HM Government

National Security Capability Review

Including the second annual report on implementation of the National Security Strategy and Strategic Defence and Security Review 2015

March 2018

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Contents

Foreword by the Prime Minister **2**

Overview **3**

The national security context **5**

Our vision, values and approach **7**

Our Global Britain vision and values 7

Our approach 9

The Fusion Doctrine 10

Our national security capabilities **12**

Defence 14

Counter-Terrorism 18

Cyber 21

Serious and organised crime 23

Ports and borders 26

National resilience 28

Global Britain 30

National security communications 34

Economic security, prosperity and trade 36

Development 41

Cross-government funds 44

Annex: Principal commitments from the Strategic Defence and Security Review 2015 **46**

Foreword by the Prime Minister

Last year, we commissioned the National Security Capability Review to establish how best we can apply our national security apparatus to address the increasing and diversifying threats to our country and to our way of life. Overall the framework of the 2015 National Security Strategy and the Strategic Defence and Security Review remains right. But since it was published, threats have continued to intensify and evolve and we face a range of complex challenges at home and overseas: the resurgence of state-based threats and increasing competition between states; the undermining of the international rules based order; the rise in cyber-attacks from both state and non-state actors and the wider impact of technological developments; and the increase in threat posed by terrorism, extremism and instability.

Over the past year in the UK we have witnessed appalling terrorist attacks in London and Manchester. But also a brazen and reckless act of aggression on the streets of Salisbury: attempted murder using an illegal chemical weapon, amounting to an unlawful use of force against the UK.

Crucially what all of these incidents have made clear is that our national security is conditional on not only the police and security services who work so hard to keep us safe at home, or on the brave men and women of our Armed Forces working tirelessly around the world – but on our ability to mobilise most effectively the full range of our capabilities in concert to respond to the challenges we face.

So as this report sets out, we have agreed a new approach to the orchestration of our national security capabilities. Based on the new Fusion Doctrine, this approach will ensure that in defending our national security we make better use of all of our capabilities: from economic levers, through cutting-edge military resources to our wider diplomatic and cultural influence on the world's stage. Every part of our government and every one of our agencies has its part to play.

I am confident that we can rise to the challenges ahead and that we can build on our considerable strengths to enhance our national security.

To leverage our influence as a nation with the largest defence and security budget in Europe to advocate for peace and stability and promote our prosperity around the world.

To work with our partners and allies to strengthen our collective commitment to the international rules based order and project our global influence.

And to stand together to defeat attempts to undermine our security and prosperity, to defend the values that lie at the very heart of our society, and to enhance our ability to protect our people.

As long as we defend our interests and stand up for our values, there will continue to be those who seek to undermine or attack us. But these people should be in no doubt that we will use every capability at our disposal to defeat them.

Overview

1. The National Security Council (NSC) reviewed the National Security Strategy and Strategic Defence and Security Review (SDSR 2015) after the general election in 2017. The NSC concluded that the SDSR, and its three National Security Objectives, should continue to frame our approach to national security. The NSC commissioned a focused National Security Capability Review (NSCR) to identify how we could develop, deliver and deploy our considerable national security capabilities to maximum collective effect.
2. The world has become more uncertain and volatile since 2015. This report updates the SDSR's assessment of the complex and overlapping challenges likely to drive UK security priorities over the next decade. It explains how we are taking a transformative whole-of-government approach in response, bringing to bear the widest possible range of capabilities. It also highlights areas where we want to sustain dynamic cooperation with the EU to protect capabilities that keep people safer across the whole of our continent.
3. The NSCR focused on capabilities that are critical to our national security, where we judged that they could benefit from review to support implementation of the SDSR. We have not revised any of the SDSR principal commitments as a result of the NSCR. This document also incorporates our annual report on implementation of the 2015 SDSR. We set out our progress against commitments in the SDSR and the actions we are taking as a result of the NSCR:

- We will use a **new national security doctrine**, the Fusion Doctrine, to improve our collective approach to national security, building on the creation of the NSC eight years ago so that we use our security, economic and influence capabilities to maximum effect to protect, promote and project our national security, economic and influence goals.
- We will **further strengthen and modernise Defence and the Armed Forces** to deliver better military capability in an enduringly sustainable way, optimise how the Ministry of Defence (MOD) is organised and is operating, pursue a more strategic efficiency and business modernisation programme, and improve our commercial and industrial approach through the Modernising Defence Programme (MDP). The MDP will build on the firm foundations of the SDSR and be informed by the work already undertaken as part of the NSCR.
- We will publish a new counter-terrorism strategy, which will include measures to improve our ability to **disrupt terrorist plots in their early stages** and improve frontline integration of our counter-terrorism response.
- We will **continue to implement the National Cyber Security Strategy and ensure it keeps pace with the threat**, including through the National Cyber Security Centre.
- We will take a **whole-of-government approach to serious and organised crime**, including a single cross-government Ministerial decision-making body, a new intelligence framework, better community engagement and a National Economic Crime Centre in partnership with the private sector.

- We will integrate the knowledge and expertise held by all border organisations to produce **comprehensive strategic threat assessments for the border**.
- We will **improve assurance of resilience and readiness of local and national capabilities**, reinforce mutual aid systems during major disasters and continue to develop a holistic approach to supporting victims of emergencies.
- We will **strengthen our overseas network** so that we can reinvest in our relationships around the world, champion the rules-based system including free trade and use our soft power to project our values and advance UK interests.
- We will **significantly expand the National Security Communications Team** to make communications an integral part of our approach to national security.
- We will **integrate economic goals and capabilities** throughout national security.
- We will **ensure our development capability** responds to changes in global poverty and national security challenges.
- We will **enhance the cross-government funds** by improving strategic direction through the Fusion Doctrine, governance through a new Ministerial committee, and efficient administration by merging the secretariats into a single Funds Unit.

The national security context

1. In SDSR 2015, we described how the world is changing rapidly and fundamentally. We continue to see long-term shifts in the balance of global economic and military power, increasing competition between states as well as the threat from non-state actors. While the UK has chosen to leave the EU, we are unconditionally committed to European security and defence and want to work closely with our European partners to keep all of our citizens safe and our continent secure.
2. In the SDSR we identified four challenges likely to drive UK security priorities for the coming decade. The challenges have become more complex, intertwined and dangerous as the world has become more uncertain and volatile. Domestic, overseas and online threats are increasingly integrated as adversaries develop capabilities and exploit vulnerabilities across borders and between the cyber and physical worlds. We have also added two additional challenges:

- the increasing threat posed by terrorism, extremism and instability;
- the resurgence of state-based threats; and intensifying wider state competition;
- the erosion of the rules-based international order, making it harder to build consensus and tackle global threats; and
- the impact of technology, especially cyber threats and wider technological developments.

And in addition:

- the ongoing growth in serious and organised crime and its impact; and
- diseases and natural hazards affecting the UK.

Taking each challenge in turn:

3. **The increasing threat posed by terrorism, extremism and instability.** 2017 saw a shift in the nature of the terrorist threat to the UK, with five attacks in London and Manchester that led to the deaths of 36 innocent people and many more injured. We responded decisively, rapidly adapting our priorities and capabilities, to break the momentum of these attacks. Since March 2017, the police and the security and intelligence agencies successfully foiled a further ten Islamist plots and disrupted four extreme right-wing plots.
4. We expect the threat from Islamist terrorism to remain at its current heightened level for at least the next two years and it might increase further. We proscribed an extreme right-wing group as a terrorist organisation in 2016 and extreme right-wing terrorism continues to be a growing threat. Northern Ireland related terrorism remains a serious threat, particularly in Northern Ireland itself where dissident republicans carried out five attacks in 2017.
5. The protracted nature of conflict in places such as Yemen and South Sudan has destroyed basic social infrastructure (health, water and sanitation systems) and stalled education and economic development. Densely populated urban areas in Syria and Iraq have been directly affected by intense fighting. Conflict and instability create large-scale humanitarian and development need and hamper economic growth. This drives

migration, with criminals exploiting the vulnerable including through human trafficking and modern slavery. Conflict and instability can also allow terrorists and organised crime groups to thrive.

6. **The resurgence of state-based threats, intensifying wider state competition and the erosion of the rules-based international order, making it harder to build consensus and tackle global threats.** The risks from state-based threats have both grown and diversified. The indiscriminate and reckless use of a military-grade nerve agent on British soil was an unlawful use of force by the Russian State. It happened against a backdrop of a well-established pattern of Russian State aggression. Russia's illegal annexation of Crimea was the first time since the Second World War that one sovereign nation has forcibly taken territory from another in Europe. Russia has fomented conflict in the Donbas and supported the Assad regime, including when the regime deliberately ignored its obligation to stop using chemical weapons. Russia has also violated the national airspace of European countries and mounted a sustained campaign of cyber espionage and disruption, including meddling in elections. North Korea has flagrantly violated international law, conducting 20 missile tests in 2017 and testing a nuclear device. Iran's destabilising activity in the Middle East continues. Competition between states in the Middle East, South Asia and East Asia, including in the South China Sea, brings risks of miscalculation and conflict.

7. **The impact of technology, especially cyber threats and wider technological developments.** Malicious cyber activity knows no international boundaries and has grown in terms of intensity, complexity and severity over the course of the last year. There are several established and capable states that seek to target and exploit UK networks and devices to gather intelligence or intellectual property. Indiscriminate disruptive incidents also affect the UK and our partners, as exemplified by the 'NotPetya' cyber incident in June 2017 which we have publicly attributed to the Russian military. The malware was recklessly released in a manner that enabled it to spread from legitimate software used by Ukrainian institutions to then indiscriminately infect European and Russian businesses resulting in hundreds of millions of pounds in damage. The proliferation of low-cost high-end commercial capabilities, novel weapons, and sophisticated data-driven technologies including autonomous systems are also changing the security environment.

8. **The ongoing growth in serious and organised crime and its impact.** Serious and organised crime presents an increased and sustained threat to our security and prosperity. Organised crime groups have a daily, corrosive impact on our public services, infrastructure and reputation. The same forces that benefit legitimate business – globalisation and technological change – make organised criminal networks and markets more resilient than ever. Serious and organised crime is inherently transnational and many of the threats we face within the UK emanate from overseas.

9. **Diseases and natural hazards affecting the UK.** One or more major hazards can be expected to materialise in the UK in every five year period. The most serious are pandemic influenza, national blackout and severe flooding. We published the latest edition of the National Risk Register of Civil Emergencies in September 2017. It provides an assessment of the likelihood and potential impact of a range of different civil emergency risks that may directly affect the UK over the next five years.

Our vision, values and approach

Our Global Britain vision and values

1. Our vision is for a secure and prosperous United Kingdom, with global reach and influence, as we set out in SDSR 2015. Everything we do in the UK and around the world is driven by our determination to protect our people, promote our values and ensure that our country prospers.
2. We are a global, free-trading nation. We have one of the world's most open and networked societies, which makes us one of the most attractive places for people to live, work and invest. We have the world's sixth largest economy and the G20's most globalised, with the highest rates of economic participation. We are a global financial centre and one of the most innovative countries. We also have the third highest inward and outward foreign direct investment (FDI) stock in the world.
3. Our international approach has entered a new era. We are an open, outward-looking, tolerant European country that celebrates our history and diversity, confident of our place in the world, meeting our obligations to our near neighbours and far off friends, and proud to stand up for our values. As Global Britain, we are reinvesting in our relationships around the world. We are championing the rules-based system, which has served our interests as a global trading nation and is of vital importance as geopolitics becomes more contested. And we are using our soft power to project our values and advance UK interests.
4. We are the only major western country to invest both 2% of gross domestic product (GDP) in defence and 0.7% of gross national income (GNI) in international development. We have world-class diplomatic, information, security and intelligence, law enforcement, and border security capabilities, plus an innovative private sector, competitive business environment, reliable legal framework, advantageous geographic position and many of the world's most influential institutions, from academia and sport to the BBC. This unique and balanced portfolio of national capabilities is our key comparative advantage.
5. As the world has become more uncertain and volatile, we are committed to deploying the full suite of our security, economic and influence capabilities to protect and promote our security, economic and influence interests, whether by deterring our adversaries, disrupting terrorists and criminals, strengthening allies, stabilising conflicts, responding to humanitarian crises, supporting trade and investment or tackling climate change. We must also protect, promote and project our greatest strength, which is our way of life and the values that underpin it.
6. The rules-based system we helped to develop has enabled global cooperation to protect shared fundamental values of respect for human dignity, human rights, freedom, democracy and equality. As a permanent member of the United Nations Security Council, a leading contributor to NATO, a European country sharing fundamental values with our partners and a champion of the Commonwealth, we are committed to upholding and renewing the rules-based international system.

7. We will always respond robustly to attempts to harm the UK and destabilise the world order. The use of a military-grade nerve agent in Salisbury was in breach of the Chemical Weapons Convention and international law. It happened against a backdrop of a well-established pattern of Russian State aggression. We will not tolerate the threat to life of British people and others on British soil from the Russian government. Nor will we tolerate such a flagrant breach of international obligations.

