

# Defence Committee

## Oral evidence: Departmental priorities post-NATO summit, HC 1560

Wednesday 17 October 2018

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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; Ruth Smeeth; John Spellar; Phil Wilson.

Questions 1-87

### Witnesses

**I:** Rt Hon. Gavin Williamson MP, Secretary of State for Defence, Air Vice-Marshal Richard Knighton, Assistant Chief of the Defence Staff, Ministry of Defence, Lieutenant-General Richard Nugee, Chief of Defence People, MoD, and Peter Watkins, Director General, Strategy and International, MoD.

## Examination of witnesses

Witnesses: Rt Hon. Gavin Williamson MP, Air Vice-Marshal Richard Knighton, Lieutenant-General Richard Nugee and Peter Watkins.

**Q1 Chair:** Good afternoon, and welcome to this session on departmental priorities after the NATO summit. I especially welcome the Secretary of State and his team. I will dispense with asking you all to introduce yourselves because we are up against it, with regard to time—more on that in a moment.

Secretary of State, the Committee is pleased at the notice that you and the Department have taken of a number of our priorities. We are delighted by the announcement that you made about the preservation of HMS Albion and HMS Bulwark, and thus our amphibious assault capability. We are very pleased at the announcement you made about strategy in the Arctic—for which we would like to think that you found useful, shall we say, the work of our sub-Committee, headed first by James Gray and then by Madeleine Moon. We also welcome the somewhat more limited but nevertheless welcome announcement about German bases, which is an issue that our vice-chair, John Spellar, has been particularly exercised with.

The not-so-good news, which we are not very happy about, is that we have you for a very short period this afternoon. It is always a trouble to do these sessions in the afternoon. We know that there will be a vote at 4.45 pm, so we will end up having you for between an hour and an hour and a quarter.

We hope that you agree, particularly as you have now added two extra members to your team—they are very welcome, but it means that replies take longer—to come back to us on the morning of Tuesday 6 November, if at all possible, or on another date, so that we can complete the session, because we will not get through it all today.

**Gavin Williamson:** I must confess that I am not quite sure of what is in my diary for 6 November. If you would, please give me a little bit of room to see how we could facilitate another opportunity for me to come here.

**Chair:** We really must do this within the next few weeks, because otherwise we will be halfway and in limbo. Having said all the good news and having made that request, I now pass you over to John Spellar, who has one little beef to take up with you before we move on to the substance of our main questioning.

**Q2 John Spellar:** I asked this question to the permanent secretary last week, but as he has not come back to us yet, I will pose it to you. Basically, why were Members for Plymouth from all political parties not invited to attend the announcements on 8 October regarding the Albion-class vessels and Type 26 basing in the city?

**Gavin Williamson:** I will chase up with Stephen why he has not replied to you. My understanding is that we informed local Members on 4 October



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that I would be going to Plymouth Devonport, in line with the ministerial code.

- Q3 **John Spellar:** That informed Members, and that is perfectly proper. However, it appears that three Members from one political party were invited to attend the event, but the Member in whose constituency the base actually is was not.

**Gavin Williamson:** What was so fantastic about that announcement is that Members from right across Cornwall and Devon, who are so passionate about the basing of the Type 26s, really welcomed that the Type 26s were to be based in Plymouth. It is a real credit to all those involved in campaigning for that. I certainly note your comments.

- Q4 **John Spellar:** Sorry, Secretary of State, but parliamentary propriety is that the first priority is the Member in whose constituency the event is. I understand that Ministers often visit bases and so on and do not always invite Members along, and if they are making an announcement, or having a meeting that is then given publicity, they do not necessarily have to invite Members. However, if they do invite Members, first, they should clearly be invited on a completely non-partisan or unbiased basis, and secondly, the Member for the constituency concerned should definitely be invited.

This is not about people standing on ceremony. It is a basic principle. It is one of the reasons why, for example, Ministers and Members have to notify other Members if they are going to their constituency. If that is in a Government role, it is frankly stretching the limits of propriety not to invite the Member of Parliament for that area.

**Gavin Williamson:** My understanding is, and I will double-check the ministerial code, that the key thing is to notify Members if you are visiting their constituency. I understand that was done on 4 October.

You also mentioned the Albion class vessel. My recollection was that in terms of Albion I announced it at the Conservative party conference. I am very happy if anyone wishes to defect to the Conservative party in order to be able to—

- Q5 **John Spellar:** Secretary of State, don't be frivolous. It is an important constitutional issue of the rights and propriety of Members of Parliament. I would argue, and I think we might need to take it further in Government, that it is improper to invite Members of Parliament from your own party and not the relevant Member of Parliament who happens to be from the Opposition. On this Defence Committee, we work together as one in the interests of defence, and I would hope the Ministry of Defence would be doing the same.

**Gavin Williamson:** As we always do, Mr Spellar. You raised two issues. You raised the basing of the Type 26 and you raised the issue of the Albion—

- Q6 **John Spellar:** I'm not worried about that. I am worried about the announcement in Plymouth on 8—



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**Gavin Williamson:** You did raise the Albion.

Q7 **John Spellar:** I am talking about 8 October and I am talking about the invitation to Members of one party, but not the relevant constituency Member.

**Gavin Williamson:** And I informed the individual Member, in line with the ministerial code, which we would always follow. If we look at what the announcement was, this is something that I am sure you and hopefully all Members of the Committee welcome. We have taken the decision to base the eight Type 26s in Plymouth. It is an important part of the development of our carrier strike capability. It was important that that announcement was made. It was important that the announcement was made in relation to the Albion class amphibious assault vessels. That was done at Conservative party conference.

I note your comments. I have no doubt that hopefully in the future I will be able to meet with Mr Pollard in Devonport—

Q8 **John Spellar:** I think we need to move on, Chair, but I have to say that the Committee will have to take this up with the Cabinet Office. I think it is a grave affront to Parliament and to Members of the House, and I regret that, rather than seeking to remedy it, you are just seeking to brazen it out. I think that is unfortunate and is not in the spirit of bipartisanship in which this Committee operates.

**Chair:** For the future, Secretary of State, could you bear in mind the strong feeling of the Committee? We work on a cross-party basis and we try to help you on a cross-party basis, even when we sometimes have to criticise things at the MoD. This has just not really struck the right note, to put it mildly.

**Gavin Williamson:** As I said, hopefully I will have the opportunity of visiting Plymouth again in the not-too-distant future and hopefully I will have the opportunity to meet Members.

Q9 **John Spellar:** Moving on to the next question, last week officials told us that the decision not to designate the fleet solid support ships as warships—an option clearly open to them, from the experience of all other European countries—was made by Ministers. Can you tell us why Ministers made that decision?

