding our own sovereign capabilities, where we were dependent upon allies to contribute.

Of course, our allies are suffering the same sort of fiscal challenges and threat challenges that we are. Consequently, the assumptions that were perhaps made in 2010 and amended in 2015, in terms of what would be provided as we reduced capability in certain areas dependent upon our allies, need to be refreshed in terms of what our allies will actually bring to the party. It is not just looking at ourselves.

Richard and George are absolutely right to focus on the resource that is available from a sovereign perspective, but we must also look at our place within the NATO environment, which is the cornerstone of our defence policy.

As for where our NATO partners have perhaps suffered, I will give one example from an air perspective: the reduction of air transport, the amount of support that we give the French in terms of the outside lift, the C-17. Because their skill sets and capabilities in ISTAR—Intelligence, Surveillance, Target Acquisition and Reconnaissance—require investment over a long period. If you do not have those products available to you, you are not able to see and understand and anticipate where to make deployment or where to use political and diplomatic pressure.

Chair: I know several colleagues want to come in, but Johnny has to be in the Chamber soon, so I will hand the floor back to him.

Q8 **Johnny Mercer:** Quickly, if I can come to you, Sir George, on amphibiosity. I know we are going to talk more in detail on the other issues, so I don't want to go into them now.

It is simply not credible. If the Government is going to come to the House of Commons or the nation and say, "We need to re-look at how we are configured to face a threat, but we are going to save money at the same time, perhaps in the area of amphibiosity," it is very difficult to sell that to the man in the street and retain credibility.

What is your view, in your position, about proposals looking at reducing that thing? We have just talked about the reliances we have from NATO and our role in these organisations that keep us safe. What is your view on proposals essentially to get rid of this country's capability when it comes to amphibiosity?

Admiral Sir George Zambellas: If you take as a premise, what certainly the three of us know, that defence has been under-resourced for years, the challenge that is being set to the Chiefs of Staff now is try to make further savings.

As is the style of these things, each service chief has been invited to find or to consider areas where they might make reductions. I imagine the First Sea Lord has a choice between having his left arm cut off or his right arm cut off. Nobody in the world of complex warfare, especially for an



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island nation that delivers force from the sea, thinks that a reduction in the sophisticated end of amphibiousness is a good idea.

The question is how it is to be done. If you look back in history, just briefly, nobody ever tried to look forward to the concept of opposed landings, yet they have occurred time and again, most recently, of course, with the Falklands. The truth is that you have to risk-mitigate in every possible way the idea of projecting force from the sea. That is what we are going to do as an island nation across the whole of defence.

The other thing that has changed fundamentally since years gone by is the weight of protective mobility, the physical weight. The idea of lifting everything from a huge deck 150 miles inland is not practical, even with an unlimited number of Chinooks, unless you can reduce the weight of the vehicles that society and politicians now expect to be provided for people.

My view is that any capability review of our cross-defence performance—an integrated performance with all three services—really needs to consider very carefully why you would want to reduce amphibiousness at the expense of something else when the proper answer is that you should increase and solidify the quality of amphibiousness using investment in new equipment and new capability, and you should preserve the outstanding capability of the Royal Marine in the inventory of fighting forces across defence.

Q9 Johnny Mercer: Thank you. I have a final one for Sir Richard. I absolutely agree with you that we have a duty in this place. It is very difficult in the military to bang your own drum about the capabilities, but essentially you see the threats we are up against. Right arm off or left arm off—it is not the time for that at this particular moment. What would your message be to those of us who have to go and advocate for a Government who are persistently talking a good game on defence when we see differences with the reality on the ground in places such as Plymouth? What do we need to do to ensure that we do our duty by the people who vote for us and by our servicemen and women?

General Sir Richard Barrons: The first thing is that you have to say that the policy of denial has run its course. You are now confronting a choice where you can either stop denying that defence is unable to deliver the things it is required to deliver, or you are going to watch it fail. It will either fail operationally, which would be a tragedy, or it will fail institutionally as people simply leave and capability does the same.

The point that George made about amphibiousness is extremely good, and there are two lines of madness. Are we really saying that we do not want the capability to put a force ashore over a beach—that we want to confine ourselves to ports? Are we really saying that we never want to be able to take British people out of a trouble spot except through a port? Are we really saying that we want to remove that capacity for humanitarian assistance? If we are saying that, we are ignoring how the world really operates. The second line of madness is the idea that if the Navy needs to adjust manpower and find more sailors, the obvious thing to do is to cull some of the finest infantry in the world—the Royal Marines. If the Navy

needs more manpower, surely in defence there is a better way of finding it than culling your elite infantry, which in any case supplies people to our outstanding special forces. It is just folly.

Chair: Thank you. That is very useful. It seems like we need arms rather than amputation of arms. I am going to bring in Phil at this point, and then Madeleine, who will take us on to the next topic.

- Q10 **Phil Wilson:** Sir George, you said something in your original answers about the EU and the dollar-pound exchange rate. How much of an impact will that have on the budget? Obviously, it could have an impact in as much as we will not have enough money for the equipment that we require. Do you see it as a major threat in the coming years?

Admiral Sir George Zambellas: When you are short of money and you are conducting a capability review under the cloak of a resource review, rather than capability, any variation of the exchange rate in the wrong direction will make things more complicated. Although we have some feel for how it has been so far, we do not quite know how the next few years will unravel in the wake of Brexit, European economics and global performance by the UK and its prosperity agenda. There are a lot of variables in that equation, but for the first time the instability of that has been exposed.

Air Marshal Sir Baz North: From an air perspective, the major equipment programmes are purchased in dollars or euros. Consequently, any reduction in the value of the pound will considerably constrain the freedom of manoeuvre within those programmes to purchase when required and to sustain in terms of support when one is buying in those foreign currencies. As a juxtaposition, look at our defence exports—80% is in the air sector, yet we do not have an air sector industrial policy to support the very industries that we need to support the platforms at home to sustain those. It is not just about foreign exchange, but about where we find ourselves. People wish to buy our kit, yet we are not joined up and together in terms of supporting that initiative.

Chair: Avid followers of the Defence Committee will already know that one of our members who cannot be here today, Ruth Smeeth, has secured a debate on Thursday on that very topic, so perhaps we will be able to throw some light on it then.

- Q11 **Mrs Moon:** I would like to go back to something you said, Sir George, which was that there was an issue in relation to the change in our posture in the world because of leaving the European Union. We are not leaving NATO.

Admiral Sir George Zambellas: I didn't say we were.

- Q12 **Mrs Moon:** So why is our posture clearly changing because of leaving the EU and what are the implications for defence of leaving?

Admiral Sir George Zambellas: I think the principal implication is that the outward-looking foreign policy is reset in a more global context. If it is not reset in a global context, I will be very surprised because a lot of



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people who voted to leave the EU wish to see us acting independently politically. That means having to take a different political perspective on our place in the world, which changes the nature of our global position in terms of how we support security alliances, diplomatic efforts and our outward-facing nation. In a way, what we are doing through the Brexit vote is reconsidering our place in the world. That changes the chemistry of the UK's responsibilities. We will have increased responsibility for our own waters, our own shores, our own migration position and our own fishing rights. All that will unfold in the exciting months ahead, but, fundamentally, it is not what it was. That is my point.

- Q13 **Chair:** It remains the same, surely, in the sense that we have always looked to NATO as the primary vehicle. The people who have been arguing for Brexit, and I declare an interest, are those who have always said that the EU should not have a defence role that overlaps with that of NATO. Surely the people who voted for Brexit have not in any way turned their back on our NATO commitment.

Admiral Sir George Zambellas: I did not say that, and I do not think that is the case. In fact, if anything, it has reinforced our NATO commitment. There is a fundamental difference between the two concepts. The article 5 and nuclear force are highly defining characteristics for NATO. The EU, by its own record, has produced a much lower level of capability and a different form of political support. In maritime, that has manifested itself not in carriers and nuclear deterrents but in counter-piracy and policing duties. For the service I once supported directly, it is a very different posture between NATO and the EU. I have never seen them as the same things.

- Q14 **Mrs Moon:** For clarity, do you see us taking more unilateral action outside NATO?

Admiral Sir George Zambellas: NATO has a geographic boundary. If we are a global nation with a global perspective that we wish to exercise in a different way to be decided by Government policy, then the Navy and defence, frankly, has a more global opportunity. It is for others to decide how that is used.

- Q15 **Mrs Moon:** I take that as a yes. Do we have the capability to do both?

Admiral Sir George Zambellas: No.

- Q16 **Mrs Moon:** Thank you. If I can go on to you, Sir Baz, did the 2015 SDSR identify the correct threats and produce the appropriate response and policy? If it did, why does it need to be refreshed? Is it a question of money or of capability and threat change?

Air Marshal Sir Baz North: In my opinion, the 2010 review set the baseline looking out 10 years to 2020. It made assumptions in terms of a hiatus post-Afghanistan and it said that we would have a review in five years' time, 2015, as a vector check on route to 2020. As we went beyond 2010, the rate of concurrency and activity did not decrease and we found



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ourselves working at a tempo and a volume deployed ahead of the 2010 assumptions. Consequently, the 2015 review said, "Right. Change. We need to invest more in certain areas to ensure we actually amend the route through 2020 and beyond." Of course there is a timeline between deciding that, yes, we have to invest more, but not necessarily, on the point of 2015 and the money coming in between now and 2020, not delivering in the timeframe that is required. The assumptions of 2015 in terms of the threat levels have changed. They are changing every day. One should bear in mind that one is continually reviewing one's position of where these threats are, to prioritise where capability is deployed, enforced or trained and to have that readiness.

We should be reviewing on a regular basis. I am not surprised to see that there is a review taking place now, not just because of the fiscal challenges of the additional wedges that were thrown to defence at the end of the 2015 review from the Cabinet, forced upon the Department over and above its own positioning and working through—but also that of the foreign exchange rate and the activity supporting the air defence over Ukraine, for example; a permanent deployment. One should not be looking at homeland versus expeditionary, because we need both to provide the security for our nation. It is not just at home, but all the alliances we have made in different parts of the world, playing our part to ensure that we keep a lid on activity and hold a security threshold that we are comfortable with. That needs investment and it changes on a daily basis. We must, I believe, sustain a force level that has got capacity to look after that, and that will require more resource, particularly as the pressure on our allies has seen them perhaps reduce their investment—even more reason why we should sustain and make robust our own commitment to the defence of this country.

- Q17 **Mrs Moon:** All three of you seem to be saying the same thing. The threat level has increased and Sir George wants us to take on a whole new swathe of independent responsibilities and tasks, but the resources are not there. Is that the unified message? What worries me is, is this review about looking at the increased threat level and the increased need for capability, or is it about yet further cuts to the armed forces because of the financial pressures the Government are under?