8. We will harden our defences against all forms of Hostile State Activity and strengthen our powers to impose sanctions in response to the violation of human rights. We will make full use of existing powers to enhance our efforts to monitor and track the intentions of those travelling to the UK who could be engaged in activity that threatens the security of the UK and our allies. We will develop proposals for powers to stop, question, search and detain individuals at the UK border to determine whether they have been involved in matters that threaten our national security, and consider new counter-espionage powers to clamp down on the full spectrum of hostile activities of foreign agents in the UK. We will continue to bring all the capabilities of UK law enforcement to bear against serious criminals and corrupt elites. The expulsion of Russian diplomats will also fundamentally degrade Russian intelligence capability in the UK for years to come.

9. As Europe's largest national security contributor, the security partnership we seek with the EU will complement our leading role in NATO, which is the most durable and successful defensive alliance in history. At its heart lies the security guarantee contained in Article 5 of the North Atlantic Treaty, that an attack on any one member 'shall be considered an attack against them all'. We reaffirm our unconditional commitment to collective defence and security through NATO.

10. Our decision to leave the EU and bring decision-making and accountability closer to home does not alter our unconditional commitment to Europe's security. Europe's security is our security. We have been at the forefront of shaping the arrangements that underpin our security cooperation in Europe. People across Europe are safer as a result and together we must find ways to protect these capabilities when we leave the EU. We must do whatever is most practical to keep our citizens safe and our continent secure.

11. Our principal trading partners both now and after we leave the EU are also natural security partners: our core allies in Europe, North America and Australasia; traditional partners in the Gulf, South Asia and Africa; and new ones in East Asia and around the world. Each faces acute threats which the UK is helping to tackle – North Korean nuclear weapons, Russian and Iranian belligerence, Islamist terrorism, human trafficking, piracy, serious and organised crime, instability and unresolved regional rivalries.

12. We also champion coalitions of like-minded governments and industry partners, in particular to strengthen our cyber defences and collective security. As our lives move increasingly online, we will become increasingly reliant on space technologies which are also vulnerable to hostile actors. Against such global threats, we need a global response with industry, like-minded states, the EU and NATO all working together. We continue to encourage collaboration between the EU and NATO to ensure they are secured and prepared for the challenges of this century.

Our approach

13. The framework for national security which we set out in SDSR 2015 continues to represent the breadth of our national security interests through our three National Security Objectives:

- National Security Objective 1 is to **protect our people** – at home, in our Overseas Territories and abroad, and to protect our territory, economic security, infrastructure and way of life.
- National Security Objective 2 is to **project our global influence** – reducing the likelihood of threats materialising and affecting the UK, our interests, and those of our allies and partners.
- National Security Objective 3 is to **promote our prosperity** – seizing opportunities, working innovatively and supporting UK industry.

14. In the 2015 Spending Review we increased defence and security spending in response to the more demanding national security context, with real terms growth for defence, the intelligence agencies, counter-terrorism and cyber. We remain committed to:

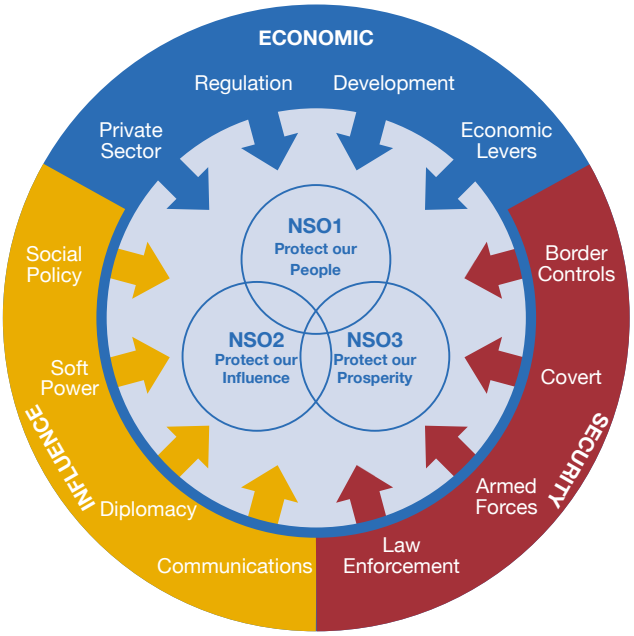
- grow defence spending by at least 0.5% above inflation each year to 2020/21, meeting our NATO commitment to spend at least 2% of GDP on defence;
- spend 0.7% of GNI on Official Development Assistance, meeting the UN target;
- increase counter-terrorism spending by 30% over the Spending Review period; and
- grow the Single Intelligence Account budget by 18% in real terms.

The counter-terrorism policing budget will increase to at least £757 million in 2018/19, a 7% increase on the previous year. We remain on track to recruit and train over 1,900 additional security and intelligence staff across the agencies to respond to, and deter, those behind the increasing international terrorist, cyber and global threats.

15. The NSC was created in 2010 to oversee and co-ordinate all aspects of our national security as part of collective cabinet decision-making. We have now developed a new national security doctrine, the Fusion Doctrine, to build on the creation and early years of the NSC, embed the lessons from The Report of the Iraq Inquiry ('the Chilcot report') and support a whole-of-government approach to national security.

The Fusion Doctrine

1. Eight years on from the creation of the NSC, the Fusion Doctrine will strengthen our collective approach to national security. The Fusion Doctrine creates a more accountable system to support collective Cabinet decision-making, with the introduction of senior officials as senior responsible owners to deliver each of the NSC's priorities. It introduces a Chilcot-compliant approach to strategies for NSC priorities and encourages rigorous consideration of all capabilities to provide the NSC with better choices.
2. The Fusion Doctrine starts with strategy. We must identify the most effective and efficient combination of ways to achieve the government's objectives over the long term, anticipating how adversaries and allies could react to avoid unwanted second and third order effects. Sometimes the best approach may be weighted towards particular capabilities or asymmetric to the threat we face. For modern deterrence (see below) we use the full range of capabilities available to us. To do all this we need robust analysis, drawing on all sources of information and data from both within government and outside.
3. Many capabilities that can contribute to national security lie outside traditional national security departments and so we need stronger partnerships across government and with the private and third sectors. A wide range of government departments contribute to making the UK a harder target for those who wish to do us harm and the social reform departments help address the root causes of individual vulnerability to exploitation by organised crime groups and extremists. Many technological challenges are best addressed through partnership between the public and private sector. This approach is also vital internationally where security, trade and development partnerships are often mutually reinforcing.



Principle: "To deploy security, economic and influence capabilities to protect, promote and project our national security, economic and influence goals."

4. The NSC will take stock each year of the UK's positioning on national security in terms of resilience, threats and opportunities to take decisions about strategic prioritisation. The annual posture review will also inform departmental business plans and the government's annual report to Parliament on SDSR implementation.

5. For each of its priorities, the NSC will consider UK interests and objectives, the situation we face and the outlook, and then the wider national or international strategy to decide how to make a catalytic contribution, considering our full range of capabilities. The NSC's ambition must match the resources committed so that we pursue realistic objectives and prioritise scarce resources where they can make most difference as part of our collective approach. Rigorous implementation is also essential.

6. Building a culture of common purpose across departments requires improved accountability to shift incentives and behaviours towards a more genuinely whole-of-government approach. For each NSC priority, a senior responsible official will be accountable for the development of options for the NSC and the implementation of the government's strategy. Their role is to coordinate in support of the NSC's collective decision-making.

7. Thousands of people contribute to the UK's national security through their daily work in the UK and overseas. Their expertise, skills and statutory powers span the full range of security, influence and economic tools. We need staff with different backgrounds, perspectives and ways of thinking, including to promote creative thinking and challenge. 'Mission Critical' is a manual to encourage inclusion developed by the Defence and Security Diversity Network in 2017. Training on the Fusion Doctrine will become the primary focus of the Virtual National Security Academy.

Modern deterrence

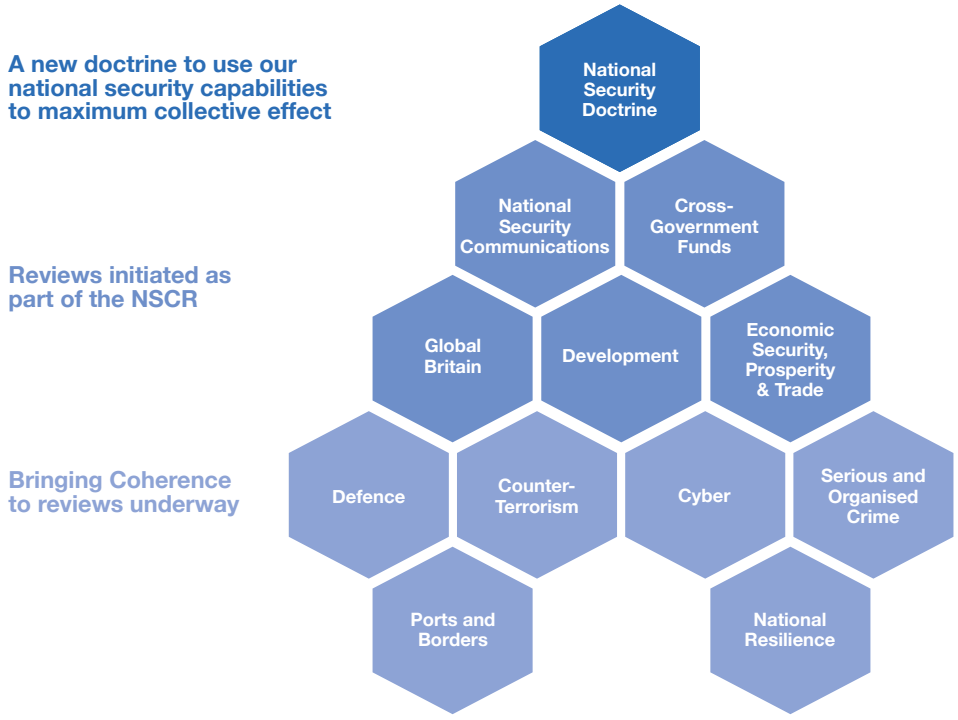
SDSR 2015 re-stated that defence and protection start with deterrence, which has long been, and remains, at the heart of the UK's national security policy. As the world has become more uncertain and volatile, our approach to deterrence has become more comprehensive. Modern deterrence is whole-of-government in nature and strengthened by the Fusion Doctrine.

We must deter catastrophic threats entirely, using the full range of capabilities available to us. The worsened security environment has resulted in renewed emphasis in NATO on deterrence and collective defence. Cyber defence is now part of NATO's core task of collective defence. The UK's independent nuclear deterrent will remain essential to our security today, and for as long as the global security situation demands. It has existed for over 60 years to deter the most extreme threats to our national security and way of life, helping to guarantee our security, and that of our allies.

Many adversaries seek to do us harm or subvert us in less destructive ways, calculated to avoid provoking an armed response. We will seek to raise the cost of their malign behaviour, restrict and reduce it using the full range of capabilities available to us. Some of the many capabilities enhanced as a result of SDSR 2015 include the new powers in the Criminal Finances Act 2017 to recover criminal assets and our offensive cyber capabilities to detect, trace and retaliate in kind.

Our national security capabilities

1. The NSCR aimed to maximise the impact of our considerable national security capabilities. The NSCR was conducted through 12 interconnected projects relating to capabilities that are critical to our national security where we judged that they could benefit from review.
2. The NSCR was designed to examine the efficiency, effectiveness and alignment with NSC priorities of each of these capabilities so that they are delivered and deployed to maximum collective effect against all three of the National Security Objectives. The NSCR built on work previously commissioned by the NSC on strategy, policy and capability in specific areas, drawing them together into one over-arching review.
3. The National Security Adviser led the NSCR, with constituent projects led across government by senior responsible owners in departments and aligned through a common framework. The NSCR projects were:



4. The NSCR also looked at cross-cutting issues:

Innovation

5. The SDSR included a number of initiatives to accelerate investment in transformative ideas and technologies. The NSCR identified that in a resource-constrained environment we need, where feasible, to make more use of threat-agnostic capabilities that can be used by different parts of government in response to varied threats and hazards. Our national border is an example of a threat-agnostic capability providing a range of different

interventions that support various national security priorities. A science, technology, analysis and research strategy is supporting our work to counter both terrorism and serious and organised crime. In the longer term, biometric capabilities and forensic technologies could transform our interactions at the border and across law enforcement. A cross-government working group will identify how we can further enhance accountability and joint working on innovation.

Science and technology

6. In an environment where major threats are largely technologically driven, so too must be our response. The UK is in a strong position. Our scientific output is among the best in the world across the range of disciplines relevant to security. We must maximise this strength, particularly in emerging capabilities such as autonomy, robotics and data analytics. The UK Research and Innovation budget is increasing by £4.7 billion to 2020/21 and has wide-ranging potential national security benefits. The Government Chief Scientific Adviser will develop a new national security science and technology strategy through the NSC Officials' Science and Technology sub-committee.

Data

7. Our ability to use data, at scale and pace, across organisational boundaries is a critical capability. Data comes in many different forms – public and private, covert and overt, and created by industry and government. The UK has a strong legal framework for data protection, which provides confidence to the public and international partners about our use of data. We are increasing the knowledge and skills base of policy makers, operational partners and strategists to ensure they are data-literate and able to be intelligent customers of analytical insight. We are also investing in recruiting, training and retaining specialist data scientists, systems architects and data analysts.