**Gavin Williamson:** My understanding was that, as part of a national shipbuilding strategy, this was something that was looked at as part of that document, and it was a decision made on the back of that document.

Q10 **John Spellar:** On reflection, having seen the very strong reaction from Parliament and in the country and given the fact that all the other European countries who have both navies and shipbuilding capacity do designate such ships as being warships and therefore exclusively build in their own yards—as the United States does of course, as well as many other countries around the world—do you think it might be an idea to revisit that decision?



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**Gavin Williamson:** It is not something that we are planning to revisit as part of the national shipbuilding strategy. I understand it had been looked at. Rich, I'm not sure if you have any comments on the thinking on the national shipbuilding strategy and how it was taken forward.

**Air Vice-Marshal Knighton:** Our first priority is to try to get the best capability for our Armed Forces that we can for the budget that is set. Competition is a fundamental part of delivering value for money. If you go back to the "National Security Through Technology" White Paper, that was right at the heart of that Government policy. That continues to be the case.

I think that the national shipbuilding strategy was very clear that those ships that were either frigates, destroyers or carriers were very clearly warships, and that there was an argument for maintaining a sovereign, UK capability in building those ships and integrating the specialist systems on to them.

We talk about freedom of action, which is our ability to modify ships to ensure that we can outpace our potential enemy, and we talk about operational advantage, which is our ability to be better than our potential adversaries. Clearly, frigates, destroyers and carriers fit into that category. The fleet solid support ship is an auxiliary support ship. It does have a weapon, although it is only for self-defence, it is manned by the Royal Fleet Auxiliary and it is quite clearly not a warship. We want to test the market to find the best deal we can get for our Armed Forces, so that we give them the best capability they can have.

Q11 **John Spellar:** So why do you think that every other European country that has a shipbuilding capacity designates these ships as warships and builds them in their own yards? Have they got it all wrong and are we the only ones to get it right?

**Air Vice-Marshal Knighton:** First, I do not know the policy of all the nations in Europe.

**John Spellar:** I'm just telling you—that is a fact.

**Air Vice-Marshal Knighton:** It may well be that they are not getting the best value for their Armed Forces by restricting it to their yards.

**John Spellar:** So they've all got it wrong and we're the only ones in step. Could I just ask one final question to you on that? How do you anticipate maintaining shipbuilding and ship repairing capacity at Rosyth in the gap between now and when the aircraft carriers will come in for their major refit? Have we not learnt the lessons from the gaps in orders that took place with our submarine building?

**Air Vice-Marshal Knighton:** Part of the national shipbuilding strategy is about maintaining certain elements of capacity through the system. The various governance boards that have been set up as part of the national shipbuilding strategy are now looking at exactly the question of what the throughput should be in British yards.



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In Rosyth, there is an opportunity for the yard to bid for work, whether on Type-31, on the mine countermeasures vessels or on other upkeep work across other elements of the yards. I do not think it is in any way reasonable to suggest that the current plans mean that there will be gap in the capacity that flows through the yards. Therefore, you should allow us to get on and do the work, and look across the totality of the shipbuilding capacity requirements. That is what Sir John Parker said and that was the purpose of the national shipbuilding strategy.

- Q12 **Martin Docherty-Hughes:** I am sure this is not holding anybody back, but letting them get on with it. Nevertheless, we were glad to hear last week that there was at least one UK bid. Could we get more details about that UK bid and whether the Department is supporting it?

**Air Vice-Marshal Knighton:** I would like to make a couple of points. The competition was launched in June. As I understand it, 15 companies have bid. You were probably told last time that, given where we are in the competition, we would not want to talk about which companies had bid or go through the down selection of the five that are expected to go forward to the next phase, but I believe that will become public knowledge at the end of this year or the beginning of next year, as we slim down and go to an invitation to negotiate. At that point it will become clear which yards have been successful and which have not.

- Q13 **Chair:** Can I just get something clear? The Rosyth yard is the only yard that will be able to do the refits of the Queen Elizabeth class carriers when they are required, as they will be throughout the 50-year lifecycle of the warship. That is true, isn't it?

**Air Vice-Marshal Knighton:** I don't know that that is definitively the case, but I would imagine, given the size of the quay in the dock at Rosyth, that it makes sense.

- Q14 **Chair:** Given the size of the ship and the fact that the only dry dock that can accommodate it is, as far as I know, in Rosyth, I don't see where else such a refit could be done—[*Interruption.*] I will wait for the answer from the panel.

**Air Vice-Marshal Knighton:** If it is a dry dock that you require, Rosyth is the obvious place where it would go, but you must be careful not to assume that every refit and every piece of maintenance work would require a dry dock. That is not how the process works.

- Q15 **Chair:** Yes, but you must also be careful not to assume that a warship, indeed two warships, of that class will go through a 50-year lifecycle and never need to be put in a dry dock. Surely we must arrive at the conclusion—I am looking at the Secretary of State here—that simple logic, with no need for practical knowledge, dictates that the Rosyth yard and its dry dock facility must be kept in being.

The concern of this Committee is that there is no certainty of that happening, whereas if the fleet solid support ships contract were awarded so that the work could be done in Rosyth, we would have a guarantee that Rosyth would remain continuously in operation. Is that not obviously

strategic good sense?

**Gavin Williamson:** We recognise the importance of Rosyth, but also the importance of having competition in most of these bids to get, as Richard touched on at the start, the right capability at the right price to support our service personnel, in terms of not just the fleet solid support, but the Type 31s and a whole range of other work that we expect to come forward, which British yards will be able to compete for. We certainly recognise the importance of Rosyth.

- Q16 **Chair:** I understand the value of competition as well as anybody, but at the end of the day we have to maintain our strategic assets. Where we have a class of two ships that require a particular strategic asset to remain in being, namely the aircraft carriers and the dry dock at Rosyth, can you guarantee that that asset will be maintained? If they lose every competition, how will the facility survive?

**Gavin Williamson:** We believe that competition within the system in terms of what we have been doing with the Type 31 and the fleet solid support is a useful element. There are a number of yards in the United Kingdom that are in a position to compete on both the Type 31s and the fleet solid support. We think it is important to have British yards competing on that and taking an active role in it. We recognise the importance of Rosyth and we have a strong industrial dialogue with all our partners.

- Q17 **Chair:** Can you guarantee that work will be found for Rosyth to keep its strategic facilities in being?

**Gavin Williamson:** The MoD is one of the largest customers for Babcock, BAE Systems and a number of other companies, but it is important, as we outline what we want to deliver on fleet solid support, that we want to see them competing for that work and have the opportunity to drive the maximum amount of cost, but also get the very best product that is suitable for what we want and the needs we have for fleet solid support. The importance of Rosyth we do recognise. That is why we have a close relationship with all our industrial partners, constantly talking about how we use our yards.