Air Marshal Sir Baz North: I cannot answer that question. The officials of today—you need to ask that of them. I have a suspicion.

- Q18 **Mrs Moon:** Can we have your suspicion? Because you have been there and it is important to know what your insight would be.

Air Marshal Sir Baz North: I would imagine that, as ever, there is a compromise to be made as a nation with the costs and expenditure of our nation. I would imagine that the squeeze is a fiscal one upon the Department—that is, fiscal reduction—as opposed to focusing upon the outputs of defence in terms of providing that security and protection of our country.

Admiral Sir George Zambellas: Can I add a comment?

Chair: Yes, by all means.

Admiral Sir George Zambellas: There isn't a one or the other here. We start institutionally under-resourced and we are now reconsidering strategic security conditions around that fact.

Q19 **Mr Francois:** Can I ask a direct question of each of the three of you, very quickly? The national security strategy that accompanied SDSR 2010 said that there was no existential threat to the United Kingdom. You could argue that it was almost a return to the 10-year rule of the 1930s. Seven years on, some of us believe that that situation has changed materially. Would each of you say whether you now believe we face a very real threat from Russia?

General Sir Richard Barrons: Perhaps I may start with that. The prevailing assumption in society and government is that the UK exists, almost by right, free of existential threat. If you actually read the words that officials have produced over the last decade, there are clearly existential threats to our country and they come in many forms. They come in the form of Daesh, who, if it could, would find weapons of mass destruction and apply them to the UK—and, thankfully, so far that has comprehensively been seen off. We are locked in a daily confrontation with Russia; the Prime Minister said so yesterday. We are looking at North Korea which, within the next 12 to 18 months, will mate a nuclear missile to an inter-continental range ballistic missile that can range London. We cannot deal with that. Just in terms of the way that military capability is changing, whether we talk about cyber or long-range precision-fired ballistic missiles and cruise missiles, we now live in an age where people who are not on our side have capability that they could—I am not saying they will, but they could—inflict on the UK homeland at short notice, which we cannot deal with. So, if you bundle all those things together, we are not living in the comfortable waters of the 1990s and we have not yet addressed that. And the context of the current review: we are having this because everybody knows that the defence programme in its current form was not funded.

That is the bad news. The good news is that intelligent, thoughtful officials like the National Security Adviser are looking at the £62 billion we spend on aid, diplomacy and defence and wondering if they can get a mix out of that.

In the end, they are simply not going to be able to close the circle that defence is close to breaking. Unless you put more money in it, it will fall over, and that does not fit the risk the country is now running. No matter how people dress it up, that is the issue you are confronting.

Q20 **Chair:** I put it to you, at the risk of straying slightly outside our remit: given that the size of our international aid budget is exactly one third the size of our defence budget, do you think it is sensible that we have locked ourselves into that ratio? A quick yes or no will do.



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General Sir Richard Barrons: No, because it has constrained choices, when you have got to do something about repairing holes, which will require a surge in funding.

Air Marshal Sir Baz North: I agree entirely. Yes, to your question. That is absolutely right.

Admiral Sir George Zambellas: I do not think it is the right question; I am sorry, Mr Chairman. I think that by falling into the binary choice question, you end up reverting to the technique of trying to play one off against the other within a public debate, whereas what we are trying to do here is express a view that the institutional under-resourcing of defence needs to be addressed as the fundamental matter of responsibility. That is reset in the context of the changed strategic conditions. I am not prepared to say, and it is not helpful for me to say, that I know where to find the money.

Q21 **Chair:** But surely, if one is saying that defence as a whole is under-resourced, if it is going to have more resources, that can only be at the expense of some other policy—

Admiral Sir George Zambellas: No, I disagree with that. We are not in a position to offer a choice about how defence is resourced, but if it is the first responsibility of government, the Government has a significant number of options. Most of them are politically unpalatable, but they are options. I am not sure reverting it to a balance between Departments in the way you have described is helpful.

Q22 **Mr Francois:** A Russian threat—yes or no?

Admiral Sir George Zambellas: Reverting to the Russian question, I think General Richard will back me up that General Gerasimov, articulating Russian military security policy in 2014, laid out an all-capability manifesto in support of the Russian political position which completely points to a series of connected, destabilising and highly active interventions, many of which are unattributable in the nature of hybrid warfare. To the great credit of my colleague down the table, General Richard has regularly drawn defence's attention and public attention to these issues, but they have not been properly captured in the strategic understanding of what risk is. If we are not careful, it will end up being a counting match between ships, aircraft and tanks.

Q23 **Graham P. Jones:** Sir Richard, you talked about some material changes in the 1990s, but the question is relevant to the SDSR 2010 and 2015 and today: Russia, Daesh, improved technology and other actors with capability—other nation states, for example. Are we expected to believe that this just arrived overnight in your thinking and our thinking? The question the public would certainly ask is, "Why weren't you thinking about this 15 or 20 years ago?" The reality is that these things have not crept up on us; they have been coming for a long time, and perhaps have not been envisaged. Therefore, the flaw is in the 2010 and 2015 SDSR, not the fact that things have changed materially in the short period of time between these reports. There has been a mis-assessment by those



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in the MOD and defence of the threats that we face. You have come today to say, "Things have changed," but have they changed, really?

General Sir Richard Barrons: Yes, some things did really pop up on us. If you look at the passage of the early 2000s in particular, we were really preoccupied with Iraq and Afghanistan. While we were, we were not paying enough attention to what Russia and China were doing and their thoughtful investment in—to use the jargon—anti access/area denial capability, the evolution of cyber and the evolution of long-range precision fires. Probably there was no bandwidth to have that conversation. Where I think there is a failure is that officials laid out very clearly in 2010, and again in 2015 with more stridency, that the world was changing and that we were not keeping up with it, but the fact is the resource peril triumphed in 2010. The 2010 defence review was all about the retreat from austerity. In 2015, I found that we were dealing with a Government that felt it had taken all the hard decisions on defence in 2010. It did not want to revisit it; it just wanted a touch on the tiller, despite what we were saying about the changes in the threat and the risk the UK was running, and the resource picture was not much easier. That is why we ended up with a defence review that established £24 billion-worth of up-arrow for £6 billion-worth of more money over time. That was never going to work. As George has described, we are still dealing with the hollowing-out process that has occurred since 1989. You cannot argue that these risks were not laid out; you just have to establish why they did not get traction, and I think that is easy enough to explain.

- Q24 **Gavin Robinson:** Sir Richard, you have fairly outlined the holistic financial picture of the package, but defence reviews have been characterised as a zero-sum game where, if the financial pot remains the same, one service can only ever benefit to the detriment of the other two. Is that a reflection that you agree with?

General Sir Richard Barrons: It is a fair reflection of how things have turned out over the last few years, but it is also a fair reflection of poor government. You would expect a Government to be able to look at its whole public sector—we spend £770 billion a year on ourselves—and make some choices about what they do within that envelope. You probably do not want to make it any bigger. Defence is about £38 billion of that. You can make different hard choices.

The first discussion in the Government should be, "How much risk are we running in the world and what do we need to do to fix it?" They do not seem to want to have that discussion, so you end up with the risk of a ridiculous zero-sum discussion both within a service—the nonsense of culling marines to buy more sailors—and between the services. That is why you end up, generally—currently—with a Navy that is structurally underfunded, an Air Force that is holding together a bunch of very good equipment but is really at the edge of its engineering and support capacity, and an Army that is now broadly speaking 20 years out of date, is the last thing to be recapitalised and is talking about the myth of getting division capability established by 2030, which is a hologram. That is just not good enough.



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- Q25 **Gavin Robinson:** I guess through that process you see the continual growth of shared services and shared capabilities between the three variants. Did the Joint Forces Command structure change the nature of one decision for one service having a detrimental impact on the others during the 2015 process?

General Sir Richard Barrons: I am biased, but I would argue that it absolutely did. In the 2015 SDSR, I argued for an uplift in my arena of £17 billion and I came away with an uplift of £13 billion. That included things like buying the P-8 aircraft for the Air Force. The Government decided, for example, to spend more than £2 billion on recapitalising the Special Forces, and that was good. I would like to think that without Joint Forces Command that may not have happened so strongly. That was the experience in 2010. But the fact is we would still expect the Ministry of Defence to balance resources between the three services in the Joint Forces Command and to think thoughtfully about innovation, to echo George's point. That is one of the systemic failures at the minute: all three Armed Forces are falling behind the rate of innovation you see in our peers.

- Q26 **Gavin Robinson:** You describe a hologram scenario for 2023. Is the aspiration just not matching reality, or is there a problem that there are too many voices within the MoD all talking from different perspectives, with different aspirations, but nobody is joining them together and saying, "Reality means that isn't going to happen"? Is there a lack of unified voice, purpose and vision?

General Sir Richard Barrons: Defence is a very complex business, and you have a number of powerful institutions within defence that are required competitively to argue their case. You would expect that, but you would still expect the Ministry of Defence and Whitehall to be strong enough to assert a coherent view over that. The basic fact is that people just want to deny that there is not enough money to sustain defence doing the things it is being asked to do now. The people who are in defence have to keep going every day. They are never going to say publicly, or to themselves, their enemies, or their allies that we are broken, but when they fly, sail, or deploy on the land and they look at their equipment, their sustainability, the shortfalls in their training, and at their allies, they know that they are not fit for purpose.

- Q27 **Gavin Robinson:** Is the characterisation of defence reviews as being a choice between foreign-led policy and Treasury-led policy a fair characterisation, or is that a choice that ought not to be made?

General Sir Richard Barrons: It is a characterisation of every defence review that has ever occurred, and resources have normally triumphed. That does not matter if you do not feel that you are in existential peril, or if you think that you can cover the capabilities and threats that your potential enemies present. We cannot do that now, so maybe we need a different balance.

- Q28 **Gavin Robinson:** Chair, I have focused the questions on Sir Richard, drawing on some of his previous answers, but I don't wish to frustrate



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any of our other colleagues, if they wish to add anything.

Air Marshal Sir Baz North: Only this: don't get distracted when those who are specialists in a particular field—whether it is on the sea, on the land, or in the air—are advocating as strongly as they can for investment to sustain the capability of those things. That is what you employ the military for: to be the best in their field. It is only natural that there will be strong argument and discussion, which should be kept under wraps at the MOD and not leaked in the media, thereby undermining the credibility of the Ministry of Defence. That is something that does need to be addressed.

Chair: Before I bring in Leo and then John, I know that you, Martin, have other duties that you have to go to. Would you like to come in at this point? I know you had a slightly out-of-order question about P-8s.

