

Defence Committee

Oral evidence: Evidence from the new Defence Secretary, HC 179

Wednesday 23 October 2019

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Members present: Dr Julian Lewis (Chair); Martin Docherty-Hughes; Mr Mark Francois; Mrs Madeleine Moon; Gavin Robinson; Ruth Smeeth; Phil Wilson.

Questions 1-175

Witnesses

I: Rt Hon Ben Wallace MP, Secretary of State for Defence, MoD, Air Marshal Richard Knighton, Deputy Chief of Defence Staff (Military Capability), MoD, Angus Lapsley, Director General Strategy and International, MoD, and Lieutenant General Richard Nugee CVO CBE, Chief of Defence People, MoD.

Examination of witnesses

Witnesses: Rt Hon Ben Wallace MP, Air Marshal Richard Knighton, Angus Lapsley, and Lieutenant General Richard Nugee CVO CBE.

Q1 **Chair:** Good afternoon, and welcome to this special session of the Defence Committee, at which it is our genuine pleasure to welcome the new Secretary of State, the right hon. Ben Wallace MP, to his post. It is the first time he has appeared before this Committee in that capacity. Because of that, I am going to invite him to make a few opening remarks. Before doing so, I would like to invite the other three members of the panel to introduce themselves for the record and say a few words about what they do. Richard, Welcome back from last week.

Air Marshal Knighton: Yes, it was only last week. I am Air Marshal Richard Knighton, the deputy chief of defence staff for military capability.

Q2 **Chair:** Thank you. Angus, I believe it is your first visit.

Angus Lapsley: Indeed. I am Angus Lapsley, director general for strategy and international. The core of my job is Euro-Atlantic relationships.

Q3 **Chair:** Thank you. And, another Richard—there must be something about senior officers called Richard who keep coming back to this Committee.

Lieutenant General Nugee: It's a rarity. I am Lieutenant General Richard Nugee, Chief of Defence People.

Q4 **Chair:** Welcome, and thank you for coming back. Secretary of State, if you would like to start off proceedings, we will then go straight into questions, with Madeleine beginning.

Mr Wallace: Chair, thank you for asking me to appear before you. I started in July at this post. It is a privilege to be Secretary of State for Defence for the United Kingdom. It is a big Department with amazing people. I have already noticed how busy the Armed Forces are, how much many of the problems that you and I probably remember from way back in 2005 have not gone away, and how the usual requirement to ensure that we balance our long-term needs with sometimes short-term pressures is as acute as ever. I am happy to answer your questions.

Chair: We will do our best to pull on the same end of the financial rope, in the hope of meeting some of those needs a little more generously in future.

Q5 **Mrs Moon:** Can I just put on the record, before I start my question, that, as president of the NATO Parliamentary Assembly, I have received phone calls and updates from the head of the Turkish delegation to keep me abreast of events in Turkey?

Secretary of State, did the US consult us before its decision to withdraw from the area of Syria near the Turkish border?

Mr Wallace: On the specific decision, no, they did not do so in advance.

Q6 **Mrs Moon:** What was our response to not being consulted?

Mr Wallace: It was clearly after a discussion between the President of the United States and President Erdoğan of Turkey that the decision to go in that manner was made, with the subsequent actions of the Turkish Armed Forces. We do, however, speak regularly at both the tactical and strategic level, so, very quickly, I spoke to my counterparts, both in Turkey and in the United States. Over that time, the Prime Minister obviously spoke to the President of Turkey on a number of occasions, and we have communicated to ensure that, whatever withdrawal has happened, we are aware of it and of its impacts for security, and that, where there are concerns brought to light about Turkish behaviour, we can highlight those to the Turkish Government as well. We do talk, but on that specific decision, right there and then, we were not given a prior warning. It was a decision made by the United States, as the other decision was made by the Turkish Government.

Q7 **Mrs Moon:** Given the number of NATO members who were involved in the region, albeit there was no NATO mission there, would you normally have expected it to have been an article 4 opportunity to hold a discussion before making such a decision?

Mr Wallace: I would not necessarily say that would be the case. This was a decision made by the leader of the United States and by the leader of Turkey after the discussions. I don't know what went on in those discussions, and I don't know what prompted one or the other to do what they did. I think it was in response to events that much of this has unfolded, and they took the decision to do what they did. I don't think I would view it as an article 4 matter on this case, but I would certainly say that they made their decision and then we worked out how we could adapt to it.

Q8 **Mrs Moon:** What have been the implications for British personnel in the region?

Mr Wallace: In Iraq, our personnel are active in helping to advise and to ensure that Iraq is secure, which has of course meant that we are much more alert to what could be the consequences and what will happen as a result of Turkish incursion into northern Syria. What does that mean for the foreign fighter prisoners? What does that mean for terrorist activity around al-Qaeda-linked organisations? Alongside the French, Germans and other allies, we are of course concerned about overall stability in that region, so it has meant that we have been very thirsty for information from all the people involved—the Turkish, the United States and the SDF, the Kurdish fighters—to understand what is happening on the ground. Then we will do what we have to do to ensure that we maintain our interest in trying to deal with the threat of Daesh, which has been the main strategic reason for our investing in that region. With the withdrawal of United States forces, we will have to adapt so that we can continue to take the fight to Daesh if we need to.



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Q9 **Mrs Moon:** The UK is reviewing arms export licences where further licences might be used in Syria. How will you decide on what basis something might be used in Syria? What is the process you will use?

Mr Wallace: We usually search a whole range of sources about the destination of any arms export—it is mainly DIT that will do that, but we in the MoD will do that as well—to find out exactly what units or what purposes it might be destined for, or what type of equipment it is. Those will definitely colour our view of each case. We will do it on a case-by-case basis, but obviously, if it was going to a unit that was active in Syria, it would be very clear where that was going. If it was for a police force in Istanbul, it would be a very different question. We do it on a case-by-case basis, and the sources that we draw on are varied and wide.

Q10 **Mrs Moon:** Given that Turkish military forces are engaged on a number of NATO missions, how will you ensure that any limits on our exports do not have implications for their capability to continue on NATO missions?

Mr Wallace: By close working with the Turkish—the Chief of the Defence Staff talking with his counterpart in Turkey, and indeed me talking with my counterpart in the Defence Ministry. The solution to all of this is going to be a close working effort with NATO allies, European allies, to make sure that we resolve the current situation that we are in to return stability to that part of the region. I will be seeing—hopefully tomorrow—my Turkish counterpart and my United States counterpart at the NATO summit. Most weeks, I have spoken to a number of my counterparts. I was due to speak to my German counterpart this morning, but that has been slightly delayed. That is the key way we are going to address this.

Q11 **Mrs Moon:** Do you have any particular concerns about the nature of the agreement between Turkey and the Russian Federation? In particular, how do you see the clause that rates the importance of the Adana agreement? Do you see that as an agreement that can be sustained?

Mr Wallace: I think it is hours old. We will have to see how that translates into delivery. A few months ago, there was an agreement around Idlib between Turkey, Russia and the Syrian regime, and that did not deliver what they had come up with and decided was a good idea. I think it is hours old. We shall monitor it closely. Of course, we will be alert to the fact that Russia is alongside a NATO ally, but let's see what is behind it and what the intention is, and let's make sure that whatever is delivered has due regard for human rights obligations and the international rule of law to make sure that peace is restored as soon as possible and the concerns of both the SDF and the Turks are addressed.

Q12 **Mrs Moon:** Finally, can we have an assurance that the Ministry of Defence is working closely with the Foreign Office in seeking to see how we can protect the children and women in the camps, and the prisoners, who we would not wish to see released, and perhaps bring back some of those prisoners, children and women who are British citizens?

Mr Wallace: I dealt with that as Security Minister for three years. When it comes to the prisoners, it is a highly complex and challenging problem,



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which is challenging to not only the United Kingdom but the whole of the G7—we had a discussion about it last year. It is a big problem. When it comes to orphaned and unaccompanied minors, it is of course true that we would not want to see these individuals suffering as a result of the consequences of the behaviour of their parents or whoever dragged them there. We are working with the Foreign Office to see what we can do to help with those children.

Some of those children have been identified in places that, for Crown servants—for military personnel or, indeed, civil servants—it would be very difficult to go into. They are not aid workers; they are not journalists. These are people who come with a badge saying, “I am the British Government.” At the moment, in some of those places, it is, of course, very fluid. We have Russians on the ground. We have Syrian regime on the ground. We have al-Qaeda-linked individuals on the ground. Those things are all a challenge and a danger, but we will try our best to see what we can do for some of these children to get them back here, if that is what is requested or, indeed, share with our allies what we can do with those children.

Mrs Moon: There are 12,000 unaccompanied children in camps in this region. It would be interesting to see how far Britain has been able to identify how many of those 12,000 are actually British subjects, but I will leave it there.

Q13 **Martin Docherty-Hughes:** I am grateful to see the Secretary of State here. In the last half an hour, the President of the United States has tweeted: “Big success on the Turkey/Syria Border. Safe Zone created! Ceasefire has held and combat missions have ended. Kurds are safe and have worked very nicely with us. Captured ISIS prisoners secured. I will be making a statement at 11:00 A.M. from the White House. Thank you!” Were you aware that any of that was going to take place, and do you believe for a minute that the Kurds are safe from Turkish incursion in north Syria?

Mr Wallace: Well, I am not aware of his latest tweet. I do not spend my whole life watching his tweets, or anybody else’s tweets.

Martin Docherty-Hughes: He is the President of the United States.

Mr Wallace: I am focused on what I can do to defend the United Kingdom and make sure that we work with our allies. What I would say is that I am totally aware that the United States had met with the Turkish. They did that recently—Mike Pence and everyone else—in a visit. They have sorted the concept of a pause in the military activity, to enable different units to move. That was made public and is a clear issue. That has slightly been superseded by the Russian agreement in Sochi that we’ve seen. What I say about all of this is that it is a very fast-moving scenario. Right from the very word go, this thing has changed rapidly, and we will see how this pans out.



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We are interested in stability returning and peace. We want to see everybody's human rights protected, whether they are SDF, Turkish or anybody else in that region, and to make sure that those rights are upheld. Although it is not connected to this incursion, Idlib is under horrendous attack and siege for the people trapped in there. We want to see those rights upheld, which is the best way for us to seek a long-term solution. We will see.

I hope that the tweet from the President of the United States is proved by events on the ground in days, and that that becomes weeks, months and years. We need to see how it runs its course. We will stand by to do what we can with the children and the displaced, and will hold countries such as Turkey to their international obligations towards refugees and, indeed, human rights.

- Q14 **Phil Wilson:** Back in July, President Trump said he was going to exclude Turkey from the F-35 programme because the Turks were going to buy the Russian S400 air defence system. Now we find out—we don't know if this is true—about reports that he is prepared to resume sales of the F-35 if Turkey shows restraint in Syria. Do you think that is going too far, as far as the F-35s are concerned? Have you got an opinion on that?

Mr Wallace: On your last thing, I wouldn't speculate. You have just raised that as reports. The technical challenge that concerned many partners on the F-35, including the United Kingdom, about the sale of the S400, is still extant. The S400 weapon system does not mix well with the F-35 and its NATO ambitions. If there are technical mitigations or ways to deal with it, that is, of course, something else. I am not going to comment on the last point, because I do not know how true that is.

- Q15 **Phil Wilson:** That would be my view, as well. I think there is a bit of incompatibility with the F-35 and the defence missile system from Russia. I just thought that, maybe, it was just a bit too much of a trade-off: "You go a bit easy in Syria, and we'll allow you to buy these planes." That's when we know there is a problem with the air defence system that they are going to buy from Russia. I wanted to know your view, but, obviously, if you haven't read the reports—

Mr Wallace: All I would say is that Russia is doing a pretty good job of selling itself around the region with equipment that is not necessarily in anybody's interest.

- Q16 **Chair:** I think we need to press this a bit more. I fully understand that you are not up to speed with what President Trump's latest tweeting eruption might contain, but, of course, you will be fully knowledgeable about the threat that the S400 system poses to the F-35.

If a country, in an increasingly close political relationship with Russia, were to have both the F-35 and the missile system that is designed to destroy planes like the F-35, that would be highly compromising. Presumably, you would be greatly concerned if there were any question of the decision to cancel Turkey's participation in the F-35 for some political, extraneous reason.



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Mr Wallace: The technical challenge for me will be the thing that defines our concern. It is technically incompatible to have those two in theatre in the same way. I would be concerned if that turned out to be true.

- Q17 **Chair:** It would be highly compromising of the safety of the F-35 for all countries that owned it, including us, wouldn't it?

Mr Wallace: That would be right; I wouldn't disagree. We shouldn't forget that Congress had a role in a large part of that. I am not sure that Congress would allow that, either.

- Q18 **Chair:** Can we assume, then, that you would be lobbying for America not to have such a reversal of policy, which would have such dangerous implications for the future Royal Air Force?

Mr Wallace: All F-35 customers have security obligations that go with the plane, no matter who is the purchaser of it. Quite significant levels of security are required. One of our trump cards is that we have the F-35. I would lobby against anything that weakens that potent power of the F-35 in its deployment. If it was felt by our experts that selling an F-35 alongside a country that had an S-400 would diminish our potency, I would absolutely—

- Q19 **Chair:** I will go back to Phil shortly, but just to wrap this bit up, you have some experts with you. Would any of you feel capable of commenting on this issue?

Air Marshal Knighton: There are two things that I would reinforce. First, Congress decided to suspend the sale. That is still the extant position. Turkey has two F-35s, which are both in the US; they haven't been released to Turkey. They have four in build. Congress will have to be engaged in the discussions around whether they should release it. We have seen no evidence to suggest that Congress will change its opinion based on the evidence of the security risk, as we understand it.

- Q20 **Chair:** How alarmed should we be—anybody, including you, Richard—if they were to change that decision?

Air Marshal Knighton: I would not want to go into detail, but the fact that Congress has suspended the sale of F-35 to Turkey gives you a good indication that partner nations in F-35 should be concerned.

Chair: Thank you. I think that is as far as we can take it.

- Q21 **Phil Wilson:** Secretary of State, you have said, "Turkey needs to do what it sometimes has to do to defend itself", but the Foreign Secretary says, "I have serious concerns about the unilateral military action that Turkey has taken." How do your comments fit with what the Foreign Secretary said?

Mr Wallace: Our concern is with how they have chosen to deal with the threat against them that they see emanating from Syria. I also said that I don't agree with what they have done. I don't support what they have done. From where I sat in my previous post, the stability that their forces on the border had achieved—the decrease in PKK activity in Turkey—said



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to me that the security disposition they were in was dealing with the concerns that they had.

I agree with the Foreign Secretary about what we have said, I just said it in a way to imply, "I don't think I would have done it that way." But both the Foreign Secretary and I uphold any country's right to act in self-defence. That is everybody's right. If they felt they were under threat or attack, any country would seek to take some form of action. How they do that often becomes debatable.

Q22 Phil Wilson: What do you think Turkey's actions will do to the integrity of NATO, considering—we have just been discussing the F-35—they are prepared to buy Russian military equipment, which could potentially see off F-35 jets, and they have just taken this action in Syria? What are Turkey's actions at the moment doing for the integrity of the alliance?

Mr Wallace: I will say something and then ask Angus to come in. Turkey is an incredibly important member for NATO. We need Turkey in NATO. We must not lose sight of the fact that Russia would very much like Turkey to be out of NATO, or NATO to be divided and full of friction. As I have said to my Turkish counterpart, they should question the motivation of their new friend Russia in coming along and offering great prizes. They should be aware that that country has an ulterior motive, in my view. Therefore, they should think about their relationship with Russia and how it plays with our membership of NATO together. Tomorrow and the next day in the NATO Defence Ministers' summit, we will do everything we can to make sure that, if Turkey has had fears that it feels have not been addressed, we discuss those and meet them, but also to make sure that Turkey understands what values are compatible with membership of NATO and how we can uphold those together, and that it understands that we are stronger together than going off with Mr Putin.

Angus Lapsley: All I would add is that, apart from its geographically strategic position, Turkey is also an active contributor to a lot of what NATO does. It's on the ground in the Balkans, in Afghanistan etc. It's an active NATO ally as well as a strategically important one.

The second point I would make is that the alliance has had many political disagreements over the years: Suez; the Gulf war; the Balkans. In one way or another, all those conflicts led to some quite profound disagreements within the alliance.

However, the alliance's strength is that ultimately these are arguments among friends and arguments among allies, who will stand alongside each other. And the fact that we can go to Brussels tomorrow and have this discussion face to face with Turkish colleagues and others is part of the strength of the alliance.

Q23 Phil Wilson: How common is it for NATO alliance members to buy equipment from Russia?

Mr Wallace: If my memory serves me right, some of the newer NATO members inherited lots of Russian equipment at the end of the cold war—



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Q24 **Phil Wilson:** That is not quite the same.

Mr Wallace: I don't know; I don't keep an eye on the—

Q25 **Chair:** Is it unprecedented?

Mr Wallace: I don't think it is. I mean, I don't know, but—

Angus Lapsley: Greece, for example, has bought Russian military equipment.

Q26 **Phil Wilson:** What sort of equipment?

Angus Lapsley: My recollection is that Greece bought S-300 air defence missiles about 10 years ago; it was quite controversial at the time.

Martin Docherty-Hughes: Possibly Hungary?

Angus Lapsley: Possibly Hungary as well, yes. So it's not unprecedented, but it always provokes a bit of debate.