- Q18 **Martin Docherty-Hughes:** On the issue of refits and the fact that Rosyth is the only dry dock capable of it, if that dry dock is not kept open and in use before the next refit, we are repeating history. The only other dry dock that could take those ships is mothballed and on the other side of the country, on the Clyde. That was used to fit out the Royal Mail Ship Queen Mary in 1936.

What we will end up with here is a litany of disaster, where we have nowhere to do it and we are just repeating the same cycle. It is Groundhog Day. I appreciate that the Secretary of State does not want to give a commitment here today, but he needs to give the Committee some idea that he recognises the value and worth of the dry dock at Rosyth—not just to the aircraft carriers, but to future military infrastructure in the country.



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**Gavin Williamson:** We very much recognise the importance and the value of what Rosyth provides, but you will equally appreciate that there is a competition going on, and I am not going to be drawn into the details of a competition.

- Q19 **Gavin Robinson:** Not to take issue with what has been said thus far but to recalibrate some of the message, the largest dry dock in the United Kingdom is in my constituency—and the second largest dry dock in the United Kingdom is in my constituency. That should not be written off.

Air-Vice Marshal, you indicated that the national shipbuilding strategy was about retaining a level of capacity, but actually it is about revitalising our shipbuilding capacity. Is that not correct?

**Air Vice-Marshal Knighton:** If you took my statement as being about retaining a level of capacity, I apologise. That is not what I meant. What Sir John Parker said was that he thought the British shipbuilding industry had latent capability and we should establish a throughput of ships—warship building—that would sustain that industry and ensure that it became lean and fit, and that the UK got the best value it could out of the investment it was going to make in warships.

So yes, you are right—it was about revitalising that industrial capability in the UK and giving the Royal Navy the best capacity and capability it could have.

- Q20 **Gavin Robinson:** Sure, and here we have an opportunity to provide a pipeline of work, with two ships and the potential for a third—a public procurement opportunity of over £1 billion—and we risk not using that to revitalise our shipbuilding capacity in this country. That is a decision that ultimately has been taken by Ministers.

**Air Vice-Marshal Knighton:** The point is it is an open competition. If British yards demonstrate that they have capability and can do it in an affordable fashion—that they can do it efficiently—they will win the competition.

- Q21 **Gavin Robinson:** Without going over this again, you will have read the evidence we heard last week and seen that there are many benefits associated with retaining that contract in the United Kingdom, which go far beyond value for money for the MoD. Those include retention of capacity, retention of skills, the provision of wage packets for people in our economy and people's lack of reliance on welfare should they be engaged in employment. There are many ancillary benefits, and we have no comfort that those issues will be assessed or scored as part of your competition. Is that right?

**Air Vice-Marshal Knighton:** I am not quite sure what the question is.

- Q22 **Gavin Robinson:** Well, is that right? You are not going to assess the associated and ancillary economic and strategic capacity retention benefits from delivering fleet solid support ships in the United Kingdom.

**Air Vice-Marshal Knighton:** When a competition is run, we look at performance—the confidence we have in a bidder's being able to deliver the requirement—and price. In her evidence last week, the DG of Finance, who chairs our investment appraisal committee, explained what the Government's policy is around how we do investment appraisals in the UK. Some of the factors you describe are not included as part of that work, but we recognise absolutely that this is a strategic decision. We are months away from concluding that, and it will be for the investment approvals committee, with the support of Ministers, to make the decision on what is best value for money.

**Gavin Robinson:** Secretary of State, I think you should take from last week's evidence session and from this exchange that this Committee believes those are important, material factors that should be considered going forward on the fleet solid support ships. We have heard from the Air Vice-Marshal and from you, Secretary of State, about the benefits of competition—the fundamental part of delivering value for money. How can we sit that alongside the decision on AWACS?

**Gavin Williamson:** What we identified back in 2015 was a need for investment in this capability. It was seen as one of those areas that we would need to put resource into. That was a decision made back in 2015. We have looked quite broadly at what capabilities are out there, and we have also looked at the changing threat picture we are seeing and the type of threat we are dealing with. The importance of replacing Sentry has risen quite dramatically up our priority list. We looked around the world. We had been working very closely with the Royal Australian Air Force and had seen the capabilities of what Wedgetail was able to provide. Quite simply, any of the other options that were there did not have the same capability and the same level of—the risk had been taken out of the Wedgetail E-7 programme, so it seemed the most logical and we believe it will be the most cost-effective approach long term, but most importantly, it is the route to delivering a capability that our nation will need, with greater speed.

Q23 **Gavin Robinson:** Other Members will have potentially a different approach to this, Secretary of State.

**Gavin Williamson:** People will probably have different views.

Q24 **Gavin Robinson:** Yes, and there is going to be a briefing for us on 23 October, but following the evidence that we received last week, serious questions have been raised with us on the veracity of what was explained to us last week, some of which you have just said this afternoon, and we are writing formally on those issues. Can we have a commitment that we will have an explanation and an answer in advance of the classified briefing next week?

**Gavin Williamson:** You are writing—

Q25 **Gavin Robinson:** Formally to the Department.

**Gavin Williamson:** When are you writing?



**Q26 Gavin Robinson:** Today.

**Gavin Williamson:** I don't know exactly what you are going to write, so I won't be able to confirm as to—we will obviously do our very best to ensure that you have a response before you have the private briefing, but we will always do that if it is possible.

**Q27 Gavin Robinson:** It's incredibly important, Secretary of State. I hope I'm not overstepping the mark, Chair, but these issues—we take at face value what is said to us in formal evidence here in Parliament, but when it is indicated to us that what we were told last week is not true, what we were told last week was a misdirection, and that the decisions based upon that information are not right, we have a serious problem, and I think we need the earnest endeavours of the Department to have an answer, so that the session next week is most beneficial.

**Gavin Williamson:** We will certainly pull all the stops out to ensure that you have the full detail.

**Q28 Gavin Robinson:** Do you mind, Secretary of State—can you give us an explanation as to why replacement of the Sentry programme was delayed for so long and why our capacity was allowed to wither in the way it was?

**Gavin Williamson:** If I recall—I think we have six Sentry aircraft. This is an important capability that we have had at the heart of the Royal Air Force for a number of decades. We have continued to use it and continued to maintain it, but there is, equally, a recognition that we need to invest more in terms of the changing threat. The AWACS aircraft continue to do a very valuable job and are an important part of our NATO capability contribution as well, so it's a recapitalisation of something that we recognise is important, and we have decided to recapitalise on a new platform, which we think will give our Armed Forces an added, new capability.

