

Inquiry into the Integrated Security, Defence, and Foreign Policy Review
Submission of Written Evidence
07 April 2020

Oakwood International Security

This report constitutes Oakwood International Security's response to the House of Commons Defence Committee's (HCDC) call for written evidence (dated 5 March 2020) into how the Government should conduct the Integrated Security, Defence and Foreign Policy Review. The HCDC expressed interest in 15 questions:

- What is the purpose of a security, defence and foreign policy review?
- How often should a review be scheduled and how should different aspects be sequenced?
- What leadership, personnel and decision-making structures are required to ensure a review is effective?
- What is the purpose, and appropriate scope, for cross-Government collaboration in the review process? What is the best way to ensure it is effective?
- What methodology and analytical capability is required to ensure that assessments of threats and risks to the UK are future-proofed?
- How should such an assessment be communicated and to whom?
- How should existing and in-development defence capabilities be reviewed? Do assessments of equipment, non-equipment and personnel require different approaches?
- What evidence base is required to determine future capabilities?
- To what extent should defence reviews address defence procurement?
- How can Government ensure capability decisions reflect financial realities?
- Which external stakeholders should be engaged in the review process? How?
- What role should international allies and multinational alliances play?
- What level of detail should be provided to Parliament and the public once the review is completed?
- How can the results of the review best be reflected in a spending review?
- What is required to ensure that the findings and outcomes of a review are implemented?

Our aim in submitting this evidence is to place the current review in a broader historical context and to identify aspects of best practice.

Background and Expertise

Oakwood International Security's mission is to enable the development of more secure and resilient societies through the provision of high-quality analysis, research, education and consultancy. We work directly with countries undergoing security sector transformation as well as with those government and non-government organisations assisting the process of reform.

Our consultants have extensive experience of working in or on behalf of the U.K.'s Ministry of Defence. This report is authored by Professor Laura R. Cleary, Dr Roger Darby and Mr Stuart Young.

Professor Laura R Cleary: is the Director of Oakwood International Security. She has three decades of experience as an academic, author and consultant specialising in security governance and management. Prior to establishing Oakwood International Security, Professor Cleary was Head of the Centre for International Security and Resilience at Cranfield University. From 2002-2019 she also was the Academic Director for the MOD's Tier 1 Defence Engagement programme, Managing

Defence in the Wider Security Context. Professor Cleary has acted as a consultant and advisor to MODs and Parliaments in Asia, Eastern Europe and Africa. A leading expert in the fields of International Defence Engagement (IDE), governance and defence transformation, her research in the field has contributed to British policy formation and strategic planning. In 2017 she was shortlisted for a Women in Defence Award for her Outstanding Contribution to British Defence. In 2006 and again in 2019 she was awarded the Defence Academy of the United Kingdom Director's Commendation for Contributions to UK Defence Relations.

Dr Roger Darby: has over twenty years' experience consulting, lecturing, researching and publishing on International HRM and development, strategic management, knowledge management and the management of change in post-conflict, transitional and developing states. He is also heavily involved in research and teaching on Security Sector Management and Governance related courses taught in many regions across the world including: Indonesia, Myanmar, and Malaysia in South East Asia; Ethiopia, Malawi and Ghana in Africa; Georgia, Ukraine, Kosovo and Bosnia-Herzegovina in Central and Eastern Europe; Palestine (OPT), Lebanon, Saudi Arabia in the Middle East and Chile, Uruguay and Brazil in South America.

He is currently an independent consultant, teaching and consulting on a range of short and higher education courses for example for Cranfield University, Henley Business School, University of Reading, British Council, MoD (UK) and DFID. He maintains a deep interest in all aspects of international development and HRM management including across defence industries worldwide.

Mr Stuart Young: is an experienced procurement professional with extensive experience in defence acquisition and higher education. He has over 30 years' experience in the United Kingdom's Royal Navy and Ministry of Defence, including operational roles at sea and management of major international collaborative programmes with the United States and French navies. After leaving the Royal Navy he joined Cranfield University where he was head of the 'Centre for Defence Acquisition' with responsibility for delivering MSc and executive development courses and undertaking associated research in this key area.

He is currently an independent consultant, teaching on a range of higher education courses at the University of Warwick and Cranfield University. He maintains a deep interest in all aspects of project and programme management, defence procurement and in the latest developments across defence industries worldwide.

In principle, all are prepared to submit oral evidence subject only to their availability. All future correspondence should however be addressed to Professor Cleary.