- Q29 **Martin Docherty-Hughes:** Much appreciated. Baz, if I could maybe direct it to you. Are nine Boeing P-8 Poseidon maritime patrol aircraft enough, bearing in mind that the UK used to have more than 40 Nimrods?

Air Marshal Sir Baz North: Of course, we would always want more of our own sovereign capability, but one has to look at the analysis that was done at the time—I cannot go into detail in this unclassified environment—of the contribution of allies to supporting in that maritime surveillance role. Assumptions were made when the decision was made, perhaps before the defence review of 2010, to delete Nimrod. A fall-out from that was the removal of the maritime control capability. That is perhaps a question that one should look at in terms of pre-determined decisions before a review takes place.

Assumptions were made about which allies and what volume they may provide to support us while we did not have, and do not have, that maritime patrol capability, and also their contribution when we do have that capability. As an indirect answer to your question, nine was sufficient based on the assumptions that were made at the time with respect to the threat at the time, but that should rightly be reviewed on a day-to-day basis. Have we got it right? Has the threat changed? Are our allies delivering what we assumed they would be delivering to support us? Of course, we would always want more.

- Q30 **Martin Docherty-Hughes:** Following up on that, do you believe that nine is sufficient at the moment, from your experience?

Air Marshal Sir Baz North: Based on the assumptions of the day, that is correct, but it needs to be reviewed and it would be inappropriate of me to comment in an unclassified environment.

- Q31 **Martin Docherty-Hughes:** Sure. Maybe I will just briefly push it slightly further. You alluded to the issue of dollar domination. Could these expensive dollar-dominated platforms be vulnerable to future MOD "adjustments"—that is the word I use—and undermine the ability to deliver what you called sovereign capability, say in the Icelandic Gap?



Air Marshal Sir Baz North: Any programme where investment is taking place in the future and therefore spend is taking place in the future, as well as the programming of that profile, is clearly vulnerable, as one looks at the volume of money that one has available, to things perhaps being moved out to the right. Why? Because that reduces expenditure in some years and pushes it to the right. Therefore, it could of course be vulnerable in terms of the decision-making on the timeline of delivery and expenditure.

- Q32 **Martin Docherty-Hughes:** A final question. I had a parliamentary question answered by a Defence Minister the other week regarding the deployment of United States and Canadian maritime patrol aircraft in the airspace above Scotland last month. What would you say is the protocol for the UK using these allied resources, critically in reflection of the Russian Federation's strategic position to bolster their bastion theory?

Air Marshal Sir Baz North: One would be looking at this from an interest of all of these nations. Once those vehicles make their way through that gap, they are of interest to the nations on the other side of the Atlantic. Of course, they will have an interest in understanding what is going on. One would need to be in a more classified environment to go into greater detail. Perhaps that is a question to ask in a closed environment with the officials of today.

Chair: Sir George, you wanted to come in.

Admiral Sir George Zambellas: Just to reflect more widely on anti-submarine warfare. The combination of assets that contribute to the integrity of our own underwater domain include the availability of hunter-killer submarines, anti-submarine warfare helicopters, anti-submarine warfare frigates, fixed systems, satellite systems, and the P-8 and allies. The total of the sum of those parts is, in my view, inadequate for the current strategic risk.

Chair: Madeleine, you have a brief point to make.

- Q33 **Mrs Moon:** I do. I am concerned, because of all that has been said there seems to be the suggestion that we are also adding in a unilateral non-NATO new defence policy and engagement. Are we even more vulnerable if those allies within NATO that you talked about, Baz—about supporting us in relation to even just maritime patrol capability—are not going to be there because they are not going to be engaged? Are we making ourselves more vulnerable? I take it that in 2015 this was not part of the strategic thinking, because there was no expectation that we were not going to be in the European Union. Are we failing to factor in this increased vulnerability as a result of Brexit?

Air Marshal Sir Baz North: The vulnerability is there whether Brexit is there or not. With respect to the fiscal position of each nation and whether they are able to invest, every country can produce an army, but it is the investment in the higher-end technical capabilities that gives one the advantage to compete and be able to understand the threat as it develops. So it is not just a question of Brexit, although I understand why you have

asked that. It is also the economic environment in which all those other nations, allies to us, also sit.

General Sir Richard Barrons: I think we are having a discussion about the need to refresh UK defence with an appropriate capability for the world as it is turning out. It is as important, since the UK has completely bought into collective security, that we have a discussion about the need to re-energise NATO as the vehicle for collective security. We want to be in a place where we do better with UK defence. The UK is a leading voice under Sarah MacIntosh, our ambassador to NATO in Brussels, in reversing the gradual process of NATO demobilisation that has occurred over the last years. If we are successful in that, our allies will pull their weight, because we have a shared interest in knowing where Russian submarines are and where Russian ships are, and in defending our airspace and all those things. If we fail in that debate, out of national self-interest we may end up having to spend more money on defence than we would otherwise do. So we really ought to lean into NATO as hard as we lean into UK defence. I am sure the time for that is right. I am not sure that the consensus in NATO exists, which is why you are beginning to see sub-divisions of NATO appearing: the northern group, the joint expeditionary force. That is an unhelpful development.

Mrs Moon: I wonder if that is because of different perceived threats.

Chair: We must move on, I am afraid. I'm sorry. We have quite a way to go still. Leo, you have a point, and then John.

Q34 **Leo Docherty:** Thank you. Sir Richard, you just referred to the Army as being structurally out of date. Can you briefly unpack that?

General Sir Richard Barrons: Yes. In the SDSR of 2015, the Army—I do not speak for the Army; I was in the Joint Forces Command, so I am a spectator to this—correctly reset itself as a war-fighting division at the level that is useful to ourselves and to our allies. In order to do that, it needs to recapitalise its entire vehicle fleet. The answer to that is partial, which is Scout. There are still decisions pending on the Warrior improvement programme, and the extension of Challenger—a vehicle of the 1990s—out into the 2030s. It also needs to reset the capability that makes it effective on the modern battlefield. It has virtually no air defence at the minute. It has very limited UAV capability and very limited cyber capability, so it needs to reset itself for conflict as it is appearing.

I shall give you an example from Ukraine, I think in 2015, where two battalions of Ukrainian mechanised infantry—men and vehicles—were destroyed in less than 15 minutes by a combination of UAVs and long-range Russian artillery. We cannot deal with that, so if we want an Army that can actually fight, it has to acquire some modern capability—cyber, social media and all that. It also has to re-energise itself for contemporary hard-power conflict. It is miles from being able to do that.

Leo Docherty: Thank you.

Q35 **John Spellar:** Sir George, what are the advantages that you can see—



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and disadvantages—of the defence review taking place in the context also of wider national security reviews, and in fact being published in a single document? Does that lead to a real tension between defence and security?

Admiral Sir George Zambellas: No, quite the reverse. It is the only sophisticated way in which to construct an all-arms approach—if I can use that expression out of a defence context—to the nature of both defence and offence in defence and security. Previously, I referred to the complex nature of hyper-warfare, hybrid warfare: the sort of warfare that uses every possible tool—some direct and physical, others indirect and invisible. All those creative capabilities, whether they belong to us—by the way, they are extremely hard to pull together in a capability review—or whether they belong to another nation that has a political and structural advantage over us, because of the unified nature of strategic intent, are entirely the reflection of the defence and security review across all points of Government.

Q36 **John Spellar:** You do not think it detracts from, as has been mentioned by Sir Richard, the emphasis on investment in hard-power capability?

Admiral Sir George Zambellas: That is a decision for the balance of the judgment on investment. Back to the two arms scenario, I am not suggesting that it is A or B. What I am suggesting is that you have to start the debate in the context of a multifaceted set of requirements and capabilities.

Q37 **John Spellar:** Do you think there is any consequence of more recent reviews being co-ordinated by the Cabinet Office now, rather than, when we did the SDSR in the 1997-98 period, by the Ministry of Defence?

Admiral Sir George Zambellas: My personal view is that I welcome the Cabinet Office's ownership of the responsibility of the outcome of a strategic review of this sort. It has to be held, and the accountability must be held at the highest levels of Government you can achieve. By removing it from the single ownership of Defence you introduce the complex multifaceted nature I previously described, and you also elevate the responsibility out of being internecine warfare within the Defence Department.

Q38 **John Spellar:** Do you think that the national security advisers that you worked with actually had sufficient appreciation, or knew enough about defence?

Admiral Sir George Zambellas: When I was doing it, or now?

Q39 **John Spellar:** Either or both.

Admiral Sir George Zambellas: I could not speak about now—that would not be appropriate—but I think there is a level of maturity and sophistication in the understanding of the current strategic circumstances, held at the highest level of the Cabinet Office, which I am confident will at least set the right strategic ambition for defence and security, and I hope that it will be resourced.



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Going back to the previous age, so to speak, I think I agree with General Sir Richard that much of this was a resource-led, Treasury-led experience, where we tried to put our best foot forward in a collective, intellectual sense, but the age of austerity was an overwhelming experience.

- Q40 **John Spellar:** You talk about putting your best foot forward in a collective sense. Do you think that is better served by the CDS representing defence across that collective, or would the discussion be better informed if the single-service chiefs were also represented on the National Security Council?

Admiral Sir George Zambellas: I have always felt that at the end of the day, while people are led to war by single services, a mature set of single-service chiefs can only add value to the national security construct at a debating level. But that does not mean that I also think—because I do not—that the CDS cannot represent the collective experience and wisdom of the individual single-service chiefs and the joint force commander. That is his job.

General Sir Richard Barrons: Routinely, the right answer is that the CDS attends the NSC, but clearly, he is not a member. One of the failings of recent reviews has been not asking single-service chiefs to give evidence to that level or to be brought in when the issue is firmly in their area of responsibility. If it is about submarines, why would you not ask the First Sea Lord, for example? We should be more flexible. If we were committed to a war, there would be a great deal to be said for the chiefs being a subset of the National Security Council, but the role of the CDS to be more than *primus inter pares* is very well established and generally very efficient.

Let me pick up your question about the efficacy of the NSS—the national security staff; the small group of highly talented officials. They absolutely conceptually understand this, but the problem is, are they big enough to see down the Treasury? No, not on the evidence so far. Do they have enough capacity to articulate these things as profoundly as they may need to? The answer is probably not. It is too small, but intellectually, the capacity is absolutely right.

- Q41 **Chair:** To follow that up, a couple of years ago a previous incarnation of this Committee thought that an elegant solution would be for the Chiefs of Staff Committee to be constituted as the military sub-committee of the National Security Council. Does that idea appeal to any of you?

Admiral Sir George Zambellas: It does not appeal to me, because, going back to John Spellar's point, it does not have all the arms of the multi-faceted nature of defence and security. You want to have a sophisticated aggregation, including GCHQ and the UK's agencies.