**Q29 Ruth Smeeth:** Are you aware that Wedgetail is 15 years old and parts of it are already obsolete?

**Gavin Williamson:** From work that the Royal Air Force has done, it is very clear that it is not actually an obsolete platform; in fact, it's—

**Q30 Ruth Smeeth:** Parts of it are obsolete.

**Gavin Williamson:** Which parts?

**Q31 Ruth Smeeth:** Parts of the radar are already obsolete. We will be buying technology that is not future-proofed. The other part of this that I find extraordinary is: are you aware that there has been no new build of this production line for five years? So when you are doing the risk assessment on this process, versus buying anything, say by Airbus-Saab, that is already or currently in production, you are actively seeking to go single-source contract—no competition—on something that is currently not being built and has not been built for five years. So where is the risk assessment, unless you are planning on buying old aircraft?



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**Gavin Williamson:** My understanding is that there has not been a situation where the Saab radar and the Airbus plane have been put together in terms of a platform. If Richard—

- Q32 **Ruth Smeeth:** I'm sorry, but my understanding is that the Saab radar has been integrated into five different aircraft models to date, that the integration is not a challenge and would save, potentially, £2.5 billion over the lifecycle of the contract. So I am somewhat confused, given where we are in terms of begging—as you know, we have all been supporting you in getting more money from the Treasury—that we are going through this with no open competition.

**Air Vice-Marshal Knighton:** Can I make a couple points? The risk associated with the Saab-Airbus idea—I won't call it a product because it does not exist.

- Q33 **Chair:** I'm sorry—you won't call it a product because it does not exist?

**Air Vice-Marshal Knighton:** It doesn't exist.

- Q34 **Chair:** This is a system that is up and running on five different platforms. Are you saying that it does not exist because it has not yet been put on the A330?

**Air Vice-Marshal Knighton:** If I might finish, Chair, that is exactly my point. It has not been put on the A330.

- Q35 **Chair:** So what you are saying is that this combination of the Saab radar and this particular well-known aircraft that is already in service has not yet been done?

**Air Vice-Marshal Knighton:** Yes, and if you look at the history of the challenges in these kinds of projects, it is not in the manufacture, but in the systems integration. For example, if you look at the Saab-Airbus proposal, because of the size of the wing on the A330, it is going to require two radar antennae on top of the aircraft. It is going to require complex integration to ensure that you can unmask the radar from the wings. None of that has been done before.

I will be here again next week to talk about this in more detail with some other witnesses. Clearly you will have an opportunity to get into some of the classified elements of it and get into some further detail, but the risk is not in the manufacturing; it is in the integration, and that is the challenge.

- Q36 **Chair:** You talk about the classified elements of it, but isn't it a fact that you asked Saab for classified data on the value of their system, and when they offered it you declined to take it? Isn't it also a fact that to run a competition would take no more than six months or so, and you are just closing down competition in complete contradiction to the way in which you have been praising competition in the context of building ships?

**Air Vice-Marshal Knighton:** I am not aware of the story that you describe, so we will have to look into that.

- Q37 **Chair:** So it wasn't the case that they offered you classified, sensitive



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data about the capacity of their system and you declined to look at it.

**Air Vice-Marshal Knighton:** I am not aware of that.

Q38 **Chair:** Could it have been offered to someone other than you and they declined it, and you just would not be aware of it?

**Air Vice-Marshal Knighton:** It could well be that there are things that have happened that I am not aware of, but I can only answer what I truthfully know, and I am not aware that that was done.

**Chair:** Okay. Well, my understanding is that that is precisely what happened.

Q39 **Ruth Smeeth:** We strive to give you the best. I am therefore concerned that we seem to be settling for something that is not going to be cutting-edge technology when we are talking about such an important capability. Given the value of this contract to whoever it is awarded to, why are we not going into open tender to look at best value for money vis-à-vis the capabilities that the Air Force actually needs?

**Gavin Williamson:** We want to have as much confidence in terms of bringing capability to the Air Force as rapidly as possible. As I touched upon, there is a changed threat picture. The experience that we have had with the Royal Australian Air Force, along with the Royal Air Force, in terms of working together with the Wedgetail has been incredibly positive. When the Wedgetail was over in the UK just recently the assessment seemed to be that it would be able to meet a lot of our hopes as to what the system could bring in terms of our Armed Forces.

Obviously Richard and others will be coming to give more evidence next week. We will certainly undertake, from Gavin's point about bringing it forward—There is quite a lot of risk in terms of bringing these systems forward. What we wanted to do was bring the best possible system that we felt was there on the market as rapidly as possible, and that is what we believe we were able to do.

Q40 **Ruth Smeeth:** Secretary of State, I completely agree: there is a great deal of risk. Did you know, up until this Committee hearing, that there has been no production for five years of the capability you are proposing to buy?

**Gavin Williamson:** We are aware of what the Australians have done in terms of Boeing. With the Royal Australian Air Force taking on the F-35 and us also taking on the F-35, with them taking on the Poseidon aircraft, we have seen the opportunity to build a relationship that is an awful lot closer relationship between the two air forces.

Q41 **Ruth Smeeth:** That is a lovely answer, but not the answer to my question. Were you aware that they have not built this platform for five years, and that the production line would have to be restarted, otherwise we are cannibalising old aircraft?

**Gavin Williamson:** My understanding is there is no cannibalisation of aircraft, but could I come back to you on that point?



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Q42 **Ruth Smeeth:** Because that is a huge aspect of the risk assessment that should have been done if you were going to move to single source and not have open tender.

**Gavin Williamson:** I will come back to you on that specific point, but I was not aware there was any form of cannibalisation of aircraft in order to do that.

**Ruth Smeeth:** There will have to be, if it is not—

**Air Vice-Marshal Knighton:** So 737s were bought off the production line and converted to Wedgetail. It is a proven design.

**Ruth Smeeth:** It's an old product.

**Air Vice-Marshal Knighton:** It is a proven product. The Australians have de-risked it. It took them several years to de-risk it, which is what gives us confidence in buying that, with an upgrade path for the radar and a whole series of upgrades that are planned—which we will be better able to leverage alongside the Australians, because we would have two nations operating the same aircraft. The alternative, the Saab-Airbus, is a paper aeroplane. That combination does not exist. It is unproven.

Q43 **Mr Francois:** It exists on other systems; it exists on other platforms. You did not want to run a full competition. The threat is getting worse, as I understand it, so you wanted to move quickly. I think we can follow that. Why didn't you just have a BAFO? It means best and final offer, Secretary of State. In other words, why didn't you just say to both of these potential competitors, "Give us your bottom-line best bid, and then we will compare them and decide"?