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Executive Summary

The purpose of any review should be to provide an evidential base upon which informed choices can be made. Given that this review is addressing security government needs to think and act strategically, which means for longer than a five-year time horizon. A study of the Development, Concepts and Doctrine Centre's (DCDC) Global Strategic Trends publication over several iterations highlights that the indicators for the types of risks and threats we currently face (e.g. global pandemic, cyber, organised crime) have long been apparent. Past reviews have not necessarily failed because of poor analysis of long-term trends, but because of an unwillingness to match ambitions to capabilities. The key recommendations of this report are:

- Government by means of the review should clearly articulate how it conceptualizes security
- A cross-government approach is required for the assessment of the strategic context as well as for the implementation of national security objectives
- A culture of cross-government cooperation has evolved over time and continues to do so. The Fusion Doctrine is seen as a means to further that cooperation not just amongst 'traditional' security ministries but wider government
- No methodology can 'future proof' the United Kingdom against risks. The best that assessment can do is to provide an evidential base from which deductions can be drawn and plans made.
- Although the security, defence and foreign policy review and procurement and industrial strategies are closely interlinked and should be developed in cognisance of each other, the differing dynamics of the procurement environment and the threat environment suggest that the strategies should be developed separately
- Assessments across the defence lines of development should remain integrated and funding and accounting arrangements should be reviewed to ensure that the lines of development remain aligned during implementation.
- Procurement policy should be subject to continuous review
- Benefits can accrue from broad stakeholder consultation during the course of review. Equally, those same stakeholders should be kept informed of the outcomes of the review since implementation may in part be dependent upon their actions.

1. What is the purpose of a security, defence and foreign policy review?

The purpose of a security, defence and foreign policy review should be threefold: it should seek to define the national interest, identify the risks and opportunities which will affect the attainment of that interest, and indicate the resources required for the implementation of a subsequent national security strategy (NSS). In military parlance, the purpose of the review should be to determine ends, ways and means. That is easier to do if Government is able to adequately define its concept of national security and what it understands as an existential threat. Therefore, a review should seek to answer a series of interlinking questions regarding the nation's security: What does the state wish to secure? From what? For whom? What combination of resources is required? And, who is ultimately responsible for its provision? Answers to these questions are essential if the nation's security resources are to be coordinated in the pursuit of national security and the protection of vital interests.

2. How often should a review be scheduled and how should different aspects be sequenced?

There is no magic number that can be provided as an answer to this question. For some countries, like the United States or the United Kingdom, as of 2010, there is a prescribed timeline for reviews established in law.¹ For other countries, reviews are conducted on an ad hoc basis, as and when the strategic context is perceived as having demonstrably changed.

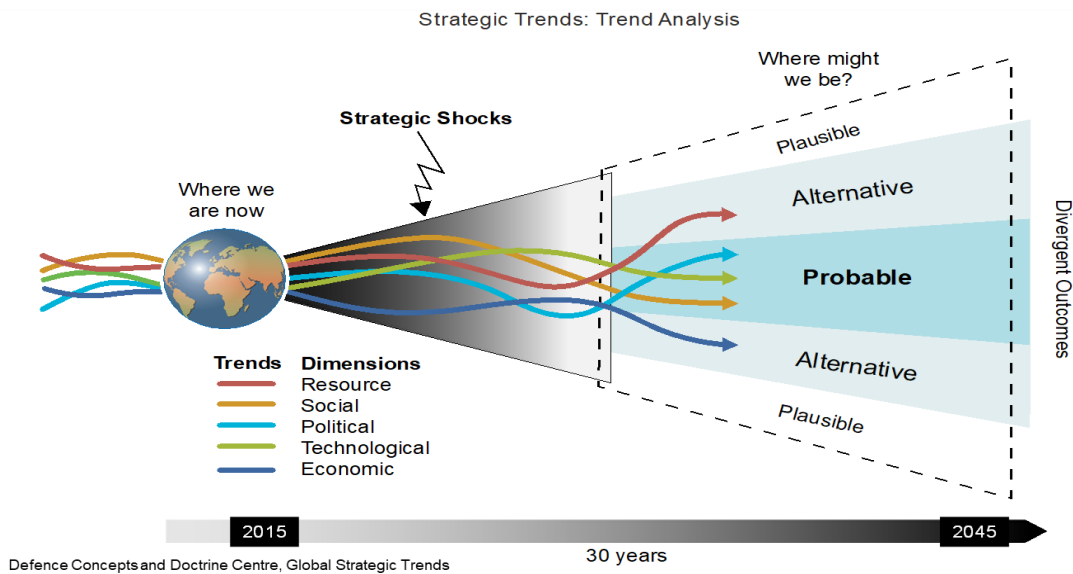
The more fundamental considerations should be whether government maintains the capacity (human) to conduct a review and whether those reviews are iterative. If we reflect on the Strategic Defence Review of 1998, the Strategic Defence Review: New Chapter (2002), the National Security Strategies of 2008, 2009, 2010 and 2015, and the National Security Capability Review of 2018, the threats identified remain broadly consistent, the variables are the way in which they are prioritised and the Government's proposed response to them. That implies that ministries and agencies are monitoring broader trends and reflecting on the efficacy of responses to date.