- Q42 **Chair:** But they are already represented on it.

Admiral Sir George Zambellas: Yes, but there is a danger you will end up polarising a chiefly defence view as being somehow a particular, different and important voice. I would be nervous about going any further



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than Sir Richard suggested, which is that they have representation when the appropriate moment arrives. They have other vehicles for making sure that their voice gets across, and obviously they work the seams of Government appropriately, so it is not as if there is silence across Whitehall. The Chief of the Defence Staff carries a singular and particular responsibility and he has to understand all the facets of defence and represent them.

- Q43 **Chair:** But we did establish at our previous session with the Secretary of State for Defence that all the Chiefs of Staff still retain their right to go to and demand to see the Prime Minister, if they feel that the defence of the nation is at risk.

Admiral Sir George Zambellas: They do, and they are very aware of that.

- Q44 **Phil Wilson:** Sir Richard, do you think that in the process of the review that the external consultation of academics, industry and the wider public is useful? What role do you think Parliament should have in the review process?

General Sir Richard Barrons: That is a very important idea, but I think it has been almost entirely unsuccessful. I do not think anyone has really listened to industry—apart from those industries that are very well rounded in defence—or what some very confident academics have said, because there has been a bit of a “not invented here” syndrome about some of the ideas they have expressed. I think we are now at a stage where we need to do this differently. We need to provoke a debate about government, academia, the armed forces, law, civil society, the tech industry and broader industry. A single conversation about the needs for defence, particularly focusing on the tremendous potential for UK innovation to transform our defence capability and restore its effectiveness, needs all those people, and it is not being effectively convened at the minute.

- Q45 **Phil Wilson:** Do you think that the review process is sufficiently challenged by those outside bodies?

General Sir Richard Barrons: No, because the people who run the review regulate the challenge, so they pay lip service to some of it. Let's be absolutely clear: in every defence review, an enormous amount of good work is produced and written. The people who actually decide—the Prime Minister and her key Ministers—do not read any of it. This is about creating a body of evidence for officials to refer to when it all falls apart later on. We just need to improve the quality of the dialogue. If the key decision-makers aren't going to read the challenge stuff, why bother?

- Q46 **Phil Wilson:** Finally, do you think this is now the opportunity to initiate a wider public debate on defence?

General Sir Richard Barrons: Yes. I think it is essential because we are at this inflection point. I strongly believe the way out of this problem is a discussion about transforming defence through innovation and making an absolutely clear policy alignment between defence transformation and



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fixing our economy as we go through Brexit. Those two things should be joined at the hip.

Air Marshal Sir Baz North: May I give you an example of where we were not joined together in 2015? That is in terms of the delivery of a military flying training system. Under direction from the other side of Whitehall, it was not to include within the capacity more than that which was required for the UK sovereign training of aircrew—yet, on the other hand, in terms of the Britain is GREAT campaign and in terms of sales, we were charged with delivering a training package for the nations to which we sold Hawk and Typhoon. It is just not joined up. Unless one is funded to deliver that capacity, you can't deliver it, other than reducing that which is available to the sovereign nation aircrew.

Q47 **Phil Wilson:** That ultimately could have an impact on sales?

Air Marshal Sir Baz North: Absolutely. It is all joined up, as Richard said very clearly.

Chair: We are going to drill down to some specifics now. Mark.

Q48 **Mr Francois:** Gentlemen, we have already touched briefly on amphibiosity, but this is something of real interest to the Committee, which we may want to look into in more detail in the near future as well. How important for our amphibious capability are the two Albion-class landing platform dock ships? I ask that because when we took evidence from Sir Michael Fallon, he was trying to suggest that we could still have a good amphibious capability with the two new carriers. Could you explain to what extent the carrier is useful, but also to what extent it cannot do what an LPD can do?

Admiral Sir George Zambellas: With great respect to the previous Secretary of State for Defence and his knowledge and expertise on amphibiosity, I think that they are very different platforms. The carriers are large areas of deck that are not capable of launching any form of water-borne heavy equipment. The Albion and Bulwark are specifically designed to do that, as indeed is Ocean. They are very different platforms designed for very different reasons, and they exist for a purpose. I am surprised that all of a sudden that purpose is not obvious.

Q49 **Mr Francois:** What about the capability of the Bay-class ships?

Admiral Sir George Zambellas: The Bay class have always been part of the augmentation of the total lift capacity—you wanted the detail—which is described in the linear meterage of how you support a deployable force. So, you have to have enough capacity within the vessel to store the equipment, you have to have enough deployability to get it off the vessel using hovercraft, landing craft and so on, and you have to have enough deck space to complement the helicopters above. The combination of the Bay class and the Albion class has allowed the total linear meterage of the amphibious force to be just about enough to do the job. That job, by the



way, in most of the professional assumptions, includes ships taken up from trade, as we saw in 1982.

- Q50 **Mr Francois:** How important is our amphibious capability in sustaining defence co-operation with our allies, for instance with the Dutch, and the United States Marine Corps as well?

Admiral Sir George Zambellas: There is a changed relationship with the Dutch. It would not be fair for me to say that what exists now is what existed in the back end of the cold war—that is not appropriate—but the Dutch have been phenomenal strategic and operational partners for years, regularly transferring officers and men across the boundary between the two nations and adjusting their own force structure to allow a complementarity within that particular specialist field. That is less true with the United States Marine Corps, because it is so big that the nature of what you might call operational partnership is not as obvious as it is in the European and NATO context for Europe. That said, the US Marine Corps and the Royal Marines are astonishingly close partners in combat. If you go back into the detail of the conflicts in Iraq and Afghanistan, you see they were natural partners side by side in a number of operational theatres and are respected, despite the huge difference in size between them.

Ironically, it is the development of expertise within the US Marine Corps that allowed the Royal Marines to begin to think differently about how they should achieve their mobility from the sea. It has also driven a particular challenge into our thinking because the Marines are able to buy and operate aircraft such as the V-22 and we are still struggling to have enough Chinooks to be able to deploy to sea to do the job, if indeed they are being marinised in the first place.

The differences can become stark, but the complementary characteristics are extremely valuable as well.

- Q51 **Mr Francois:** Lastly, on the Royal Marines, I believe they are regarded as tier 2 special forces. There are rumours, as General Barrons referred to earlier, of options to reduce the size of the Royal Marines. As a former First Sea Lord, what is your view on that?

Admiral Sir George Zambellas: We have to be very careful about how we characterise expertise in special force operations. I agree with what General Barrons said that they are a premier league fighting force and hugely respected. To respond specifically to your point, what is interesting is that if they only constitute in infantry numbers 4% or 5% of the totality of defence infantry, and yet are producing 40% or thereabouts of the special forces that flow into UK defence, there is something about their qualities that is exceptional.

Chair: We have about three topics left and are beginning to run over a bit, so I will appeal to colleagues and the panel to be concise for the next few minutes so that we can move on to our further session. Phil, you have some questions about the Army.



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- Q52 **Phil Wilson:** Sir Richard, is it wise for the British Army to be reducing the number of armoured regiments from three to two and to continue to withdraw forces from Germany?

General Sir Richard Barrons: I will try to be brief, but the point is that we need to ask ourselves what is the problem we are trying to solve? What metric are we using for the number of armoured brigades that the UK feels it needs? Is it because we want a yardstick for our contribution to NATO or some other role abroad? The fact is, if we go down this road, we will reduce our armoured capability to the level at which we might realistically volunteer to seize a medium-sized market town somewhere accessible in Europe. Is that where we want to be? We also need to have the conversation about armoured capability in the context of all the other things that make up a coherent land orchestra. In order to have a constructive debate about the size of the Army and its equipment fee, we might start by saying, "Yes, it is broken now," but then we need to say, "What is it that we expect it to do?" and then right size it. No one seems to want to have that conversation.

- Q53 **Phil Wilson:** The Government are placing a great deal of emphasis on the presence of British troops on NATO's eastern flank in Estonia. Would we be able to resupply and reinforce those troops if they were attacked?

General Sir Richard Barrons: There are a number of issues there. The first thing is that there is a battlegroup in Estonia for five years; this is an enduring thing. It is a battlegroup of about 1,000 people. It has limited capability—it has no air defence, for example—so it is not able to fight. Is it connected to a force that will come and rescue it? Not realistically. They will not get there because the Russian edge in mobilisation is absolutely clear. So it is what it is: a signal. A pejorative term would be that it is a tethered goat, but it is a signal. It has some deterrent capability, but it is very limited. It illustrates that if you put something like that out in the field in an ally, for heaven's sake send coherent capability that can actually look after itself, and it is not that.

- Q54 **Phil Wilson:** Finally, what would be the operational effects of reducing the Army to a regular strength of 65,000?

General Sir Richard Barrons: The operational effect is that you will have a smaller force that will do less, and our allies will continue to think that we are not serious, and they will look away from us, because we can no longer hold our end of the log up.

- Q55 **Phil Wilson:** What, therefore, would be the critical mass for the British Army? Are we at that point now, with about 80,000?

General Sir Richard Barrons: We are below that point. We have decided the critical mass for us is a fully fledged war-fighting division. We want to believe we can afford that by 2030, which is a mirage, so we are already behind the curve. You cannot sustain a war-fighting division, or mobilise it, on a force as small as 60,000.

- Q56 **Chair:** Just a quick follow-up to the earlier questions to Sir Baz about the Poseidon maritime patrol aircraft. Will there be problems because the P-



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8s are being bought off the shelf, given that they are configured for the US navy requirements rather than for the RAF's requirements? So, it is a technical point.

Air Marshal Sir Baz North: Well, of course, it is a 737 platform, so there are 737 simulators for the training of the crew that operate it, and it is a well-known aircraft. A lot of the kit in the back of the aircraft one is familiar with and operated with. Yes, there are differences in terms of the sonobuoys—we are into real technical stuff here—and compatibility challenges, but nothing that cannot be overcome, because, after all, we operate in a coalition environment and we make it work. We understand the protocols, the standard frequencies, etc., and therefore we do work with this on a day-to-day basis.

Q57 **Chair:** The air-to-air refuelling aspect?

Air Marshal Sir Baz North: That is a different issue. Of course, with the air-to-air refuelling that we have for our aircraft and with the other nations that we can offer in-flight refuelling, we do not have a boom; we have a drogue. Therefore, we are more akin to the US navy and the Marine Corps, in terms of the platforms that they have. That is a challenge and when one is looking at the in-flight refuelling capability of other platforms that we have, clearly one has got to look at the packaging of the aircraft and the donor tanker.

Chair: Finally, a couple of questions from Graham, please.