**Gavin Williamson:** The key issue was that in terms of integration—and it does keep coming back to the point about the integration of systems—

Q44 **Mr Francois:** No, I've got that, but just so I am clear, why didn't you just say to the other side, "Just give us the best possible bid you have, and we will compare it against Wedgetail"?

**Gavin Williamson:** Effectively, there was not a product there that we would know we would be able to bring into the Royal Air Force within the timeframes that we wished to have.

Q45 **Mr Francois:** To be fair to them, they clearly think they did have an offering. You have raised doubts about integration. That is, I think, a legitimate matter of debate, but why didn't you just ask them for their best solution and then compare the two?

**Gavin Williamson:** Obviously, we are always in discussions with industry, but we do not believe there was a solution there that would be able to compete with the route we were going down in terms of the E-7 Wedgetail.

Q46 **Mr Francois:** I think you could have been more confident in making that statement, Secretary of State, if you had asked the other side for their absolute best bid. If you had looked at it and analysed it very carefully,



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and then said, “Actually, no, this isn’t up to scratch”—because I admit that Wedgetail is an incredibly capable system—then I think you would have been in a more confident position to make that statement.

**Gavin Williamson:** I take on board your points.

- Q47 **Chair:** Saab has said to us that if there is some underlying reason, separate from the relative quality of the two systems, that has decided you to give a clear run to their competitor, they would accept that. If you would just say so, then they will stop arguing the case that theirs is the better system. Can you assure us that there is not some other extraneous reason, and if there is not another extraneous reason, why will you not let them fully show what their product can do and have a fair competition? It may be that Wedgetail is the right answer, but if you do not have a competition, you will not know, will you?

**Gavin Williamson:** What we wanted to do is have the best opportunity to deliver that capability at the earliest possible stage. There was no other reason for the decision that we took, and we believe that after the work that has been done within the Ministry of Defence and—most importantly—within the Royal Air Force, this was the best system to go with. There is no other reason.

- Q48 **Mr Francois:** Is this anything to do with the fact that the Air Force had a big downer on Airbus because of all the consistent problems on the A400M?

**Gavin Williamson:** No.

- Q49 **Mr Francois:** You are clear about that?

**Gavin Williamson:** Absolutely clear. Obviously, I was aware of some of the challenges that we have been having with the A400M, but that wasn’t any part of the consideration.

- Q50 **Mrs Moon:** Very quickly, we are having this private briefing, but we would like some of the answers in the public domain. Can we have two sessions, with a public session in which we get some of this stuff in the public domain, such as whether there was a risk assessment of the opening up of the Boeing line to build the Wedgetail? It is nonsense if we hear in a private briefing that you didn’t know about that, and we can’t produce that.

Secondly, can we have some idea of how often the Department goes to single-source contracts with Boeing? It seems incredible. We had the same with Poseidon, and it is becoming a little worrisome that we seem to be doing preferential deals when UK money is spent offshore in the States, rather than having an open competition that allows companies to compete in a clear, equal market.

**Gavin Williamson:** We would certainly be able to provide that information on the single source. We will look at doing that. There is certainly no bias towards any company. What we want to do is get the best product for those who rely on it and serve on it.



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**Q51 Mrs Moon:** Then, Secretary of State, can I ask you to provide us with a list of how many single-source contracts have been completed in, let's say, the last three years, the companies they have been with, and their value?

**Gavin Williamson:** Can I just double-check whether there are any issues to do with commercial confidentiality? If it is possible to provide that, yes, we will look to do so.

**Mrs Moon:** Thank you.

**Air Vice-Marshal Knighton:** Can I just answer one of the points that Ms Moon made? You talked about opening up the production line. To be clear, these are 737 aircraft that are coming off the production line out of Seattle. Tens of aircraft every month come out of that production line. What we then do is convert them. There is ample opportunity for that work to be competed, and there is potential for it to be done in the UK.

**Q52 Gavin Robinson:** Very quickly, Secretary of State, we all understand what you mean when you say that we have a capacity need and a timescale in which you wish to see that delivered. Were you personally aware that the propositions from Boeing and Airbus indicated a delivery timescale of 2022?

**Gavin Williamson:** I was aware that both companies believed that they would be able to bring a product forward. That was the product that we had the most confidence would be delivered, because it is a functioning product that is there. The only one that we have is Boeing. Obviously, there is much greater confidence, in terms of delivering on the timescale, for a proven airframe.

**Q53 Gavin Robinson:** A competition was envisaged back in February, but it was cancelled. It would probably have taken six months. If we had had six months from February, we would be where we are right about now.

**Gavin Williamson:** We are confident about choosing the right product for the Air Force. That is the product that is most likely to be delivered within the timescale of 2022.

**Q54 Mrs Moon:** Secretary of State, can we go on to another unmitigated disaster—the failure to meet recruitment targets? Why have the recruitment contracts with Capita not been replaced, and how much money is your Department saving on pay because of their ineptitude, due to new recruits not coming into the Army?

**Gavin Williamson:** We are certainly not looking at trying to save pay as a result of not recruiting. What we want to do is recruit up to the full complement of people in the Armed Forces, which is 82,000, and we will continue to work very closely with Capita. I think, though, you may be trying to touch on a point and are perhaps being too polite to say this: are we deliberately trying to under-recruit in order to save money? That certainly is not the case. We want to recruit to the full number and we are working with Capita, and we are working within the Ministry of Defence, as to how best to do that.



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However, we are not doing that with an uncritical eye; in my view, there have been considerable failures. In his report, Mr Francois highlighted a number of failures in terms of recruitment. One of those failures was this: what has been the work undertaken in Capita? And one of Mr Francois's recommendations is that if that work didn't improve, we should look at getting rid of the contract with Capita.

Q55 **Mrs Moon:** And have you looked at getting rid of that contract?

**Gavin Williamson:** Yes, we will look at that and we are also in the process of starting the discussions about when a new contract is formed. Equally, however, I think there have been a number of areas where, as a Ministry of Defence and as the Army, we could have done better and we have undertaken to do those things better.

Q56 **Mrs Moon:** So it's not all Capita's fault? Some of it is the fault of the MoD and the Army?

**Gavin Williamson:** I would readily accept the fact that the fault rests in a number of areas and it would be wrong for me to try and imply that it all rested purely with an outsourcer.

We have been taking a number of actions to remedy that situation. One of the key areas that I noticed is what is often referred to as time of flight—the time it takes from a person showing an interest in joining the Army, for example, to the moment of their being able to join up. I know that the Committee has looked at the numbers, which are quite staggering. So what we have started to do is initiate a programme—it only covers 25% of the Army at the moment, because it's a pilot—whereby we have been looking at how we can make changes to reduce that time of flight.