There should be a structured process for a security review, one which allows for input from all ministries of state. As the current global pandemic illustrates, a threat which emerges in one dimension, in this case social, will have immediate impacts on the economic, legal, political, environmental and security dimensions. Given the nature of the risks we face in the 21st century whole-of-government approaches will be required to respond effectively.

The starting point of a review should be a statement of national interests, including what role the country wishes to play on the world stage. That declaration of intent, and the establishment of a foreign policy base line, should be informed by the outcomes of a horizon scanning exercise, where horizon scanning is understood as "a systematic examination of information to identify potential threats, risks, emerging issues and opportunities, *beyond the parliamentary term*, allowing for better preparedness and the incorporation of mitigation and exploitation into the policy making process."² The purpose of horizon scanning and associated scenario planning is to identify probable, possible and alternative futures and to guide our response to them over the longer term. In the process it should lead to a more accurate determination of the resources (human, technological, industrial and financial) that are required to mitigate risk.

¹ In the United States the production of a national security strategy is mandated in law. The National Security Act of 1947 establishes the requirement for a national security strategy. The Goldwater-Nichols Department of Defense Reorganization Act of 1986, Public Law 99-433-Oct.1, 1986 dictates that the Executive must submit a report on national security on an annual basis, the publication of that report being linked to the budgetary cycle. Not all administrations have adhered to this requirement and critics of the process have argued that a nation's interests and security risks do not change sufficiently within a 12-month period to warrant the cost of an annual review. See Alan G. Stolberg, *How Nation-States Craft National Security Strategy Documents*, Carlisle, PA: Strategic Studies Institute, 2012. In the United Kingdom, the establishment in 2010 of a National Security Council tasked with providing direction to the Ministries of State by means of a National Security Strategy as well as with coordinating the activities of those Departments and the subsequent passage of the Fixed Term Parliament Act in 2011 have resulted in a more formalised approach to strategy formulation being adopted. See Catriona P Thompson and David Blagden (2018), 'A Very British National Security State: Formal and informal institutions in the design of UK security policy', *British Journal of Politics and International Relations*, (20) 3: 573-593.

² Cabinet Office, *Review of Cross Government Horizon Scanning*, 2013



3. What leadership, personnel and decision-making structures are required to ensure a review is effective?

It is important that a review is “owned” at the highest level of government, that the Prime Minister and Cabinet are interested in, and willing to accept, the outcomes of the review. Chile provides an example of what happens when there is a failure of collective ownership. In 2012 the Chilean Ministry of Defence was tasked with undertaking a security review. It did so, but did not seek input from other government departments. As a result, even though the analysis of the strategic context was generally sound and the objectives set were clearly derived from the analysis, the failure to engage with other departments of state resulted in an unwillingness of Cabinet ministers to sign off on the document. As a result, it failed to receive Congressional approval.

For a deep and comprehensive review, leadership is required at the highest level to set the parameters and the methodology for the review. Given the complexity and uncertainty of the security environment, mechanisms need to be in place to draw input from and coordinate activity across government. Many countries around the world have National Security Councils and Advisors. Not all are sufficiently empowered to direct and coordinate the activities of the security sector. Over the last 22 years in the UK we have seen an evolution of whole-of-government approaches to security. The establishment of the National Security Council and Secretariat in 2010 marked a significant step-change in the coordination of security activities, creating a series of formal and informal mechanisms for the sharing of information, which are preferable to the previous ad hoc attempts at inter-ministerial collaboration.³ This combined with the establishment of the NSRA, and the inputs received from organisations such as DCDC, means that the analysis of strategic trends, risk and threats is sound, and broadly in keeping with the assessments conducted by partners and allies. Ultimately, however, it is the decisions taken by Ministers on the allocation of resources which will determine “effectiveness.”