Q58 **Graham P. Jones:** Sir George, you have recently described the Royal Navy as "hollowed out" and "at the bottom of the efficiency barrel". What can an interim review do to address these long-standing issues?

Admiral Sir George Zambellas: I think every part of the tonality of what all three of us have been discussing is the same here, which is investment in the necessary spares, weapons, infrastructure and the people to make the Navy better.

Q59 **Graham P. Jones:** In February this year, it was reported that the Royal Navy's entire fleet of attack submarines was out of action. An unnamed MOD source declared that that was categorically untrue. Which version do you think is more likely to be true?

Admiral Sir George Zambellas: How many attack submarines do you think you should have serviceable out of seven?

Q60 **Graham P. Jones:** Well, I ask you. It is—

Admiral Sir George Zambellas: The answer is not zero or even one; it is a great deal more than both those numbers. My point is that you cannot be a serious contributor to the leading edge of anti-submarine warfare, working across defence and all of its facets, with such a poor serviceability from a leading nation's nuclear submarine capability.

Q61 **Graham P. Jones:** Sir Richard, the then Secretary of State—Sir Michael Fallon—told us a couple of weeks ago that the review would be looking at strengthening defence in cyber and information warfare. What should the

review's priorities be in this area?

General Sir Richard Barrons: We need to recognise that the UK is daily subject to a strategic-level cyber-threat, so every platform that we have and every network we operate will have to be proofed against an active, agile, highly capable enemy that is trying to break into those military systems. We are doing better, but we are well short of that.

We absolutely need to recognise that in conflict in our time. What goes on in the information space—Russia and maybe China are the leading exponents of that—really matters and you need a union of hard and soft power. Our armed forces do not have that yet, and our cross-government act is not well formed. We need to do all that, then we need to avoid being seduced by silver bullets and saying that cyber is the answer to everything—some magic horse and tank moment, which is just nonsense—or that a few clever tweets will remove the need for hard power. We need a much more sophisticated debate than that.

Q62 **Chair:** In concluding and in thanking you all, I invite you to make a final comment on anything that you would have liked to have been asked about. In particular, do you feel that we are being confronted with a false choice between having to be prepared against terrorism and unconventional threats on the one hand and state-on-state warfare on the other? Or do we really need the versatility to be able to offer a solution for whichever particular threat rears its ugly head at any given moment?

General Sir Richard Barrons: It is not a false choice. In the world we actually live in, the UK has to play its part in dealing with a spectrum of threats on a day-to-day basis. It cannot do that right now. The point I want to emphasise to the Committee is that if you do not put this money back into defence and pay the bill for SDSR 2015, you will be responsible for tipping the armed forces into institutional failure. That will be a failure of Government, not the armed forces.

Air Marshal Sir Baz North: Fund the corrections of 2015 in terms of the vector to get us to the place that was set out for us for 2020, with the amendment in terms of learning from the experience that we are using far more platforms, equipment and units than the assumptions that we used in 2010.

Admiral Sir George Zambellas: I cannot add value to the strategic comments of my colleagues. One area you should have addressed or at least brought up is artificial intelligence. In the commercial sector, we are very close to huge advances in AI that will change the nature of the human-machine performance. That will migrate incredibly quickly, without the law being in place, into military conflict. I would guess that in between five and 10 years from now, which is within the horizons of the considerations of this review, we will have a wholly different approach to the nature of the human in warfare, and there is not a whisper of debate on the subject.

Q63 **Graham P. Jones:** One final question. In which areas first and foremost



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do you see artificial intelligence coming in to defence thinking and operations in the MOD or any other armed forces?

Admiral Sir George Zambellas: Any area that has very rapid decision making associated with weaponry. If the human in the loop of weapon decision-making use is slower than the enemy who has used artificial intelligence, you will lose. In a Darwinian way, you have to accelerate your utility of AI at least as fast, if not faster, than the enemy's research.

Chair: I feel a future investigation coming on, but we must leave it there. This has been an extremely informative session. Thank you all very much.

Examination of witness

Witness: Sir Mark Lyall Grant.

- Q64 **Chair:** Sir Mark, may I thank you for your patience? I believe you were here for most if not all of that so you could see how much we were rather ambitiously trying to pack in. We have now given you the floor in its entirety. Gavin will start our questioning, but before he does will you say a word or two of introduction about yourself and your previous role?

Sir Mark Lyall Grant: Thank you, Mr Chairman. My name is Sir Mark Lyall Grant. I was a career diplomat, but my last position in Government was as a National Security Adviser, first to David Cameron and then to Theresa May. In that capacity, I was Secretary to the National Security Council, head of the National Security Secretariat and obviously adviser to the Prime Minister. In the first part of that period in 2015, I was in charge of co-ordinating the 2015 strategic defence and security review.

- Q65 **Gavin Robinson:** You are well placed to answer this question then, Sir Mark. Will you explain the respective roles of the National Security Council, the National Security Adviser and the National Security Secretariat in the NSS-SDSR process?

Sir Mark Lyall Grant: I will take the 2015 process as the template because it had a number of important innovations different from previous defence reviews. It was taken in three stages. The first stage was to look at the overall context and threat picture. We updated the national security risk assessment in 2015 and attached it to the eventual SDSR document. We also brought together the national security strategy and the defence and security review, which had not been done before. We then put it together and it was eventually published in November 2015 as a single coherent document.

In that early phase, the first of three if you like, which indeed started in advance of the 2015 election, it was a question of looking at what had changed since 2010, taking in assessment of the 2010 defence review—what had worked, what hadn't worked, what hadn't been affordable, what had been affordable—and considering the major developments between 2010 and 2015. Once we had established that process—this was a process done largely in individual Departments at the strategy director level, co-ordinated from the centre in the Cabinet Office but with individual strategy



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directors receiving wisdom and collating it from their individual Departments in the national security community, then coming together and agreeing the overall context and threat.

After the election, we moved to the second phase, which was looking at the overall vision and objectives of the 2015 review. This is where we built up a team in the Cabinet Office, which was a team of about 15 to 20 people all from individual Departments within the national security space. It was headed by a director who was himself seconded from the Ministry of Defence; the No. 2 was a one-star RAF serving officer; and there were seconded people from, as I say, the Foreign Office, the intelligence agencies, the Home Office, DFID, etc. That was the core co-ordinating body, but the work was still done in individual line Departments at that stage. It put together this second phase of vision and objectives.

The third phase was the capabilities to meet those vision and objectives. Throughout that three-stage process the NSC—and the NSC(O)—was closely involved. Over the sweep of the, say, nine months it took to do this process, the NSC discussed it three or four times and the NSC(O), the permanent secretaries' committee below the NSC, discussed it probably an equal number of times. The final document, which was published in November 2015, was approved by the NSC itself.

Two other innovations I would mention perhaps distinguish the 2015 process from the 2010 process. One was that it perhaps went slightly more widely. If one looks at the 2010 review, it was quite heavily focused on hard power, and Afghanistan was a big priority at the time. By 2015, there was greater emphasis on some of the wider security issues including cyber, counter-terrorism and prosperity. That very much linked the prosperity agenda and economic security with national security. That was a big feature of the review.

The third innovation was that the process ran alongside the 2015 spending round. This was deliberately done to avoid what happened in 2010, when the review came out and then proved to be unaffordable when the spending round took place. So there was a Treasury official seconded to the Cabinet Office team who was in regular touch with the Treasury to ensure that whatever ended up being in the review would be affordable. It was very significant that when the review was published and presented to Parliament, it was two days before the spending round itself was made public. So the two things were joined together in a way that had not happened at previous defence reviews.

- Q66 **Gavin Robinson:** I think that adds to our understanding of the processes involved. In terms of the respective roles, you were the National Security Adviser and you headed the National Security Council, and there is also the secretariat. Are they three separate and distinct bodies, three bodies that speak with one voice, or three bodies that come together and disagree and discuss and come to a final conclusion? How does that look? You said that the council and the secretariat met a number of times, discussed a number of times. Was that independently? Do they inform one another? Do they reach consensus or do they attempt it? In terms of



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respective roles—three separate and distinct, three integrated entirely, one that informs another—could you just maybe expand on that a little?

Sir Mark Lyall Grant: It is fully integrated. The apex is the National Security Council, chaired by the Prime Minister, and the NSA is the secretary to that council, but all the national security community of Ministers—Secretaries of State—are on that, as is the Chief of the Defence Staff, the three heads of the agencies, the Chairman of the JIC, and so on. They are all members of the NSC. That is the ultimate body. The national security secretariat services the NSC, so it is just really the secretariat, writ large, for the NSC and everything flows from that ministerial decision-making body. The NSA is the interface, if you like, between the two.

Q67 **Gavin Robinson:** What about the Cabinet Office and the MOD? Could you expand on that a little? Does anybody feed into an overarching Cabinet Office process or do they work in tandem?

Sir Mark Lyall Grant: No, they feed into the overarching Cabinet Office process. As I mentioned, we have seconded MOD officers in the national security secretariat on a permanent basis but, in addition, they were very heavily represented in the SDSR team that was established to prepare the 2015 SDSR. On the National Security Council itself, you have both the Secretary of State for Defence and the Chief of the Defence Staff sitting separately, and others can be invited to attend if there is a specific subject in which they have a direct interest or they have something to contribute to the NSC. That, essentially, is how it works.

Q68 **Gavin Robinson:** Would you care to outline the advantages and disadvantages of the Cabinet Office, as opposed to the MOD, leading a defence review?

Sir Mark Lyall Grant: I think that the answer to that is in the title. It is a strategic defence and security review. It is not a defence review. As I mentioned, what was noticeable in the 2015 process was that it went much wider than defence. If one looks at the text of the review, which I think, incidentally, has held up very well over the last two years, it covers a wide range of areas that perhaps were not always covered before, including the prosperity agenda and economic security but also projecting our influence overseas, soft power and setting up some new joint funding across Whitehall. Defence is obviously a key, central part of that, but it is not the totality and I do not think that the MOD could lead that review, because it needs to cover the totality of the United Kingdom's security.

Q69 **Gavin Robinson:** There was a suggestion earlier—I am not sure whether you were present during the earlier contributions—that there was perhaps not a tension but a change of focus between security and defence between 2010 and 2015. Do they sit comfortably together, but also get the required attention individually when brought together under one review? Or does one always suffer as a consequence of the other?

Sir Mark Lyall Grant: No. There needs to be a balance, clearly, between the two to meet the overall threats, but if one looks at the four major threats and challenges that were identified in the strategy in 2015, the



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Ministry of Defence and the armed forces are very important components in the response to three of those four threats. It is not just the state-based threats but the cyber-threat and the counter-terrorism threat. The armed forces have an important role to play, although perhaps rather less in the erosion of the rules-based international order—that is probably more for the Foreign Office and for DFID. None the less, the armed forces have an important role in three of those four.