Strategic assessment

8. Before the NSCR, we completed a review of strategic assessment. The Joint Intelligence Organisation, based in the Cabinet Office, is implementing the review's recommendations. This will lead to closer working practices across the assessment community and, as a result, a more rigorous approach to producing assessments that inform national security policy and decision making. A director has been appointed to oversee this work, supported by a newly established small team.

Diversity and inclusion

9. The National Security Council (Officials) Shadow Board was established in 2017. Board members are departmental representatives below the Senior Civil Service, who increase the diversity of thought and challenge brought to issues being considered by the National Security Council (Officials) sub-committee. The MOD published 'The Good Operation' handbook in 2018, which draws in particular on the lessons of the Chilcot report and encourages reasonable challenge.

Defence

We will further strengthen and modernise Defence and the Armed Forces to deliver better military capability in an enduringly sustainable way, optimise how the MOD is organised and is operating, pursue a more strategic efficiency and business modernisation programme and improve our commercial and industrial approach through the Modernising Defence Programme.

1. The fundamentals of our defence strategy within SDSR 2015 remain sound, including the development of Joint Force 2025. It was designed to make good key capability gaps and strengthen the force. It restored the right level of ambition to our planning and proposed important new policy initiatives. Furthermore, it was underpinned by a strong budget settlement for defence. We have the fifth largest defence budget in the world, and by 2021 it will be almost £40 billion.
2. As a leading global actor, with an extensive operational footprint overseas, we have a responsibility to respond decisively to the changing strategic context. We will need to work ever more closely with our NATO allies. We can expect to remain actively involved with our partners in the Gulf in tackling shared threats to our security at their source. The Asia-Pacific region is likely to become more important to us in the years ahead. The Armed Forces will also continue to make a significant contribution to domestic security and resilience alongside civil authorities.
3. The Joint Force that we are building will therefore need to be versatile and agile. It will need to be effective in the full range of environments and across all five domains – land, sea, air, space and cyber. It will be international by design, routinely exercising and operating with allies and partners. It will be credible and capable of addressing state and non-state threats both alongside other nations and on our own. The major elements of our SDSR plans for Joint Force 2025 enable us to meet these criteria:

- a maritime task group centred on a Queen Elizabeth Class aircraft carrier with F35 Lightning combat aircraft;
- a land division with three brigades including a new Strike force;
- an air group of combat, transport and surveillance aircraft; and
- a Special Forces task group.

But to secure our competitive advantage over potential adversaries, we must be able to move quickly to strengthen further priority capabilities and ensure a proper balance of our investment.

4. To achieve this, we have commissioned the **Modernising Defence Programme**, led by the MOD, working with Cabinet Office and across government, which will report to the Prime Minister, Chancellor of the Exchequer and Defence Secretary. It is identifying how we can deliver better military capability and better value for money to make a full and enduringly sustainable contribution to national security and prosperity. The programme builds on the firm foundations of SDSR 2015 and the NSCR. It consists of four work

streams. The first three will: optimise how the MOD is organised and is operating; pursue a more strategic efficiency and business modernisation programme; and improve the MOD's commercial and industrial approach. The fourth will address the capabilities needed to contribute to our three National Security Objectives today and in the future.

5. In line with SDSR 2015, we have spent £14.6 billion of the £178 billion we committed to spending on defence equipment and equipment support for the period 2016/17 to 2025/26. We continue to develop our two new aircraft carriers. HMS Queen Elizabeth was commissioned in 2017, aiming for a first deployment in 2021. HMS Prince of Wales is due to commence trials at sea in 2019. The fourteenth F35 Lightning aircraft was delivered in 2017, in line with the intent to deliver the two squadron capability for Carrier Strike by 2023. We have commenced construction of HMS Glasgow in Scotland, the first of eight new Type 26 frigates. We plan to procure a new family of frigates, the Type 31e General Purpose Frigates, with the first of this class expected to be in service by 2023.

6. The first of the Army's new £4.5 billion family of Ajax armoured vehicles are currently going through their final acceptance process. We are developing a new Mechanised Infantry Vehicle which will enhance personnel protection. Our £2 billion investment in the Special Forces will ensure they are best configured for overseas and domestic tasking. The new Protector armed remotely piloted aircraft will be introduced by mid-2024 and we are upgrading our Typhoon aircraft to undertake new tasks, in addition to their role of protecting UK sovereign airspace, as they become the backbone for UK combat air forces. Preparations continue in Scotland to receive the nine new Boeing P8 Maritime Patrol Aircraft which will increase our ability to protect the nuclear deterrent and the new aircraft carriers from submarine threats.

7. Manufacture of the first of four new Dreadnought Class nuclear-armed submarines is underway. At its peak, several hundred suppliers will be involved in the programme, supporting thousands of jobs in the UK. We have established the Submarine Delivery Agency to oversee this highly complex 20-year acquisition programme; it will become an Executive Agency in 2018. The first submarine will enter service in the early 2030s.

The UK in NATO's Enhanced Forward Presence

In addition to Royal Navy maritime deployments as part of Standing NATO Maritime Groups, and the vital RAF role in Air Policing operations in Central Europe and the Baltic, the Army has a leading role on the ground in NATO's enhanced Forward Presence operation in the Baltic States and Poland.

Following commitments made at the 2016 NATO Summit in Warsaw, and at the request of the Estonian government, soldiers from the 5th Battalion The Rifles Battlegroup have been based at Tapa airbase in Estonia in 2017 to establish a UK headquarters in the country. A total of 800 UK troops are in Estonia, working alongside French and, from 2018, Danish personnel.

The deployment reassures our European partners of the scale and scope of our commitment to their security. The battlegroup provides a proportionate, but combat-capable, force to deter and if necessary defend the Alliance from hostile activity. Our battlegroup is one of four deployed to the Baltic States and Poland. We also provide a squadron to the US-led enhanced Forward Presence battlegroup in Poland.

8. We continue to build on our military co-operation and interoperability with the US, not just through NATO but through combined operations in the Gulf and elsewhere as well as joint exercises and future commitments. At the 2018 UK-France Summit, we re-committed to co-operate with the French on combat air systems technologies and complex weapons. We have also deepened our relationship with Germany, including on capabilities for our air and ground forces. We work closely with our eight partners from the Nordic and Baltic states and the Netherlands through the Joint Expeditionary Force (JEF), which combines high-readiness forces from the UK and like-minded partners to provide military options for a rapid response in peacetime or crisis, independently or as part of a larger force such as NATO.

9. To build on the SDSR Innovation Initiative we have established a new Defence Innovation Unit, to help maintain the military edge of our Armed Forces into the future. Working with the Home Office, the Innovation and Research Insight Unit (IRIS) is tracking external research activity to inform decision-making about addressing future threats. Launched in December 2016, the Defence and Security Accelerator (DASA) is drawing in novel ideas from innovators and entrepreneurs to help tackle both defence and wider security challenges, including counter-terrorism. In the first 15 months, DASA has reviewed over 850 proposals and backed over 150 of these, releasing over £19 million of funds.

10. The National Shipbuilding Strategy and Defence Industrial Policy Refresh were both published in 2017, and the intent to create a Combat Air Strategy was announced in 2018. The Defence Industrial Policy Refresh aims to make it easier to do business with the MOD, particularly for innovators, small and medium-sized enterprises (SMEs), and non-traditional suppliers. It will also help our defence industry to compete internationally, by making our procurement international by design, while delivering value for money.

Innovative defence technology

Sustained, long-term investment in science and technology underpins defence modernisation and the delivery of innovative battle-winning capabilities. Cutting edge science and technology has delivered the unique dual-mode seeker Brimstone missile, a world-leading, high-precision weapons system which was significant in the campaign against Daesh; the Paveway 4 guided bomb, capable of accurately destroying the most heavily protected targets; and the recently-launched Carbonite 2 satellite, which provides imaging and high definition video from low earth orbit and was delivered from concept to launch in 8 months at a fraction of the cost of international equivalents. Science and technology is integral throughout the design and delivery of the Queen Elizabeth class aircraft carriers.

Our current research programme balances critical sovereign capabilities such as chemical weapons defence, near-term capability enhancements which are critical to counter evolving threats, and future-focused programmes. Collaborative programmes with industry and academia include novel and disruptive technologies, such as Laser Directed Energy Weapons, and experimentation to understand opportunities and threats from autonomy and Artificial Intelligence.

The MOD and major suppliers are developing the Defence Contracts Online Portal so that SMEs can compete for sub-contract work. The MOD is leading the strategic export campaigns for Typhoon (which has resulted in Qatar signing a contract for 24 Typhoon aircraft and Saudi Arabia agreeing a Memorandum of Intent for a further 48), a variety of complex weapons, and F35 Lightning support. The MOD is also supporting the Department for International Trade on export campaigns for the new Type 26 and Type 31e Frigates.

11. The Armed Forces are dependent on having the right people with the right training, and we remain committed to maintaining the overall size and capabilities of the Armed Forces, comprising regular and reserve forces. The size of the Armed Forces remains sufficient to deliver Joint Force 2025 and to meet sovereign and NATO military commitments, though all three Services are facing recruitment and retention challenges. The MOD is working to modernise a range of personnel measures, looking at how to make best and most efficient use of its workforce, military, civilian and contractors alike. We have reduced civilian headcount in the MOD and more focused measures will be identified as part of the Modernising Defence Programme. Work also continues on proposals for better compensation for injured personnel and families of those killed on operations, building on the public consultation in 2017.

12. A total of 25,557 military apprenticeships have been started in the period up to 2017. The MOD is one of the major providers of civilian apprenticeships, with over 1,300 civilians starting an apprenticeship since April 2016. The MOD is developing further workforce initiatives, focused on science, technology, engineering and maths (STEM) and entrepreneurial skills. The number of cadet units in schools across the country will expand to 500 by 2020, with 411 cadet units in schools as of November 2017.

13. The MOD continues to invest in key defence sites and is taking forward plans to reduce the defence estate by 30% by 2040. This will enable the release of land to support the national target for building 160,000 new homes by 2020. Land for 14,000 homes is in the delivery pipeline, from a potential total of land for 55,000 homes already identified.

14. **As we leave the EU, we want a partnership that offers both the EU and the UK the means to combine efforts to the greatest effect, both operationally, and in developing capabilities.** Ten years ago, we led in setting up Operation Atalanta, the first ever EU maritime operation, to combat piracy off the coast of Somalia, and have hosted the operational headquarters since then. We also contribute forces and expertise to other EU operations, including Operation Althea in Bosnia, and Operation Sophia, countering illegal migration in the Mediterranean.

Operation TEMPERER

In the wake of the Manchester and Parsons Green terrorist attacks in 2017, armed military personnel from the Navy, Army and Air Force were mobilised as military support to the police service across Great Britain. Operation Temperer saw service personnel directly supporting the police to provide additional protective security, aimed at deterring, disrupting and preventing terrorist activity and providing public reassurance. Up to 10,000 service personnel remain at staggered readiness for Operation Temperer. Further forces are available to augment armed police with a large strategic reserve of service personnel.

Counter-Terrorism

We will publish a new counter-terrorism strategy, which will include measures to improve our ability to disrupt terrorist plots in their early stages and improve frontline integration of our counter-terrorism response.

1. 2017 saw a shift in the nature of the terrorist threat to the UK, with five attacks in London and Manchester that led to the deaths of 36 innocent people and many more injured. We responded decisively, rapidly adapting our priorities and capabilities, to break the momentum of these attacks. Since March 2017, the police and the security and intelligence agencies successfully foiled a further ten Islamist plots and disrupted four extreme right-wing plots.
2. We expect the threat from Islamist terrorism to remain at its current heightened level for at least the next two years and it might increase further. We proscribed an extreme right-wing group as a terrorist organisation in 2016 and extreme right-wing terrorism continues to be a growing threat. Northern Ireland related terrorism remains a serious threat, particularly in Northern Ireland itself where dissident republicans carried out five attacks in 2017.
3. We assess that most future terrorist plots in the UK will employ simple methods that can be developed with ease and at speed. Terrorists still have the intent to also mount complex, potentially more destructive attacks, probably targeting crowded places or the global aviation system. The general availability and use of encrypted communications allows terrorists to disguise their plans better.
4. In the SDSR we explained that as the terrorist threat has changed, we have kept our response updated. We are now doing this again. The NSCR found CONTEST to be a well-organised and comprehensive response to terrorism with strengths in terms of powers, resources, reach and resilience. **We will publish a new counter-terrorism strategy, which will include measures to improve our ability to disrupt terrorist plots in their early stages and improve frontline integration of our counter-terrorism response.**
5. We will continue to use the four 'P' work strands, which will coalesce into a single local or overseas response as we improve frontline integration of our capabilities and people.

CONTEST – the four 'P's

CONTEST retains the tried and tested strategic framework of four 'P' work strands:

- **Prevent:** to stop people becoming terrorists or supporting terrorism.
- **Pursue:** to stop terrorist attacks.
- **Protect:** to strengthen our protection against a terrorist attack.
- **Prepare:** to mitigate the impact of a terrorist attack.