4. What is the purpose, and appropriate scope, for cross-Government collaboration in the review process? What is the best way to ensure it is effective?

Over the last 22 years the United Kingdom has been at the forefront of promoting whole-of-government approaches (WGA) to security. It has done so to ensure that government speaks with

³ Laura Cleary (2020), ‘United Kingdom’ in *Europe’s Coherence Gap in External Crisis and Conflict Management*. Guetersloh: Verlag Bertelsmann Stiftung.

one voice on foreign and security policy and to reduce duplication of effort by ministries, thus achieving economies of scale. Although generally classed as one of the more advanced countries in terms of WGA, there remain some shortcomings, as identified by the Chilcot Report (2016). Chilcot noted that during the course of the Iraq War there was insufficient coordination across government and that ministries struggled to work across organisational boundaries. As noted elsewhere in this report, the establishment of the NSC and Secretariat, are viewed as a means through which greater coordination can occur. The Fusion Doctrine unveiled in the National Security Capability Review (2018) illustrates the inter-relationship between diplomacy, development and defence and the varied means of achieving effect. As the United Kingdom seeks to establish itself independently of the EU it will require its ministries to work in concert with each other to promote security. There are formal mechanisms through which collaboration can occur, but a culture of joint work takes time to develop. There is evidence to suggest that in UK embassies and High Commissions FCO, DFID, Home Office and MOD staff work comfortably and effectively together. In Whitehall, where budgets are contested, a different culture can prevail. It should be noted that while the Chilcot Report, various Parliamentary Committees and NGOs have questioned the extent of a cooperative culture across Whitehall, it is far more advanced than it is in a number of EU member states, or in the US.⁴ Amongst practitioners there is a recognition of the contribution that individual ministries, such as DFID, make to the collective security of any one mission or the state.⁵

5. What methodology and analytical capability is required to ensure that assessments of threats and risks to the UK are future-proofed?

The NSC and the Ministries of State currently undertake a National Security Risk Assessment process (NSRA) which employs a range of analytical tools (e.g. PESTLE-S, SWOT, quantitative risk assessment) to assess risks and threats. The severity of risk is calculated on the basis of probability and impact and measured against the worst-case scenario in 100 years. The methodologies themselves are sound and used by a number of countries and business organisations. There is no methodology, however, that can ensure that assessments of risks and threats to the UK are future-proofed. It is the responsibility of politicians to authorise the funding to ensure that risks do not become threats. There have been a number of examples over recent years (e.g. flooding, underfunding of health care services), where the repeated failure to fund public services adequately creates the conditions for crisis when those services are placed under prolonged stress. It is recognised that government must continuously weigh up opportunity costs, however a more robust understanding of security might enable an improvement in the prioritisation of funding. Regrettably, policy makers frequently give more attention to policy development than to policy implementation, assuming a good policy will produce satisfactory outcomes. "In reality, policy outcomes are determined by government actions, not what governments state they intend to do. Implementation is thus the key ingredient of good policy."⁶

6. How should such an assessment be communicated and to whom?

The publication of a national security strategy is a useful communication tool. It can be used to establish and promote a national narrative regarding how the state views itself and its place in the global order. The Russian National Security Strategy of 2015, or the US National Security Strategy of

⁴ Bertelsmann Stiftung (ed), *Europe's Coherence Gap in External Crisis and Conflict Management*. Guetersloh: Verlag Bertelsmann Stiftung, 2020.

⁵ Evidence of Lord Stirrup, former Chief of Defence Staff (2006-10) to the House of Commons Defence Committee on 17 March 2020. <https://www.parliamentlive.tv/Event/Index/328b5bee-268a-410b-8a06-2b1349c91f53>

⁶ Nicole Ball (2004), 'Reforming Security Sector Governance', *Conflict, Security and Development* 4:3.

2017 provide very clear indications of how the respective countries perceive themselves and their missions within the global arena. Actions taken by Russia in Ukraine or Syria can be understood through reference to the 2015 strategy. By the same token, the stance adopted by the United States vis à vis China or North Korea make sense in the context of the narrative promoted within the 2017 NSS. Thus, the publication of a review serves to keep domestic and international audiences informed about a government's intentions and plans. Further, the review also provides guidance to those ministries and agencies responsible for implementation, ensuring that they behave in a coherent way. It is thus a formal mechanism through which to promote inter-agency cooperation.

7. How should existing and in-development defence capabilities be reviewed? Do assessments of equipment, non-equipment and personnel require different approaches?