It is important to recognise the balance between those different threats. You can argue which is the most strategic, which is the most immediate and which is the most existential. Personally, I would probably argue that of the four threats, the most existential threat to the UK comes from the erosion of the rules-based international order. That is one in which the armed forces are perhaps least involved, but equally, you cannot divorce that entirely from the terrorist threat and the cyber threat, for instance. All the work done and the decisions that Ministers are asked to take obviously involve a balance of the risk and the capabilities required to meet the risks and challenges.

Q70 Gavin Robinson: Has that balance been struck?

Sir Mark Lyall Grant: I think if one looks back at developments over the last two years, you would say that perhaps all four of the threats that were identified in the SDSR have become more visible and more acute over that period, so I think that time has validated very much the judgments and assessment made in the review.

Q71 Chair: Can I ask a naive question? What is the point of an unclassified strategy? When I used to study the strategic defence documents of the 1940s, released in the National Archives 30 years after they had been written, they were all highly classified, because the last thing you wanted was your actual or potential adversaries to know your strategy. We produce these things—very big documents—and they are called a national security strategy, so are we advertising our strategy, or is it really the case that there is another version of the national security strategy that is highly classified, which we do not want our potential adversaries to see? I believe that was the case for the risk assessment, for example, which we talked about when you appeared before the Joint Committee on the National Security Strategy. I know that there is a classified version of that. Is there a classified strategy and, if not, what is the point of telling our potential adversaries our strategy in advance?

Sir Mark Lyall Grant: No, there isn't a classified parallel strategy, if you like, to what is published, but there is a lot that is confidential if not secret at one level below the level that is covered in the public documents. I think that is rightly the case, as you say, Chair, and it should continue to be the case. Not everything can be advertised without giving information to our enemies, but I do not think there is anything in this document that would surprise or alert our enemies to vulnerabilities, for instance.

Q72 Chair: I agree; I do not think there is much in there that would do that, either. What I am trying to dig out is, where is the study that contains



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the sensitive information and does it have a name? Is it called the classified version of the NSS, for example?

Sir Mark Lyall Grant: It isn't called the classified version of the NSS.

Chair: But it exists.

Sir Mark Lyall Grant: I don't want to comment further on that sort of document in this open forum, if you will allow. Of course, there is a great deal of highly classified work that goes into almost all aspects of this defence review that is not published and will not be published.

Q73 **Chair:** Can you at least confirm to us that there is a specific strategy document, which is classified, that would contain the sensitive aspects that cannot be published?

Sir Mark Lyall Grant: There are lots of documents that you may categorise as strategy, which are classified and are not in the public domain. There is not a single document, as far as I am aware, that is called the national security strategy, which is a confidential or secret document.

Q74 **Chair:** And there isn't a single name that could be useful shorthand for such a document.

Sir Mark Lyall Grant: Not as far as I am aware, no.

Q75 **Chair:** If you're not aware, I am that sure that could not be the case. You mentioned the business of having the Treasury involved all the way along, so that whatever you produce in the end is affordable. Isn't there an argument for saying, however, that sometimes one ought to produce a purely strategic document, in terms of what the national interest requires, and then apply the test of affordability to it? For example, the Labour strategic defence review of 1997-98, which was published openly, was a highly strategic document. It made very clear conceptual sense, but its critics would say that it was unfortunately never fully funded. Although I accept your point that the two have got to be married together, would you not agree that, in marrying them together, you at least need to know what the pure requirements of a strategy are before you then start limiting them by the magnitude—or lack of it—of the resources available?

Sir Mark Lyall Grant: Yes, you are right intellectually in that analysis, but the disadvantage was shown in 2010, when a document was produced that, three months later, was clearly unaffordable and had to be rapidly changed. We were trying to set out a strategy for five years, which was affordable within the parameters that the Government had set. The Government made it clear that it was prepared to invest significant additional sums in defence—hence the recommitment to the 2% plus the 0.7% real-terms increase year on year up to 2021 to fund the additional commitments that were made. A lot—£20 billion-odd—of additional commitments were made in the 2015 review, on top of the commitments that were outstanding.



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The Treasury confirmed that that was affordable within those parameters, and it seemed to us that that was the best way of doing it. The danger of saying, "Okay. Let's just have an open-ended review and let everyone put their wish lists together. Let's crunch through it and publish it," is that you advertise to your enemies some of the vulnerabilities that you aren't going to be able to respond to, and I don't think that would be advantageous.

- Q76 **Chair:** I entirely accept that point. Starting from the position that you would not want to publish a strategic review before you had applied the financial constraint to it, you would not talk about what you do in the process before it becomes public. Would it not make sense internally—I hope you can see the general thrust of this series of questions—to draft a classified version of the ideal strategy before you start distorting it by applying funding constraints, and then internally apply those funding constraints in sequence, rather than say from the outset, "We have only got this amount of funding, so we cannot even consider what we would like to do"?

Sir Mark Lyall Grant: There is a danger of building up an artificial construct. It is like saying, "Let's do the same thing for the NHS." The demand is essentially infinite, and therefore you have got to balance the potential resources available with how you make the decisions between the different capabilities. I don't think it would lead anywhere to say, "Okay, let's allow all the armed forces, the Home Office and the Foreign Office to say what they want, tot it all up and then halve it." I don't think that is a sensible way of doing it.

- Q77 **Mrs Moon:** You were here for part of the evidence from the three previous witnesses. Their evidence was quite consistent: they said that we have basically hollowed out the armed forces, that we have made our level of capability dangerous, and that our capacity to defend ourselves and to meet our requirements within the alliance are severely at risk. You are arguing that we should cut our coat according to the cloth, and that the Government should say, "This is the amount of money you can have. Do with it what you will." Is there not a risk that the Government does not understand the long-term consequences and the dangers we are facing in 2017 if we do not have a report that says, "Okay, that's what you say you want to spend, but, look, these are the risks, and this is what you should actually have in place. No, don't do that"? Why on earth should the Government not be told about the dangerous path it is going down?

Sir Mark Lyall Grant: It is important to distinguish between two phases of this. In the review in 2015, as I mentioned, we built it up, starting with the threats and the risks. Then we built in the objectives and the vision, and then we looked at the capabilities. I am not aware of any individuals within the Whitehall community or the armed forces who were unhappy at the outcome that was produced. Yes, of course, there was a balance to be struck between the services, between defence and security, and more generally. Everyone was part of that process. Everyone had their say and everyone was content with the outcome and the outcome was, I think, very well received.



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I have not mentioned, but perhaps I should have done at an earlier stage, the very significant outreach that happened during that lengthy process—to the academic community, the think-tanks, our partners around the world and so on.

Chair: Yes, we will come on to that.

Sir Mark Lyall Grant: Okay. There was a lot of that that went on. So at the end of the process, I think we had an outcome that everyone was very happy with. Now, no one was suggesting at that stage that that outcome resulted in a hollowing out of any of the armed services. On the contrary, there were some very significant additional capabilities that were being built into all three services.

Of course, since 2015, there are certain developments that have happened that draw into question some of the affordability of the 2015 review, like the depreciation of the pound against the dollar and the euro or the fact that the Ministry of Defence has not actually so far been able to deliver all the efficiencies that were agreed as part of this process in the first place, partly because the costs of some of the equipment programmes have gone up. That is not unusual, but some of those costs have gone up. That has left a hole in the budget that is well advertised.

The current review is looking at how to square that circle. What in the 2015 review may not be affordable or achievable, or needs to be pushed to the right—all those different issues? Why were the efficiency savings not delivered, or will they be delivered in the timeframe that they have promised, and so on and so on? That is the current view and I cannot comment on that because that was initiated after I left—but I do not accept or recognise the judgment that the 2015 review hollowed out any of the armed services. When I was here, I did not hear anyone suggesting that. There was talk of, you know, if the Army went down to 60,000, it would not be able to do certain things. Well, in the 2015 review, one of the commitments was that the Army would stay at 82,000.

Q78 **Mr Francois:** Sorry, the armed forces are actually hollowing out. It is a matter of fact. In the year to March 2017, 2,000 more people left the regulars than joined. This is a trend that has been going on for several years, partly because of all the pressures on defence and all of the cuts. People are voting with their feet and leaving. So if you actually look at the numerical figures, they are hollowing out.

Sir Mark Lyall Grant: Yes; I have not seen any correlation between the recruitment issues and cuts to the armed forces, to be honest. Yes, there are some recruitment issues in all three armed forces, but as far as I know they are not related to budget cuts.

Q79 **Mr Francois:** The greatest reason that service personnel give for leaving is pressures on family life.

Sir Mark Lyall Grant: That is a different issue.

Q80 **Mr Francois:** As some personnel leave, the remaining personnel then have to work harder and harder to make up for the difference, partly



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because of some of the funding constraints that their services have been under. Actually, there is quite a strong correlation if you look at the armed forces continuous attitude survey.

Sir Mark Lyall Grant: I am sure you will be taking evidence from the Permanent Secretary of the Ministry of Defence, who is much more expert than me on those issues. What I am saying is that I am not aware that at the time of the 2015 security and defence review there was a view within the armed forces that they were being hollowed out as a result of it.

- Q81 **Mrs Moon:** And there was no suggestion that the efficiency savings that were built in were absolutely impossible to achieve—that efficiency had been achieved and there was nothing else to achieve?

Sir Mark Lyall Grant: The efficiency process, which was led by the Cabinet Secretary, was a very rigorous process, and it involved active debate between the Ministry of Defence and the Cabinet Office about the efficiency savings, but the Ministry of Defence was happy with the outcome of that, and it was made clear as part of the process and part of the incentive that all the efficiency savings would be reinvested in defence. That process was an open process between, as I said, the centre and the Ministry of Defence.

- Q82 **Mr Francois:** With respect, we have just taken evidence from the First Sea Lord, and he is on the record as saying that the Royal Navy is being hollowed out.

Mrs Moon: Absolutely.

- Q83 **Mr Francois:** In fairness, he was running the Navy, so he ought to know something about it.

Sir Mark Lyall Grant: I understand what you are saying, and the Navy has major recruitment issues, but the Navy is getting two new aircraft carriers and a lot of frigates. It is not as though the Navy is losing capability; it is actually gaining capability as a result of the 2015—

- Q84 **Mr Francois:** Yes, but you can have all the kit in the world, and if you cannot man it, it doesn't matter.

Sir Mark Lyall Grant: I agree with that, but as I say—

- Q85 **Mr Francois:** There are ships tied up not going to sea because there are not engineering staff and specialists in all of them to sail.

Mrs Moon: And no submarine is capable of going to sea, because they are not serviceable.