This Committee will be familiar with those figures and I will not bore you with how atrocious they have been. However, we have identified that we have got to get this time down, because part of the campaign to encourage people to have an interest in joining the Armed Forces has been quite successful, but the process of converting them from having an interest to joining the Armed Forces has really been quite atrocious.

So what we have seen in the pilot area—I accept that it only covers 25% of what our Army recruitment has done—is getting that time of flight down from 326 days, which is absolutely not where it should be, to 109 days; that is, from the moment of interest to the moment of acceptance.

We have been doing this pilot with Capita; we want to run out the full pilot to see how it works. Richard, perhaps you could say a little on how we are going about the approach to this work and how we are driving a lot of the change, to explain why we are seeing such a dramatic drop in terms of numbers.

**Lieutenant-General Nugee:** The pilot has taken a different approach. You will be familiar with the phrase "recruiting pipeline", which implies sequential acts and interventions for an individual. The pilot tries to do it all at the same time. So you will do three or four things—the assessment,



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the medical assessment and so on—all at the same time. That has cut the time down pretty dramatically.

The other thing that we are doing is considering when we ask somebody what part of the Army they want to join. The earlier that happens, the more indecision it requires an individual to go through. Therefore, what we have done is delay it right up to the assessment centre, so that they decide which unit or regiment they want to join at the assessment centre. That, too, has reduced the time of flight.

The final thing that we have done is look at the medical piece, to try to reduce the time involved with that. Mr Francois knows very well that I have been running a medical employment symposium to try to simplify both the directions to the doctors—we have done that—and the online medical questionnaire, to make it simpler and quicker, and so that it reduces the time of flight. One soldier went through the trial in 39 days, which is very significant indeed compared with where it was, so we are hopeful—going through the trial, most are significantly shorter—that when we roll it out across the country, once the trial has finished at the end of the year, we will see significant improvements.

**Gavin Williamson:** I have a very hard-headed attitude to this, because I think about what if one of my daughters was applying to join the Army. It is about a quality of service that they also receive. We have got the number of people interested in joining the Army at a five-year high, but we have not been translating that into recruitment—

**Mr Francois:** Nowhere near.

**Gavin Williamson:** Nowhere near. So what we wanted to do was to try something quite radical. You could quite rightly ask why we haven't done this across 100% of the Army, but we wanted to do something very different, to see if it worked, because we actually want this to succeed. What we will be doing, when we have completed this, is sitting down to look at the evidence. We will do a full review—of how we have changed and whether that has had the right effect, of what Capita has done and whether that has had the right effect, and of what more we should be doing and whether this can be rolled out. Quite frankly, if Capita is not the right partner to go forward on this, I will have no qualms about making that decision to bring that in-house, if that is what is required.

Q57 **Mr Francois:** Thank you for that. On that point, the contract, which is a disaster—we'll go over the figures in a minute, but you said that they are atrocious and I agree—currently runs until 2022. We, the Army, cannot afford another four years of disastrous recruitment, because that gap in your ranks carries forwards for years, so are there any break clauses or off-ramps in this contract as it is written, or can we only end it in 2022?

**Gavin Williamson:** I will double-check with Richard, but my understanding is that we have the ability to end a contract, if that is what we choose to do.



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**Lieutenant-General Nugee:** That is absolutely right. We are looking at the implications of breaking the contract, if that is the decision we would wish to take. We need to understand the implications of that and how long we would take either to bring it in-house, which has significant implications, or to go for another contract with a different contractor. We would want to understand exactly the implications of doing that before we broke the current contract.

- Q58 **Mr Francois:** I understand that. I would argue that you have had more than enough time to do that, because this contract started in 2012, for goodness' sake, but okay, if you're doing it now, better that than not. I want to understand how seriously you are doing this, if I may. You are actively looking at letting it to someone else and/or bringing it in-house—you are actively examining that now.

**Lieutenant-General Nugee:** We are examining the options and looking at the consequences of doing so. We are examining the options for, "What if we break it early?", but what we are very keen to do—because we are not going to break it tomorrow, because no one is ready for that, and it would be an utter disaster again—is to ensure that the contract that we have is improved to the best of its ability by being extremely clear to Capita about what we expect. Time of flight is one thing, which is why we are running the trial. But we want to improve the current contract to the very best possible, acknowledging that it has not been good but also acknowledging that it is not all Capita's fault. So we get our own house in order, we get Capita's house in order and we get the very best contract that we can. As part of a simultaneous exercise, we are looking at what the implications of breaking the contract early are.

- Q59 **Mr Francois:** Okay. General Richard, this contract has already been renegotiated with Capita—

**Lieutenant-General Nugee:** Correct.

**Mr Francois:** It was renegotiated at an extremely senior level within the British Army with the company.

**Lieutenant-General Nugee:** Correct.

**Mr Francois:** And the company said that it would significantly improve its performance. It told the Chief of the General Staff, to his face, that it would do much, much better. We then had the first quarter figures for the year 2018-19, last week, from your colleague Lieutenant General Poffley, who told this Committee that in that quarter you and Capita had recruited 7% of your target for other ranks in the Regular Army. If we pro rata that over the four quarters of the year, you would achieve slightly over a quarter of your target. The word "disaster" does not do that justice, does it?

**Lieutenant-General Nugee:** I don't agree with your supposition that you should just pro rata it from one quarter to four quarters. The 7% was a direct result of the defence recruiting system—the IT system—not working effectively.



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**Q60 Mr Francois:** Which is known colloquially in the Army as, "DRS stands for doesn't recruit soldiers."

**Lieutenant-General Nugee:** It is DRS, which was not working fully, but is working fully now. The projections at the moment are that we will recruit at greater than 50% of what we need. That is not 28%; that is greater than 50%. That is our progression. We will not hit 100%, and I absolutely get that.

**Q61 Mr Francois:** So you might get just over half.

**Lieutenant-General Nugee:** Yes, but we have had a very difficult time with DRS. Capita are working flat out, as we are, to try to improve where we were on the first quarter.

**Q62 Mr Francois:** It takes 10,000 recruits a year, which is the target. Last year you got around 7,000. Before that it was under 7,000. And now you are telling me it might be a bit over 5,000.

**Lieutenant-General Nugee:** We anticipate more than 50% to hit the target. Having had a very difficult time with DRS, which is now working fully, and with Capita working flat out, we are trying to improve the system. Having put more troops on to the ground, in a surge of 200 extra troops, to provide what we have called the target operating model, which is brand-new, and which is to try and get more people nurtured through the recruiting system, we believe we will hit much better than the 28% that you quoted last week.

**Q63 Mr Francois:** Now you are dropping us a hint that it might be a bit over 50%, or perhaps a little bit more than that, compared with the actual target of 100%. I am staggered at that. When did the Army change its definition of what is a trained soldier from phase 2 to phase 1?