The concept of 'Defence Lines of Development' is now well embedded into the defence capability management and acquisition systems. Culture has now developed such that pan-equipment, non-equipment and personnel considerations are now considered the normal way of doing business. However, confusion arises because some issues (generally equipment) are managed through a project and programme approach whilst others (generally non-equipment and personnel) are managed through normal 'business as usual' processes and mechanisms, with the problem exacerbated by the differing Resource Departmental Expenditure Limit (RDEL) and Capital Departmental Expenditure Limit (CDEL) funding and accounting arrangements and ongoing annuality issues, although these are diminishing. Therefore, it is recommended that assessments across the defence lines of development remain integrated and that funding and accounting arrangements are reviewed to ensure that the lines of development remain aligned during implementation.

8. What evidence base is required to determine future capabilities?

Over the last three decades the UK and its allies have gradually shifted from threat to risk assessment. Where threat assessment was couched in terms of capability x intent, risk assessment is understood in terms of probability and consequence. The publication in 2002 of the US National Security Strategy marked a turning point not just for the US, but also for its closest allies. Named enemies were passé and thus so too was a reactive posture of containment and deterrence.⁷ The fixed attributes of the Cold War's system of mutually assured destruction (MAD) were replaced by complexity and uncertainty. The response was to adopt an 'anticipatory' stance⁸, the effectiveness of which would be determined by maintaining 'full-spectrum' capabilities. The acceptance that national security should be viewed as a risk management process coincided with a shift to capability-based planning (CBP). Neither risk management or CBP can be effective without a sufficient evidential base. But what form should that evidence take?

It is apparent that threat-based assessments used in isolation were insufficient to predict seismic systemic change (e.g. the collapse of the Soviet Union), in part due to a narrow definition of threat and group think. It is also evident, however, that the application of the risk management approach has not necessarily led to improved prioritisation of government response. We need, therefore, to employ a mixed methods approach of qualitative and quantitative analysis and accept that, yes, the global security environment is uncertain and complex, but it is made so by individual actors, state *and* non-state. Monitoring trends is important, but so too is understanding the context in which actors respond to those trends. In the words of Robert S. McNamara, 'we must deal with our

⁷ Yee-Kuang Hong (2006), *War as Risk Management*. London: Routledge.

⁸ Ibid.

enemies with empathy.... And try to understand the thoughts that lie behind their decisions and actions'.⁹

If we can engender a deeper and more nuanced understanding of the strategic context in which we operate, viewing it not just from our perspective but also of those countries into which or alongside which we may have to deploy, then we may be able to plan our capabilities more effectively. Further, we need to understand capability in terms of platforms, weapons and personnel. Although successive reviews have highlighted that people are the security services most valued asset, human resource management strategies do not always ensure personnel feel valued.

Contemporary analysis of organisations in the modern defence and security sector highlights a central tenet involving the concept of *change*, namely, the *status quo is no longer acceptable*. This applies to the management of the major resource of *people* just like any management function in an organisation. Human resources in defence and security are costly but play an important role in the sector. In a professional volunteer force, *employee engagement* is increasingly recognised as crucial for the effective management of this key resource. This highlights the *contract issue* between the individual and the organisation evidenced in the Military Covenant and the element of *trust* which is in danger of being eroded in the contemporary UK defence forces. *Force 2020* aligned with the latest *planned SDSR* has highlighted the need for a more strategic HRM approach in the sector to meet changing future capability requirements whilst also satisfying individual needs. A major challenge ahead will be to effectively align future organisational strategic objectives with lower retention rates, increasing pinch-points and outside competition for limited, highly skilled personnel.

9. To what extent should defence reviews address defence procurement?

Procurement is the process or activity through which the majority of defence capability elements are delivered. With the global trend towards 'servitisation' (i.e. the procurement of a full-service delivery rather than individual equipment and support elements) procurement includes not just the acquisition of the equipment defence line of development, but also, in many cases, the logistics, infrastructure, information and training lines of development too. Therefore, as a key enabler of the implementation of defence strategy, intuitively defence procurement issues should be considered as part of the strategic review.

However, defence procurement is subject to many external influences which are not necessarily synchronised to the evolving threat or the 5-yearly frequency of defence reviews. These external factors include:

- a. The Industrial Context. This will include the extent to which UK defence prioritises the support of procurement from UK industry, the capabilities of UK industry and the extent to which the state supports the development of that capability. The industrial context also needs to recognise that UK-based industry is supported by global supply chains with associated risk and resilience issues. In light of a range of factors, including the current Covid-19 pandemic, many organisations are reviewing their supply chains and major changes in forthcoming years are inevitable.
- b. Technology Development. The rapid technology developments, including such things as Artificial Intelligence, Smart Materials, Additive Manufacturing and the wide effects of

⁹ Robert S. McNamara (2004), *The Fog of War*. Official Transcript. Available at: http://www.errolmorris.com/film/fow_transcript.html.