Q27 **Phil Wilson:** Just one other thing—the NATO summit that is coming up in a few weeks' time. Do you think there will be a showdown and that Turkey is going to dominate the summit? Do you think that it will knock you off line about where you actually want to take the alliance?

Mr Wallace: It is 3 and 4 December. If the combination of the Turkish-US discussions, and the suspension of activities combined with the Turkish-Russian deal hold, and if the SDF are—happy is the wrong word—not being oppressed or suffering in a combat environment and there is an agreement, I don't think it will dominate. It will, of course, be there to discuss, but I think there are other equally important issues that NATO members will want to understand about ongoing commitments to funding and readiness, but also the US thinking about China will be something that we will all be interested in. New contested space—space itself as one of those contested spaces. And cyber.

They all need to be addressed by the NATO members collectively in coming to some of the decisions about where we go in the future. I don't think Turkey will dominate. It will certainly be there, but hopefully the tensions will have been de-escalated by then.

Q28 **Phil Wilson:** We have seen reports about Turkey using phosphorus bombs over the last few days in their activities in Syria. Is there evidence for that, or is it just an allegation?

Mr Wallace: In open sources, I saw it reported in the media, and indeed I think bodies such as aid agencies and the UN will collect evidence— if there is any such evidence—of the use of white phosphorus. Then, if that evidence is presented to the OPCW or indeed the UN, I think those organisations will consider what the next steps are.

It is very, very clear from my own training as a soldier that, under the Geneva convention, white phosphorus is only to be used for a marker, smoke, etc. It is not to be used as a weapon.



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Mrs Moon: I actually asked a question of the head of the Turkish delegation in relation to white phosphorus. He went to the Defence Minister and he came back to me and said that he had been informed that Turkey has no weapons that include white phosphorus and that Turkey never used that or other chemical weapons. I make that as a statement for information for the Committee and for the Minister, but that is certainly what I have had back.

Q29 **Chair:** Do you have any information about that?

Mr Wallace: I do not have any information about Turkey's weapon stocks and whether or not that is included. I will absolutely be putting the media allegations to my Turkish counterpart when we have a discussion. It will be all about, as I have said in my previous discussions, understanding what Turkey wants and what it is doing. Also, I have imparted our view about the observance of human rights and making sure that we maintain the international order and Geneva conventions. I will continue to do that.

Q30 **Chair:** On some of the wider implications, do you accept that our experience of intervention on the ground in the middle east has been that nothing unites the warring factions as much as westerners intervening on the ground, and that therefore the use of indigenous forces to fight organisations like ISIL/Daesh is essential?

Mr Wallace: It is always essential that any country that wants to take part in an intervention or military campaign maintains the support of the local population. Very often in some countries that local population is symbolised by local security forces or militias, depending on what type of state you are in. I think that is very important, because the knowledge and understanding of the very people you are trying to deal with is key. Also, without consent you do not get very far.

Q31 **Chair:** It is often counterproductive, and that is why when David Cameron was trying to persuade us to intervene in Syria he felt it necessary to keep arguing that there were 70,000 moderate forces on the ground in support of which we could mount an air campaign. In the event, hardly anybody on the ground was found to be suitable for us to support, except for the Syrian Democratic Forces, who were our sole significant allies—Kurdish led, but with some other non-Kurdish groups among them.

How does it look other than an act of complete treachery for us to remain silent in the face of the abandonment of the only people we felt were sufficiently, to use an inappropriate term, kosher in that country that the RAF could support them as intensively as we did? Isn't it actually a total betrayal of the people who were the only people we felt we were able to ally ourselves with in order to try to defeat ISIL/Daesh in Syria?

Mr Wallace: What we have to recognise is that, when the Russians came online with the Assad regime and produced an air defence umbrella of the scale that they did, our ability unilaterally as the United Kingdom to take on threats to air superiority was entirely diminished. If, Mr Chairman, you are saying that because the RAF can no longer operate overhead of many parts of Syria to defend the SDF we have abandoned them—



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Q32 **Chair:** No, I am not saying that at all. I am talking about the fact that the only way we felt able to intervene in the end was in support of that particular group, and now the United States President has effectively betrayed and abandoned that particular group. I am not suggesting that the RAF should be intervening now in its defence, which is what I think you understood me to be saying. I am saying that we should at least be rather louder in our condemnation of what the United States President has done, because otherwise how are we ever going to get indigenous local forces to supply boots on the ground in areas that we feel it would be counterproductive to intervene on the ground directly ourselves?

Mr Wallace: I think, Mr Chairman, that all of us will have seen the consequences of the actions by the United States and others in Turkey, and what that means potentially for our future working relationships. We have said to Turkey that we think what they did was wrong. We have been quite clear that the SDF supported and helped us in our fight against Daesh, and have quite a lot of regard to try to ensure that their ability, rights and people are protected with this incursion. I am not going to sit and condemn the United States. They have fought alongside the SDF to help secure us in Europe, taking on Daesh. American personnel have risked their lives.

Q33 **Chair:** And their military leaders are shocked by this move by the President, aren't they?

Mr Wallace: I am not going to speculate on the relationship between the United States President and the military leadership of the United States.

Q34 **Chair:** It's fairly public.

Mr Wallace: It is a matter for the United States what it has chosen to do and how to do it. And the relationship between its military and politicians is a matter for the United States. I think we are in a position where, hopefully now, we have seen the Vice-President reach out to President Erdoğan and go to Turkey. The United States has realised that it is very important that Turkey is engaged in a better way, to ensure that we try to resolve this issue.

Q35 **Chair:** I do not think anyone on the Committee would disagree with you and Angus when you said that Turkey is a very important member of the NATO alliance and always has been.

How Islamised does the Turkish political system have to become; how many thousands of civilians and hundreds of journalists does Turkey have to lock up; how closely involved does Turkey have to become with Islamist groups that may well soon be attacking our Syrian Kurdish allies; and, as Phil said, how involved does Turkey have to become with the purchase of lethal military systems from our adversarial Russian "friends", before Turkey disqualifies itself from remaining part of an alliance that is meant to protect a rather different sort of society from that which Erdoğan is building in Turkey?

Mr Wallace: We also have to remind people sometimes that the coup against President Erdoğan was a proper coup. It ended up with fighter jets



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bombing parliament and military personnel attacking their own people they had worked alongside. It was not a niche thing; it was a proper Gülenist plot, and I think people have forgotten that.

Q36 Chair: I'm not sure that Gülen has acknowledged that it was a Gülenist plot. It was a plot, certainly.

Mr Wallace: Okay, there was a genuine plot. There have been numerous attacks by the PKK terrorist group—a group that is also proscribed in the United Kingdom—in Turkey, against tourists, Turkish citizens and military personnel.

Turkey does have a threat that it has chosen to deal with. How far any member of NATO is able to go before the rest of the NATO members get together and ask themselves about it, is always reviewed among the member states. We will ask ourselves about all our colleagues and allies, whether they are NATO or other deployments we do round the world.

At the moment, in our view, Turkey is a very important member of NATO, an important ally. We feel the best way to work with Turkey is not to abandon her as a nation or to push her away from us. It is to work as closely as we can with her as a nation. When I was Security Minister, I visited a number of times and I know many other Ministers did.

It is to recognise that they have genuine security concerns and not play them down, which sometimes people have done, and to show them the best way for them to maintain their pre-eminent position as a key strategic power in the region. That is the best way to deal with Turkey. Pushing Turkey away will not help either the people of Turkey or the people of the region, or indeed help our security.

Chair: One more from Martin, and then we will move on to the strait of Hormuz. Angus, could you hold your comment and reply when Martin has finished? That would be nice.

Q37 Martin Docherty-Hughes: Following up on the Chair's question, history often repeats itself, and it seems to many—not just those on the Opposition Benches; you may have heard the Chair speak from the Government Benches as well—that this is yet again another historic sacrifice of the Kurdish nation. We might not want to abandon Turkey, but how can we look the Kurdish nation in the face and say we are not abandoning them?

Mr Wallace: You use the words "Kurdish nation". Kurds in northern Iraq—

Martin Docherty-Hughes: A nation can be many things, Secretary of State.

Mr Wallace: I know. We work very closely with the Kurds in northern Iraq. We help support the security in Iraq, and we will continue to do so as long as Iraq wants us to.

Q38 Martin Docherty-Hughes: But you recognise the cross-party concern about how this has been approached by the United States.



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Mr Wallace: I absolutely recognise both the cross-party and international concern about how both Turkey and the United States have deployed and dealt with this issue. I do not downgrade it at all; I think it is why we are all working together—the Germans, the French, us, and the United States—to try to resolve this in a way that does not split Turkey away from NATO, does not push them away, but also recognises the sacrifices that the SDF have made to help us be secure in Europe by tackling Daesh and, indeed, standing up to that most brutal regime of Assad.

Q39 **Chair:** The last word on this topic from Angus, please.

Angus Lapsley: I was merely going to think back to the history a little bit. For much of Turkey's history in NATO, it was not a democracy at all; it was a military dictatorship for quite a lot of that time. Although Turkish democracy today is very different from our own, in many ways it is still very much alive and kicking, and the elections in Istanbul—the largest city in Europe—prove that. There is something playing out in Turkish politics that is extremely strategically important to Europe, and reinforces the argument for staying engaged with Turkey and trying to help it along a path.

Chair: Madeleine, you have the next topic.

Q40 **Mrs Moon:** We thought that we would move on to the strait of Hormuz, just to give you a rest—something totally non-controversial. What lessons do you feel you have learned from the recent events in the strait of Hormuz? In particular, do you feel that the cross-Government maritime security mechanisms have worked efficiently and effectively?

Mr Wallace: First of all, my predecessor and I were transiting at that time. I look forward to your report on it, because I think there will be lessons on what to do—I definitely look forward to reading that and understanding it.

There is a lesson about Iran. I chaired the all-party parliamentary group on Iran for eight years, so I know Iran pretty well. It seems that the international community had forgotten that Iran's doctrine towards the strait has never changed since the 1980s. It has been one of their methods of lashing out ever since the Iran-Iraq war, if not before, and in my view we should all have been better prepared for the consequences of the breakdown of the JCPOA relationship and the maximum pressure campaign.

However, I would not take away from the fact that on a number of occasions we saw off the threat when it materialised, and we continue to do so. The Stena was not the first ship to be targeted by the IRGC; the British Heritage, I think, was the first one. HMS Montrose did an amazing job seeing off the attempted interdiction of that ship.

I think the lesson there is that when we want to uphold international law, we should do it together. The freedom of navigation is an incredibly important principle, whether you are in the Pacific or in the strait of Hormuz, and internationally we must all stand together to protect that.



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That is why I am delighted—maybe this is part of the lessons learned—that the Australians are coming to assist us in the strait at the end of the year and in the new year. Part of that is because I know that in their part of the world freedom of navigation is also sometimes threatened, and that at some stage it will be our duty to come and help them stand by that principle.

The most important lesson is that many important rules-based norms that we all hold so dear are being challenged by a number of countries and that we should all stand together and be quick to respond when they are under threat.

Q41 **Mrs Moon:** But it is also a consequence of another unilateral decision by the President of the United States.

Mr Wallace: The IRGC were not justified in doing what they did because a country pulled out of an international treaty. I don't think that is how you remedy it. It happened because the IRGC chose to act illegally in waters and, effectively, hijack a ship. They chose to use that doctrine, which that they have had for many years. But it is something to be wary of, because how Iran responds when it is put under pressure is often not within international norms and the rule of law; it is with military strikes on Saudi oil facilities and so on.

We shouldn't forget that before the Stena was taken, the Iranians had clearly targeted a Norwegian tanker—I am not sure what the poor old Norwegians had ever done to upset the Iranians—and a UAE tanker by actually putting mines on them. If you remember, they actually blew up a tanker. That was before the United Kingdom tanker. I don't think Norway was even a signatory of the JCPOA.

There are a number of questions about why the IRGC has done these things. I wouldn't say that it is because of Mr Trump in any way at all. The United States took a view that the JCPOA was not something they agree with. We disagree with that, because we think the JCPOA is the best way forward. It was a long time coming and I think it was a good treaty, and we need to try to keep it together.

Q42 **Mrs Moon:** But having been the long-term chair of the all-party parliamentary group on Iran, you will know that Iran is never a passive receiver of things that it is unhappy with, and there are always consequences. One of the things we have to look at is how we are going to respond as a country. In particular, given our high level of involvement with both military and civilian shipping in the region, what are we doing to improve co-ordination and communication between military and civilian shipping in the region?

Mr Wallace: First, we have joined the International Maritime Security Construct, and that means there is an in-place co-ordination ISR capability in the region. One of the reasons we joined it is that it is going to maximise what we and our other allies have out there in protecting the strait. The more intelligence you have and the more surveillance you have,



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the better you can be in the right place at the right time, so I think that will help with that.

The lessons learned will obviously come from your Committee, but they will include better liaison between Departments in that space and, I think, better liaison between the private sector—between the shipping sector and the insurance sector—on what to do and when to comply. Not all ships want to comply with some of our advice. We can say, “I really don’t think you should do that” as much as we like, but not all ships have complied, and that of course exposes them to risk. That is why it is important that insurers are involved in those discussions as well.

- Q43 Mrs Moon:** Indeed. I am very aware that we have representatives here from the Army and the RAF but there is no one from the Navy. I wonder whether, between you, you can comment on the length of the commitment we are going to have to make and how long the threat will continue, and on the implications for the UK’s Armed Forces and their deployment in the region. You will be aware that this Committee has long-held concerns about the low level of military capability in the Royal Navy at the moment, and we have expressed concerns that perhaps we need to increase the number of frigates and destroyers that we hold.

Chair: We are coming on to that.

Mrs Moon: How long do you think the threat will continue, and what will be the implications for Armed Forces deployments?

Mr Wallace: I can cover the threat, if military colleagues would like to cover what that means for the deployments.

I think the impact of the maximum pressure campaign and our ability to resolve the JCPOA issues will dictate how long the threat will last. As I said earlier, that has of course always been the doctrine in that strait—an incredibly important part of the world. Therefore, the best thing that we can do to defend against overstretch for our forces is to make sure that we internationalise this as soon as possible, in the same way we did on anti-piracy and anti-terrorism patrols in a similar part of the world. If you remember, that involved a huge number of nations dealing with that on quite a regular basis.

The threat has come down a bit, we notice. There is less of a threat at the moment, but that has not been formally declared. Our view is that neither Saudi nor Iran—nor the United States—want a conflict. I think all those players recognise that they need to de-escalate. I think at the moment the trajectory of threat would be downwards, and we must do everything we can to make sure that continues.

Mrs Moon: I hope that you were crossing your fingers and touching the wood when you said all of that.

- Q44 Chair:** Can I just raise a housekeeping point? You know, Secretary of State, that we are doing a stand-alone inquiry into the events that led to the tanker’s seizure, even though it was absolutely predictable—in fact, it



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was very much predicted that Iran would do something of that sort. Now that the Stena Impero has been released, am I right in taking it that there will be no objection to getting the co-operation of appropriate officials in coming before us, and possibly Ministers also? We want to have a joint session involving Ministers from your Department and the Foreign and Commonwealth Office, and possibly others as well. I assume that there could now no longer be any operational objection to that.

Mr Wallace: No, I am very happy to do that. I know that you have had a briefing from one of my generals on exactly that. There is no problem at all with doing that.

Chair: We were very impressed with the calibre of the briefing, but private briefings, of course, while helpful to us individually, do not take our inquiries a lot further forward. We have to do these things in public.

- Q45 **Mr Francois:** Following on from that, your predecessor gave some very detailed evidence to this Committee along the lines that the Chairman has just been alluding to. To summarise, she was very concerned about the situation and had tried to raise flags, as it were, across Whitehall on a number of occasions. In fact, she asked the previous Prime Minister five times to convene Cobra so that this could be discussed on a cross-Government basis. On at least four of those occasions—and I think, from memory, on the fifth—the Prime Minister turned the request down. Isn't it extraordinary that a Defence Secretary should ask for a meeting of Cobra because there is a threat to British shipping, and a Prime Minister at least four times should ignore that?

Mr Wallace: I think there is more than one way to skin a cat in anything you do as a Minister, and you will know that. Whether you need full Cobras or whether you can convene inter-ministerial Government meetings, or whether you know how to alert the system, all of that is part of the skill of being a Minister, and how you can do that.

I have done 25 Cobras, I think, in my time. Cobras are very important for the whole of Government to be aware of a situation and for the tasking of specific issues, but when Cobras are too premature, often you effectively sit around not ready to do anything, because it is being held at a tactical level or, indeed, it is a fast-moving event.

But I think that in this case one of the lessons is that when there is a threat to shipping somewhere such as the strait of Hormuz—a complex mixture of foreign policy, international partners and a live threat—of course those are the types of occasions when either a Cobra or an inter-ministerial meeting can and should be convened. What often happens, however, is that you have a Cobra O—a Cobra officials meeting—which can convene quite quickly and often happen before you get ministerial Cobra meetings, because actually the officials will deal with some of the detail that Ministers are not required to deal with. I am unaware whether there was even a Cobra O on that—I don't know, because I was not in post at the time.

- Q46 **Mr Francois:** Maybe that is something we could pursue. I do not want to



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hammer the nail too much, but the Committee was very struck, when we took evidence from Penny—she did pretty much everything she could; she is quite an experienced politician—

Mr Wallace: I think that is a matter for the former Prime Minister. I was not in the chair at the time. That is a personal relationship and a decision between a Prime Minister, her national security adviser and, obviously, the Secretary of State. Any Secretary of State who has a serious security concern should always be listened to if they are in that space, because they are only representing what they are hearing on the ground.