6. To meet the challenge of an increasingly complex and changing threat picture, we have established a Counter-Terrorism Accelerator Fund to respond to emerging threats and risks more quickly and to introduce innovative and transformational approaches to counter the terrorist threat. The Fund, worth £25 million each year, has been generated through a reprioritisation of existing counter-terrorism spending.
7. We will continue to work with the private sector both to protect our economic infrastructure and to scale our ability to tackle terrorism. We will make the internet as hostile an environment as possible for terrorists to use for propaganda, and ensure we have the critical access we need to information on their communications. We will seek more investment in technologies that automatically identify and remove terrorist content. We will place a renewed emphasis on our engagement with Communications Service Providers, recognising that the internet has been a key way for radicalisers to communicate their propaganda, and for terrorists to plot attacks.
8. We will continue to help communities increase their resilience to terrorism since they are at the forefront of our response. The purpose of the Prevent work strand in CONTEST is to safeguard and support vulnerable people to stop them from becoming terrorists or supporting terrorism. Prevent also extends to supporting the rehabilitation and disengagement of those already involved in terrorism. Prevent works in a similar way to programmes designed to safeguard people from gangs, drug abuse, and physical and sexual abuse. Our Counter-Extremism Strategy aims to protect our communities from the wider social harms beyond terrorism caused by extremism. We are taking a comprehensive approach to tackling the evil ideology of extremism, whether violent or non-violent, Islamist or far and extreme right wing.
9. Our support to our citizens affected by terrorism at home and overseas remains a top priority. We established the cross-government Victims of Terrorism Unit in March 2017 to ensure support to victims, witnesses and bereaved families is effective, comprehensive and coordinated. We called on the Unit's expertise during the 2017 attacks and have since been working extensively with local partners and national organisations to learn lessons and make improvements.

Advanced machine learning to detect Daesh propaganda

The Home Office and ASI Data Science have developed a tool that can automatically detect 94% of Daesh propaganda with 99.995% accuracy. This means that if it analyses one million randomly selected videos, only 50 would require additional human review. The tool can be used by any platform and, on the basis of current performance, is able to screen all of Daesh's video propaganda within our two hour benchmark for removal. Research has shown that the majority of links to Daesh propaganda are disseminated within two hours of release.

Smaller tech platforms are increasingly targeted by Daesh and its supporters. The Home Office and ASI will share the methodology behind the new tool with them to help combat the abuse of their platforms by terrorists and their supporters.

10. Overseas we remain committed to the Global Coalition's campaign against Daesh, to remove its control of territory, degrade further its media capabilities and disrupt key senior leaders and networks, and to efforts to degrade Al Qa'ida and its affiliates. We will take the lead on international efforts to improve counter-terrorism globally through campaigns on aviation security and preventing terrorist use of the internet.
11. Counter-terrorism is a reserved matter, meaning that powers related to counter-terrorism are retained by the UK Parliament. However, many of the local delivery mechanisms are devolved in Northern Ireland, Scotland and Wales. The UK government and the Devolved Administrations work together with a shared recognition of the threat posed across the UK by terrorism, and a shared strategic response.
12. We have been at the forefront of shaping the arrangements that underpin our CT co-operation within the EU. **As we leave the EU, we want to find a way to continue this essential work.** There are three key areas vital for CT. Collectively we need to find a means to maintain practical cooperation that facilitates fast and efficient means to bring terrorist offenders to justice. We need to maintain cooperation between law enforcement agencies that enables us to share expertise, information and intelligence. And we need to maintain the fast and efficient exchange of data.

Counter Terrorism Group

We are a leading member of the Counter Terrorism Group (CTG), consisting of 30 European intelligence and security services from EU and non-EU countries. CTG is the largest and most significant joint operational counter-terrorism group in the world, both by number of countries and quantities of intelligence involved. The CTG is a non-EU body, the work of which is vital for European CT. We work with the CTG daily, sharing data and cooperating closely. As a result, we have stopped attacks and terrorists are in custody today who might not otherwise have been found in time.

Cyber

We will continue to implement the National Cyber Security Strategy and ensure it keeps pace with the threat, including through the National Cyber Security Centre.

1. Cyber security is vital for the UK. We have the highest levels of internet use in the G7 and rank third globally in levels of e-commerce. But the cyber threat from criminals and hostile states continues to rise, with more frequent and more complex attacks. Getting hold of hacking tools is easier and cheaper than ever. This has lowered the bar to entry for criminals and others to launch high-volume, low-sophistication attacks. Despite greater awareness, cyber security in the majority of organisations and households across the UK has not kept pace with the threat, and attacks continue to target our critical national infrastructure.
2. In the SDSR we made significant commitments on cyber. We published our current National Cyber Security Strategy in 2016, supported by a transformational £1.9 billion five year investment programme, and launched the National Cyber Security Centre. Our cyber capabilities were reviewed extensively through the development and initial implementation of the NCSS, and the NSCR cyber project confirmed our overarching strategic objectives still stand. **We will continue to implement the National Cyber Security Strategy and ensure it keeps pace with the threat, including through the National Cyber Security Centre.**
3. We will further increase our work on Active Cyber Defence (ACD), to tackle high-volume cyber attacks that affect people's everyday lives. Based on successful National Cyber Security Centre pilots protecting government networks, we encourage industry and international partners to implement similar measures, collectively making cyber crime less profitable and more risky globally. ACD blocks tens of millions of attacks every week and has reduced the average time a phishing site is online from 27 hours to 1 hour.
4. We have bolstered our law enforcement capabilities against cyber crime and these are covered in the next chapter. Within government, we are developing and delivering a new secure shared central IT network, which will be resilient to attack, giving users confidence their information is properly protected, together with flexibility to work in a variety of environments.
5. We are exploring with industry how to retrain those who have the aptitude to pursue careers in cyber security to address the current skills shortages. We are also increasing our efforts to identify and inspire the next generation of cyber security professionals and entrepreneurs. We have launched Cyber Discovery, our flagship schools programme for talented 14-18 year olds. Over 23,000 young people tested their skills in the first stage of the programme. Our Cyber First scheme continues to nurture young talent. In 2017 this included a series of summer courses attended by over 1,000 young people. Our 2018 Cyber First girls' competition attracted entries from 4,500 12-13 year old girls from 400 schools, a 52% increase on the number of schools registered in 2017.

6. We continue to support the growth of the cyber security sector. CyberInvest now has 26 industry members investing millions of pounds in cyber security research at UK universities, and we recognise 14 university Academic Centres of Excellence in Cyber Security Research and four Research Institutes. Our Academic Startup programme is selecting teams for its second round. We are also recruiting for a third cohort of the HutZero programme, which helps entrepreneurs develop their ideas regardless of their background. The second cohort of participants is now going through the Cheltenham Innovation Centre's Cyber Accelerator. The London Cyber Innovation Centre will open in spring 2018. Bespoke boot camps, aimed at helping established cyber security start-ups and SMEs become export ready, are also being held across the country.
7. We are helping people understand the simple steps they can take to protect themselves through the national Cyber Aware campaign. Cyber Aware now has over 550 partners from the public, private and third sectors supporting and amplifying the campaign through their own channels. Our Cyber Essentials scheme provides guidance to businesses on protecting themselves against common cyber threats and on building their resilience to future threats. We also work in partnership with the retail and recruitment sectors and with consumer champions and student organisations.
8. We will continue to invest in international partnerships that tackle shared threats and promote the rules-based international order in cyberspace. **As we leave the EU, we want to protect our cyber cooperation so that we can continue to share information about cyber threats, work with the European Union Agency for Network and Information Security (ENISA) and Europol, deepen industrial collaboration and work together to develop cyber resilience and response options.** Our international cooperation extends our operational reach and reduces the attack platform our adversaries can use against us and allies. We will increase our investment in building the capacity of international partners, including across the Commonwealth, in cyber defence, law enforcement and policy.

National Cyber Security Centre

The National Cyber Security Centre (NCSC) was created in 2016 to make the UK the safest places to live and work online. It sits alongside GCHQ's vital capabilities and brings together expertise into a single, national authority as a cornerstone of our National Cyber Security Strategy.

In its first 12 months, the NCSC has prevented thousands of attacks, provided vital support for our Armed Forces and transformed our ability to manage and respond to significant cyber security incidents. The NCSC has worked with partners to respond to nearly 800 incidents, coordinating the government's response and providing reassurance to the public.

The NCSC is also helping to put us on the front foot: launching the Active Cyber Defence programme; working to nurture the next generation of cyber experts through CyberFirst skills initiatives; and playing a leading role internationally with NATO, European partners and other key allies.

Serious and organised crime

We will take a whole-of-government approach to serious and organised crime, including a new intelligence framework, better community engagement and a National Economic Crime Centre in partnership with the private sector.

1. Serious and organised crime (SOC) has grown faster than any country has been able to respond to it. It is inherently transnational with many of the threats we face within the UK emanating from overseas. Criminal networks are increasingly resilient and adaptable, exploiting technology and becoming involved in almost every type of crime.
2. SOC causes significant harm. It leads to more deaths in the UK each year than all other national security threats combined, with over 2,500 deaths from drugs alone. It makes the UK a more dangerous place, with firearms offences increasing by over 25% between 2015/16 and 2016/17. And it targets the vulnerable, seen in the continued rise of child sexual exploitation. Cyber-dependent crimes and cyber-related fraud now make up a third of all crime in the UK. Economic crime is a growing threat and makes other criminal activity easier.
3. In the SDSR we made specific commitments to tackle money laundering and sanctions-busting, cyber crime, online child sexual exploitation, modern slavery and the supply and availability of illegal firearms. While the NSCR confirmed that we have made good progress on all of these, the overall growth in the threat from SOC means that we need a more comprehensive approach. **We will take a whole-of-government approach including with the Devolved Administrations to tackle serious and organised crime** and publish an updated Serious and Organised Crime Strategy in 2018.
4. **We will establish a new intelligence framework** by working with all partners to put intelligence at the heart of our response to SOC. The National Crime Agency (NCA) will ensure there is a single authoritative voice on SOC threats and lead a new capability development strategy. This will ensure that we are making the best use of capabilities across the whole law enforcement system and identify where future investment would have most impact.
5. **We will take a whole-of-government approach to disrupting high-harm organised crime groups and corrupt elites.** This will involve the coordinated use of all available law enforcement, criminal justice, diplomatic and other tools to ensure the UK is a hostile environment for their activity. This will undermine their business model so that they are less able to operate effectively.
6. **We will create a National Economic Crime Centre in partnership with the private sector.** This will act as the national authority for the UK's operational response to economic crime, maximising the value of intelligence, and prioritising, tasking and coordinating to ensure the response achieves the greatest impact on the threat. It will be hosted by the NCA and will be staffed by partners from across the law enforcement, criminal justice and regulatory community and from the private sector.

7. **We will reform the Suspicious Activity Reports (SARs) system.** This will support our aims of disrupting illicit financial flows by improving intelligence and disruptions whilst also reducing bureaucracy for the private sector. Coupled with new powers from the Criminal Finances Act, this will lead to increased asset recovery opportunities.
8. **We will make community engagement a cornerstone of our response** to build resilience within communities and reduce public tolerance for criminal activity. We will implement a comprehensive approach to draw facilitators and offenders away from SOC. We will broaden our focus on resilience to show how communities themselves can become more resilient to the threat, including by reducing both tolerance of illegal activity and demand for illicit goods and services.
9. **We will continue to deliver a targeted response overseas to tackle the inherently transnational nature of the threat.** This will be supported by improved analysis of the nature and drivers of illicit markets, and more activity designed to address the vulnerabilities that underpin those drivers. This will be a whole-of-government approach, with an expanded role for the Home Office, FCO and DFID in particular.
10. Despite the increase in the overall threat, we have made progress in delivering the SDSR commitments on SOC. We have introduced new measures to make the UK a more hostile place for those seeking to move, hide or use the proceeds of crime and corruption or to evade sanctions. The Criminal Finances Act in 2017 created new powers, including Unexplained Wealth Orders, which enable us to recover criminal assets and crack down further on money laundering and terrorist financing. Over £2.2 billion has been taken off criminals since the Proceeds of Crime Act 2002 was first introduced.
11. The NCA's cyber teams and police services across the whole country work together with prosecution services to secure disruptions and convictions. In the ten most serious cyber incidents investigated by the National Cyber Crime Unit between October 2016 and April 2017, suspects were identified in nine cases and arrests were made in seven. Action Fraud, the national reporting centre, is operating 24/7 to improve the speed of the response for victims of cyber crime. The NCA's Dark Web Intelligence Unit is now fully staffed, providing a national capability to assist national and regional operations with dark web research, assessment and evidential collection of data to identify and prosecute perpetrators.
12. Collaborative working between the NCA and the police has resulted in approximately 400 arrests for online child sexual exploitation offences each month, and the safeguarding of over 500 children each month. A further £20 million over the next three years has been allocated to help combat the online grooming of children. This has been used to fund Regional Organised Crime Units in England and Wales, significantly increasing undercover online capability which is used to identify and disrupt offenders.

Dismantling a human trafficking organised crime group

A UK-Romanian Joint Investigation Team set up in 2016 investigated an organised crime group trafficking Romanian nationals for sexual exploitation in the UK. It provided the legal gateway to target the group, disrupt their activities and safeguard vulnerable victims, many of whom were subject to horrific abuse. This joint approach, coordinated by Europol and Eurojust, dismantled the organised crime group, with 21 arrests, 35 vulnerable victims safeguarded, and vehicles and cash seized.

13. We are leading the global effort to end child sexual exploitation and abuse through the WePROTECT Global Alliance initiative. We also support the Fund to End Violence Against Children (launched by UNICEF in 2016) through a £40 million contribution over four years. We have strengthened our capability to identify and prioritise the needs of victims of child sexual exploitation, and created additional intelligence and child protection advice capabilities. Technological advancements, such as new facial matching and video capability, will further assist forces in investigations and help uncover new leads.