**Lieutenant-General Nugee:** In 2016, as far as I am aware.

**Q64 Mr Francois:** Previously, you did your basic recruit training, which was phase 1, and then you did your special training as an infantryman or as a mechanic in the REME and that was phase 2, and when you had completed phase 2 you were a trained soldier.

**Lieutenant-General Nugee:** Yes.

**Mr Francois:** That was the old traditional method. You have now changed it so you are a trained soldier after you have only done phase 1. If you were on the old definition, how many more thousand short of the training strength would you be?

**Lieutenant-General Nugee:** It is exactly the same. The figures that we quote as fully trained are the figures that you would recognise as what we describe as the size of the Army today. We have not changed the figures, because we recognised that it would have been a sleight of hand by us to have accepted that those who have done only phase 1, or what we now call basic training, were now part of the trained strength. We now talk about "fully trained," and that is the figure that you will have.



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Q65 **Mr Francois:** So what is the fully trained strength of the British Army today?

**Lieutenant-General Nugee:** I don't have the exact figure in front of me, but it is about 77,000.

Q66 **Mr Francois:** Against a target of 82,500.

**Lieutenant-General Nugee:** Yes.

Q67 **Mr Francois:** So we are 5,500 soldiers short.

**Lieutenant-General Nugee:** Yes.

Q68 **Mr Francois:** And this contract has been running for six years.

**Lieutenant-General Nugee:** It started in 2012, yes.

Q69 **Mr Francois:** I am not a great mathematician, but I am capable of working that out. So how much worse does this have to get? How many more thousands do you have to be short? How much more does the Army have to shrink from 78,000, 77,000, 76,000, 75,000 before you, to use an Army phrase, take your digit out and do something about it?

**Lieutenant-General Nugee:** I would say that, having started a manning campaign plan in the Army in June, these things take a little bit of time to come through.

Q70 **Mr Francois:** They have had six years.

**Lieutenant-General Nugee:** I will accept that over those six years we did not do enough. We have, to use your phrase, taken our digit out. We have started a manning campaign plan. We have started a trial to try and get the time of flight down. We have changed the medical employment standards. We have put 200 extra people on to the streets, including 70 'satisfied soldiers' into recruiting offices, to try and help recruiting. We have changed our advertising campaign, which has seen an increase from 58,000 applicants last year to over 70,000 this year, so we are doing—

Q71 **Mr Francois:** As a result of all that, you might get just over 50% of the target.

**Lieutenant-General Nugee:** This year, but we are confident that it will be better subsequently.

Q72 **Mr Francois:** Gavin, you have got to do something about this.

**Gavin Williamson:** What we have seen is that recruitment is not where any of us would wish it to be. As Richard has pointed out, there is a whole range of different actions that we have taken that we believe can actually put it in the right place, but let us be absolutely clear: if we go through all these actions—and it is good that we are doing the trials and bringing the times of flight down—it will be when we get the 2019/20 quarter 2 and quarter 3 figures that they will be very closely looked at.

But is there a timidity about using the ultimate sanction of getting rid of Capita, if that is required? No, there is not. The issue that we have is that



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if we take that today, it would probably cause more disruption than we would hope to see. We have taken these actions. We believe that they will have a considerable impact in terms of rectifying the situation, but if they do not do that, I have no nervousness about doing a full review of this contract and actually taking a very different approach.

- Q73 **Mr Francois:** My last words to you, Secretary of State: I recommended to you that you started working on a plan B in July 2017, so you have had plenty of time to do what you are now just beginning to do.

**Gavin Williamson:** I was Chief Whip then, so I am not sure—

**Mr Francois:** Sorry, I recommended that to the Department.

**Gavin Williamson:** Okay, sorry. I was going to say.

**Mr Francois:** But you are now, I believe, the Secretary of State for Defence.

**Gavin Williamson:** I am, but when you said July I thought you had got the wrong person.

**Mr Francois:** This is my last word, because Madeleine quite rightly wants to come back. Secretary of State, the Army is gradually disappearing before your eyes, and it is doing so, Sir, on your watch. Forgive me, but you have got to do something about it.

**Gavin Williamson:** That is why we have taken the action that we have, and we will not be nervous about taking further action. We have got to get the time of flight down. That is what we are driving at. We have had to get the IT sorted out. That is what we believe we have done. We have had to have a change of approach. That is what Richard has outlined. We have no nervousness about making further changes. If that includes changing the contractor, if that is required, we will do so. You are absolutely right that we have got to get those numbers up. That is what we believe we can do as a result of these changes.

- Q74 **Leo Docherty:** Has anyone been held accountable for the wholesale malfunctioning of this contract in the first instance?

**Lieutenant-General Nugee:** I believe, but I will have to check, Sir, that a number of people in Capita lost their jobs as a result.

- Q75 **Leo Docherty:** Not in the Ministry of Defence, but in Capita?

**Lieutenant-General Nugee:** Those who signed the contracts are no longer in the Ministry of Defence.

- Q76 **Leo Docherty:** Could you let the Committee have the details of that?

**Lieutenant-General Nugee:** To the best of my ability, yes, Sir.

**Chair:** I know the wind-ups have now started, so we are on the flight path to our break before part 2, to be continued.

- Q77 **Mrs Moon:** There is a huge problem of outflow from the British Army at



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the moment. During the march in last week, I spoke to a number of personnel who told me that they were not staying and that they had had enough. Their deployments had been doubled and they were very unhappy. In fact, recent figures show that the Regular Army outflow of personnel who exit before the end of their agreed engagement or commission period is 59.8%. Only 10.5% of those who left had reached the end of their engagement or commission before leaving. Those are absolutely shocking figures.

I looked at the number of female reserve intakes in the 12 months to March 2018. There was an inflow of 600 and an outflow of 520—a net gain of 80 reservists and a loss of 600 trained and experienced personnel. The reserves continuous attitudes survey showed that the top reasons for leaving were poor management and leadership, that they did not feel valued, and that they were bored with reserve service. How can we seriously think that we are successfully recruiting and retaining personnel? How can we carry on in this way?

Secondly, when we get the new figures, General Nugee, could you also give us a breakdown? You said the failure is partly the MoD's responsibility, partly the Army's and partly Capita's. Do you have an idea of the level of responsibility in percentage terms? Is it half Capita, a quarter the Army and a quarter the MoD, or is it two thirds Capita and one third the other two? Let us have some sense of where this problem lies, because it is very clear that we are not doing the best for the people who are serving this country.