Q47 **Mr Francois:** I think that is exactly what she trying to do, in fairness to Penny.

Right, let's move on to carriers. As I understand it, the Queen Elizabeth carrier battle group will go through a work-up trial off the west Hebrides range sometime in early 2021. That is really the final stage she goes through before she is declared fully operational. When she has been through that, and assuming that they have passed their exam, as it were, which being the Royal Navy one would rather hope that they will, will we have enough escorts to escort the QE on operations without having basically to denude the fleet of everything else?

Mr Wallace: The size and the scale of the escort depends on the deployments and the task that the carrier is involved in. If it is a NATO tasking in the north Atlantic, for example, you would expect an international contribution to those types of taskings, in the same way as we sometimes escort the French carrier or American carriers to make up that. It is definitely our intention, though, that the carrier strike group will be able to be a wholly UK sovereign deployable group. Now, it is probably not necessary to do that every single time we do it, depending on the tasking, but we want to do that and test doing it. Once we have done that, depending on the deployment, of course, we will cut our cloth as required.

Q48 **Mr Francois:** Am I right to say that the core will always be royal naval, but in certain circumstances there may be add-ons from other allies?

Mr Wallace: Yes. We do that already. We provide anti-aircraft cover. Our Type 45s will help—I think we had a Type 45 with the Charles de Gaulle at one stage doing exactly that.

Q49 **Mr Francois:** The Type 45s will be the principal air defence assets. Could the Type 31 undertake escort duties for the carrier?

Mr Wallace: Yes—the whole point of the Type 31 is its versatility.

Q50 **Mr Francois:** I ask because some people had talked about a Snatch Land Rover frigate. Having had a look at what the Type 31 is capable of, in fairness, she seems to be a far more capable ship than that.

Air Marshal Knighton: The escorts that go with the carrier will depend on the circumstances. The work-up for carrier strike group 21 will be with British ships, because we need to demonstrate and prove that we can do that, but we are already engaged with international partners to



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understand how we will integrate an Arleigh Burke destroyer from the US or a Dutch destroyer into that package.

Type 31 could be used as an escort, depending on the circumstances. For example, the Type 31 probably has—or will have—better capability against fast inshore attack craft and close-in threats. It will depend on the circumstances and what the threat is.

- Q51 **Mr Francois:** Lastly on this section, if HMS Queen Elizabeth deploys to the Asia-Pacific region on one of her first actual operations post the work-up period, what is her mission likely to be and would it be your intention to deploy her in the South China sea?

Mr Wallace: I think that is for a discussion closer to the time—

Mr Francois: You'd call a Cobra, Secretary of State—

Mr Wallace: That is the last thing we want; I think some of my colleagues would have a view on that. It is for closer to the time, and we obviously have to be cautious of the security implications of making decisions far out. We will always reserve the right to change those decisions depending on what is happening anywhere in the world. Once you have a carrier strike group up and ready to go, we do not know what our adversaries might be thinking, exercising or seeking to do. Given the fast-moving threats we have these days, who knows where we could be in 2021.

- Q52 **Chair:** We have no time to go into this now, but the fact that we were so stretched to provide frigate or destroyer cover in the Gulf, plus the upcoming standing demands for escort vessels for both carrier strike and amphibious capability forces, suggests to us that when they say "at least five Type 31es", the "at least" needs to be seen as a floor and not a ceiling. I hope that you see it that way too.

Mr Wallace: Mr Chairman, as long as I do this job my attitude will be two things: on something like that, as long as our ambitions are what they are, it will be "at least", because I take the view that we must cut our cloth to match our ambitions—

- Q53 **Chair:** But with respect, when the idea of the mobile sea base was conceived in the SDR of 1998, it was believed that we needed 32 frigates and destroyers, and we are now down to 19. That was when Russia had not re-emerged as a potential adversary, so you can see why we are as concerned about the numbers as we are.

Mr Wallace: Yes, I do understand that. The thing we should reflect on in the straits incident is that at one stage, even for a short period, we had four ships quite quickly in that region—two Type 23s, Kent and Montrose, Defender and Duncan. We are down to two at the moment, with Montrose tied up alongside, because we have started to forward-base our ships, which I think is a really good thing—as a soldier, I was rather surprised that we hadn't done it years and years before. The concept of changing the crew but keeping the ship out there seems to be pretty logical.

Chair: We have been doing it on nuclear deterrent submarines for a very



long time.

Mr Wallace: What was interesting was that we managed to get assets there quickly. I had had a phone call with one of the commanders, saying, "I'm terribly sorry, I know you were thinking of going somewhere else but you will be going up and down the straits for a bit." We managed to deploy there, but of course you are right about the number of our surface ships, which is why our ambition is 19. I know it is not 30, but I think the key is not just the total number but the total number available; to me, that is as important. There are lots of navies around the world with ships tied up alongside that in theory might have more on paper than us, but they never go anywhere because they do not have the crew and the ship is not ready to move. That is as important as the total number, because the total surface fleet is 57—not frigates and destroyers, but including Mounts Bay, which we saw in the Caribbean.

Chair: When we have our separate follow-up on what happened in the Gulf, we will be able to go into that in more detail, but thank you for what you have said today.

- Q54 **Gavin Robinson:** I will not attribute it to you, Secretary of State, but when the Chair referred to the SDR in the last century I heard a "Crikey". I am not attributing it to you, but I heard it from your desk.

Mr Wallace: I think I was just leaving the Army then.

- Q55 **Gavin Robinson:** This touches on what you said about cutting your cloth to fit aspirations. The concern of this Committee, and of many of those involved in military matters, is the belief that we have cut our aspirations to fit the piece of cloth we are given. So congratulations to you on your appointment—not as Secretary of State but as shipping tsar—but do you believe that we have enough? Do you believe that the floor you have described is sufficient? Do you believe that, should we require a greater number of frigates and destroyers for ancillary aspects of the fleet, our shipping capacity in this country is capable of building more than the orders already there or profiled, for Type 31e and Type 26?

Mr Wallace: First, on the fleet as it is, if I had more of our current fleet working, I would have much more freedom to deploy to meet some of our ambitions and tasks. There are two parts to this. I have made it very clear to the First Sea Lord that one of my priorities is to get what we have working. The Type 45 is, I think, three, and at this stage we had envisaged six.

Air Marshal Knighton: Six are in service but three are available.

Mr Wallace: Three are available. That is quite important for our own credibility in defence. When we go to the Treasury to ask for more money, the Treasury will turn around to say, "Well, we have given you all this money, and look, they are not working." That makes for a harder case when we go for more ships of a new type.

- Q56 **Gavin Robinson:** You don't have three Type 45s.



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Mr Wallace: We have six Type 45s, but we have three available.

Q57 **Gavin Robinson:** Yes, you have three available. Give us, if you can, a sense of the entirety of the fleet that is inoperable at present.

Mr Wallace: We have 76 in the surface fleet, of which 57 are available.

Q58 **Gavin Robinson:** Do you know the breakdown of those available?

Mr Wallace: Not every single one. We have three Type 45s of the six available. Of the Type 23s, we have nine of the 13 available, I think. We should write to you with the detail, otherwise I will go through my rather limited—

Gavin Robinson: It was an unfair question, so please write to us.

Mr Wallace: I will send all the details I can on that, but an important point is that real availability—so that where there is a problem, we can do something about it—

Q59 **Chair:** Would it be too much to ask that you routinely, once every six months, send us that table?

Mr Wallace: I am happy to do that.

Q60 **Gavin Robinson:** This touches on the question of assets. You have about 20 inoperable vessels or ships. The question I was asking is this: do we have sufficient shipbuilding facilities in this country for our current workload, which is the Type 26 and the Type 31, as well as the restoration, refit and repair of those 20 vessels?

Mr Wallace: We have the yards, but I am not sure that we have the skills base. One of our challenges, both as a Government and for defence contractors, is to invest in the skills base enough so that we can keep on track with any of our orders. I went to Barrow-in-Furness to see the skills base there, built by BAE Systems, to increase the number of people available to build our submarines. I recommend that every member of the Committee goes on a visit if they want to see that. That is how the aerospace industry is fixing its skills shortage. That is why I lobbied the Prime Minister strongly at the spending review, saying that we must put more money back into FE. We can have as many yards as we like, but if we do not have the skills base, we see defence contractors juggling and trying to double-hat, but ultimately you will ask me questions about why these ships are taking longer to build.

Q61 **Gavin Robinson:** We have visited, two years ago. Potentially, the overarching lesson from Barrow-in-Furness was: don't cut programmes, don't end programmes, don't leave industry high and dry, and then expect them to turn the tap back on. Yet again, we need to invest in the skills, so I am pleased you say that. When will we see the outcomes of Sir John Parker's review of the national shipbuilding strategy?

Mr Wallace: The response will be very shortly.

Q62 **Gavin Robinson:** Which translates as?



Mr Wallace: Soon.

Q63 **Gavin Robinson:** After the next election?

Mr Wallace: I don't know when the next election is—you can tell me when the next election is. No, there is no jiggery-pokery about holding it back or anything. It will get it out soon.

As shipbuilding tsar, and because we want to increase shipbuilding in this country, one of the challenges for our yards is that they cannot be based purely on naval contracts. We have to ask ourselves why Hamburg, some Scandinavian yards and others are managing to win more civilian contracts than we are in shipping or refurbishment. We have to ask ourselves about productivity in our yards. When some of these yards finish, they have had 20 years of Navy contracts. I would hope that, if you have a 20-year or 15-year income, when that finishes, as a yard you don't say, "Oh, well unless I get another Navy one, I'm going nowhere." I would hope that you have thought about a future where you might not have the next contract from the Navy.

We also need to recognise that across shipbuilding we have some real success in less traditional areas, such as mini super yachts. I think Princess Yachts in Plymouth employs more than 3,500 people. It has an order book of £700 million. We should embrace the whole of shipbuilding, not just traditional Navy yards, and we should think about how we can do that.

I know that from my time in Northern Ireland as the deputy Minister. I think both you and I would be a little frustrated about how we were positioning Harland and Wolff for the future. I am very pleased that it has got a buyer.

Q64 **Gavin Robinson:** Thank you for your work on that. I was today in London on board HMS Belfast, which was having new masts rededicated that were installed 10 years. HMS Belfast was built at Harland and Wolff. The masts were built in St Petersburg. Your predecessor's predecessor's predecessor, within the past two years, visited Belfast to announce that they were building a new HMS Belfast in Glasgow.

That shows the dearth in which this country and successive Governments have left the shipbuilding industry. We do look forward to Sir John Parker's review. You have talked about 20. We don't want to see a list growing of inoperable vessels but, should one be lost or destroyed in an accident or operations, how quickly could we build another?

Mr Wallace: I think there will be lots of factors at play there. Let's say at Govan, where you are doing the Type 26, if you want a similar type of ship, you would have to ask the manufacturers about the exact shift patterns and all that stuff. It also depends on what type you are replacing. If you want to pause something elsewhere to insert into the pipeline. It just depends on the ships you have got.

Remember, the real complexity of the modern warship is actually the systems and the systems integration, and the sensors that go on it. I



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remember going to see the Type 45s being launched up in Govan. I remember the first one. Once the boxes have been made and the components put together, the long graft—the long hard work—is the integration, the testing, the sea trials and the deployment. That is the big challenge at speed, I think, rather than the metal box bit.

Chair: I am going to bring Martin in briefly, before Gavin moves on to his next topic. We deliberately spent a lot of time on the first two topics, Syria and the strait of Hormuz, because we felt that they needed it. We are all going to need to speed up a bit now if we are going to get through the rest.

- Q65 **Martin Docherty-Hughes:** Passing from Belfast to the Clyde is very interesting, as you will know, Secretary of State. Because when I was growing up there were nearly 30 shipyards on the Clyde, not just the paltry amount they have now. I am not blaming you for that, of course. Going back slightly, you said that you are not interested in the total number but how many of the fleet were available. I think the escort strength is about 19, but technically two of them are for training, so it is only 17.

Mr Wallace: I can write to the Committee with the total detailed breakdown of what is available. It is not that I am not interested, but as important is the readiness. Having lots of numbers that aren't actually able to put to sea—

- Q66 **Martin Docherty-Hughes:** But you can't get two of those ships fully manned; you are turning them into training ships because you have manpower issues. The only reason they are not available is because you have manpower issues.

Mr Wallace: I think the Navy's manpower is 29,000 out of a target of 30,006, so it is not in an overly stressed position compared with the Army on its recruitment.

Martin Docherty-Hughes: We'll get to that later.

Mr Wallace: I'm going to love this job. Some of this is about the ability of the ships to do their job and whether they have been—

- Q67 **Martin Docherty-Hughes:** But there are two here that are training ships because you don't have enough staff for them.

Air Marshal Knighton: Which particular ships are you talking about?

Martin Docherty-Hughes: Well, you have 19 escort ships, so—

Air Marshal Knighton: There are several ships that are in maintenance.

- Q68 **Martin Docherty-Hughes:** Are any of them being used as training ships at the moment?

Air Marshal Knighton: It depends on what you mean by training. Ships work up: they come out of maintenance and you then have to train the crew and work up the crew. I am afraid I am not quite sure what you are



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referring to. The approach we take with trickle posting of ship's company means that the readiness and availability of a ship is based around its maintenance cycle and the work-up of that ship when it comes out of the maintenance cycle. Clearly, there is some training required to do that.

- Q69 **Martin Docherty-Hughes:** Okay. Briefly, before the Chair moves on, Secretary of State, you mentioned a lot of what is going on in Scandinavia. Of course, our allies in Scandinavia usually have far longer funding programmes than, say, SDSR programmes and so on. A nation such as Norway—a medium-sized nation of 5 million—has a far more experienced and worthy shipbuilding strategy than we could even consider.

Mr Wallace: As shipbuilding tsar, that is what I had hoped to ask for.

- Q70 **Martin Docherty-Hughes:** You are looking to emulate Norway?

Mr Wallace: We need to emulate, yes. What I think is interesting about both Norway and Germany is that their wages are not any cheaper. I suspect that in Norway—

- Q71 **Martin Docherty-Hughes:** You want to pay people a good wage for a good job.

Mr Wallace: But we also need to look at productivity. If you make the crude assumption that Norway's wages are probably going to be higher than wages in the United Kingdom, you have to ask yourself how it is competitive on the world stage in delivering ships. Maybe that is about productivity, so we have to look at that across our shipbuilding and ask whether our practices in our yards are productive.

- Q72 **Martin Docherty-Hughes:** That is interesting, given that historically we were told on the Clyde about our inability to be productive because we had too many good working conditions compared with Scandinavian nations, when the reality was the other side. They have tons of shipyards and we have three on the Clyde.

Mr Wallace: I am very happy to learn from Norway and Germany and find out what it is they do.

Chair: Very good. We must move on. Gavin, will you combine some of the dimensions of the questions into multifaceted offerings?

- Q73 **Gavin Robinson:** Secretary of State, you mentioned your request for additional funds. I would like you to focus on how you are going to take forward the three priority areas for the Modernising Defence programme. How urgently do you require a decision on the multi-annual framework that is envisaged to assist with the equipment plan?

Mr Wallace: On the first thing, the key to the Modernising Defence programme, like the SDSR 15, is funding. The SDSR 15 was not properly funded, in my view. It was an ambition that did not have the funding attached. That is why I battled quite hard, and the Prime Minister agreed to give us extra funding—I think it is about a 2.6% increase in real terms, which is above the 0.5%—as a strong step towards trying to fix that

funding. That will enable us to start delivering properly on transforming defence issues: armoured vehicles, for example; the Type 31 ships, which we have obviously confirmed with an order; and, indeed, areas around continuation of the F-35 and other parts of the programme. Richard probably could talk more about the equipment programme and what that money will unlock.

The important thing—it is important that the Treasury hears this—is that new money is often a lot about continually needing to invest. It is not about suddenly doing a whole load of new things we have not done before; it is about keeping the maintenance going, improving the maintenance speeds of our ships, refurbishment, and infrastructure for our soldiers and sailors. In some areas, it is about just standing still.

Chair: Well, quite a lot of it was to do with pensions, wasn't it? Although, admittedly, if it hadn't been extra money, that money would have had to come from somewhere else.

Q74 **Gavin Robinson:** And more particularly on the multi-annual financial framework to deal with the MDP?

Air Marshal Knighton: I think your question is principally about a long-term commitment from a Budget, because the spending round settlement covered only a year. We will wait and see what the Budget says, but at the moment the Treasury hasn't baselined the increase in funding that we received for next year in subsequent years. The permanent secretary, the DG for finance and I spoke to the Committee last week, and what we really want is a long-term commitment on the Budget that would come alongside the spending review to enable us to put in place firmer plans for our equipment programme. We hope that we will have that long-term settlement next year. That would be important for us.

Q75 **Gavin Robinson:** Thank you. Secretary of State, will there be an SDSR next year?

Mr Wallace: I hope that there is a multi-year settlement. It is always good sense, in my view, especially in the Ministry of Defence, that when you have a multi-year settlement, you should accompany it with a strategic look, and an SDSR is that thing. I would like one and I hope we have one, but that is a discussion that I am having at the moment with No. 10.

Q76 **Gavin Robinson:** Do you think that, without one, you would be able to achieve the aspirations of Joint Force 2025?