14. £8.5 million of additional funding is now available to police forces in England and Wales to transform the policing response to modern slavery, providing over 60 new and dedicated roles to support the police with improved intelligence, training and specialist tactical advice alongside a strengthened operational response. We are working closely with source countries to eradicate modern slavery in the UK, and build partnerships to wipe out modern slavery globally, through multilateral engagement and international co-ordination. We have achieved considerable operational success in the UK and across Europe and Africa, disrupting and prosecuting some of the most serious, high-risk criminals.

15. We continue to choke off the supply and availability of illegal firearms. The Policing and Crime Act introduced changes to firearms legislation in January 2017, tightening up controls on the unlawful conversion of imitation firearms and strengthening definitions on antique firearms. We launched a new multi-agency cell focused on enhancing our understanding of the CT/SOC threat to the UK from illegal firearms, and we have been working with European partners, to tackle the illegal possession and trafficking of firearms, setting more stringent standards for deactivation, and encouraging greater information sharing.

16. **As we leave the EU, we want to continue our co-operation against SOC.** The UK has been at the forefront of shaping the arrangements that underpin our internal security co-operation with the EU. Practical co-operation, co-operation between law enforcement agencies and the exchange of data through databases are all areas where there is mutual benefit in our continued close co-operation. This is why we have proposed a new treaty on security, law enforcement and criminal justice, which we think is the best way of ensuring continued collaboration and co-operation on key legislative tools and instruments as we leave the EU.

Targeting the illicit sale of firearms and ammunition

We formed an international Joint Investigation Team after the discovery in 2015 of a shipment of Skorpion submachine guns to the UK. It targeted the illicit sale of firearms and ammunition using the dark web, bitcoin currency and ‘fast parcel’ deliveries. Using Europol as the platform for rapid exchange of information and coordination, law enforcement action resulted in the identification of a significant number of ‘customers’ and numerous successful prosecutions throughout Europe.

Ports and borders

We will integrate the knowledge and expertise held by all border organisations to produce comprehensive strategic threat assessments.

1. The border is a vital asset for our national security, prosperity and global image. It provides a unique intervention point to detect and disrupt a range of security threats, while enabling the travel and trade that underpins our prosperity as a global hub. The border also contributes to how we are seen internationally. We must facilitate the movement of legitimate trade and travellers from overseas, while ensuring the right measures are in place to deter hostile actors and prevent illicit cross-border movements.

2. The border itself is a complex operating environment that reaches far beyond the physical controls at specific ports and airports. It includes a wide range of activity overseas and in the UK, undertaken by at least 25 distinct government organisations. These range from Border Force, HM Revenue and Customs and Immigration Enforcement whose roles are relatively well known, to organisations as diverse as the Medicines and Healthcare Products Regulatory Agency, the Food Standards Agency, the Driver and Vehicle Standards Agency, and the Animal and Plant Health Agency.

3. We must balance our security and prosperity objectives at the border. In 2016, more than 250 million travellers crossed the UK border, with foreign visitors spending over £23 billion in the UK. In the same year, 470 million tonnes of freight passed through our major ports, making up over £300 billion of exports and nearly £440 billion of imports. These figures are all expected to continue to increase in coming years, placing further demands on our border. Cheap cross-border travel and immediate communication mean criminals are increasingly agile, organised and difficult to disrupt. Meanwhile passengers and industry have increasingly high expectations for a quick and efficient border experience.

4. In the UK we already benefit from some of the world's most efficient and effective border systems. We are a world leader in the use of facial recognition technology for passport control, with approximately 250 automated electronic ePassport Gates now in operation at our major airports and rail terminals. These include the 'juxtaposed controls' we operate in France and Belgium, where passengers pass through UK passport control and customs in Paris or Brussels before boarding their train to the UK. We make extensive use of advance passenger data to help target interventions and keep the UK safe. We have a world-class radiological detection capability. We are also making further enhancements which will benefit both our security and prosperity. We intend to replace the paper visas we stick into passports with electronic 'e-visas', which will be more secure and will enhance the customer experience.

5. In the years preceding and since the publication of the SDSR, border-related law enforcement has gone through a period of significant organisational change. Through the NSCR, we looked closely at how our borders operate. We found that successful operations against terrorists and criminals are increasingly the outcome of collaboration by multiple organisations, and we are determined to build on this success. **We will improve our strategic intelligence capability further by integrating the knowledge and expertise held by all border organisations to produce comprehensive**

strategic threat assessments. Organisations at the border, including law enforcement across the UK, will develop smarter ways of working together and coordinating their activity. This will mean we make better use of our capabilities and increase our effectiveness in responding to changes in threats.

6. We will work more closely with industry partners operating at the border to ensure that operations work as smoothly and effectively as possible. Industry operators face many of the same challenges, including developing and installing the infrastructure required for physical controls and minimising the effect that these controls have on legitimate freight and passenger flow. Close cooperation with industry is also crucial to tackle port corruption, particularly by those with access to secure areas who may abuse their position to facilitate the illicit entry or exit of people or goods. As a result of the NSCR, we will introduce a new border security partners group to support this cooperation.

7. As we reported in the first SDSR Annual Report, the Royal Navy is working closely with law enforcement agencies to maintain the UK's maritime security and the security of its territorial waters. The Joint Maritime Operations Centre established in 2016 has now been expanded into a Joint Maritime Operations Co-ordination Centre (JMOCC) involving the Home Office, the Royal Navy, UK Border Force, Police and other maritime agencies. The Royal Navy will obtain five new offshore patrol vessels, with the first one, HMS Forth, due to enter service in spring 2018.

8. **As we leave the EU, we want to find a practical and pragmatic way to continue to cooperate with the EU on cross-border threats.** The UK has driven a pan-EU approach to processing passenger data, enabling the identification and tracking of criminals, victims of trafficking and those individuals vulnerable to radicalisation. People across Europe are safer as a result. A key border security requirement is advance information about freight movements. Advance information helps border agencies target illicit movements and reduces unnecessary disruption of legitimate loads or shipments.

9. When we leave the EU, we will put in place amended legislation on our Territorial Waters and Exclusive Economic Zone (EEZ) that ensures our security and prosperity interests are fully addressed, including for the commercial exploitation of waters around the UK through fishing, and mineral, oil and gas exploration and production. Our preparation for enforcement of the new legislation includes a UK-wide review to improve the coordination, tasking, asset sharing and governance of all marine policing, maritime security and border enforcement activity in the UK Marine Area.

Operation Halifax

We worked jointly with Bulgaria, Belgium, France and The Netherlands through Operation Halifax to tackle systematic smuggling of migrants into northern Europe. The operation resulted in 120 arrests across 10 EU countries.

National resilience

We will improve assurance of resilience and readiness of local and national capabilities, reinforce mutual aid systems during major disasters, and continue to develop a holistic approach to supporting victims of emergencies.

1. Resilience embeds the control of risks, and readiness for and recovery from emergencies and disruption into everything we do. National resilience involves the effective coordination of capabilities and approaches across tiers of government and the wider public and private sector.
2. National resilience is truly collective, depending on all of us – emergency responders, local and central government, the Armed Forces, businesses, communities and individual members of the public. We are committed to continually strengthening the UK's resilience and we act on lessons after emergencies have happened. The vital importance of this work was emphasised last year following the appalling attacks in Manchester and London and the tragedy at Grenfell Tower. This was the focus of the NSCR work on resilience.
3. We will continue to seek further opportunities to understand and assure resilience and readiness of both local and national capabilities. Emergency response and recovery is carried out first and foremost at the local level. As part of efforts to improve local resilience, the Cabinet Office is working with the local multi-agency bodies, Local Resilience Forums (LRFs), to identify good and leading practice. **We will continue to build a set of Resilience Standards which set expectations, help Local Resilience Forums assess themselves, and act as a basis for assurance and continuous improvement.**
4. Mutual aid is widely used within and between organisations during emergencies. **We will identify ways to reinforce local mutual aid systems during major disasters.** This includes local responders taking steps to ensure the mutual aid is firmly embedded in local response arrangements, as well as departments taking steps to ensure that the right support can be delivered quickly to where it is needed on the ground.
5. We are committed to supporting the victims of tragic events, both in the immediate aftermath of the event and also in the longer term. Events throughout 2017 demonstrated the importance of coordinated and effective support being available to victims and their families. The Victims of Terrorism Unit works with numerous organisations to ensure that victims of terrorist attacks receive the best possible support. **We will work across services, including with the voluntary sector and charities, to continue to develop a holistic approach to supporting victims of all major and serious incidents.**
6. We committed in the SDSR to having the right regulatory framework to ensure our critical national infrastructure (CNI) is resilient to future threats. We published a Green Paper in 2017 setting out proposals to reform and strengthen powers for scrutinising the national security implications of certain particular types of investments, in particular sensitive technologies and certain types of CNI. The Green Paper sets out the reforms

that we propose to take in both the short and long term. A regulatory framework for cyber security in critical sectors is due to be implemented by May 2018.

7. We are also enhancing the UK's ability to prepare for and respond to nationwide power failure. A taskforce of representatives from across the energy sector is working with the Department for Business, Energy and Industrial Strategy (BEIS) to ensure there is a robust and effective restoration strategy in the short and long term. This is alongside work led by Cabinet Office on cross-sector mitigation and response.
8. We have completed the review of infrastructure policing set out in the SDSR, and are now considering ways to optimise the protection of critical infrastructure, such as our nuclear sites and railways.
9. We have also reviewed our approach to biological security. The UK Biological Security Strategy will address key risks such as natural disease outbreaks.
10. Space was designated as a CNI sector in 2015. A cross-government ministerial space committee was established in December 2016 to set the government's strategic ambition for space, promoting growth and enhancing security by driving the development and implementation of coherent cross-government civil and military space strategies and policies. The UK Space Agency will publish a Space Strategy in 2018.
11. We are implementing the recommendations of the National Flood Resilience Review 2016 to improve the UK's preparedness for flooding. The National Flood Response Centre (NFRC) was established after the Review and exercised in 2016 and 2017.
12. We continue to upgrade our crisis response infrastructure drawing on MOD support as required. This work ensures that we have resilient and flexible structures which are able to deal with a wider range of risks. We intend to complete this work by the end of the current Spending Review period.
13. **As we leave the EU, we seek to continue to co-operate with the EU on shared threats including terrorism, civil emergencies, resilience, risk reduction and health security.** Our ability to prevent, prepare for and respond to risks is enhanced by our ability to share data and expertise, exchange information and collaborate closely with our nearest neighbours.

Civil protection

We are one of the most active countries in civil protection. We work closely with the EU, NATO and countries around the world in preparing for and responding to major emergencies, including earthquakes and major disease outbreaks. We are a leading voice in NATO on the importance of civil resilience as an aspect of collective defence and modern deterrence. We deployed our first regional resilience adviser to the Baltic States to share best practice in building national resilience. In emergencies, we are a steadfast partner. Between 2013 and 2017 we sent thousands of tonnes of assistance items and more than 1,200 experts through EU mechanisms to support the response to emergencies.

Global Britain

We will strengthen our overseas network so that we can reinvest in our relationships around the world, champion the rules-based system including free trade, and use our soft power to project our values and advance UK interests.

1. Global Britain means the UK as an open, inclusive and outward facing free-trading global power playing a leading role on the world stage. We are reinvesting in our relationships around the world. We are championing free trade and the international rules-based system. And we are using our soft power to project our values and advance UK interests.
2. In the SDSR we identified that our strong alliances and partnerships worldwide are ever more important since many of the opportunities and threats are global. Global Britain builds on this. Economic growth in Asia is moving the global centre of gravity east. Meanwhile some states are actively destabilising the world order to their own ends, claiming that the rules and standards we have built, and the values on which they rest, no longer apply.
3. As a global trading nation, our security and prosperity has always been bound to global security and prosperity. The fundamental values we hold dear – respect for human dignity, human rights, freedom, democracy and equality – have created common cause to act together with partners in our shared interest. Global Britain involves deepening our partnerships and showing leadership in tackling global challenges, including through our seat on the United Nations Security Council. **We will establish a Global Britain Board to coordinate Global Britain activity across departments, agencies and our overseas network.**
4. Our overseas network underpins our international engagement. We have 15,000 staff from 31 departments and public bodies across 169 countries and territories. The UK model is a powerful combination of skills and expertise that provides influence and senior access and deploys specialist knowledge in areas such as counter-terrorism, migration, financial regulation, trade policy, defence, development, climate change and law enforcement as well as consular support to British nationals.
5. **We will strengthen our overseas network to support our ambitions for Global Britain.** Additional staff will build and strengthen bilateral engagement around the world, project our influence and underline our commitment to allies and partners, including in Europe, and deliver in areas where the EU has led to date. In 2018, we appointed the first of nine of Her Britannic Majesty's Trade Commissioners, who will lead our co-ordinated trade and investment effort overseas. We will increase our efforts to place UK experts in key positions in multilateral institutions, such as the WTO, UN, NATO and the international financial institutions. We remain firmly committed to ensuring that these organisations remain fit for purpose and we support reform programmes to achieve this.
6. We will also continue to strengthen the platform that the network provides for government departments to operate overseas. We have already largely consolidated most departments' presence onto one single platform, with the FCO as the main

corporate services provider. **The cross-government Network Board will set out a detailed implementation plan that identifies measures to further strengthen the overseas platform.**

7. Expertise underpins our capability to deliver Global Britain. We will make more use of best practice training provision, including the FCO Diplomatic Academy's 12 faculties and the Defence Academy. We will continue to improve the use of expertise, including in languages. We already have better language skills being used in key roles. We will also track skills across departments better.