Sir Mark Lyall Grant: I understand what you are saying about the manning and recruitment issues, but you need to speak to an expert in the Ministry of Defence about why that is the case. Certainly, from my perspective when I was National Security Adviser and we set the targets—floors, really; 82,000, for instance—for the Army, it was up to the Army to recruit to that level. That was the understanding, and there was money available to do that. If, for whatever reasons, those levels are not being



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met, that is something you need to take evidence on from an expert. I am not an expert on manning levels in those services.

- Q86 **Mr Francois:** Forgive me, but the reason why we are sticking on this point and contending with you is that you are saying that in 2015, they looked at the issue and decided there was no hollowing out going on, but there was and has been for a number of years. A number of us have good, strong evidence of that.

I have already quoted—forgive me; I don't mean to be pompous—from a report I produced for the Prime Minister recently about recruiting into the armed forces. I looked at inflow and outflow in a very detailed way. It is hollowing out, and it is particularly happening in a number of specialist branches; look at the Royal Navy engineering branches. That means ships are tied up. We have had instances of very low availability of nuclear submarines, as my colleague Madeleine has intimated. This has happened because the pressure on the people in the service is such that too many of the skilled ones are leaving. That has direct operational consequences. It is one thing to have capability on paper; it is another thing to be able to actually exercise it. That is where the problem now lies.

Sir Mark Lyall Grant: I understand what you are saying, but what I am saying is that as National Security Adviser, I am not aware of any senior military officers at the time who were intimately involved in the process, including the Chief of the Defence Staff, suggesting that as a result of the 2015 strategic defence and security review, the armed forces would be hollowed out. The fact that all services are now running under the levels set in 2015 is another issue on which I am—

- Q87 **Chair:** But can you tell us, in relation to the process of the review and all these different strands that feed in, whether any consideration was given to the possibility that as we reduced from larger forces to smaller forces, we would find that, far from being easier to recruit and hit the manning targets for those smaller forces, it would get more difficult? Was any of that ever flagged up in the course of the process—that there might be difficulties, as you reduced the forces, in ability to recruit to the lowered targets?

Sir Mark Lyall Grant: It is quite possible that it was, but I cannot, from my own personal involvement and knowledge, comment on that.

Chair: We will have to leave it at that and move on.

- Q88 **Phil Wilson:** Does the fact that the 2015 review has been revived as soon as it has suggest that the risk assessment made in that year was wrong?

Sir Mark Lyall Grant: No. I think the judgments that were made, the conclusions drawn and the commitments made are all valid, and I think the assessment of the threats and challenges, as I mentioned before, has been validated by events over the last couple of years.

- Q89 **Phil Wilson:** So you think it is vindicated in the report. **Sir Mark Lyall**



Grant: I absolutely think it is vindicated in full.

Q90 **Phil Wilson:** So what is the reason for this review?

Sir Mark Lyall Grant: The reason for the review, as I mentioned a little bit earlier, is that a number of things have happened since then that call into question the affordability of the review. There is obviously an extra element that has come in, which is the referendum to leave the European Union, but that does not have a very significant impact on either the threat assessment or the commitments that were made. Only one of the 89 commitments in the 2015 review mentions the European Union at all. I do not think that that development fundamentally changes the parameters of the review.

As I mentioned, since then the pound has gone down, perhaps partly linked to the referendum decision. Some of that money can and has been hedged by the Ministry of Defence, but not all of it, and that has increased costs. Some of the costs have gone up, and that is a fairly normal process that you will be very familiar with having studied the defence budget for many years. All those issues are there. As I mentioned, some of the efficiency savings have not come through as fully as they might, so there is an issue in the budget. I would say from what I have read—I am not in the process now—there is less of a hole than there has been many times in the past in the Ministry of Defence, but it is for this new capability review to look at how that will be managed.

Q91 **Phil Wilson:** Do you think that one of the key aspects of the review is essentially to make more efficiencies?

Sir Mark Lyall Grant: That was an integral part of the review, yes. Efficiencies needed to be made up to the limit that was set—which was £9.2 billion or something like that—in order to fund other parts of new capability in different areas. That was an integral part of the process, and that is why it ran on in parallel with that process and was joined up in the SDSR process.

Q92 **Phil Wilson:** Will fewer resources and staff be dedicated to this mini review than would be dedicated to a full-scale review?

Sir Mark Lyall Grant: I cannot comment on the review that my successor is running this year. I do not know how many resources are being put in. As I understand it, there are various strands of the review. Some of the work is being done by the line Departments, but will no doubt be brought together at the centre in due course. What I can comment on is the numbers we had involved in the 2015 review. I am not sure whether it was greater than previous years or about the same, but it was around 15 to 20 people, although it obviously changed size and shape at different times in the process.

Q93 **Phil Wilson:** In your view, would it be a mistake to reduce the number of people involved in the review?

Sir Mark Lyall Grant: It depends on the scope of the review. My understanding is that it is a capability review—it is a sort of mini-SDSR, if



you like. It is not a full-scale, five-year SDSR. It would not necessarily require as many resources as the review in 2015.

- Q94 **Chair:** I am just a little worried about one of your earlier points, although I am sure you are right. You suggested that this mini-review is happening, at least in a significant part, because the affordability of the 2015 review is being called into question as a result of developments over the past couple of years. I see that you are assenting to that. That is why we were a little puzzled when we heard from the then Secretary of State two weeks ago. He was perfectly clear that the reason for having this review was because of—I will use the word he used again—“intensification”. The threats had intensified. As I put to the panel earlier, if the threats have intensified and you say that is a reason for looking again at your strategy, surely that must be an argument for devoting greater resources to defence and not for adjusting affordability by applying fewer resources. Can you throw any light on that seeming contradiction?

Sir Mark Lyall Grant: I do not think we are disagreeing, Mr Chairman. I did say before that the four threats that were identified in 2015 had continued and, if anything, got worse, so I think it is fine to say that the threat intensified.

Chair: So the threat intensified and we cut the resources?

Sir Mark Lyall Grant: I cannot comment on the motivations of this year’s mini review because, as I say, it happened after I left the post, but one of the things—this is what I meant to say; if I did not say it clearly, forgive me—it will need to look at is the affordability of the 2015 review. Whether that was the main motivation behind it or not, I am sure the Secretary of State has put you correct on that.

- Q95 **Leo Docherty:** Sir Mark, you have mentioned efficiencies. In the 2015 SDSR about internal efficiencies that would be made, was it your judgment then that they would be cutting waste, or that there would have to be some capabilities that would be cut?

Sir Mark Lyall Grant: No, my judgment was that the efficiencies were ambitious and tight, but none the less achievable. They were a combination of different elements: improving the defence procurement process, the commercialisation, the contractual process, pay restraint, releasing MOD estates, reducing the number of civilians at HQ, and so on.

There were a number of different strands of efficiency savings that did not go to the heart of capabilities. They did not involve frontline troop cuts or anything like that, because that was set out separately. These were all efficiency savings in a £35-billion-a-year programme, which looked potentially achievable. Incidentally, as part of the spending review all Government Departments went through a similar process.

- Q96 **Leo Docherty:** You referred just now to the fact that they have not been achieved. Why is that, in your judgment?



Sir Mark Lyall Grant: They have not been achieved yet. Most of the efficiency savings were based over a certain period of time. Some of them were, I think, going up to 2040 even, such as right-sizing or down-sizing the MOD estate, for instance. Some of them were up until 2021, so it was largely done on a five-year or 10-year process. It would not be fair to say that they will not be achieved; they just have not been achieved yet.

- Q97 **Leo Docherty:** Is it fair to say that the thrust or the basis of the 2015 SDSR would be undermined, in terms of its integrity, if to meet these savings any kind of capabilities were cut?

Sir Mark Lyall Grant: You are much more familiar with the defence budget than I am, but from my perspective of a career in public service, there are always difficulties in the Ministry of Defence budget. They can be addressed in a number of ways. Cutting capability is certainly one, but programmes can be slipped, which potentially has a temporary effect on capability, and other savings can be found. I am not competent enough to say that capabilities will have to be cut or, if so, whether those capabilities being cut will have a significant effect on responding to the threats and challenges. It is too soon to say that.

- Q98 **Graham P. Jones:** Turning to the twin issues of defence and security, how are the competing priorities of longer-term procurement issues around defence and the more immediate issues around national security considerations reconciled?

Sir Mark Lyall Grant: I think that is one of the benefits of the introduction of the National Security Council, because it brings together a body of senior Ministers, chaired by the Prime Minister, which can make those decisions. In the course of my career, I have seen policy decisions being driven by funding issues. That is obviously the wrong way round: policy decisions should be taken for policy reasons and the funding should follow.

The National Security Council has put strategy and strategic decision making at the heart of the process, and it has given the ability to fund that through the establishment of some of the joint programme funds, such as the conflict security and stability fund, the prosperity fund and what was called the empowerment fund. There are now funds that are available to fund decisions that are taken by the National Security Council. That was not always the case before 2010 in my experience—I think that is fair to say—so that is a key point.

The second point is that, of course, you have to balance the immediate and the long term, and I think the 2015 review does that. It makes clear the commitment to nuclear deterrence, which, by definition, is an extremely long-term, expensive programme, but it also looked, for instance, to bolster special forces capability, for specialists in a serious crime agency, an increased number of intelligence officers and at more funding for cyber programmes. Those are more immediate shorter-term threats. One always has to balance that out, but that is part of the review



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and part of the strength of it being led by the Cabinet Office rather than by the Ministry of Defence.

- Q99 **Mrs Moon:** I attend the French defence university every year. You will be aware that they place a great priority on external consultation with academia, industry, allies and the wider public. Are we doing that and is it effective in influencing any of the key decisions that have been made in past reviews, or is it just a public relations exercise?

Sir Mark Lyall Grant: No. Again, I cannot comment on the 2017 mini-review and how that is being done. What I can say in connection with the 2015 review is that there was a very extensive outreach programme. We had outreach to a number of different stakeholders, the first of which were our international partners. The Americans, the French and the Germans, but also the European Union and the Japanese, were all consulted during the process and asked fundamental questions about what they expected from the United Kingdom. Where were we adding value to the collective security and defence effort? What would they like to see in the review, and so on? Japan was consulted on those issues, so there was an external dimension to it.

There was private industry—particularly, the defence industry—and we looked at their perspective on where the review should go. Then there were think tanks, academia and expert commentators. In the course of the nine-month process, there were more than 50 different events, including in Scotland, Wales, and Northern Ireland, as well as in England, to meet experts and think-tankers. Towards the end of the process, we also had a smaller group of academics and experts to validate some of the emerging findings as we went forward. That was an important process.