Mr Wallace: I think the plus side of SDSR 15, and indeed the previous one, is that some of the things that we grappled with are already settled. What we want our Armed Forces in the 21st century to look like and some of the challenges that we are going to deal with haven't significantly changed. Some of the investments that we will be seeking to make in our equipment programme, for example, would still be required. In that sense, it wouldn't be a catastrophe if we didn't have one—we wouldn't all go blind—but it is important to reflect the constant new contested space that

we face. What is the new battlefield of the 21st century, and how are we going to meet that?

Q77 Gavin Robinson: Good question. If you are going to address that, Sir, my only supplementary question is this: how are you going to safeguard the defence budget from being raided for new national security threats that are emerging in what the Chairman likes to call the grey spaces, rather than the hybrid piece? We have had a rearguard action in the last year or two, and we are trying to separate out defence from the national security capability review, and look at whether it is cost-neutral. How are you going to safeguard the defence budget for being misappropriated or appropriated for other non-conventional means?

Angus Lapsley: That is partly a political question. Quite often, defence can make a really important contribution in that space. Our defence assets are often hugely used and appreciated by the rest of Government in that space.

The point that I was going to make was that the Modernising Defence programme, which you referred to, Mr Robinson, has three strands to it. There are lots of things happening across all three strands at the moment. "Mobilise" is about getting more out of the force that we have. The Secretary of State has referred to getting ship availability up. We are, for example, making investments in the NATO readiness initiative, which is important to our NATO commitments anyway. It is also about getting more out of the force. The carrier strike force coming on stream in 2021 is a big part of that.

On "modernise", there are things happening in defence on space, cyber, next-generation technologies, etc. That is a big focus of what we are doing at the moment. On "transform", Richard may want to say something about the people transformations going on at the moment, and it covers IT as well. Those three priorities are driving a huge amount of what is happening across defence at the moment.

Gavin Robinson: Secretary of State, do you want to address that political question?

Mr Wallace: The best way to see off people looking at your budget is to show that you are actually the best place to lead on those threats. On security, the National Cyber Force is—or will be when we have solidified it and worked out exactly how we are going to use it and deploy it, and what it is going to be—a GCHQ/MoD concept. That is cyber, so some of that is grey space and some of it is traditional. I suppose I bring this from my security job, so I do know where some people are coming from on that.

The MoD is there to provide services across Government for defending the nation. We are sometimes there to help people in other Departments deliver their job. We are open for business. We are key to other people's jobs—I see it as them burden-sharing our challenges. Counter-terrorism, for example, is a joint task of the whole Government; it is not just the Home Office and the MoD—the MoD dealing with the military response



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abroad, and the intelligence services and police dealing with it at home. Counter-terrorism engages counter-extremism—DFID-funded schemes abroad—ensuring that countries are not corrupted. The National Crime Agency work on corruption abroad. National security is a long tail, and the best way is to have the MoD as an enabler. That is how you demonstrate to people that, instead of their trying to take your money to do this, you do it with them.

- Q78 Chair:** But the underlying problem that gives rise to this question is something we discussed last week—Richard Knighton will be familiar with it. It is the fact that, in 2018, there was an understandable attempt in the national capability review to look at defence, intelligence and security, and at some of these cross-governmental dimensions, all in the round and as part of the so-called fusion doctrine, which makes perfect intellectual sense. At the same time, however, there appeared to be a lumping together of the budgets of all these services. It was then announced that the result of the mini-review had to be fiscally neutral, which meant that if more money was put into intelligence and cyber-security work, more cuts would have to be visited on the already severely hollowed out Army, Royal Navy and Royal Air Force. That is why we are concerned that justifiable wishes to address the new-style threats that have been added in the 21st century must not be used as an excuse to further reduce the capability and size of the three conventional services. We therefore hope that you will be on your guard, as, in fairness to him, Gavin Williamson was on his guard, not to allow an operation or exercise of that sort to result in terrific cuts to the conventional Armed Forces, which nearly cost us 1,000 Royal Marines and our amphibious assault ship capability, which I am sure you will acknowledge is world-leading.

Mr Wallace: Two things, Chairman. First, at the end of that process, Gavin got £800 million extra.

- Q79 Chair:** Indeed. It was a necessary fight for him to win, although it may have cost him—

Mr Wallace: But I also agree with you that, intellectually, it is the right thing. I would hope that Government recognises that we, as a Department, are at a stage where there is no fat to redistribute. We are hollowed, as you said, and we are trying to fix that. The need for this intellectual argument—I support the concept—is because the threats have grown, not necessarily shifted. We are under assault on more fronts, and in more dimensions, than we have been for a very long time. The solution to that is better working together and following the trail all the way through from hybrid; it is not robbing Peter to pay Paul.

Chair: It is also a solution that leads us very neatly on to Phil and the question that he is now going to ask, which I believe is on the size of the defence budget.

- Q80 Phil Wilson:** What percentage of GDP should we be spending on defence?

Mr Wallace: We spend 2.14%, which is the new figure as a result of the settlement. You're not going to like my answer, but it depends on our



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ambition. The job of the Defence Secretary is to say to the Prime Minister, "Look, if you want the ambition for this, you have to fund it. If you want a smaller ambition, or a different ambition"—

Q81 Phil Wilson: But if your ambition is a global Britain, do you not need to have security for that ?

Mr Wallace: At 2.1%, we are the second-biggest spender in NATO and the biggest spender in Europe, with the coming online of a carrier strike capability, some really impressive capabilities in the areas of F-35s and ISR, and incredibly professional men and women. We always say how much we value our men and women, but it is more than that. It is the like-for-like. In terms of putting a trained British soldier next to a trained—I am not going to say which—other soldier, the quality that you have is important.

Q82 Chair: I do not think anyone argues about the quality. What we argue about is the funding and the quantity. The fact is that, traditionally, we always spent a significantly higher proportion of GDP than our European allies. We spent 4.5% to 5% of GDP in the 1980s, the last time we faced an adversarial Russia coupled with a major terrorist threat, and we continued to spend 3% of GDP—that is calculated on the old basis, by which we are now spending only 1.8%, rather than 2.1%—right up to the mid-1990s, half a dozen years after the end of the cold war.

The thing that troubles us, although we do not blame you for doing it, is that every time we get a Defence Secretary before us, they play this straight bat and try to sing the praises, quite rightly, of our excellent Armed Forces, and when they cease to be Defence Secretary, they say things like, "Well, we really need to be spending 2.5% by the end of this Parliament," as Michael Fallon did. We, as a Committee, with four parties represented on it, feel that a medium-term aim of 3% of GDP is reasonable in the circumstances of threat in which we find ourselves today.

Mr Wallace: Mr Chairman, with the funding settlement I got this year, and if it continues next year and the year after, we will be able to maintain our position as one of the pre-eminent military powers in the world. Will it give me every single thing I would like to do? No, but if I were sitting here in the days when I was serving, did we have everything when we were spending that much money on our defence? I distinctly remember deploying in a Warrior, with an amazing piece of equipment but a 1960s gun on the front—the Rarden cannon. No Armed Forces gets everything that it wants.

We have a pretty strong core budget. The key thing is going to be saying to the Government as a whole that, "We can do more, if you fund us to do more." What should not happen is that I say, "Yes, yes," and not ask for the funding to go along with it. That is how we end up with a hollowed-out, overstretched and overspent Armed Forces, which will ultimately mean that we are less potent.



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I am a soldier. Would I like more money on defence? Of course I would like more money on defence—I am not going to pretend otherwise—but if I were sitting here as a surgeon, and you were the Health Committee, and you said, “Would you like money for the NHS?”, you would get the same answer.

- Q83 **Chair:** But the difference would be that, in the 1980s, we were spending roughly similar amounts on health and defence, and now we spend four times on health what we spend on defence. There has been a comparative decline in the defence budget.

Mr Wallace: The plus side is that we are now starting to lift our defence budget. The one thing about the '90s and the '80s—the lesson—was that the hollowing out still happened despite the money. The sort of short term versus long term—I think we have both always wanted to try to get the Treasury to think better in the long term—drove those decisions in exactly the same way in the '80s and the '90s.

Chair: This Committee is trying to give more power to your elbow in that respect. Please take it in that spirit.

- Q84 **Phil Wilson:** I have one or two other points. On the spending review—I think you got an additional £2.2 billion—what proportion of it will go on defence expenditure under the NATO criteria?

Mr Wallace: All of it.

- Q85 **Phil Wilson:** Okay. We were told that there was insufficient information on the figures to prove that.

Mr Wallace: It will all go under the NATO criteria. Approximately £700 million will be on the pension liability. In my last Department, it ended up that we were told we had to find it. The rest would be predominantly on the equipment and the investment budget.

- Q86 **Phil Wilson:** So of the £2.2 billion, £700 million is going to go on pensions. Is that right? So it is not all going on the criteria.

Mr Wallace: The pensions are in the criteria.

- Q87 **Phil Wilson:** A couple of other points on the defence transformation fund. Is that actually going to continue? Have you got the additional £340 million, and is it going to achieve its commitments?

Air Marshal Knighton: We are right in the middle of our budget cycle, and we are working through how we continue it on into next year—that is our intention, but you will understand that we have to examine this each time we come to a new financial year. That is what we are working through at the moment.

- Q88 **Phil Wilson:** Some of the projects that you were looking at included support for the future commando force, a swarm squadron of network-enabled drones and pioneering robotic fighting logistic vehicles. It sounds all very exciting, but the National Audit Office has said that the proposals are modest. You've got *Defense News* saying that it is bland, and other



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people saying it is a bit of an anti-climax. Is it exciting, or is it an anti-climax?

Air Marshal Knighton: I think it is very exciting.

- Q89 **Phil Wilson:** I thought you would say that. So why would they say that? If it is exciting, why do they think it is bland, it is an anti-climax and it is modest?

Air Marshal Knighton: I have no idea.

- Q90 **Phil Wilson:** This is the National Audit Office saying this.

Air Marshal Knighton: I think you said the National Audit Office described it as modest, and I would agree with that. In a defence budget of nearly £40 billion a year, a smallish budget of £100 million or so in each year is modest against that scale. But if we are to modernise, show the agility that we need to adopt and exploit new technologies, and change the way we operate to deal with the threat that we face, we need to invest in these sorts of things and learn from them. That was the intention of setting it up. That, sitting alongside the innovation fund and the work that we are doing to try to reform our acquisition system, is all about trying to speed things up and enable us to exploit new technology—automation, artificial intelligence and digital. All these kinds of technologies will form part of the future equipment capability and the capability that the Armed Forces have. This is the front end of that.

Angus Lapsley: Obviously, the £100 million in that budget is not the only money in MoD that is being spent on transforming towards a different force for the future. It is embedded in budgets—

- Q91 **Phil Wilson:** I thought it was going to be £500 million. Are you still looking for £340 million?

Angus Lapsley: My point is that the transformation fund, which is a particular thing, is only one part of a much broader picture of change in the Department.

- Q92 **Martin Docherty-Hughes:** There is a shortfall of between £7 billion and £15 billion in the equipment supply, 84% of which will arise by 2021-22. How will you plug the funding gap? What will you have to cancel or delay? Importantly, what assessment have you made of future currency fluctuations with regard to dollar-dominated projects, such as the F-35 and P-8 programmes?

Mr Wallace: I will start with the first bit. The black hole that has been identified—the £7 billion that the NAO had identified, if I'm not mistaken—is obviously before the settlement that we had this year. My view is that, if I can get the Treasury to recognise that the money it has given us this year is to be put into the core rather than extra, we will be on track to close that hole over the period of the equipment programme by quite a considerable way.

- Q93 **Martin Docherty-Hughes:** What if you are not? I am just playing devil's advocate.



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Mr Wallace: I saw it at QinetiQ: technologies are brilliant. But we should always—whether in budget or under budget—think about the programmes we are committed to and whether they are doing the job we want. If we overspend, we will do what people have always had to do: we consider either delaying or cancelling a programme. That is what every Government has done and will continue to do.

At the same time, I think, in order that we do not end up with a Hobson's choice at the end of one of these programmes, it is important to monitor existing programmes constantly, and to test and challenge new ones brought before me. Recently, for one such—I will not tell you which one it was, I am afraid—the test I gave to the military personnel before me over a number of meetings was, "I don't want you coming back in five years' time to tell me that, actually, what we really now need is a bit of extra stuff on the side, which will cost you this. I want to know that you have thought through this 10-year programme—what will it really look like, will we need it, and will we match the threat?"

That is a really important function. I look through the equipment list all the time to see whether it is delivering what it is supposed to do, and we must not be afraid to cancel something if it is not or to take it out of service.

Q94 **Mr Francois:** What have you cancelled?

Mr Wallace: There is a long list, and we haven't actually got there yet. We are going through the list as a result of the settlement. We will look at whether we need to take things out of service early. Some things might not be working as well as they were, or coming to the end of their life, so why don't we take them out of service a year early? With another programme I looked at, I asked whether it needed to be fitted to every single ship—it was a naval programme—or whether we could fit it on just a few ships. All of those are the types of decision that we need to make, if we are to meet the cost pressures. I will of course inform the Committee when we make some decisions on whether we will cancel anything.

Q95 **Mr Francois:** The accusation, Secretary of State, is that even when programmes go horribly wrong—like the Warrior capability upgrade, which is a disaster—you never cancel them, you just fudge everything.

Mr Wallace: Don't worry—I will. To be fair to the whole armoured vehicle—

Q96 **Martin Docherty-Hughes:** Are you saying that you are cancelling the Warrior project?

Mr Wallace: No, I am not saying anything like that. My point, to be fair to the armoured programme, is that that has suffered from hollowing out for 15 years. I remember it when I first came into this House in 2005-06. If you look at the armoured personnel carrier, it has been through TRACER, FRES and Trials of Truth, although Trials of Truth never happened. It has been through that. FRES was an 18-tonne requirement, and then it went up to a 32-tonne requirement. It had to be air-mobile, and then it didn't



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have to be air-mobile. All of that meant that, when it came to cost pressures on an annual budget, we would say, "Oh well, we'll just push the armoured fleet a bit further back."

- Q97 **Martin Docherty-Hughes:** May I just push you on to the rest of the question, Secretary of State—on assessments and future currency fluctuations, especially with the dollar-dominated programmes such as the F-35 and the P-8?

Mr Wallace: We make representations to the Treasury on currency impact, because we are by far and away, in the whole of Government, the Department most affected by it—it can be into the hundreds of millions of pounds in cost. So when there is a pressure like that, our first step will be to go to the Treasury, where we will try to negotiate about that. Sometimes we are successful, and on other occasions we are not. We seek a whole of Government approach to some of that, because it is often not in our control—it's a fluctuation—

- Q98 **Martin Docherty-Hughes:** Finally, is there any truth in the report in *The Ferret* online about the delayed delivery of the submarine Audacious from 2019 to 2020, with a possible subsequent impact on the introduction of the class itself, meaning that the ageing Trafalgar class will be retained for longer? If so, what is the impact on the funding gap?

Mr Wallace: I saw that in the media today. There is a delay to one of the Astutes. We have fixed one of the problems that has surfaced in the Astute currently being built—so, that Astute—but, overall, the Astute programme, of which a number of boats are already out there, will continue to be delivered. I am not sure about the overall knocking-on impact—

- Q99 **Chair:** May we check one point? I understand that the delay is a very long one, from August '19 to January '21—that is 17 months, or something of that sort. We gather from what Stephen Lovegrove wrote to the Public Accounts Committee that the fault is having to be repaired; it is one that has not occurred in the first three boats that are out there?

Air Marshal Knighton: I understand that that is the case.

- Q100 **Chair:** Is there any reason to believe that this fault was going to occur in the last three boats, or is it something unique to boat No. 4 out of seven?

Mr Wallace: My understanding is it is something we do not think will be repeated in the other boats. It is a unique issue that we address by bringing forward a replacement from a later boat.

- Q101 **Chair:** So it was something that crept into boat 4 for the first time in the cycle.

Mr Wallace: That is my understanding of that particular problem.

- Q102 **Martin Docherty-Hughes:** To go back to the main point, will that have an impact on the Trafalgar class, which will have to be retained for longer, and on the budget?



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Mr Wallace: Yes. Any delay in any programme that forces us to extend older platforms costs us money.

Q103 **Martin Docherty-Hughes:** Which technically means you might have to go into the money you were talking about earlier that you have received to cover that period.

Mr Wallace: I am not sure how much it actually costs to extend, say, a Trafalgar class for six months.

Air Marshal Knighton: It is relatively modest, because we would be running another submarine anyway if Audacious had come in on time. It is the additional maintenance associated with the Trafalgar class.

Q104 **Mr Francois:** Richard, the entire class is years late. It has been a disaster. They are years late, all of them—not just boat 4.

Air Marshal Knighton: The question was specifically around extending the Trafalgar class to deal with Audacious. You are absolutely right that the Astute class has been delayed over a number of—

Mr Francois: And it has cost us a fortune to run on the Trafalgars. Some of them are 30 years old. They are nearly exhausted. They are knackered, basically, in common parlance. Something went horribly wrong at Barrow and has continued to go horribly wrong for years.

Q105 **Chair:** What went wrong, surely, was that there was a huge gap between one generation being built at Barrow and the start of the Astute class.

Air Marshal Knighton: This issue is very well documented. That is one of a number of factors.

Chair: It shows what happens when one's Armed Forces get to such a low quantitative level. Despite their high quality, you are not able to keep up a steady drumbeat of orders. That is why we are so anxious about our shipbuilding and boatbuilding policy.

Q106 **Martin Docherty-Hughes:** Can I just finish? While I may not agree with the rest of the Committee on the nuclear deterrent, I am grateful to the Secretary of State for his honesty. It is about time we had a Secretary of State as honest as the one we have in front of us.