8. Defence Engagement was established as a funded MOD task as a result of the SDSR, and the defence staffs established in the Gulf (Dubai), Asia-Pacific (Singapore) and West Africa (Abuja) became fully operational in 2017. We also met our SDSR commitment to double the number of our military personnel supporting UN peacekeeping missions in 2017.

9. We are investing £291 million to 2020 in the BBC World Service to increase access to trusted news and information. We continue to invest in the British Council as a world leader in promoting cultural relations and educational opportunities. Their major programme this year 'Active Citizens' builds understanding and trust between communities locally and globally and has trained 55,000 people in 2016/17.

10. The Chevening, Marshall and Commonwealth Scholarship schemes continue to attract high-quality applicants from around the world with almost 2,500 new students studying in the UK in 2017 under these schemes. We have also increased the number of international places being offered on our most prestigious International Defence Training courses from 1221 places in 2015/16 to 2,240 in 2016/17.

Our overseas network

11. How the UK is perceived matters. Building on these investments, **we will create a cross-government soft power strategy,** while respecting the independence of the BBC World Service, British Council and the many British institutions and brands that contribute to our soft power. We will use the GREAT campaign to support the UK's future relationship with European countries and to continue to promote the UK and be a powerful outreach tool worldwide. **We will develop options to improve visa service delivery** through the FCO and Home Office.

12. **We will continue to demonstrate global leadership through a rolling calendar of international summits and conferences.** The Commonwealth Heads of Government Meeting in London in April 2018 will have a strong youth focus since the future of the Commonwealth depends on its one billion young people. They benefit from a common language, legal systems and values, making it easier for them to communicate, trade and cooperate with one another. The London 2018 Illegal Wildlife Trade Conference will build global consensus on tackling this lucrative transnational crime.

13. **As we leave the EU, we seek a deep and special partnership between the UK and EU. We want to work together globally, defending the international order and our shared values.** We seek a partnership on external security that goes beyond any existing third country arrangements and offers us the means to combine efforts where it is in our mutual interest. The future partnership must respect the decision-making autonomy of the EU and the sovereignty of the UK. Since the EU's common foreign policy is distinct within the EU Treaties and our foreign policies will keep evolving, we should be ready to bring into effect key aspects of our future partnership on external security from 2019.

Sanctions on the Democratic People's Republic of Korea (North Korea)

The UK has played a prominent role as a permanent member of the United Nations Security Council to put pressure on the Democratic People's Republic of Korea (DPRK), including through sanctions, to stop its illegal pursuit of nuclear weapons and ballistic missiles. We have also pursued additional autonomous EU sanctions, including a full ban on investment in the DPRK and oil exports.

In January 2018, the UK was instrumental in securing agreement to list 17 DPRK nationals involved in illegal trade activities and sanctions evasion. The UK, with EU partners, has actively encouraged the comprehensive enforcement of UN Security Council sanctions by the international community.

Partners, allies and global engagement

In SDSR 2015, we highlighted the vital importance of our strong alliances and partnerships worldwide. The strength of our global approach is reinforced by the range and breadth of our bilateral and regional relationships, as well as our influence in global and regional institutions. The three primary centres of the global economy and political influence are now in North America, in Europe and its neighbourhood, and in the Indo-Pacific region, and we must maintain and build on our strong relationships across these regions. At the same time, Global Britain will remain active and engaged around the whole world, on key global issues, and in the major institutions of the rules-based international order.

The United States continues to be our single most important international partner.

NATO remains the cornerstone of our security posture.

Many of our closest and most like-minded partners are members of the **European Union**, and we remain unconditionally committed to Europe's security. We will maintain particularly comprehensive bilateral relationships with **France, Germany and Ireland**. We will continue to engage closely with the EU as an organisation and with all our European friends and partners both in the EU and outside it.

We are uniquely privileged to share close security and cultural links with Five Eyes partners in **Australia, Canada and New Zealand** as well as the US.

We maintain strong relationships with our key partners in **the Gulf** and around the **Middle East** and **North Africa**, reflecting our mutual security and prosperity interests, and helping to tackle the many security challenges which emanate from the region.

We have established a global comprehensive strategic partnership with **China**.

Our enduring close relationship with **India** offers much scope to build mutual prosperity and security. Across **South Asia** we have deep relationships flowing from our shared history. We remain committed to **Afghanistan's** future.

Japan and **South Korea** are strong partners for us in security, prosperity, and in tackling many global issues.

In **South East Asia** we continue to work with our key partners on economic, educational and security issues, including the Five Power Defence Arrangements with Australia, New Zealand, Malaysia, and Singapore.

We are building partnerships with **small island states** to enhance their sustainability.

Our focus on **Africa** will change and expand to match challenges and opportunities faced by rapidly growing, young populations across the continent.

Latin America offers us increasing opportunities for close cooperation with influential and like-minded liberal free-trading nations.

Our commitment to the **United Nations**, including our role as a permanent member of the Security Council, remains central to our global engagement. We work closely with the other permanent members to tackle global challenges. We will also continue to strengthen the **Commonwealth** and we will maintain our active membership of the wide range of multilateral bodies and groupings to which we belong, including the **G7, G20, counter-proliferation regimes and international financial institutions.**

National security communications

We will significantly expand the National Security Communications Team to make communications an integral part of our approach to national security.

1. The UK is considered a world leader in communications but we have taken a more consistent approach to delivering domestic communications campaigns, such as on road safety and stopping smoking, than in national security. Nevertheless, there are clear examples of success. The UK leads international efforts to counter Daesh's propaganda and damage its brand. The GREAT campaign is an international campaign to generate jobs and growth for Britain that has already secured confirmed economic returns of £2.7 billion.
2. Strategic communications was considered in the SDSR as a part of our approach to some capabilities, but not as a cross-government capability. As a result of the NSCR, **we will significantly expand the National Security Communications Team.** This enhanced capability will mean that the senior officials for NSC priorities will have access to a broad cross-government group of communications professionals who can work centrally or alongside them to achieve communications objectives as an integrated part of the government's approach to national security.
3. The enhanced National Security Communications Team will continue to be staffed by the Government Communication Service, the professional body for people working in communication roles across government. The expansion will enable communications professionals to specialise in national security communications, with training, support and a career pathway to strengthen and retain talent.
4. The communications landscape is continually evolving. Communications are increasingly being used by our partners and adversaries alike for strategic real-world advantage. Traditional channels have been largely discarded in favour of digital and social media platforms. This is combined with a decline of trust in traditional sources of information and the era of so-called 'fake news'. In parallel, the rules of the game have changed. The democratisation of information, and the means to exploit it, has allowed hostile actors to exert disproportionate influence in competition with the public interest.
5. We will continue to use communications to tackle these interconnected, complex challenges to our national security. They must be part of the frontline of our defences, helping prevent threats to British lives at source. We need to be able to communicate more effectively about our policies and what we stand for across our core national security interests. One way we do this to highlight the international campaigns we lead in order to protect and project our fundamental values and build a greater global community on issues of national and international security.
6. The UK launched the Counter-Daesh Communications Cell in 2015 as part of the Global Coalition of 74 international partners dedicated to degrading and defeating Daesh. Through our leadership, the Cell changed the international narrative around Daesh – from one that highlights their atrocities to one which emphasises their failures. This has been

vital in damaging the perception of Daesh, and reducing their ability to recruit. We provide daily information packs to Coalition partners, containing facts and figures on Daesh's increasing failures. We also launched a Global Coalition website (www.theglobalcoalition.org) that houses up-to-date information on Coalition progress. All of this helped Coalition governments highlight Daesh's lies and expose their inadequacies. As a result of our combined efforts, Daesh's propaganda output dropped by 75% in 2017.

Source: The Global Coalition Against Daesh: www.theglobalcoalition.org

Economic security, prosperity and trade

We will use the Fusion Doctrine to integrate economic goals and capabilities throughout national security.

1. In the SDSR we emphasised that our economic and national security go hand in hand. Economic security is a core part of the UK's national security agenda. We are the sixth largest economy in the world, the fifth largest exporter and the top destination for inward investment in Europe. Our partners around the world want British businesses as partners for the long term, and the legal services, accountancy services and finance that make the UK a global financial centre. The UK's position and influence in the growing global economy are of even greater importance as we face a growing range of challenges to free trade and globalisation.
2. Despite the linkage we made in the SDSR between security and economic goals, we have not fully integrated our approaches. **We will use the Fusion Doctrine to integrate economic goals and capabilities throughout national security.**
3. Our Industrial Strategy, published in 2017, sets out our vision for the future economy and our strategy to boost the productivity, earning power and quality of life of people across the country. Our aim is that by 2030 we will have transformed productivity and earning power across the UK to become the world's most innovative economy and the best place to start and grow a business, with upgraded infrastructure and prosperous communities across the country. We are building on the UK's many strengths and reinforcing the foundations of productivity: ideas, people, infrastructure, our business environment and places. We have announced sector deals, involving strategic long-term partnerships between industry and government backed by sizeable private sector co-investment, in construction, life sciences, artificial intelligence and automotive industries, and will announce more in the future.

Industrial Strategy

Our commitments include:

- raising investment in R&D to 2.4% of GDP by 2027 and announcing £725 million in new Industrial Strategy programmes to drive innovation;
- investing £406 million in maths, digital and technical education as well as creating a new National Retraining Scheme that helps people to re-skill;
- boosting spending on the infrastructure of the future, delivering clean energy and spreading 5G digital connectivity right across the country and £400 million for electric vehicle charging points;
- creating a £1.7 billion Transforming Cities Fund for projects that drive productivity by improving connections within city regions; and
- creating an Independent Industrial Strategy Council to develop measures of success and evaluate our performance.

4. The Industrial Strategy sets out 'Grand Challenges' to put the UK at the forefront of the industries of the future, ensuring that we take advantage of major global changes, improving people's lives and the country's productivity. The four initial challenges are:

- putting the UK at the forefront of the Artificial Intelligence and data revolution, which could add £232 billion to the UK economy (around 10% to GDP) if widely adopted;
- making the UK a world leader in the development, manufacture and use of low carbon technologies, systems and services since the global shift to clean growth will transform many sectors;
- becoming a world leader in shaping the future of mobility, since we are on the cusp of a profound change in how people, goods and services move, driven by engineering and technology innovations; and
- harnessing the power of innovation to meet the needs of an ageing society, with the world's centenarian population projected to grow eightfold by 2050.

5. To promote the UK's economic growth and prosperity, we seek to maximise UK trade opportunities, including exports and investment (outward direct investment and foreign direct investment). We will build on the UK's competitive strengths identified in the Industrial Strategy. We promote and protect innovation, technological development and skills growth in the UK and globally. We also market the UK as the best place to visit, study and do business.

6. We champion the rules-based international financial and economic architecture and support greater inclusivity in the membership and decision-making of the International Financial Institutions including the World Bank and the IMF. In the G20, we have led international work on tax capacity-building in developing countries. In the G7, we have led work to counter money laundering and terrorist financing. We will work to reduce the barriers to bilateral trade (tariff and non-tariff) and market access, ensuring a comprehensive network of trading agreements, and reinforcing the multilateral rules-based system which governs trade and the stimulation of demand, especially in emerging and innovation-focused sectors. We are deepening our bilateral economic relationships with emerging global economic powers, including through our Economic and Financial Dialogues.

7. We remain a leading player in developing and applying economic sanctions. The Policing and Crime Act 2017 has increased penalties for evading financial sanctions. The Sanctions and Anti-Money Laundering Bill is intended to help us continue using sanctions smartly to deliver national security outcomes after we have left the EU.

8. We will continue to promote greater resilience in the global economy and global financial system through monitoring and mitigation of endemic and emerging economic and financial risks, including by the multilateral institutions, and removing bottlenecks to financial, trade and economic flows. And we support action within and across borders to secure financial systems against cyber crime and from any criminal activity that aims to defraud or abuse those systems.

9. We predict, analyse and mitigate external economic threats to the UK and the wider global system to protect economic security. We respond to punitive or hostile policies developed by other states which harm the UK's economic prospects as well as international threats to critical national infrastructure (CNI). We reduce risks from serious and organised crime, including by engaging with other global financial centres to tackle illicit financial flows. We work bilaterally and multilaterally to ensure UK energy security. We seek to mitigate threats arising from major global issues and wider market failures. These include climate change, energy policy and health issues, such as global pandemics and antimicrobial resistance. We also monitor and, where possible, mitigate the threats to UK economic benefit from major global geo-political events.
10. We enhance our economic security and prosperity at home through our development work which supports strong, inclusive and sustainable growth overseas. This work demonstrates the UK's commitment to eradicating poverty and meeting the Sustainable Development Goals whilst also enhancing mutual prosperity by building the foundations for UK trade and commercial opportunities in horizon markets. We believe the Paris Agreement on Climate Change represents the right global framework for protecting the prosperity and security of future generations.