**Gavin Williamson:** If we go back to recruitment, the key thing that we want to do is put it right. It is one of the key tasks that everyone is looking at to ensure that every lever is pulled in order to address this problem. We are doing that, and we believe that we are able to start dealing with this issue, because it has been going on for far too long.

You also touched on another important issue, which is retention. If you can get people within the Army, Navy and Air Force to stay on just an extra six to 12 months, that has an enormous impact on the retention of key skills—they bring valuable experience—and on ensuring that we maintain numbers. We are going to ask Mr Francois to do a report on how we can improve retention and the experience of keeping people within the Armed Forces.

I am not madly keen on calculating a percentage of blame for every organisation. The best thing to do is to try to get this right and deal with the issues, and to ensure that the pilot runs correctly. If that looks as if it can deliver the change that it appears to be able to, I would rather be focused on rolling that out right across the Army, because what I want—

**Q78 Mrs Moon:** Let us be clear, Secretary of State, that 100% of the responsibility for failure rests with you if this is not addressed.

**Gavin Williamson:** What we are doing is addressing it. We want to be recruiting to our full numbers; we do not want to be recruiting below our numbers. Everything we are doing is going towards addressing that



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problem. We will continue to address the problem. That is what we will continue to focus on.

- Q79 **Chair:** There have been a number of lurid reports in the press about the lowering of standards. People who have been discharged for drug abuse are being readmitted, and people who are grossly overweight are being allowed to continue when their functionality might be impaired. Can you reassure us about the standards of the personnel who are serving?

**Gavin Williamson:** When you speak to anyone within any of our armed services, they always want to ensure that the very highest standards are there—we always have done and we always will do in the future. There is a famous slogan about “being the best”—that is what we believe our Armed Forces are, and we do not want to sacrifice that.

- Q80 **Chair:** Would you care to comment specifically on the policy on people who have been discharged for drug offences?

**Gavin Williamson:** On the issue of people being discharged for drug offences, I have been quite clear. I am not aware that anyone has had a golden hello to come back into the services—that is not something we want to do. We will not tolerate drugs within our Armed Forces—that is not something we want to see.

**Chair:** That is very clear.

- Q81 **Graham P. Jones:** We have heard from Madeleine that one of the reasons people leave is boredom. We have had the recent newspaper report about personnel being overweight. Would you like to comment on that and, more broadly, about boredom? Is this the way the British Army is being run? Perhaps you could respond to the story about overweight personnel.

**Gavin Williamson:** Certainly. What we are doing is rolling out our fitness tests more broadly and ensuring that everyone is hitting a minimum basic fitness, rather than it being judged on age, which is what was done in the past. If people fail that test, we equally want to support our service personnel, in order to get them to a position where they are able to pass. You may have someone who has given a lifetime's service to the Armed Forces and has just fallen below that. What we want to do is support them, through dietary and health support, to get them over that bar and not be in the position where they are immediately thrown out of the Armed Forces. We think that is a sensible and responsible approach. This is about supporting our people. You do have to pass those fitness tests and you need to be able to perform to that standard, but I won't make an excuse for supporting people, if they have fallen below that standard, to get to them to that standard as rapidly as possible. Richard, I am not sure if there is anything further you would like to add on that.

**Lieutenant-General Nugee:** The only thing I would say is that we do not allow people into the Armed Forces unless they can pass those tests. They were at that standard once so they know what that standard is. If they have fallen foul of that, we want to get them back to that standard. We



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are not dealing with people who don't pass through our training or don't pass through our recruiting, so it is a question of support for the individual to get them back to that standard, with dietary help, special PT and all the rest of it, to get them, individually, back up to the standard. If, however, they fail to do that, then we have a system of administrative discharge, should that be necessary, and they know that. So we can discharge people if necessary, if they do not respond to the sorts of dietary and physical training that we provide for them.

**Q82 Graham P. Jones:** But isn't one of the important aspects of the Army to be in tip-top condition at all times?

**Gavin Williamson:** It is. That is why we have regular fitness tests.

**Q83 Graham P. Jones:** Then how do you end up with a third of soldiers not being in tip-top condition?

**Lieutenant-General Nugee:** We put people through tests on a regular basis and if they fall foul of those tests we put them on to a regime so that they can pass those tests.

**Q84 Mrs Moon:** How many personnel have been discharged for not being fit?

**Lieutenant-General Nugee:** I don't know.

**Q85 Mrs Moon:** Can you provide us with those figures?

**Lieutenant-General Nugee:** Yes, I should think so.

**Chair:** We are constantly being encouraged, in another context, to avoid at all costs a disorderly exit. As I do not wish to have a disorderly exit, can I bring proceedings to a close temporarily, at this point, unless there is a colleague with a burning, vital last question. To give you a moment to think of that, let me flag up, Secretary of State, that the topics that we wish to discuss urgently at a resumed session include defence expenditure, Russia, progress with the MDP and investigations of service personnel for past alleged misdeeds. So there is a lot of important work to be done and we will be very grateful to have you back as soon as possible. We like to do these things thoroughly rather than rush them to meet an arbitrary time limit. Is there an urgent last question? Martin, you get the prize.

**Q86 Martin Docherty-Hughes:** We have heard about retention, recruitment and making sure that every lever is pulled. Let us talk about every lever being pulled with regard to terms and conditions for members of the Armed Forces. Secretary of State, can you tell us why you didn't, therefore, implement the Armed Forces Pay Review Body's recommendations on basic pay in full? Clearly that must have had some impact on both recruitment and retention.

**Gavin Williamson:** What I have been struck by is how many service personnel were very pleased with the fact that there had been a breach of a 1% pay cap and the fact that there was 2.9%—2% consolidated; 0.9% unconsolidated. I think this was an important message. It was the largest pay increase since 2010 for the Armed Forces. It was one of the largest



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pay increases of all public sector workers and I think it sends an important message to those people who serve in our Armed Forces.

**Q87 Martin Docherty-Hughes:** Clearly everybody is going to welcome a pay increase, whether in the Armed Forces or any other Government Department. There was a quote in the *Telegraph*—it is not a paper I usually quote, I must say, Chair. It says: “Because the Armed Forces do not have a trade union, the Secretary of State felt he was duty bound to push as hard as he could on their behalf.” I am sure they are very grateful. Do you see yourself as being some sort of shop steward for the Armed Forces?

**Gavin Williamson:** You get the great privilege, as I do, of seeing the amazing work that our Armed Forces do day in, day out. We are all passionate about delivering the very best for our Armed Forces. I thought the settlement that was reached was a positive settlement, was very much within the spirit of what the Armed Forces Pay Review Body had recommended, and we wanted to deliver that and are pleased to have been able to do so.

**Chair:** We have to leave it at that point—to be continued. Thank you, Secretary of State, and your team. I hope that we can reschedule as soon as possible.