Mr Wallace: All I will say is that the definition of hollowing out has gone on in front of the Committee. If you hollow out and do not spend money on your skill base, and you do not invest in the boring infrastructure that does not get the headlines, you pay for it in the long run, because you extend platforms, and pay too much money to do that, and do not get what you need. On a number of these programmes, we are all at fault. There is blame to be placed on the political class, the military class and construction. They call it optimism bias—that is the newish phrase—but it is absolutely the case that one of the challenges in our naval industry is skills and, when something goes wrong, what it means when you do not have a huge pool of anything to shift round.

Q107 **Chair:** You said in Defence questions that the fleet solid support ship



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contract is now well under way, but this is why the Committee has been so concerned about not unnecessarily placing orders abroad that could be used to keep our infrastructure for shipbuilding in being. I know you cannot comment on that particular one.

Mr Wallace: I represent a seat in Lancashire, where a large number of aerospace workers work on the Typhoon and the F-35. That gives me the ability to see our aerospace strategies around skills and the Government's determination to already think ahead. The Tempest is all about how we ensure we maintain skills and ensure that the production line is finished. There is a new programme and new task there. I compare that with shipbuilding—certainly the submarine programme—and I see a big difference that we need to rectify. That is really important.

Chair: Mark Francois has been waiting incredibly patiently. We are now going to unleash him on two topics that are very close to his heart—and to all of ours.

Q108 **Mr Francois:** Secretary of State, because of the time, I think we will make this a bit of a quick-fire round, if that is okay. I don't think the Chairman will object.

Mr Wallace: Do I have to press a buzzer?

Mr Francois: Yes, sir. Your starter for 10—no. To finish on Barrow very quickly, on this Committee, we are normally quite careful about what we say in open session, but if you check back, because of the constant delays at Barrow for years—partly for the reason the Chairman has given, in fairness to them—there have been occasions when people have come to visit us and we have not been able to give them a proper reception, and that is unacceptable. Something has been wrong at Barrow for years. BAE are always going to fix it, and they never quite do. Your analogy with aerospace was well made. I think all we can do is encourage you to get stuck in and really sort that out. Can I leave it at that?

Mr Wallace: I live about an hour away from Barrow, so I have already been.

Q109 **Mr Francois:** Right. Quickly, your ADEN cannon may have been 1960s technology, but at least it worked.

Right, Northern Ireland veterans. Why was no legislation on protecting Northern Ireland veterans against historical allegations—vexatious allegations—in the Queen's Speech, as we had been led to expect?

Mr Wallace: First of all, it doesn't mean that the Government is not planning to do something on it. I think the last Queen's Speech announced 20-odd Bills, and 47 were produced in that Session. The obligations of the parties in Northern Ireland—the Stormont House agreement—make this an incredibly complex challenge that we need to get right. I have already had two meetings with the Attorney General on it, and I have met with the Northern Ireland Secretary. We need to make sure we craft it properly, so that people are protected from that type of vexation and fishing expedition and all the other stuff, but we also recognise that no one is above the law,



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and that if wrongdoing has been done, we have to address that. It is incredibly complex, but the Government are determined to try to resolve this. They have said they are going to do that; we are working on it as we speak. One of the reasons we are urging and trying to get Northern Ireland back on track with devolution is that that is going to be a key plank in getting some of these things resolved.

Q110 Mr Francois: To put it bluntly—let's cut to the chase—the accusation is that officials in the NIO, who like to take pictures of Her Majesty the Queen off the wall from time to time, are quite prepared, and always have been, to sell Corporal Tommy Atkins down the river if they think they can get Sinn Féin back into the Executive. It stinks, doesn't it? Now, there was going to be a Bill, which your predecessor had prepared, to provide protection for veterans of Telic and Herrick, which I am sure we would all welcome—the best should not be the enemy of the good—but can you assure us that that Bill has been beefed up, so that it will cover Northern Ireland veterans as well, and we will not just get a Bill for Iraq and Afghanistan vets, important though that is?

Mr Wallace: I think the solutions are slightly different. On Iraq and Afghanistan, the Government has just finished—I think last week or the week before—the consultation. We will publish a clear response. How that comes before this House will be different from how we uphold our obligations in the Stormont House agreement and, indeed, how we deal with the legacy of the past, not least because there will be two departmental leads. I will be leading on that one, but the NIO and the AG predominantly will be leading on the Northern Ireland issues about the legacies of the past, and there are different legal issues around the ECHR and the application of it. I do not think Northern Ireland will be included in that Bill, if there is a Bill.

Mr Francois: I agree, by the way, with what my SNP colleague said, at the risk of worrying him.

Chair: We always agree on this Committee.

Q111 Mr Francois: You have given very clear and straightforward answers to questions, which is to your credit, but for the avoidance of doubt, are we to understand from what you said that we are looking at two different Bills now, and that one is an MoD lead and one is an NIO lead?

Mr Wallace: I was in the Northern Ireland Office as a junior Minister. I know it inside out—all the challenges, and all the cases that happened. We have not settled on a place, a single Bill or two Bills, but I think it is highly likely that they will be two separate pieces of legislation. One will deal with British soldiers abroad, vexatious, the statute of limitations and so on as they apply to Afghanistan and Iraq and other areas. The other one will be about Northern Ireland, not least because the Northern Ireland one will probably require a consent motion. As Stormont is not sitting at the moment—as it is neither sitting nor direct rule—it would be hard to formulate a solution without it.

Q112 Mr Francois: I am mindful of my Northern Ireland colleagues' sensitivity



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around such matters, so I will try to choose my words carefully. Look, 100 MPs wrote to the previous Prime Minister a year ago. Some of the members of this Committee helped to formulate the letter. They were predominantly Conservatives, but some others added their name.

Ruth Smeeth: Thank you.

Mr Francois: It was also signed by 50 peers, including four previous Chiefs of the Defence Staff and a former CGS—you had letters going off the page, basically—so there is massive political support in Parliament to do something about this. I think we know where your heart lies. We also know where the Prime Minister's heart lies, because when he wanted everybody to vote for him during the leadership contest, he signed a whacking great pledge in the middle of *The Sun* newspaper. As far as we are concerned, he is on the record—this is all done. All he needs to do is tell the Northern Ireland Secretary where to get off. The Prime Minister has given his word in writing in a national newspaper. Surely that is it, isn't it?

Mr Wallace: The Prime Minister—

Mr Francois: I'm even told that a Cabinet Minister reminded him of it.

Mr Wallace: I will not comment on Cabinet discussions. What I would say is that it is not the case that there is any blockage in the system. I am working with the Secretary of State for Northern Ireland, and the Attorney General is working with the Secretary of State for Northern Ireland. We are all working to try to get a resolution to this. No one is blocking it. What we are trying to do is to produce a solution that absolutely matches the challenges.

It is important to inform the Committee that the challenges around the legacy in Northern Ireland are not just in criminal trials; they are in inquests as well. Many soldiers are getting questionnaires about appearing at inquests into what would be called in Northern Ireland state killings, or whatever. That is not a trial for a crime, but usually an article 2 inquest. That involves them being contacted as well. Quite rightly, some of those veterans have felt that they are being summoned in front of a court, because it is a court. I have already taken steps to remind the Coroners Service for Northern Ireland that it has certain obligations to those people whom it is contacting. My constituents received some of those things without any clear highlighting of their rights. They were just sent a questionnaire.

Q113 **Mr Francois:** I have one last question on this subject, then we will move on to something less controversial. You will recall that our predecessor Committee looked into this in 2016. We looked into it afresh about a year ago. We came up with the solution of a qualified statute of limitations, not an amnesty. The idea was that unless there was "compelling new evidence"—I think was the phrase in the report—people could not be re-investigated.

We feel particularly strongly on this, because so many of the IRA on-the-



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runs have been given so-called letters of comfort by Blair, so they are scot-free. Do not tell me that they are not legally valid, because no one who has one has ever been successfully prosecuted, and the one time we tried, the trial collapsed. Of course they are legally valid. Our guys have no such protection. I encourage you and your colleagues to have another look at the Select Committee report, because we did put quite a bit of effort into it.

Mr Wallace: First of all, I have read the report. I am sorry that you have not had a response, mainly because I have corrected the response. I didn't think the response that we—we have not sent it to you yet.

Q114 **Chair:** We will look forward to a particularly good one, then.

Mr Wallace: I wanted to address the questions you raised, rather than give you the usual.

Chair: The usual what?

Mr Wallace: There were some good ideas in it, and I will see if we can do some of those. I say one thing, for people watching this: the MoD is determined to support all those people who are currently being asked to appear in inquests and in criminal cases, and to give them the best support we can to make sure that their rights are protected and they are given the support that they deserve. That is the least we can do. The next bit is how we can protect them from vexatious claims and—as we have already seen in Northern Ireland, and even here in the UK—claims of new evidence that, when tested, turn out to be utter rubbish. I have seen a few of those already—not in inquests, but we saw them in some of the other things. What is “new evidence” is quite important, I think.

Mr Francois: It is a simple principle: we have to defend them, sir, because they defended us.

Q115 **Gavin Robinson:** I accept your personal sincerity on these issues, Secretary of State, but I find it horrifying that some of the answers you have given today have been given—I am not saying that I am horrified by you. It has been suggested that Stormont House solves this issue, but I think you know it does not.

As for the second suggestion, even if you leave aside the political machinations of this week and the consent principles associated with the withdrawal agreement, the idea that we as a country with a reserved defence force would seek the consent of representatives of the IRA on these issues is appalling. We have a national commitment to service personnel. We have a national duty to stand up for them when they are receiving vexatious approaches from criminal investigations, when they have already been exonerated. I am pleased that you are reconsidering the response that you, or the Department, intended to send. Please believe me when I say this Committee has engaged privately with the Department and wants to be helpful on these issues.

When you say you have met with the Attorney General on two occasions, can I assume that that is the Attorney General for England and Wales—



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the Attorney General who does not have any remit in Northern Ireland? Have you engaged with the Attorney General for Northern Ireland? To my knowledge, he has written to the Northern Ireland Office—I would love to know whether you are aware of this—and suggested how, in line with the report we published, legislative provision could be brought forward that offers the protection necessary without any of the associated consequences that others have raised.

Mr Wallace: Two things about consent, Gavin. You will know, because you are a lawyer, that criminal justice is a devolved matter.

Gavin Robinson: Defence is not.

Mr Wallace: Yes, but criminal justice is.

Gavin Robinson: So is agriculture and trade. They are both central to the withdrawal agreement.

Mr Wallace: It is, okay? As much as I find it difficult, as you no doubt do, that Members of the Stormont Assembly come from people who supported, or were part of, the organisation that tried to kill me and my soldiers on my tours, that is the result of the Good Friday agreement, and where we got to.

Criminal justice is devolved to Northern Ireland, and whatever we think about dealing with our Armed Forces and what happened in Northern Ireland, we cannot ignore devolution in Northern Ireland. We cannot just pretend that that does not exist. We have to deal with the parties of Northern Ireland in order to resolve this issue. This is not saying, "Give them a veto", but ultimately, the PSNI is answerable to the Northern Ireland Policing Board.

Q116 **Gavin Robinson:** Yes, but we know that the provisions that you have outlined do provide a veto, Secretary of State. We do not even have the Armed Forces covenant operating in Northern Ireland because of the sectarian approach by some of those representatives.

Mr Wallace: I know, and when I was the junior Minister I did stuff to address that. I can explain to the Committee later what we did to address that, but we found issues there.

I cannot change the conditions in which we have reached a peaceful settlement in Northern Ireland. What I can say is that there are policy solutions that we need to explore that would protect our Armed Forces from vexatious claims and inquests, which are often got up either at the expense of trying to rewrite history or, indeed, because there are a few barristers who make quite a lot of money out of doing that. However, we must also make sure that we do that in a way that complies with our obligations under international and domestic law. That is the fundamental reality of what we have to deal with.

I am confident, because I know hundreds of people who have served in Northern Ireland, that 99.99% of the soldiers and police officers who



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served in Northern Ireland did so in accordance with the law and the very highest standards. They have nothing to fear and we must do our best to protect them, but as you know—this Committee has twice written reports—there is no simple solution.

As you know, the Advocate General for Northern Ireland is also the Attorney General of England and Wales—

Gavin Robinson: No criminal matters.

Mr Wallace: No criminal matters. Nevertheless, he does have a locus in Northern Ireland. He, I think, has already spoken to the Attorney General for Northern Ireland and the Lord Chief Justice of Northern Ireland, because the judiciary will be involved in this as well.

Q117 **Mr Francois:** There was no mention of a Sinn Féin-IRA veto in the Prime Minister's article in *The Sun*. I know that, because I kept it.

Mr Wallace: We are not talking about a veto—

Mr Francois: You are.

Mr Wallace: I am not talking about a veto. If you want to implement anything in Northern Ireland that touches on devolved matters, you have to have a discussion with the Northern Ireland parties. You can't avoid that.

Q118 **Chair:** You can have a discussion, but if you think we are ever going to get to a situation where Sinn Féin and the republican movement are going to agree to any sort of limitation on the constant reinvestigation of our service personnel, no matter how vexatiously or unreasonably, with no matter how little prospect of a successful prosecution, then, frankly—with the greatest respect—you are not living in the real world.

Mr Wallace: I am not saying that we are going to give that to those people. I never said that.

Having served in the Scottish Parliament, I recognise that the devolution settlement in the United Kingdom means that there is a thing that started life as a Sewell motion, and there are elements of that. There is a judiciary in Northern Ireland, which is independent from the other judiciary. It is, of course, a part of the process that there will be consultation and discussion with all parties in Northern Ireland. And I don't need a lecture, Mr Chairman, about the IRA and who I was dealing with across the table most times when I was a Northern Ireland Office Minister.

Q119 **Chair:** I am not suggesting that you do need a lecture; I am suggesting that there are no easy solutions—exactly as you say—but we think, having conducted two very detailed inquiries, that we have come up with a very workable solution. That workable solution is a qualified statute of limitations, which means that there is a presumption of non-prosecution after 10 years, unless compelling new evidence comes forward. We believe that there has been an indication by the Government that that is a good basis on which to proceed.



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But if you are going to import into that the idea that the republican movement, whom you know from your brave active service but we all know from our political dealings with them, are going to agree to any reasonable solution of that sort, then you are not living in a real political environment. They are never going to agree to that. So the question is: what are we going to do about it?

Q120 **Mr Francois:** No such Bill will ever pass the House.

Mr Wallace: I remember sitting on the on-the-runs Bill that never went through the House—

Q121 **Gavin Robinson:** I genuinely believe that we will receive your response and we wish to engage on this constructively and sincerely. Just this week, legislative change took place in Northern Ireland that was passed by this House in July, for which there was no consultation or consent. Just this week, we are considering the passage of legislation that impinges upon north-south relations and the Good Friday agreement and which impinges upon agriculture and trade, which are both devolved, with no consent sought from the Northern Ireland Assembly or, indeed, using the provisions of those consent principles. It is important to put that on the record at this stage. While we will work constructively, there can be no veto given on this issue.

Mr Wallace: There will be no veto on resolving this issue—let us be clear. I have read the reports. The Committee is correct that the solution will come from a policy solution; it will not come from doing nothing about it. We have to change some of the legal basis that we currently operate in. We have to look at that. Some of your solutions are perfectly valid and interesting, and I am determined to see what we can do, either with your solutions or by exploring other solutions, to get that through and ensure that we deal with those challenges.

Q122 **Chair:** We do understand the distinction between foreign wars and engagements, and something that is domestic. Having said that, I urge you to have a look at the transcript of the “PM” programme on 12 October, where I was surprised to be taking part with a vice-president of the Law Society. It was not entirely clear, but it sounded as if he had been consulted by the Government and was expressing the view—not with regard to the domestic situation, but with regard even to the foreign engagements scenario—that it would be wrong of the Government to proceed as they had widely been believed to be about to proceed, because of two reasons. One is that crimes, no matter how aged, can still be prosecuted, generally speaking. The second is that there was no justification for singling out what he regarded as a special group or cohort of society—namely, the military.

That is the calibre of the advice that has been deterring the Government even from proceeding with protecting our service personnel from vexatious and repeated pursuits in places such as Iraq or possibly even the Falkland Islands, where veterans are beginning to get worried that it will be their turn next. We know perfectly well that many of these issues relate to active service, which has traditionally had a separate body of



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law—the law of armed conflict—dealing with it.

Secondly, no one is proposing an absolute amnesty. Of course, if compelling new evidence came up, a prosecution for what the vice-president of the Law Society described as an aged offence would still be able to take place. The reason it is an aged offence is that nobody has had enough worthwhile evidence to be able to prosecute it, which would not be ruled out. What is worrying is that the Government appear to be taking advice from a professional organisation that was in ignorance of the basic contours of what was being proposed in the Bill. That is before we get on to discussing the Northern Ireland situation, with, as you say, its extra level of complexity.

Mr Wallace: The first thing is that we will respond to the one outside the UK, which we have just consulted on, soon. You will have better answers to that. I am obviously trying to get—I know we are late with the response to your report, but I want to make sure that there is a full response to it. We would then be happy to come back and discuss that further. I can say that there is absolutely a lot of work going on to try to resolve this, in line with the PM's pledge, and to ensure that it is workable in a way that recognises that there is an independent judiciary in Northern Ireland and that there is an independent DPP in Northern Ireland—appointed, Gavin, by both you and Sinn Féin when you were running Stormont. The Attorney General for Northern Ireland was a joint appointment. These individuals—

Q123 **Gavin Robinson:** The Attorney General has been helpful in this, and I hope you have seen his proposals.