UK-Japan partnership

Japan is one of our global strategic partners and, during the Prime Minister's visit to Japan in 2017, we committed to elevating our security and defence partnership to a new level, including agreeing a Joint Declaration on Security Cooperation. The Declaration confirmed that we are each other's closest security partners in Asia and Europe respectively and is a clear demonstration of the importance of aligning our complementary agendas.

Security and defence is a cornerstone of our relationship with Japan. We are enhancing our coordinated response to challenges to the rules-based international system, through increased security and defence cooperation in areas such as joint exercises, defence equipment and technology, cooperation in third countries, counter-terrorism and violent extremism, cyber security, and combating serious and organised crime, including modern slavery.

Japan and the UK are among the strongest global champions of free trade. The UK has been one of the strongest advocates of the EU-Japan Economic Partnership Agreement (EPA). As the Prime Minister agreed during her visit to Japan, we will work quickly to establish a new economic partnership between Japan and the UK based on the final terms of the EPA.

11. **As we leave the EU, we seek a deep and special partnership that spans a new economic relationship and a new relationship on security.** We start from the unique position of regulatory alignment, trust in one another's institutions and a shared spirit of cooperation. We want the broadest and deepest possible partnership – covering more sectors and co-operating more fully than any Free Trade Agreement anywhere in the world today. We both want good access to each other's markets; we want competition between us to be fair and open; and we want reliable, transparent means of verifying that we are meeting our commitments and resolving disputes. This partnership, together with the new trade deals we strike with allies across the world, will support new jobs for our people, new markets for our exporters, and new growth for our economy.

Putting the UK at the forefront of the Artificial Intelligence and data revolution

Artificial intelligence and machine learning are starting to transform the global economy and could add £232 billion to the UK economy by 2030. Through our Grand Challenge, we are encouraging greater uptake of Artificial Intelligence (AI) and data analytic technologies and are championing research and innovation. The UK will take an international leadership role by investing £9 million in a new Centre for Data Ethics and Innovation. This world-first advisory body will review the existing governance landscape and advise the government on how we can enable and ensure ethical, safe and innovative uses of data, including AI. We have also agreed an AI sector deal with industry to boost the UK's global position as leader in developing AI technology.

Our investment in AI is supported by a £10 million Regulators' Pioneer Fund, helping regulators to take new approaches to new and emerging technologies. We will invest £45 million to fund new additional doctoral studentships in AI and related disciplines, increasing numbers by at least 200 extra places a year by 2020/21. Through our Industrial Strategy Challenge Fund, we are funding programmes to develop robots to work in extreme environments (£93 million), to improve data use for early diagnosis and precision medicine (£196 million), for AI and control systems needed to enable driverless cars (£38 million) and to bring about the next generation of services (£20 million).

Our prosperity is founded on being an open, liberal, free-trading economy in which new businesses can be created easily.

Development

We will ensure our development capability responds to changes in global poverty and national security challenges.

1. Development helps create the foundations for global security and prosperity. As a result, development assistance is an essential part of the UK's approach to national security. Our assistance helps countries become self-sufficient, reduce transnational threats like terrorism and serious and organised crime, and tackle challenges like climate change and high levels of population growth. Development also builds economies to help create the UK's trading partners of the future.

2. While global poverty is falling, conflict and insecurity are becoming the main drivers of extreme poverty. In the SDSR, we committed to spend over 50% of DFID's budget on fragile states and regions. We have consistently met this target and will continue to do so for the rest of the SDSR period. As a result of the NSCR, **we will ensure our development capability responds to changes in the drivers of global poverty and works in more innovative ways.** We can deliver our development assistance most effectively through a whole-of-government approach. The cross-government funds, described in the next chapter, contribute to this joined-up way of working.

3. By 2030, around 80% of the extreme poor will live in poorly governed, fragile states, particularly in Africa. Weakness in governance also creates space for serious and organised crime and terrorism, and contributes to irregular migration, while our support helps countries improve their governance and reduce these drivers of conflict. Following the NSCR, DFID will focus on ensuring that its programmes are targeted more acutely on the underlying drivers of fragility, conflict and instability. **We will increase our efforts on security and justice,** which will further help reduce insecurity, serious and organised crime, and grievances that can lead to violent extremism.

4. Aid can help create self-sufficient economies. But as countries transition out of poverty, what they need from the UK is changing. Looking to the future, we will be innovative in developing new tools and partnerships that can better meet the needs of emerging lower middle income countries and deepen the UK's economic relationships with growing markets. **We will share knowledge and technical expertise to support partner governments to develop and deliver strategies for inclusive economic growth.** This includes a strong focus on stimulating major private sector investment, helping countries export and harness the power of trade with the UK and globally, and addressing the acute need for mass numbers of jobs for rising youth populations. In conflict-affected countries, supporting inclusive economic growth helps build the foundations for stability and economic opportunity.

5. We will also deepen our relationships with emerging powers to shape global rules, financial systems and capital flows, and improve the provision of global public goods. We want to partner with emerging powers as they develop their institutions and encourage them to contribute to the international aid architecture. We will increase our cross-government work with global hubs that handle finance into and from the developing world. We will explore the possibility of new financial instruments or institutions to support developing countries transitioning to involvement in international capital markets.

This includes scoping a new toolkit to provide the right financing on the right terms as countries develop, which while contributing to poverty reduction could offer new markets for British businesses.

6. Science, technology and innovation play a critical role in providing solutions to the world's major development challenges. Some examples of the impact of our use of technology for development include: the rapid development and trialling of a new Ebola vaccine in response to the 2014/15 Ebola outbreak; investing in bio-fortification to tackle malnutrition with vitamin-enriched varieties of staple crops; and innovation in mobile apps, such as 'pay as you go' water and sanitation service delivery, and an app that streamlines efforts to trace the families of missing children during crises. We also spent over £1.1 billion in 2016/17 on climate change resilience and low carbon development in support of developing countries' response to climate change. We will continue to harness technological innovation to deliver development outcomes through partnership across government, with international donors and the private sector.

7. Official Development Assistance (ODA), often referred to as aid, is government funding meeting the internationally agreed criteria to promote economic development and welfare in eligible countries. Since the SDSR, more government departments are spending ODA. We work across government to ensure that the principles of good aid management including transparency and value for money are maintained. UK leadership has secured significant and important progress in changing the international aid rules at the OECD Development Assistance Committee (DAC) so that they better reflect the rapidly changing world we live in. This has included doubling the proportion of our multilateral peacekeeping costs that can be counted as aid, and securing agreement on the need to create a new mechanism to re-admit countries that had graduated from ODA eligibility back to the list of ODA-eligible countries if their GNI per capita falls low enough, for example as a result of a catastrophic natural disaster or other crisis. We will continue our efforts to reform the international aid rules so that they keep pace with the complex, global challenges of the twenty first century such as reducing poverty, instability and conflict.

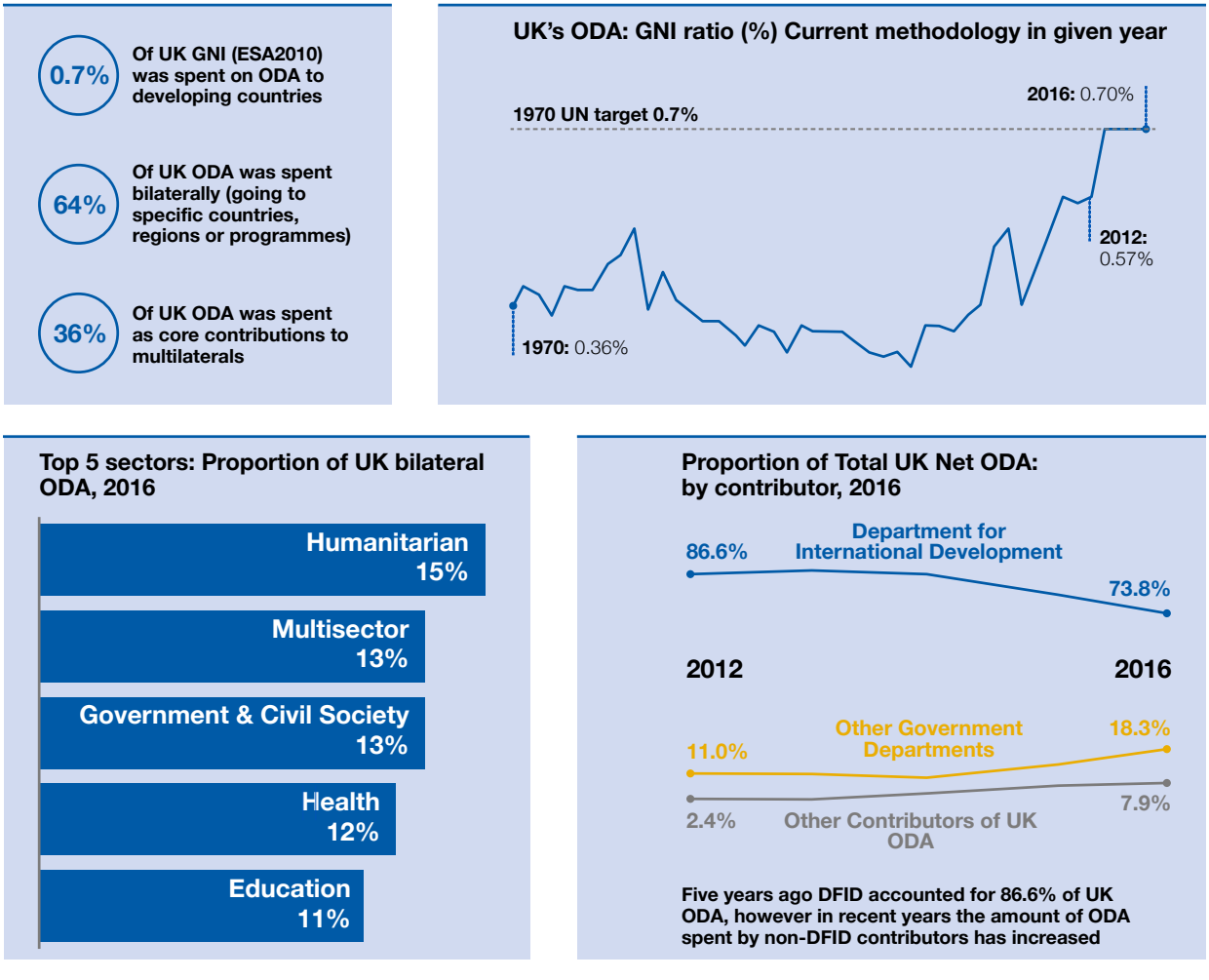
UK Emergency Medical Team

The SDSR established the UK Public Health Rapid Support Team to provide fast and substantial assistance to countries affected by large-scale outbreaks. In Sierra Leone it established water-borne disease surveillance, particularly for cholera, in the wake of flooding and landslides in Freetown. Alongside this, we have established the UK Emergency Medical Team (EMT) to provide rapid healthcare responses during a humanitarian crisis.

The EMT deployed for the first time in December 2017 to the refugee camps of Cox's Bazar in Bangladesh following a diphtheria outbreak. 40 medical professionals, including doctors, nurses and paramedics, spent six weeks helping more than 3,000 people, bringing the diphtheria outbreak under control and saving countless lives.

The EMT also enables UK NHS workers to gain unique training opportunities. Following the Manchester terror attacks in 2017, many NHS staff who had received training were involved in the response, and subsequently fed back how valuable their EMT training had been.

8. **As we leave the EU, we want to continue working with the EU and European partners on development, on a case by case basis, when it is in our mutual interest, represents best value for money and we can play an appropriate role in shaping our collective actions.** We share a commitment with the EU to eradicate extreme poverty and help build prosperity, peace, stability and resilience in developing countries. Through our partnership, we could collaborate and align in support of the UN's Sustainable Development Goals, as well as continuing to work together on early warning, conflict prevention and stabilisation.