There was also a public dimension. A Government website went up asking for comments from the public. If I am completely honest, I am not sure that a huge amount of that found its way into the review, but nevertheless, it was an indication that we wanted to be as open as possible, so that if people had ideas, they could be considered.

- Q100 **Chair:** There was a rather constrained word limit, I seem to recall, which we protested about, and it was lifted.

Sir Mark Lyall Grant: Exactly. It was lifted.

- Q101 **Chair:** But that did make it look like you were going through the motions, didn't it?

Sir Mark Lyall Grant: Well, perhaps, but it was lifted and we did get a lot of feedback from the public in that process. As for Parliament, that was largely left to individual Secretaries of State and Departments, but parliamentarians were also consulted in that process. I will not say it was unprecedented, because I am not familiar with the detail of some of the earlier reviews, but there was certainly a very active outreach effort, deliberately designed to be as—

- Q102 **Mrs Moon:** Was it a public relations exercise or did it actually make any difference to the decisions that were made?

Sir Mark Lyall Grant: Of those, I would say that the two that were probably the most significant to the outcome was first, our partners, and secondly, the think-tank and academic community. They did make significant differences. When we presented them with some emerging findings and they said, "What about this? This doesn't make sense." That was taken into account in the document.

Q103 **Chair:** Can you give any examples of specifics that were changed as a result of that? I know it is hard.

Sir Mark Lyall Grant: To be honest, I would have to go back to the texts.

Q104 **Chair:** But nothing particularly sticks in your mind?

Sir Mark Lyall Grant: No, nothing that I could faithfully tell you now without checking the documents, I am afraid.

Q105 **Mrs Moon:** Over the last couple of years we have had a lot of concerns expressed—particularly by the Americans, who have been vociferous—about the hollowing out, the lack of capability and where we are heading. You said that some—but not enough—hedging was put into the 2015 review. There was some allowance for cost rises, but clearly not enough.

Okay, we still have time to run, but clearly the efficiencies are nowhere near what was expected. And, from all the evidence we have received, we definitely have a hollowing out. Is there sufficient challenge during the process? Or is the defence review simply to meet the financial target set by the Government: "This is how much you can spend, this is how much you have got, and therefore meet the target."? Is it a defence review or a financial review? That is the bottom line we are coming to. Are we in defence always doing a financial review, not a capability review?

Sir Mark Lyall Grant: As I say, I cannot really comment on the 2017 review—

Q106 **Mrs Moon:** You can comment on 2015.

Sir Mark Lyall Grant: But in 2015, it was a genuine review, set out in the process that I mentioned, starting from the context and the strategic threats and then looking at how we were going to meet them and what we needed to do to meet those threats. I would defend the integrity of that 2015 process.

Yes, there are now budgetary constraints, but if you look at what we are providing, of course you can get some partners who are saying we are hollowing out, but the fact is at the moment we are spending something like 2.16% of GDP on defence. It is going up by 0.5%. We are the second-largest defence spenders in NATO. We are larger defence spenders than the French. We have 30 active missions going on overseas. Even in the last 12 months, there has been a decision to send troops to eastern Europe, to increase the number of forces in Afghanistan, in Kosovo and in Iraq. We have doubled the number of UN peacekeepers. We have recommitted to the continuation of the nuclear deterrence with the four Dreadnought submarines.



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A huge amount has gone on. We have doubled the amount of money on aviation security—I can go on. These are all additional capabilities that are there. So I do not think our partners have any reason to think that the United Kingdom is not pulling its weight, and I have seen nothing from the Government, from the previous Prime Minister or this Prime Minister, or indeed since I left post, to suggest that they are not committed to a global Britain that will be punching above its weight. Indeed, I think the Prime Minister said that last night.

Q107 Mrs Moon: We have just had the three former chiefs each talk about hollowing out. We know there is a minimum £20 billion black hole. We are not meeting our capabilities. People are leaving the armed forces. Can you seriously tell the Committee that you think the 2015 review was valid when it has led really to the UK being in a parlous position in terms of its capability to defend itself and meet the challenges that are coming our way?

Sir Mark Lyall Grant: I am afraid I do not accept that premise. I am not aware that our key allies and partners are complaining about our contribution to defence. We, with the Americans, have led the way to try to encourage our other NATO partners to meet their commitment on the 2%. We are the only G20 country bar none spending both 2% of GDP on defence and 0.7% on overseas aid. We, I think, can hold our heads up high in meeting our commitments.

If the Committee were to feel that the French, with a smaller defence budget, were producing more, obviously there would be questions about how they do that and where we are not spending the money correctly. But I would argue strongly that the 2015 security and defence review was a coherent document that set a very good course over the next five years and has been validated in the two years since. There have been some factors since then that have had an impact. Those obviously need to be addressed, and that is no doubt what the review this year is looking that.

Q108 Chair: Surely the reason our partners in NATO do not criticise us is that they are doing significantly less than we are. They are nowhere near meeting the NATO minimum. No one is criticising you or your work here, because you were, as you explained clearly earlier, operating within a Treasury constraint all the way through the process—we discussed that at some length.

Sir Mark Lyall Grant: You are putting words in my mouth now, Mr Chairman. I never said there was a Treasury constraint. I said we worked hand in glove with the Treasury to make sure that the review and the spending round were a coherent whole.

Q109 Chair: Well indeed, and you also said that therefore there was no question of doing a purely strategic review that was not constantly aware of the financial constraints that would apply. I do not think that I am putting any words in your mouth at all; that was exactly what you said. The reality of the situation is surely that throughout the period of the Blair Government, for example, we were spending 2.5% of GDP on



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defence. In the 1980s—the last time we faced an assertive Russia coupled with a serious terrorist threat, then in Northern Ireland—we were spending between 4.5% and 5% of GDP on defence. That was not dissimilar from what we were spending on both health and education. Even after we took the peace dividend in the early 1990s, as late as about 1995 to '96 we were spending 3% of GDP on defence. No one is trying to point a finger at you or your review or is saying that you did a bad job within the constraint of spending barely 2% on defence, when we include things that we did not used to include but were entitled to include in the calculation. We are just saying that when you look at the absolute outcome, it is not quite the rosy picture that you just outlined to us.

Sir Mark Lyall Grant: The very first line of the foreword by the Prime Minister to the 2015 review is important. It says: "Our national security depends on our economic security, and vice versa." One cannot divorce the economics from the defence. That is a fundamental factor of which we are now becoming extremely aware, and I think the 2015 review did a good job in doing that. Of course, I would have been amazed if retired generals, admirals and air marshals did not say that they needed more money. Every Department would like more money; that is the reality of Government. I understand that you are the Defence Committee and you are focusing on the MOD side of this, but defence and security reviews are holistic and do not cover just hard defence or state-based threats. Yes, those state-based threats are there, but arguably, intellectually, they are much less existential than they were in the time of the Cold War.

Q110 **Chair:** We are getting to the point where we are having to decide between amphibious capability and carrier strike capability, for example, and on ships, as recently as January this year, the Defence Procurement Minister was writing to me as Chairman of the Committee and saying, "I can reassure you that HMS Albion and HMS Bulwark are not due to leave the service until 2033 and 2034 respectively." There is something seriously inadequate when we are now having to consider disposing of those ships so greatly in advance of their planned exit dates. We have to be realistic about the situation without in any way seeking to cast doubts on the good work that you did.

Sir Mark Lyall Grant: That is one choice that needs to be made, but what I am referring to—what I was responsible for—is the wider choices. The carriers and the amphibious landing craft are one thing, but what about the extra resources for MI5 or for the international counter-terrorism network at posts overseas? There are other trade-offs that also have to be made—

Q111 **Chair:** Of course there are, but surely that comes back to the comparative expenditure on this area of policy compared with other areas of Government policy?

Sir Mark Lyall Grant: I understand that, but if you look holistically at the review, the Department that lost out the most was probably the Foreign Office. The MOD has a ring-fenced budget, and so do DFID and terrorism.

Intelligence agencies got a lot of extra resource, and the Foreign Office did not.

Q112 **Chair:** But surely the defence budget was ring-fenced at a point—namely 2%—that we had never even remotely thought to dip under in the past. It came as a great shock and surprise that it was even in question when David Cameron first failed to confirm that we would definitely reach it.

Sir Mark Lyall Grant: But the commitment that has been made is not only to spend 2% of GDP, but to increase in real terms by 0.5% every year for the next few years. That is real additional resource.

Q113 **Gavin Robinson:** I have a nice easy question. How long would you expect this review to take, and how should we measure success?

Sir Mark Lyall Grant: In a sense, the second part is easier for me to answer than the first. The answer is that I do not know. I do not know the scope of the review in full and how many work streams are there, but obviously, with a new Secretary of State for Defence and a new Secretary of State for International Development, things may take a little longer. I think the plan is for it to be done in months and not years, obviously.

As for the second question, it is a question whether it forms a coherent whole, validates the 2015 review or changes it for good reasons but still gives us the capabilities that meet the key challenges that have been established. As I say, the four threats and challenges that were identified in 2015 are broadly still the four threats and challenges that we face today, and all four have probably intensified, for different reasons that we do not need to go into now.

If anything, in retrospect, looking back at the document—I repeat, I am proud of it and I think events have validated it—there are some areas that, if you were starting a proper five-year review now, you would be looking at in some more detail. Those include serious organised crime and issues such as artificial intelligence, which one of your previous witnesses was talking about, drones, and resilience issues, which were perhaps underplayed slightly in the 2015 review. There are certainly some elements, but the main thrust of that review is still valid, and I think that will probably be borne out in the mini-review that is happening now.

Q114 **Mr Francois:** Can I ask a question on efficiency savings? The Ministry of Defence has a rising budget, but it also has some extremely challenging efficiency savings targets, which flow from the 2015 review. Past experience shows that those efficiency savings are unlikely to be generated, at least to the extent that the review envisaged and on which the integrity of the review depends. Do you still believe that all those efficiency saving targets were realistic?

Sir Mark Lyall Grant: I think they can be achieved, or we would not have built the review on that basis—as you say, it was an integral part of the review, because the money that was going to be saved in the efficiency savings would be reinvested in new capability. I hope that those efficiency savings will be found. You say that experience suggests they will not be,



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and you may well be right. I would not necessarily disagree with that, but I think a credible target was set at that point, and the Ministry of Defence accepted that target and said, "Yes, we will achieve that," in order to be able to invest the money in new capabilities.

Chair: Sir Mark, we are really grateful to you, particularly as we had hoped to have the present National Security Adviser, but he took the view that he has to be answerable primarily to the Joint Committee that you appeared before previously. We are extremely grateful to you for having been willing to come and talk to us, to wait patiently during our long first session and to answer our questions so comprehensively. Thank you very much indeed. The session is concluded.