Mr Wallace: The point is that it does happen—we have to get to a position that can resolve it.

Q124 **Chair:** Have you kept in being the specialist unit that was set up by Gavin Williamson? We thought it was a very good initiative to try to grip this problem in the MoD.

Lieutenant General Nugee: Yes, Sir. They come under me.

Chair: I am glad that we have been able to bring you in in advance.

Lieutenant General Nugee: To put some timelines on that—as the Secretary of State said, the consultation on the overseas allegations and litigation finished only 10 days ago. We had 4,200 responses, which was more than we expected. Most of them were full responses rather than just partial responses. We will analyse those by Christmas. We hope to bring a legislative Bill through the Secretary of State early in the new year in order to try to get that on to the statute book as early as we can, because we want to proceed on that basis. The areas are exactly the areas you would have wanted: a statutory presumption against prosecution, a new partial defence to murder, and a limit on personal injury and civil litigation claims. That is what we consulted on. We have not yet fully understood—because I have got a relatively small team looking at it—all the consultation results.

Q125 **Chair:** We were pleased to meet that team and we were impressed by



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them. That is why we were hoping that they were still functioning.

Lieutenant General Nugee: We briefed the Chiefs only the day before yesterday on all of this. Actually, although they are, I think, as equally frustrated as the Secretary of State is, if I might put it like that, that we have not been able to move forward as fast as we would have like to on all these issues, the Chiefs were absolutely clear about their responsibility to give as much welfare support to the individuals going through this, until we have a resolution.

Q126 **Chair:** You say it has been a consultation, but at the end of the day we have to make our own decisions.

Lieutenant General Nugee: That is absolutely right. We will look at the consultation and we will understand what it is saying to us, but it is but a consultation.

Chair: That is an extremely helpful contribution. Ruth, you can have the final word on this.

Ruth Smeeth: I apologise for being late; I just spent an hour with Jeremy Corbyn.

Chair: So this is light relief.

Ruth Smeeth: This is definitely light relief.

Mr Wallace: I went to Iran with him for a week. Imagine that.

Q127 **Ruth Smeeth:** I can only imagine. Before I get myself in trouble, even with parliamentary privilege, I will move on.

Although discussion is always wise when we are talking about Northern Ireland, and talking is always preferable to the alternative, we have been discussing this for several years. Parliament has been discussing this for even longer, and while we talk—as we are seeing with many issues at the moment—people outside are getting more and more frustrated and more and more concerned about what is going to happen to them.

What do we say to the veterans in every one of our constituencies, including mine, who are now refusing to open paperwork from the MoD and are leaving it sitting there, which is doing no good to their own mental health, because they are so fearful of what is inside the letter? What do we say to them about timescales? What do we say to them about action? I appreciate the legislation coming forward for Iraq and Afghanistan but, with the greatest respect, it is not those veterans who are in their 70s and incredibly fearful of what is happening.

Mr Wallace: The first thing to note is that letters from the MoD are much more likely to be offering support and guidance to help them. That is something I see in my constituency. The inquests are currently doing huge amounts of questionnaires with people, saying, "I understand you were on patrol in 1975" etc. We have asked the Coroners Service for Northern Ireland to let us know when it is engaging with our veterans, so that we



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can do something about it, to ensure that they are aware that they have been contacted and know what support we can offer them.

At the moment, the Coroners Service of Northern Ireland has not been doing that—this goes back to the challenge about an independent judiciary in Northern Ireland. We are trying to encourage our veterans to come forward to us if we think they have been contacted, so that we can offer them legal support and advice about what their rights are, etc. The first thing to say to those people is, “I recommend that you open your MoD letter, because it is much more likely to be offering support, help and guidance than anything else.” When it comes to criminal inquiries, in the first instance we will support those individuals with legal costs and advice to ensure that they are looked after.

The debate that we have just been having, about how we solve this in the long run, has to be solved sooner rather than later. We are all exhausted by it and many of us are frightened by it, and that needs to be sorted sooner rather than later. As Mr Francois has said, the Prime Minister did make those commitments. We will be working very hard—we genuinely are, with the team in the MoD—with the NIO and the Attorney General, who himself is liaising with the judiciary in Northern Ireland, and indeed with his counterpart in Northern Ireland, to try and make sure we find a way through.

I have looked at your latest report, and there are things in it that I quite like and would like to do. Part of the challenge for me is to sell it across Whitehall—that is the job of any Minister—and to see whether we can get that through and whether the evidence you took is testable by lawyers and so on and whether they agree to it, but I think there are ways through this that we need to find.

There is a lot of parallel noise that frightens our veterans—not only the criminal inquiries, but the article 2 inquests, which I think are 70-plus in number and include events that had already had inquests but are now article 2 under new evidence that we are finding. They go around in circles. That means calling soldiers to be witnesses, as opposed to being investigated, but that is quite rightly all put in the same area of people raking through the past and frightening people, which we need to ensure we deal with.

- Q128 **Chair:** Would the inquests be as daunting as they are at the moment if we had a truth recovery process that gave immunity to anybody who testified at those inquests? The point is that the requirement of international humanitarian law in all this is that there should be an investigation; there does not necessarily have to be a prosecution. One of the themes of our earlier report is that a truth recovery process, such as was used so brilliantly by Nelson Mandela in South Africa, was the best way of getting at the truth, giving families some closure while protecting people from prosecution many years after the event when they told, to the best of their recollection, what had happened.



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Lieutenant General Nugee: That is exactly one of the options that we are looking at. I went to a meeting yesterday held by the Cabinet Office to bring the Attorney General's Department, the Northern Ireland Office, ourselves and the Foreign Office together to look at exactly that sort of recommendation, and to see whether we can bring that to fruition. We are looking at it and working out whether it would work in relation to article 2 and whether it would provide some succour to the veterans going through it. But it is worth saying that those who are currently going through inquests are the big concern. We absolutely do not want to expand the number of inquests, but we also need to have a solution for those currently going through inquests. That would not necessarily solve it for those currently going through inquests.

Q129 **Chair:** Speaking for myself and, I hope, other members of the Committee, I am encouraged by the emphasis and the grip that you all seem to have of this problem. If it takes a bit longer to reply to our report, I for one do not mind, as long as you really come up with the solution that will serve the purpose that we all have in mind.

Mr Wallace: We are definitely going to try. The landscape or the spectrum is broader than people think, because it involves these inquests. Often journalists will ring and talk to us and ask about the criminal trials; at the moment the number of criminal trials is very small, but the number of inquests is very large. Because many of the inquests involve what they would call state killings, of course it is all one-sided; it is all documented by us. I have not seen the IRA's document shed, but that probably does not exist.

Mr Francois: Why don't they just pop down to the IRA records office in Londonderry and pull the files?

Mr Wallace: We have to deal with the whole ambit. It is not just the criminal, but the inquest space that I am keen to look at.

Chair: Without surprising Ruth too much, as she brought up the question of veterans and their welfare in these extreme circumstances, would she like to ask the 15th question now?

Q130 **Ruth Smeeth:** I just need to check the 15th question first. Secretary of State, one thing that we have been working closely on and campaigning for, especially with relation to the Covenant—I was disappointed to see that the Covenant was not legislated for in the Queen's Speech, given that it is nine years now, heading for 10—is the challenge of the conflict between the NHS constitution and the promises under the Armed Forces Covenant. We believe that one way around that is to have a national centre for mental health. At the moment, it is very, very daunting for veterans to continue to re-enter, and to access via their GP, mental health provision. The delays are up to 13 months. That is simply unacceptable. We have been meeting the Secretary of State for Health. Can you tell us what progress you have made with establishing a national mental health residential rehabilitation centre?



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Mr Wallace: First, I can tell you that it was raised yesterday in Cabinet. I can't tell you what was said, but it was, absolutely, important that we discussed it. The Health Secretary recognises that it is a very important part of this. We have got to the stage where I think the NHS has now successfully tackled some of its charter, to find a way to deliver better. If I ask Richard, he will tell you where we are with that.

Lieutenant General Nugee: Secretary of State, thank you. First, the NHS constitution included a commitment to the Armed Forces Covenant within it, and that is extremely positive. We have very good relations with the NHS. You will be well aware of—because I have appeared in front of this Committee before to talk about it—the mental health transition, intervention and liaison service. While that is not uniformly across the piece, it is there, and that is the way the NHS have overcome their constitution and found a separate path for veterans. That has now been supplemented by the complex treatment centres and complex treatment service, and—I hope I am allowed to say this—NHS England are commissioning a new veterans' mental health high-intensity service. So there are now three tiers of service that we are looking at for veterans' mental health and that are separate from the remainder of the NHS's mental health provision.

In terms of a centre, I am sure the Secretary of State for Health would have mentioned the £70 million that has been invested in the national centre at Stanford Hall. Our belief is that that could—there are no decisions yet—be part of a network of centres. There is not particularly strong support for a single centre across the country, because that takes individuals away from their families and support network, rather than doing this regionally and locally. But that centre might well be a centre of excellence for that, and it won't be the only thing that the centre does by any manner or means, but it could be part of that. What we don't want to do is import, if you like, a veterans' mental health element into the military rehabilitation centre at Stanford Hall.

Q131 Ruth Smeeth: There are a couple of points about that. As much as TILS is an interesting service and has helped some people, I have two people across the midlands who are identified as TILS and that covers the Mercian Regiment and RAF Cosford, as well as all the veterans, and goes wider. The provision is far from ideal, in terms of being able to access the provision. The high-intensity service is welcome. My issue about this is, as with all mental health challenges, veterans coming in and out of crisis and when and how they can access it.

You will appreciate, General Nugee, in a way that I would hope to empathise with, that once you have served in the Armed Forces as an institution, you trust the Armed Forces more than you trust other people. When I talk to veterans, they will say that they don't want to jump the queue. For example, they will picture themselves being against someone who has been raped and will say, "If they need provision, I will step back," because that is what we taught them to do when they were in the military. So they have to have a different level of service—no, not a different level of service, but a different way to access service, and a



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continual constant in terms of where their records sit. I think that is what we are really saying. Let's say there is a regional network of equivalent provision, with one place, Stanford Hall, being the centre of excellence. It also has to be the point where the records are kept, so that it's easy to come in and out of accessing support.

A veteran I am currently working with basically needs respite care for his mental health. He has had another mental health break; he is a Bosnia veteran. The only option for him is either admission into a high-intensity unit in a mainstream facility or nothing. There is no respite care that he can easily access, and even with the support that he has currently got, coming in and out of the service is really difficult. We are seeing exactly the same right now with Gus Hales.

Lieutenant General Nugee: The high-intensity service is a new veterans' high-intensity service, specifically designed around veterans. What the NHS are trying to do is not perfect, but it is a huge step forward. TILS has been going for about three or four years—perhaps a little longer. The complex treatment service has been going for only a couple of years, and high-intensity is not yet there but is coming in next year—I won't say when, because the NHS should say that, but it is coming in in 2020.

The point is that the way that the NHS are trying to answer your question is by having a separate set of veterans' mental health institutions and mental health opportunities—if I can put it like that—which, from next year, will include a high-intensity service. Your constituent, I would hope, would be able to go to one of these high-intensity services, which are veterans-focused, rather than just being part of the NHS.

Q132 **Mr Francois:** Are they residential?

Lieutenant General Nugee: I believe that they are residential.

Q133 **Chair:** Can I just interject at that point? That is exactly what the Committee concluded needed to be done; otherwise, there is no way of reconciling priority for veterans with the ethos of the NHS. You have to have a separate pathway to a separate facility.

Lieutenant General Nugee: Exactly. All credit to the NHS, that is what they have done. When I started this job, there was one tier—TILS—but within the space of time that I have been here, three tiers are now being operated. I think that is a success, although it will take a bit of time to bed in. More importantly, it will take time for constituents and veterans with mental health issues to understand it and learn where to go.

Ruth Smeeth: I really hope that this works and that we communicate it. For me, it is a central point so they don't have to keep going back to their GP, because lots of them won't. It is a central point of storage for their case notes, basically.

Q134 **Mr Francois:** Richard, to hammer the nail—it is a nail that needs to be hammered—there is only so much data on this, but the best figure we were able to get was from an ITV survey that said that, last year, 71 military veterans unfortunately took their own lives. That is clearly 71 too



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many.

You talked about taking them away from their support networks. Very simply, you have a veteran, they have their exit medical, they become a veteran, they are in good nick—they are fine. Four years later, their father is diagnosed with terminal cancer out of the blue and dies within two months. It is a trigger event and it all starts to come out. They scream at their wife, they yell at their kids, they lose their jobs, they hit the bottle, their wife takes the kids away, they lose their home, they end up in a dingy bedsit in the worst bit of whatever town they live in. They get diagnosed as suffering from severe PTSD, but under the NHS they wait a year for treatment. They have been diagnosed, but they don't get into a treatment programme, and while they are in this dingy bedsit, they take their own life. We wanted a place of safety as much as anything, so that for those people in absolute crisis there is somewhere for them to go—literally to save their life—where they will be cared for and understood. We are making such a fuss about it because we have a number of real cases where the NHS failed them. Do you take the points?

Lieutenant General Nugee: I take the points entirely. My sincere hope is that the new high-intensity service, which is regionally based and residential, will answer at least some of that issue. I doubt it will catch everything, but it will answer some of it.

Chair: I must say that I think Mark has brilliantly encapsulated exactly what we feel as a Committee about this issue. Again, we are very encouraged to hear your positive response.

Q135 **Martin Docherty-Hughes:** I know that the Secretary of State will know the answer to this, but when you say the NHS, Richard, which NHS do you mean? Forgive me, but I need to do this every time—Gavin and Madeleine, too—to remind Members that this is the Defence Select Committee of the United Kingdom of Great Britain and Northern Ireland. My constitutional position is irrelevant. What I want to hear is, what work are you doing with the Scottish Veterans Commissioner? If there is a different provision in Scotland, Wales and Northern Ireland, how are you engaging with that process? Are they at the top table—the NHS structures—along with the NHS in England?

Lieutenant General Nugee: We engage mostly with NHS England, but we do engage with NHS Scotland and NHS Wales to try to bring the same level of support to our veterans in Scotland and Wales, and Northern Ireland where we have the opportunity, as we do in England. The emphasis at the moment is NHS England doing all the thinking and all the work. We are spreading that with NHS Scotland and NHS Wales to make sure that the good ideas, wherever they come from, are spread across the entire United Kingdom.

Q136 **Martin Docherty-Hughes:** Why, then, did we have to barrack the then Secretary of State to make sure that someone from Scotland, Wales and Northern Ireland was actually to be involved in the Veterans Board, for example? No one from Scotland, Wales or Northern Ireland was going to be involved in it at the top tier until we asked for it. You will be forgiving



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if a Member from a Scottish constituency continues to get exasperated. Due regard to NHS England, but the NHS in Scotland, Wales and Northern Ireland are distinctly different types of providers. What I am looking for is a recognition by the Ministry of Defence, whose devolution teams should be engaging with that in a far more robust fashion.

Lieutenant General Nugee: I would argue that we do engage with the Veterans Commissioner and with the Veterans Minister in Scotland. We have not moved the most recent veterans strategy without discussing issues with the Northern Ireland Office, with Scotland and with Wales. In fact, we are publishing the veterans strategy consultation response at a time of choosing by the Scottish veterans consultation rather than England, because Scotland wants to announce it on 3 December. We are going with them and coming in line with them to make sure that it is a completely consistent line across the United Kingdom.

I assure you that we consider, and talk to, Scotland and Wales as much as we possibly can in these areas. The situation is different, you are absolutely right. What fits NHS England does not necessarily fit the other two NHS providers, but we share best practice across all three.

Q137 **Martin Docherty-Hughes:** So members of the Armed Forces normally domiciled in Wales, Northern Ireland and Scotland should expect that you are fully engaging with their mental health providers to the fullest extent as their peers in England.

Lieutenant General Nugee: We are engaging; whether the response is the same is not necessarily an answer that I can give you right now.

Q138 **Martin Docherty-Hughes:** Are you giving it the same type of investment? I don't just mean financial, but by resource—

Lieutenant General Nugee: We are talking to them all the time to try to make sure that we have a consistency across all three countries—all four countries with Northern Ireland, but it is a bit more difficult there.

Chair: We have a few short, sharp questions, which I am going to put in now in the hope that we can finish off by coming back to Mark to talk about issues to do with retention and recruitment.

Q139 **Phil Wilson:** Who in the UK co-ordinates the UK response to hybrid threats, and what are the MoD's precise responsibilities? Secondly, it is obviously becoming more and more of an issue. What kind of careers structures are we starting to put in place for people who went to the service to deal with cyber-threats—people who are recruited because they are the experts on this—so they can go through the ranks like they can in any other part of the armed services? Also, are we thinking about what we can do about changing their medical requirements to join the Armed Forces, considering that this is a different kind of skillset that you require?

Chair: One of the reasons we thought about this, for example, is that you have some very high functioning people with autism who might be able to have something really inspiring to contribute when we are dealing with

some of these 21st-century new threats.

Mr Wallace: If I answer the hybrid part of it, I will leave to Richard the specifics on recruitment and the modernising the workforce changes that we will require to get these sorts of people engaged. Hybrid threats are absolutely core to the threat to Government across the board. By its very nature, it is designed to tackle a country's vulnerabilities, not head-on into defence; for example, if you are an adversary, you might try to use everything from a cyber-attack on a health sector or disinformation into corrupting politics, or indeed others.