Industry 4.0, will have a very significant impact on the technical solutions and procurement and support activities. Again, the speed of change and the introduction of new innovations is not aligned to the defence review calendar.

- c. The Economic Context. The economic context will influence procurement decisions to a very great extent. A downgrade in economic health could result in delays in upgrading existing or introducing new capabilities, extending the life of existing systems, or procuring off-the-shelf rather than developing new systems. The economic cycle is not aligned to the defence review cycle.

The 2005 Defence Industrial Strategy¹⁰ was the last time that these issues were properly addressed, and the impact of the policies introduced by the document are still significant in the defence procurement environment today. Future defence-industry policy will be governed by factors such as globalization, or its reduction, integration in defence industries, where there is already over-capacity, and the ambition of many countries to become self-sufficient in arms production despite the financial impacts¹¹. These factors are not yet defined enough to drive the defence review to any great degree.

These reasons imply that procurement policy should be subject to continuous review as it evolves to adapt to the dynamic environment in which procurement takes place. Nevertheless, procurement dictates the art of the possible in respect of capability delivery and therefore the Strategic Review should be cognisant of the delivery constraints imposed by procurement issues.

10. How can Government ensure capability decisions reflect financial realities?

The current capability planning and prioritisation system should result in good capability decisions being made within a context of financial constraints. However, particularly for major or contentious decisions, inter-service rivalries still tend to come to the fore. Therefore, consideration should be given to moving contentious prioritisation decisions to an independent board. This board should be separate from the Investment Approvals Committee currently in position.

Consideration should also be given to whether such decisions should be made on a cost/capability basis or if wider political and economic factors should be taken into consideration as well.

11. Which external stakeholders should be engaged in the review process? How?

There are a range of external stakeholders that should be engaged in the review. These include, but are not limited to NATO, the EU, on issues such as border security, counter-organised crime, and counter-terrorism, bilateral partners, the UN and its associated agencies, the G7 and G20, industry, academia and relevant CSOs. The process of consultation may vary depending on the stakeholder relationship.

12. What role should international allies and multinational alliances play?

¹⁰ Secretary of State for Defence. Dec 2005. Cm6697 Defence Industrial Strategy

¹¹ Çağlar Kurç & Richard A. Bitzinger (2018) Defense industries in the 21st century: A comparative analysis—The second e-workshop, *Comparative Strategy*, 37:4, 255-259, DOI: 10.1080/01495933.2018.1497318

Given the Government's desire to promote a Global Britain agenda, it is imperative that international allies and multinational alliances are both kept informed of, and invited to contribute, to the review. If Britain were to take decisions on security in isolation from its closest partners it might well undermine, rather than enhance its security. As the debate over Brexit has illustrated, Britain's security, territorial, economic, social, cyber, is intertwined with those of other countries, meaning that its freedom of action is in some cases very limited, and can only be regained at great cost.

13. What level of detail should be provided to Parliament and the public once the review is completed?

Once the review is completed it should be made available to both Parliament and the general public. If Parliament is to ensure the accountability of Government then it should have access to the review and the analysis that underpins it. With respect to the general public, Government derives certain benefits from being open and transparent about security. For example, the effectiveness of CONTEST is in part dependent upon local community engagement in its implementation. Alternatively, the ability of the health authorities to slow the transmission of COVID-19 is dependent upon the public understanding and adhering to the guidance being given on social distancing and self-quarantine.

14. How can the results of the review best be reflected in a spending review?

If the purpose of the review is to identify likely scenarios and with them options for response then ideally those options should be costed. The issue is that the review will identify capability priorities. It will then take some time to identify the potential options for delivering these capabilities, and to fully cost them. If the spending review is conducted in parallel with, or shortly after the defence review, then costed options will not be available. Therefore, the spending review would progress based on 'best guess' estimates. This problem will be particularly acute if new capability requirements are likely to lead to radical changes in the types of systems that defence needs to procure, rather than evolution or replacement of existing systems, which are easier to cost based on historical data.

15. What is required to ensure that the findings and outcomes of a review are implemented?

As is indicated within the response to question three, key to the implementation of any review are political will, money, human and technological resource, all of which are dependent upon a system of prioritisation.