The main place where we tackle a threat, when it is identified, by a perpetrator—so, rather than just as information; say, if it is a Russian threat—is through our NSIGs. All the component parts of the Government—different Departments—will be there to tackle the described threat. In a Russia bit, for example, you would have everything from the National Cyber Security Centre to the Home Office, plus the MoD, because there may be espionage being prosecuted against us on cyber. We join them up in the NSSIGs.

The delivery of the response is done by the different Departments, but the key challenge—we are not there yet, in my view—is to put on a more long-term foundation how the country will respond, whoever that comes from. It should be automatic, in the way that the MoD communicates with the NHS or DCMS communicates with media outlets, to be able to deal with and tackle that threat, rather than being built around a pre-identified attack. That is where we are.

It will be high up on NATO. Finland has an amazing hybrid threat centre; it is really good. We are in the learning space. It is a real test of joined-up Government. If there is a silver lining to it, it is that it will force Government to be better at joining up for those threats. If it is not a threat but a policy issue, that is a good place to start.

On the type of people we need, we absolutely need to reflect the amazing people— When I was dealing with cyber-crime with the last job, it was quite extraordinary how capable some of the cyber-criminals were from, effectively, their bedroom. They suffered from all sorts of challenges in their social interaction with their own peer groups, but their brains were first class. The challenge was getting them to use it for good, rather than for bad. I hope that we will do something.

Lieutenant General Nugee: On the National Cyber Force, which the Secretary of State mentioned, and its being a partnership with GCHQ, the agreement we have come to with GCHQ is that our part in that partnership is to give military advice in the cyber-world, rather than just being cyber-specialists, because GCHQ are the people for that. The ask from them is that we have people who are militarily aware.

Where we are going with that is that there should be some form of military training for people who go into the cyber-world. We are still debating exactly how much military training that should be. To fill it in the short



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term, I have absolutely no doubt that we will find cyber-specialists among our entire community who are not doing cyber-roles at the moment but who do it as a hobby and who may well want to go into the National Cyber Force or into the cyber-community if offered the chance, and that is what we intend to do.

In the longer term, first of all, we have a medical waiver system for those who are mild on the autism spectrum. If we think that there is an opportunity for them to work in the military world as well, they can have a medical waiver. We use that already. We also want to take a leaf out of Israel's book. This is a slightly different concept, but Israel test every single one of the people coming through their national service for cyber-ability and cyber-agility. For us, that would mean testing every single person who applies to the Armed Forces, which is about 100,000 people each year, to see whether they have cyber-agility and cyber-ability. It is not a particularly long test. It would be part of the barrage of tests that we put people through before they get into the Armed Forces.

That is not in place yet, but if we found that those people were particularly high on the cyber-spectrum, we would look to see whether there was some specialised military training that we could give to them, giving them a medical waiver for some of the other things that we are doing, so that we can take advantage of that. There is an absolute intent to get after exactly the sort of person the Secretary of State has asked us to look at through testing people and their aptitude towards cyber. However, the bottom line is that we are not after just cyber-people but cyber-people who have some military context within which to use it.

Q140 Chair: While we are on special groups of people, one very special group of people is the approximately 265 war widows who have not had their war widows pension restored, despite the change in the rules that mean that, in modern circumstances, they would never have lost it. Were they to divorce their present spouse, they would have their war widows' pensions restored, and were they then 24 hours later to remarry their present spouse, they would have their war widow's pension retained. With the best intentions to clear up what was a shocking policy of depriving people of something on cohabitation or remarriage that was really a tribute to their loss, we have created a perverse incentive for people to divorce and remarry their present spouses if they wish to restore something that should never have been taken away in the first place. We were told last week that the MoD was taking this issue, which I have promised to raise at every possible opportunity and will continue to do so, very seriously, so why is it taking so long? Perhaps it is too soon for you personally to be involved in this one, Ben, but what are people on the panel doing about this personally? Is the Treasury's concern about setting precedents the only barrier to getting this resolved? It must be resolved. Frankly, in the view of this Committee, this is something where you ought to take executive action and argue it out with the Treasury afterwards,.

Mr Wallace: I am due to see the Chief Secretary to the Treasury on two things in relation to that. One is whether there is an alternative way



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through it if the Treasury does not want to use precedents. As you know, Gavin Williamson wrote, so it is not too early. I am trying to see what we can do to resolve it. The message to the accountants is that it is a finite group of people. It is not an open-ended, horrifying commitment that they would all be terrified of, and we can therefore surely find a way through it.

Q141 **Chair:** If Gavin Robinson was still with us, he would say that this had been solved for Northern Ireland police widows. So if precedent is an argument, precedent is in favour of doing the same thing for service personnel widows.

Mr Wallace: That is very useful. I did not know that until you told me, Chair. I shall take that to my meetings.

Q142 **Chair:** Thank you for that positive response. The second special group is people whose lives, even as we speak, are being ruined by misdiagnosis. Mild traumatic brain injury is often caused by blasts, which people survive thanks to our excellent vehicles that in the past would not have saved lives. Sometimes this injury, a slow bleed on the brain, is being misdiagnosed as PTSD. We have a separate session coming up, we hope, with the Surgeon General. We know that there is a centre at Aston University that particularly wishes to address this for veterans. Is there no prospect that you, Richard, and the Health Secretary, could reach an agreement to make it possible to fund the work to try and resolve this very serious question?

Lieutenant General Nugee: I recall that at the very first meeting when I came in front of this Committee, Chair, you raised this. At the time, the Independent Medical Expert Group did not recognise this as a particular problem. Things have moved on rapidly since then, nearly four years ago, and the outcome is that they are now doing an in-depth study into the magnoenceph—I can't get it right—MEG as a diagnostic tool. Early in the new year they will come to a conclusion as to exactly what that is saying to us, and then we will look at exactly what you ask for. I do not know at this stage whether we will commit to funding that particular study, but we will take advice from the Independent Medical Expert Group as to whether that is the right way ahead or not. So it is being taken extremely seriously now. It was not four years ago, but it is now, and we have a study in place that will answer soon.

Q143 **Chair:** Even if there is nothing that can be done to rectify these injuries, at least the people who suffer from them need to know what is wrong with them so that they can make plans for the rest of their lives.

Lieutenant General Nugee: Absolutely.

Chair: Thank you. Ruth, would you like to raise your point about the military flying training system?

Q144 **Ruth Smeeth:** I would. Last week CAS said that sorting out MFTS was his highest priority and that the Secretary of State had suggested that it should be, so when will we start to see some improvements? By "some", I mean any.



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Mr Wallace: We are seeing some. I have given each of the Chiefs a single priority that I think is important for their service to deliver on and, collectively, it is important for the credibility of the MoD to deliver on. For the Chief of the Air Staff, the priority is fixing this. It is a scandal that we have 250-plus pilots kicking their heels in a system that is over-complex, relies on three air frames that have not delivered what they are supposed to deliver, and has consequently either dashed people's hopes and dreams of being pilots or has left people loitering, to the extent that we do not get the best out of them. They are taking so long to train that they will be further on in life when they have finished their flying, so they think, "Actually, I'm not sticking around in the RAF". I have said to the Chief of the Air Staff, in the service of the Air Force, "That is your No. 1 priority. Of all the other stuff, that is your No. 1 priority."

I went to visit RAF Valley—I was lucky to have a holiday in Anglesey, so it was not far for me to go—to see it all. I think there are still some things to fix, which we can talk about, but the message has got through to the private contractors—they are part of the issue of delivering it—and the Air Force. I think there is still a little bit more work to do about availability of instructors and who pays for what when we help foreign countries. A lot of our instructors are helping other countries, but I am not sure that the contractors that profit from that—BAE, which might sell the planes—are putting their pitch in to help us with that. Richard will give you the latest update.

Air Marshal Knighton: The peak of the holding pool of pilots, which the Secretary of State described, was, in July last year, 261. It is now below 200. All the aircraft that formed part of the military flying training system are now in place. The last piece of the jigsaw was the Texan, which is the basic flying training system, between elementary and advanced. The first course started its ground school two weeks ago and they start flying training next month. As the Secretary of State said, there is still more to do. It will take us two years to reduce the size of that holding pool and to accelerate people through that training system, but good progress has been made. We must keep the pressure on, which is why the Secretary of State has made this point to the Chief of Air Staff.

Mr Wallace: The holding pool is the challenge. If you take every part of that pool, the good news is that people starting now will go through much quicker. The question is how we deal with the pool of 250—200 now—to get them through as well.

Q145 **Ruth Smeeth:** Yesterday, it was suggested at a meeting I was at that, due to some of the challenges as we develop with MFTS, more will be done in simulation than in-air with practice flying. Is that the plan? Who am I to lecture an Air Marshall? But, given G forces, the experience of being in a plane and the training that you would want for pilots coming through, I can understand a balance of simulation versus in-air, but moving to 75% training on the ground or, as I heard yesterday, potentially moving to 95%, is probably not where any of us want to be.

Air Marshal Knighton: We have already increased the amount of synthetic training that our pilots have as they go through the whole system.

Q146 **Ruth Smeeth:** To what percentage?

Air Marshal Knighton: If I can continue that point through, I will get back to the question of percentage. That is increasing the standard and capability of the pilots as they come out of the system. We recognise, particularly as you are going through the earlier stages of your flying training, that being put in the real-life environment, where you are experiencing the forces on you when you are flying, is an important part of building that expertise and building that understanding.

Ruth Smeeth: And confidence, I would have thought.

Air Marshal Knighton: All of those things. There will always be a significant proportion of flying training that will be undertaken live. The work that is being done, and as we are learning about these new aircraft and the new simulators and the new capability, is enabling us to optimise what that should be. There is no way in that military flying training system that we would see anything like the kind of shift in balance that you describe.

However, what we do know now is that some of the pilots—the fast jet pilots—who are coming out at the end of the system can go to Typhoon and get themselves up to a standard in the simulator that means they never need to fly dual. In fact, if you look at the F-35 there are no two-seat aeroplanes, so the first time that they will fly live will be on their own in a single-seat F-35. And that is good, both in generating high-quality pilots and in driving down costs, and making the training system more efficient, and faster, because you can keep the simulators online for long periods of time during the day.

Q147 **Ruth Smeeth:** I will deviate just slightly. We talk a great deal about Tempest and you know that that was something that I was very, very supportive of, and I continue to be. My issue with Tempest is that it is one platform; currently, it is just one platform. It is an important platform, but the training aspect that goes alongside it—the training platform—is yet to be the subject of a conversation that we have had.

That ties in with where we are now in the whole, in terms of catching up, but also where we are going to be as Hawk ceases production, which it will do next year at Brough. So what happens about our ongoing plan for training aircraft so that we can be doing exactly what you said, given that this is a fifth and sixth-generation fighter jet?

Air Marshal Knighton: The Hawk T.Mk 2, which is what we use for our advanced flying training, has got many, many more years of life. The Tempest programme is about identifying potential replacements for Typhoon in the 2030s and into the 2040s. I fully expect that the Hawk T.Mk 2 that we use for advanced flying training will still be operating in the



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2030s. What comes after Hawk—we haven't worked through that problem yet.

Q148 **Chair:** A quick one on Afghan interpreters. You will be aware that a number of newspapers, in particular the *Daily Mail*, have highlighted the cases of some people who were extremely brave. It comes back to our original theme about people who help us—indigenous people—in theatre.

We produced a report called "Lost In Translation", to which there was a positive response about loosening and liberalising the criteria for allowing more Afghan interpreters to come to the UK, but the *Mail* in particular has highlighted one or two cases where some of our veteran officers have been extremely distressed at the failure to bring people in.

Where are we on that? Is there any real move to save people—again, people to whom we owe a great debt of honour—especially if we want indigenous personnel to help us in future campaigns?

Mr Wallace: I know that the Minister for Defence People and Veterans has met the Immigration Minister, both on this subject, I think, and on the cost of Commonwealth soldiers staying on afterwards, etc., and the visa fees in that discussion.

I saw the media reports about it and I think it is something we need to try and fix. To what extent, and how many, is obviously part of the challenge. What are the rules? But I think that's what we're trying to look at.

Q149 **Chair:** We'll cover both issues, because that saves us one of our last questions.

Lieutenant General Nugee: We do not have a solution yet. We are talking across Government, with the Home Office, to try and work out what is in the art of the possible and what is not.

Q150 **Chair:** In relation to which—the interpreters, or the fees for the Commonwealth troops?

Lieutenant General Nugee: In relation to both.

Chair: Good.

Lieutenant General Nugee: The Home Office has a reasonably clear line on visa and the minimum income threshold. You will be delighted to know that as of 1 April soldiers—having come out of training, or the junior rank having come out of training—will be on a salary of £20,000, which puts them well above the minimum income threshold to bring a spouse over, whereas it was touch and go before that.

Then it's just a question of trying to make sure that they earn enough for the minimum income thresholds. We have asked for the minimum income thresholds to be reviewed, because of the benefit that those individuals are giving to the country through serving in Her Majesty's Armed Forces. So, we have an ongoing dialogue with the Home Office to try and do that.



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In response to the visa fees, at the moment we are not making great progress with the Home Office, so we are looking at how to create savings accounts so that individuals have money taken out of their pay—at base pay, obviously with their consent—and put into one of the military mutuals, into a bank account, so that it is saving for them at a rate every month. When they then come to leave the service, the money is there waiting for them to pay their visa fees, so they do not have to try to find them out of income when they have left—they have already saved it over four or five years. That is the sort of thing that we are trying to do. Obviously, we would prefer the Home Office to relent on the visa fees and on the minimum income thresholds, but we are not standing still waiting for that; we are trying to do something for our people as well.

Q151 **Chair:** That was a very full answer. On the question of this relatively small number of interpreters?

Lieutenant General Nugee: We are working with the Home Office to get an answer.

Q152 **Chair:** And you are aware of the most recent cases that have been raised publicly, by the *Daily Mail* among others.

Lieutenant General Nugee: Yes, we are. They are slightly different cases, and they occur in slightly different circumstances. I would suggest that we had a very good deal when we came out in 2014—the Home Office was very forward-leaning to support those interpreters in 2014, 2015. It is a little more difficult to justify people who have, if you like, done something completely different since that time and are now asking to come over. That is a slightly different case, and it will take a slightly different argument with the Home Office, but we are looking at it.

Q153 **Martin Docherty-Hughes:** How serious an issue for recruitment and retention are bullying, harassment and discrimination in the Armed Forces?

Mr Wallace: I cannot give you stats, but in my service it is really important. In my time, we had Deepcut and all that going on in the background, and that of course affected people's parents, who are still often gatekeepers of their young children joining these things, and are concerned about them joining the Armed Forces. Getting it right is really important.

On BME recruitment, it is really important that our Armed Forces reflect the society that we are there to defend. I think I recruited the first BME soldier in the Scots Guards for 350 years, when I was serving. I recruited him because he was the tallest, and he was a very good soldier. We always have more to do. Events like Angela Rayner being attacked on Twitter by some idiot, or the events with target practice—that sort of behaviour is unacceptable. That absolutely has to be dealt with.

I am very keen that we do more in the Prevent space in the Armed Forces. When I was in my last job, Prevent was really important, and I felt that it was a very successful policy. There are definitely cases—or have been, as



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we have seen a number of them—of the far right being found and active in the military. We need to make sure that we deal with that, and have imbued into our training across the Armed Forces the Prevent policy, reporting and understanding.

Q154 Martin Docherty-Hughes: To assist you in that Prevent space, you recognise that bullying and harassment is also a live issue in the House of Commons; my staff and other Members' staff are allowed to join a trade union to support them when they raise such issues. Why is there not room for a representative body for the Armed Forces of the UK, just as there is in the Kingdom of Denmark? I disagree with my colleague; I think we need one, and that is why we are in such a mess when it comes to the harassment, bullying and recruitment issue.

Mr Francois: It is not to do with training.

Chair: One at a time, please.

Mr Wallace: In my time serving, which was in an infantry regiment, bullying and harassment usually happened when there was a lack of supervision, rather than lack of a representative body. Good, well-trained officers and non-commissioned officers are the best way to deal with bullying, harassment, sexual offences, racism and everything else. I don't think it needs a trade union to deal with it. There are trade unions in industry, and there is bullying in industry; they don't stop it. Leadership in the Armed Forces is fundamentally about good supervision. When we take leaders out, we end up with all the bad stuff coming in. In my experience, it has always been because of the failure of an officer or non-commissioned officer that these things have occurred. I think that it is simpler to fix than having a whole trade union concept; you just need to improve it in the training.

Q155 Martin Docherty-Hughes: We are clearly going to disagree on the right to a trade union, Secretary of State. Finally, in the last Government, under the last Secretary of State, the Government gave a commitment to report on the Floor of the House on the issue of asbestos in the oceanic fleet. I am sure you can confirm today—could you do so in writing?—that you will continue that review, and that it will include the impact not just on RAF staff, but on ancillary and engineering staff who are part of the long-term use of the oceanic fleet?

Mr Wallace: Absolutely. The review covers not just the RAF pilots, but the whole ancillary services. We absolutely take it incredibly seriously. We are seeking to contact people who we think might have come into contact with any of the asbestos. We are quantifying how much it will cost to clean up some things; I think we are already starting to do that in certain areas—I saw a depot recently where some of the buildings were made with it—so we are absolutely taking it seriously. We will continue to report, and I am happy to provide the Committee with details.

Q156 Martin Docherty-Hughes: When you respond in writing, could you confirm whether it is the MoD's intention to compensate for mesothelioma, including pleural plaques?



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Mr Wallace: I will be able to confirm the policy position on that. I have a constituent who has pleural plaques.

Q157 **Martin Docherty-Hughes:** You will know that in Scotland there is compensation for them, but not in England, Wales or Northern Ireland.

Mr Wallace: Yes, you have compensation in Scotland. We can go around that, as well. I will be happy to respond to all of that.

Chair: Martin, if you don't mind, would you now ask question 11? Then Mark will wrap up. We are almost at the finishing tape.

Q158 **Martin Docherty-Hughes:** The Minister is going to hate me for this one; he might have thought he was going to get away with it. Do the latest personnel statistics show that the Armed Forces have a retention crisis, rather than a recruitment crisis?

Mr Wallace: I will not use the word crisis, if you will forgive me; I do not agree with it. The latest figures show that we are starting to turn the corner on recruitment, and that the number of applications converted into people starting training are not massively off-target; in some cases, they are on target. For example, Sandhurst—the military officers' training—is full. What used to be called junior leaders and I think we now call apprenticeships—

Lieutenant General Nugee: Junior entry.

Mr Wallace: Junior entry—that is full. We are starting to be on target. However, what slightly disappoints me is that, as you say, the outflow is still in a place where I do not want it to be. We are doing some good things to address that: the future accommodation model, the area around the terms of service and the change in how people live their lives. I am incredibly impressed by how the RAF has dealt with recognising that it needs to retain highly skilled people; there is flexibility, late entry, and leaving work and coming back. All that was never available in my time, and it is on the path to dealing with those issues. Mr Francois has done an exceptional report on those issues, as has Mr Selous, and I am very keen to give him some really good answers on that.

Martin Docherty-Hughes: My question first. Then you can carry on a wee bit.

Mr Wallace: Yes, we need to do more on retention, and some of that we are going to do—

Q159 **Martin Docherty-Hughes:** My question, as a Scottish constituency MP, is specific to the numbers in Scotland—around 10,000. You and I will disagree for the foreseeable future on my position on the constitution, but we will recognise that a commitment was made for about 12,500. How have we missed that target by 25%? That is a reality.

Mr Wallace: Our intention is still to continue to invest in personnel in Scotland. Lossiemouth will get bigger and bigger, and will become one of our major bases in the United Kingdom. Also, one of the reasons why



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Faslane is the pilot for the future accommodation model is to show the benefits.

Q160 Martin Docherty-Hughes: I am in the constituency next to Faslane. Whatever my thoughts on the nuclear deterrent, I welcome the investment, but I need clarity on the issue of those who will be domiciled in the naval base in Faslane. Does that really stack up—people being domiciled in and coming to Faslane, but then going home to other parts of the UK?

Mr Wallace: Do you mean based there, or do you mean—

Martin Docherty-Hughes: Those who will live within, for example, the council areas of Argyll and Bute or West Dunbartonshire, as opposed to those who will come in, do their service and then go home on a weekend basis.

Lieutenant General Nugee: I think you will find—the Navy are expecting this—that an increasing number will stay in Scotland and make Scotland their home, because of the way the fleets have been designed. You have the nuclear deterrent up there; if you are posted to the nuclear deterrent, you will stay there for good, and you will operate out of HMS Clyde. The Navy believe that more and more people, supported by the future accommodation model and Forces Help to Buy, which it was announced this week is being continued for the next three years, will be encouraged to settle in Scotland. I cannot give you a figure as to how many that will be, because that is personal choice, which we would encourage, but the Navy's assumption is that more and more people will go to Faslane and will stay in that vicinity and not go back. That is their assumption, and there is no reason not to suggest that, because that is how all the other naval bases have operated, largely.

Q161 Martin Docherty-Hughes: Can you clarify the issue in terms of the MoD's right to buy? Are you talking about MoD property?

Lieutenant General Nugee: No. Forces Help to Buy is a completely separate scheme, which comes out of their pay. It is a fantastic retention scheme, because they have 10 years to repay it. We have one person who has defaulted out of 16,000. We have invested a very large amount of money, but it is coming out of their pay. It is an opportunity to buy.

Q162 Martin Docherty-Hughes: What work are you doing, for example, with Argyll and Bute Council in the constituency neighbouring mine, and with my council, West Dunbartonshire, where the majority of civilian personnel in Faslane live, in terms of the impact on housing types that are available for purchase or for rent?

Lieutenant General Nugee: We have built a team up at Faslane to—

Q163 Martin Docherty-Hughes: I have never had any contact from any of your teams at all on that issue.

Lieutenant General Nugee: The simple answer is that I do not know how far out they have gone from Faslane.

Q164 **Martin Docherty-Hughes:** Well, there's not very far you can go, General.

Lieutenant General Nugee: I'm sure that's right.

Martin Docherty-Hughes: It is.

Lieutenant General Nugee: We have built a team to liaise with the local community as much as they possibly can to make sure that accommodation, in every form, is available to all those there. That includes housing associations—we are just starting to talk with them—local people who are building, local providers of rented accommodation and our service families accommodation. We are trying to widen the net as much as possible across as wide an area as possible that is commutable into HMS Clyde. I do not know whether they have talked to your constituency or not.

Martin Docherty-Hughes: Well, Edinburgh is commutable. If we could get a written answer, that would be good.

Chair: Thank you, Martin. Finally, Mark will end on an emollient note about his favourite company.

Mr Francois: Airbus?

Chair: The other one.

Q165 **Mr Francois:** Yes. Secretary of State, very quickly, on MFTS, people I have spoken to say the fundamental problem is that the construction of the contract is far too complex, and that everyone points at everyone else; you have very disparate responsibility. If you look at Canada, they had a similar problem. CAE were given the job; they completely rewrote the contract from scratch and solved the problem. You might just want to look at the way they solved the problem in Canada. All the people I have spoken to—not necessarily just Canadians—say the fundamental problem is that the contract is far too complex. I offer you that as a thought, and leave it at that.

Air Marshal Knighton: Thank you for that point on Canada. You are right that there is complexity with the fast jet training on Hawk, which is supported by BAE Systems. That is an input into the MFTS contract that goes back to decisions taken then.

Q166 **Mr Francois:** You might want to talk to CAE. Point made. Secretary of State, you and your team have given evidence for over three hours.

Chair: We are very grateful to you.

Mr Francois: You have held up very well under fire, sir.

Chair: So we will give you the easy one to finish.

Q167 **Mr Francois:** On veterans, I think we sense that, at the end of the day, your heart is in the right place, so we wish you well. As you may have heard, you potentially have a Back-Bench infantry company behind you if



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you need it. I think we have made the point.

To end on a gentler note and give you a gentle wind-down, let me turn to Capita and recruitment.

Mr Wallace: Oh, is that the time?

Q168 **Mr Francois:** Look, let's speed this up, sir. It has been distinctly sub-optimal. There were two aims of the—

Chair: That is the nicest thing you have ever said about it.

Mr Francois: Well, there we are. It was let in 2012. Essentially, it had two aims. One was to save a quarter of a billion pounds over the 10-year lifetime of the contract, and the other was to improve recruitment of soldiers to the Armed Forces. Financially, six years in, going on seven, you have barely saved a 10th of that, so in terms of saving money, it has been pretty much a total failure. Your officials still insist that they are going to save the bulk of it in the remaining four years, which is somewhere between optimism and sheer fantasy. Financially, it has been a dog.

On the core point about recruiting soldiers to the Armed Forces, when I was a Minister, they were telling me it was all just about to come right. We are always just about to get to the right bit of the hockey stick, but we never quite get there. What is the practical effect, in terms of trained strength—you appreciate the difference, despite the tweaking of the definition? The Army is more than 5,000 trained soldiers short. A number of our infantry battalions are one or one and a half companies short. Unfortunately, that includes some Guards battalions, as you will know. The Army is slowly thinning out before our eyes. Eventually, you will end up with some kind of operational failure.

Capita was so bad on the parallel DIO contract, which was for 10 years, that you sacked them after five. If you managed to sack them on that one, because they were an utter shambles, why do you continue to protect this company, which, given its poor performance, is not far off becoming a threat to national security?

Mr Wallace: Right—

Mr Francois: Other than that, it is all going swimmingly.

Mr Wallace: First, you cannot visit the sins of the father on the son. What has happened is that there have been numerous reports—your report, and the NAO report. Optimism bias was writ large on all sides. No one can point purely at Capita. There were responsibilities in the Army as well about how it was to be done.

What I would say—this would be interesting, as you said—is have we turned the corner? I said that I have given each of the service Chiefs a single priority, not 15. I have already told you that, for the Chief of the Air Staff, it is the MFTS. For the First Sea Lord, it is, "Get what you've got working." The Army's one, you will not be surprised to learn, is Army recruitment. As I have said to the Chief of the General Staff, "You cannot



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come to me and ask me for more armoured vehicles and more x and y, if there is going to be no one to put in the back of them. You must sort this as your No. 1 priority.”

It is easier said than done, but that implies that I will be checking on a monthly, if not weekly or bi-weekly, basis the details of the numbers and asking what is coming in and what is going out. I need a better analysis of retention. Your report has been very helpful in that. I do think that the telltale signs in some areas are good and are starting to show optimism and a positive direction.

What we need to do now is to get to a place where we keep the pressure on Capita, because 2022 is the technical end of that, and keep the pressure on the Army that this is their priority. When I say a priority for the Army, if you are a business, who you recruit and how you recruit is as important as what you sell—it is a fundamental quality that you need in your management. Actually, there are soldiers who are very good at recruiting, and there are leaders who are very good at recruiting. They should be as senior as soldiers who are very good at designing tanks or doing something else. It is a fundamental function of that service to be able to recruit properly, and we need to value those people, learn their practice and import it across the service to deliver that. I am determined to do that. The RAF do it differently, obviously—

Q169 Mr Francois: That is the other point I was going to come on to. I do not want to labour this for too long, because I think everybody probably wants to go and have a drink of something at some point, but the other two services do not contract it out. The reason the Army did it was because, for some very senior officers, it was a bit of a pet project. That is partly why the Army has always been too proud to say it did not work. The emperor has no clothes, but they still bang on. The Navy and the RAF still do it in-house—if you like, the traditional way. The RAF have just about hit their recruitment targets, and the Navy weren’t far short; the Army are nowhere near. Now, the Ministry of Defence has—is it the recruitment partnering project, Richard?—and, based on this total shambles, the next plan, Secretary of State, is to contract out all three. Of course, the Navy and the RAF are fighting a massive rearguard action on that, because if it ain’t broke, don’t fix it, but the policy from 2022 is that you are going to outsource the lot.

Mr Wallace: I don’t know if we have decided—

Mr Francois: Well, I hope to God you haven’t.

Lieutenant General Nugee: We haven’t decided yet. It is the Armed Forces recruiting programme, and it has not yet been through the investment appraisals committee.

Mr Francois: Can I turn up on that one?

Mr Wallace: Just join.



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Lieutenant General Nugee: May I put a couple of things in perspective? First, the Navy and Air Force have done better as a proportion, but the Army have recruited more than the Navy and the Air Force put together this year, so it is a matter of scale. The Army are having to recruit an awful lot more than the Navy and the Air Force, but they are not meeting their targets. The recruiting year starts in April, so we are not six months into the recruiting year, and they have recruited 70% of what they need for this year.

General Urch promised this Committee in January that we would hit 80% this year, and we have already reached 70%. There is a view in the Army—I don't think it is optimism bias—that they will make 80% this year, and they have every intention of trying to make 100% of the target this year if they possibly can. They see that they already have 70% recruited this year, and we are already significantly ahead of where we were this time last year. So compared with last year, it is getting better.

Q170 **Mr Francois:** I accept that Ty Urch has done a good job of gripping it, Richard. I have met the man, and I accept that he has done everything he can within the construct of the contract to try to exercise grip—to use an old senior NCO's phrase. I get that, but when we asked the CDS a year ago, "What year will you hit the target in?" he said, "The final year." My question is, since when in the British Army was one in 10 considered mission success?

Lieutenant General Nugee: I absolutely accept that. I would argue that that is not constraining us from trying to recruit as much as we possibly can every year. They hope to meet 100% this year. If they don't make it, they hope to meet it next year. With 70% within six months, they are on track to hit at least 80% this year, and more, we think.

Mr Francois: A couple more, and then I think we are done.

Q171 **Chair:** Before you do those, Mark, can I just give you an anecdote that I think I raised last week? I was addressing retired naval reservist officers, one of whose sons or grandsons was keen to go to Sandhurst, and he was told that he would have to wait till next September.

Lieutenant General Nugee: You should be absolutely delighted by that, Chair, because what that means is that Sandhurst is absolutely full and there was no room for him. Sandhurst has been full for at least four intakes, and it is full for the foreseeable future. He is having to wait because there are no places.

Q172 **Chair:** Why, if we are so burgeoning with this successful recruitment process, are the numbers at the end of the day seemingly inadequate for our reduced-sized Army?

Lieutenant General Nugee: Because there is a difference between officers and other ranks. As the Secretary of State said, Sandhurst is full. Our junior entry—right at the bottom—is full; our Ghurkhas are full. We have taken as many Commonwealth as we are allowed. We have sustained every part, and they are full, apart from other ranks.



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Q173 **Chair:** So what is it that is being done right about officer recruitment that is not being done right at other ranks?

Lieutenant General Nugee: It is partly scale. We need 653 officers a year; we need 9,500 soldiers a year. It is partly scale, and it is partly a nurturing that is coming back into the new contract—the revised contract that we did with Capita last year. It is to do with nurturing and making sure there is an individual who is responsible for each person who is trying to get into the Armed Forces. It is partly medical. We have revised the medical standards—Mr Francois knows this extremely well. We have looked at asthma, muscular-skeletal and eczema as the three biggest reasons why people are not getting through. We have looked at mental health and tried to reduce the problems that we were seeing. We tried to, if you like, modernise, because people are much more prepared to say that they have mental health issues than they used to be. We were taking that as, “That’s a problem.” Now we are saying, “Let’s really analyse that and see if it is a problem or not, because so many people are saying it.” We are doing everything we possibly can to try to improve, but it is a volume issue with soldiers.

Q174 **Mr Francois:** I have three final points, Secretary of State. First, you sacked Capita on the DIO, because they were hopeless. They have not done very well on this, and the Army has had to try to rescue them; it is the Army that have done the turnaround plan, really, not Capita. However, you have given them another fat, juicy contract on the Defence Fire and Rescue Service. If a contractor was taking the mick out of me, I would not keep giving them more work until they put right the one they were failing on. I would say, “No more for you, mate, until you’ve actually sorted out these ones where you are letting me down.” That is just a thought. If I were you, I would put the other one on hold. That would really give them an incentive to improve.

Secondly, I implore you not to make the same mistake with the Royal Navy and the Royal Air Force that you made with the Army. I do not think that you will reappoint Capita in 2022—I suspect not, after this debacle. Please do not inflict that pain on the other two services.

Thirdly—I just ask you to think on this because it raises a wider point about a weakness across the Department—the Department is not very good at controlling its contractors, whether for the military flying training system, or at Barrow with the Astute submarines. That submarine is arguably the most capable attack sub in the world, but because they are so late, it has led to all sorts of problems, both financial and operational.

There is a problem there, and you have all the problems with Capita and all the problems with the A400M. It is a fundamental weakness. The NAO can give you chapter and verse on this. It comes back to your point that, when you go to the Treasury and ask for more money, the first thing they say is, “Are you spending what you have got properly?” You make a very good point. I just urge you to think about how the MoD manages its contractors. There are all sorts of issues across the Department where the MoD does poorly because it does not run its contractors properly.



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The last one I will give you is Amey—not the girl, but the firm—which allegedly provides maintenance to the Armed Forces service family accommodation, although that is not what the Army wives will tell you if you go and talk to them. This is just a general plea, sir, to think about how you grip the contractors to whom you pay quite a lot of taxpayers' cash.

Q175 Chair: Mark, thank you. As it is the last reply, if people wish to make any final comments—perhaps anything you want to add on something that we have not touched on, or any overall observations—please feel free to do so.

Mr Wallace: There were a lot of comments about the mistakes of the past and the issues out there. On the plus side, we have a fantastic carrier out at sea, which embarked with the first F-35s. Our military is doing an amazing job in Mali, working with the French. After all the years of problems with the Chinooks, these things are now—you know.

We get through some of these problems, and we are delivering some incredible, successful work to defend this nation. While I understand all the stuff that Mark talks about and some of these other issues, we are making a difference and keeping people safe. A lot of the kit and a lot of the people work well, but that does not often make the headlines, because it is not a story, as we all know in our world, to write that something is good. I think there is some good stuff.

Mr Francois: That is very fair.

Angus Lapsley: The list of questions had neurological diversity on it. I was simply going to point out—

Chair: That was the autism one that we referred to.

Angus Lapsley: Lower down the scale, I was going to point out that I am dyslexic. I think that is also part of the changing culture and how people can be slightly different in the senior leadership of our organisation.

Chair: Just to conclude, I noticed the other day that Sky TV have introduced a dedicated channel from which any mention of Brexit is banned.

We have been going for one minute short of three and a half hours. I thank you most warmly for being willing to stay for that extra time. At any moment I was expecting you to say, "Oi, we've got to stop now." I really appreciate, and I am sure the whole Committee appreciates, the fact that you have stayed and enabled us to get through our entire agenda. With that, I thank you all. The session is concluded.