UK Official Development Assistance 2016

Cross-government funds

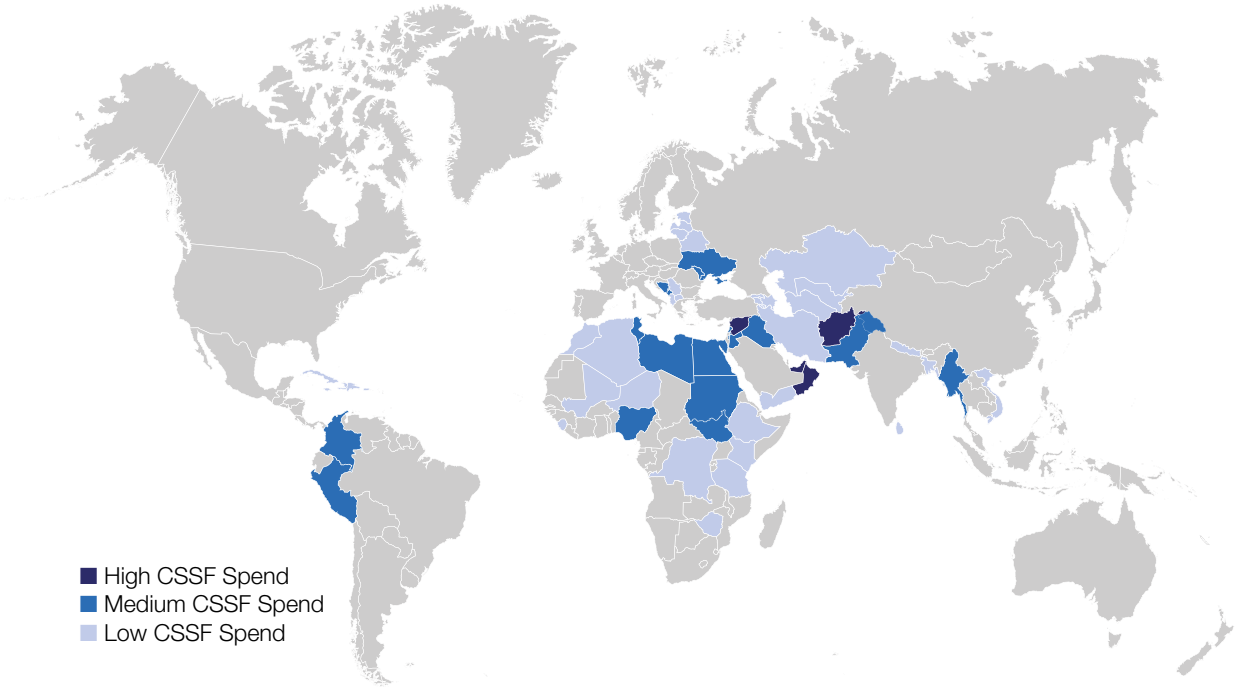
We will enhance the cross-government funds by improving strategic direction through the Fusion Doctrine, governance through a new Ministerial committee, and efficient administration by merging the secretariats into a single Funds Unit.

1. The major cross-government funds supporting our National Security Strategy are a unique and flexible instrument of government policy overseas. The Conflict, Stability and Security Fund (CSSF) enables us to use the optimum combination of development, diplomacy, defence and security assistance rapidly and flexibly in countries at risk of conflict and instability. The Prosperity Fund helps countries grow and develop by providing capacity building, technical assistance and research in areas where we have particular strengths, including economic policy, trade, business environment, anti-corruption and green growth. Both Funds use a combination of Official Development Assistance (ODA) to promote the economic development and welfare of developing countries, and a smaller amount of funding which does not qualify as ODA.
2. We launched the cross-government Prosperity Fund and significantly expanded the CSSF in the SDSR, recognising the potential for these innovations to make a major impact on delivery of our national security objectives. As a result of the NSCR, **we will enhance the cross-government funds by improving strategic direction through the Fusion Doctrine, governance through a new Ministerial committee, and efficient administration by merging the secretariats into a single Funds Unit.** The Ministerial committee will be chaired by the Minister for the Cabinet Office. The Funds Unit will drive greater consistency in standards and improve the quality of delivery including by building capability and expertise to improve poverty reduction, security and prosperity impacts. The first annual reports for both cross-government funds were produced in 2017 and more detailed programme information is available on gov.uk.
3. The CSSF enables and incentivises the joined-up use of capabilities, which is essential to make a difference in countries at risk of conflict and instability. The CSSF has been allocated £1.2 billion for 2017 to 2018, which includes over £300 million of mandatory contributions to peacekeeping operations. In Lebanon, CSSF programming responds to the instability caused by the conflict in Syria. DFID expertise is used to deliver CSSF programmes to relieve pressure on the education systems, basic municipal services and the local economy and job market, caused by the influx of around 1.5 million Syrian refugees. The FCO and MOD deliver programmes to help the Lebanese Armed Forces secure its border with Syria and build police capability.
4. The CSSF enables the UK to be agile. It supported our response to Hurricane Irma in the Caribbean in 2017. The CSSF's Rapid Response Mechanism (RRM) provided non-ODA funding to support the immediate response and rebuilding of critical infrastructure. The first £12 million of support was pre-approved as the hurricane was hitting and then further funding was rapidly agreed.
5. The CSSF also funds our assessed contributions to multilateral organisations for peacekeeping. The largest sum is paid to the UN, where we are the sixth largest contributor.

6. The SDSR highlighted the Good Governance Fund (GGF), which is funded from CSSF to support economic and governance reforms in the eastern European neighbourhood. The GGF will expand its coverage in 2018 to support reforms in Macedonia and Armenia, in addition to Ukraine, Georgia, Moldova, Serbia and Bosnia and Herzegovina. The GGF will also support work connected with the 2018 Western Balkans Summit in London.

7. The Prosperity Fund promotes inclusive economic growth, particularly in middle-income countries, whilst strengthening economic opportunities for the UK. The Prosperity Fund currently has a multi-year allocation of £1.2 billion. In India, support on green bonds contributed to an Indian public sector company committing $4 billion to finance clean energy infrastructure, with a first tranche of $300 million worth of green 'masala' bonds issued on the London Stock Exchange. In Thailand, we supported the development of the country's first Public Procurement Act, which has standardised the system of public procurement and is providing greater transparency and integrity. We expect international firms, including from the UK, to compete for £1 billion of business using the new system. We also supported the testing of UK energy grid management technology in South Africa, leading to opportunities for UK companies.

8. In the first SDSR Annual Report, we reported that we were developing a new cross-government Governance, Education and Culture Fund (subsequently renamed as the Empowerment Fund). As a result of the NSCR, we have decided to amend the scope of the CSSF and the Prosperity Fund to include these objectives.



Geographical spread of CSSF funding spent or allocated 2015-2017

Annex: Principal commitments from the Strategic Defence and Security Review 2015

Green – In progress or ongoing
Blue – Complete

1	We will recruit and train over 1,900 additional security and intelligence staff across the agencies to respond to, and deter those behind, the increasing international terrorist, cyber and other global threats.
2	In NATO, we will lead a renewed focus on deterrence to address current and future threats.
3	We will enhance joint working between law enforcement agencies and the Royal Navy to increase patrolling in our territorial waters.
4	We will continue to meet the NATO target to invest 2% of GDP on defence.
5	We will spend around £178 billion over the next decade on equipment and equipment support.
6	We will develop a new Joint Force 2025.
7	We will enhance the Armed Forces capability to work alongside the security and intelligence agencies to disrupt threats in the most challenging operating environments worldwide.
8	We will develop proposals to ensure that the Armed Forces can operate effectively overseas and are not subject to unjustified legal claims that undermine their ability to do their job.
9	We will work with France to develop an Unmanned Combat Air System programme, and collaborate on complex weapons.
10	We are committed to maintaining the size of the regular Armed Forces and to not reduce the Regular Army below 82,000.
11	We will make the changes necessary to enable our Armed Forces to work flexibly, reflecting the realities of modern life.
12	We will make a new accommodation offer to help more Service personnel live in private accommodation and meet their aspirations for home ownership.
13	We will develop a new Armed Forces offer for new joiners, which better meets the expectations of future recruits and targets resources on those with the skills we need most.
14	We will continue to grow our Reserves to 35,000.
15	We will launch the first comprehensive families strategy for the Armed Forces.
16	We will reduce the number of civilians employed by the MOD by almost 30%, to 41,000, by the end of this Parliament.
17	We will invest in key defence sites and reduce the built estate by 30%, releasing public sector land for 55,000 new homes to support wider prosperity objectives.
18	We will replace the Vanguard Class of nuclear-armed submarines with a new class of four submarines, currently known as Successor.
19	Working with industry, we will confirm and implement the organisational, managerial and contractual changes needed to deliver the Successor programme.
20	We will hold a debate in Parliament on the principle of Continuous At Sea Deterrence and our plans for Successor, and will continue to provide annual reports to Parliament.
21	We will update CONTEST in 2016 through a new National Security Council committee on Counter-Terrorism, chaired by the Prime Minister.
22	We will implement our new Counter-Extremism strategy.

23	We will increase the resources for the counter-terrorism police and the security and intelligence agencies to pursue terrorists.
24	In 2016, we will legislate to consolidate the investigatory powers that the public authorities require, with robust oversight, transparency and safeguards, and to ensure that the law keeps pace as communications technology advances.
25	We will provide significant new investment to enhance our Special Forces' Intelligence, Surveillance and Reconnaissance and global strike capability.
26	We will more than double our spending on aviation security around the world.
27	We will create a bigger and more capable global security and intelligence network to protect British citizens at home and abroad, and work with our partners.
28	We will increase our network of counter-terrorism and counter-extremism experts in the Middle East, North Africa, South Asia and Sub-Saharan Africa.
29	We will invest £1.9 billion over the next five years in protecting the UK from cyber attack and developing our sovereign capabilities in cyber space.
30	In 2016, we will publish a second five-year National Cyber Security Strategy.
31	We will launch a further five-year National Cyber Security Programme.
32	We will invest in capabilities to detect and analyse cyber threats, pre-empt attacks and track down those responsible.
33	We will develop a series of measures to defend ourselves against cyber attacks.
34	We will create a new National Cyber Centre to lead this response.
35	We will build a new secure, cross-government network to improve joint working on sensitive cyber issues.
36	We will help companies and the public to do more to protect their own data from cyber threats.
37	We will reinforce law enforcement's specialist capabilities; and we will work with industry to strengthen our ability to disrupt cyber crime.
38	We will create a new intelligence unit dedicated to tackling the criminal use of the 'dark web'.
39	We will continue our work to choke off the supply and availability of illegal firearms to prevent their use by criminal or terrorist groups in the UK.
40	We will introduce new measures to make the UK a more hostile place for those seeking to move, hide or use the proceeds of crime and corruption or to evade sanctions.
41	We will ensure that we have the right capabilities in the UK and overseas, and a comprehensive action plan, to better identify, disrupt and dismantle the criminal networks involved in modern slavery and immigration crime.
42	We will strengthen our approach to tackling online child sexual exploitation and abuse.
43	We will publish a national bio-security strategy in 2016.
44	We will make sure that the Government has the right regulatory framework to ensure that our CNI is resilient to future threats.
45	We will enhance the UK's resilience to power disruptions.
46	We intend to integrate infrastructure policing further and we will review options to do this.

47	We will publish a National Space Policy with a Ministerial committee to coordinate action on both prosperity and security.
48	We will extend deep country expertise to wider areas that are vital to our security and prosperity, including language ability in Mandarin and Arabic and we will extend expertise on Russia.
49	We will fund and administer approximately 2,200 awards a year for young people of high ability to study in the UK, through the Chevening, Marshall and Commonwealth scholarship schemes.
50	We will make defence engagement a funded, core MOD task for the first time.
51	We will establish British Defence Staffs in the Middle East, Asia Pacific and Africa in 2016.
52	We will increase the training we offer to our international partners.
53	We will continue to invest in the British Council.
54	We will invest £85 million each year by 2017/18 in the BBC's digital, TV and radio services around the world to build the global reach of the World Service and increase access to news and information.
55	We will strengthen the interoperability with the US of our Armed Forces so that they are better able to work together when required through regularly planning and training together.
56	We will work with the US to deliver more for global stability and our shared interests.
57	We will further strengthen the UK-France defence and security relationship.
58	We will work to intensify our security and defence relationship with Germany.
59	We will set out our vision of our future relationships with partners in the Gulf region in our new Gulf Strategy. We will build a permanent and more substantial UK military presence.
60	We will build a deeper partnership with China, working more closely together to address global challenges.
61	We will champion an EU-India Free Trade Agreement to help make it easier for UK companies to do business in India.
62	We will double the number of military personnel that we contribute to UN peacekeeping operations.
63	We will work to build the inclusivity of International Financial Institutions' membership and decision-making, so they continue to command credibility and legitimacy in the eyes of their members.
64	We will review sanctions governance to ensure the best coordination of policy, implementation and enforcement.
65	We will campaign to increase the number of countries that have ratified the Arms Trade Treaty.
66	We will spend at least 50% of DFID's budget in fragile states and regions in every year of this Parliament.
67	We will increase the Conflict, Stability and Security Fund from £1 billion in 2015/16 to £1.3 billion by 2019/20.
68	We will double the existing Good Governance Fund to support economic and governance reforms in the eastern European neighbourhood to £40 million per year by the end of this Parliament.
69	We will increase UK climate finance for developing countries by at least 50%, rising to £5.8 billion over five years.
70	We will establish a new rapid response team of technical experts to deploy to help countries investigate and control disease outbreaks; and expand our Emergency Medical Team to provide medical assistance to help contain outbreaks when needed.
71	We are creating a Prosperity Fund of £1.3 billion over the next five years.

72	We will launch a defence innovation initiative.
73	We will create a new, cross-government Emerging Technology and Innovation Analysis Cell.
74	We will establish a defence and security accelerator for government to help the private sector, allies and academia turn ideas into innovative equipment and services faster for national security users.
75	We will encourage the creation and growth of a vibrant cyber security sector, including launching two innovation centres; supporting the best up-and-coming cyber SMEs and helping to commercialise research in universities.
76	We will develop initiatives for the MOD workforce, including apprenticeships, focused on science, technology, engineering and maths and entrepreneurial skills.
77	We will refresh our defence industrial policy and take further action to help the defence and security industries to grow and compete successfully.
78	We will publish a new national shipbuilding strategy in 2016.
79	We will take action to enable SMEs and non-traditional suppliers to bid for defence and security contracts more easily.
80	We will further enhance our support to the defence and security export sector.
81	We will spend £50 million to increase the number of cadet units in schools, bringing the total across the UK to 500 by 2020.
82	We will train at least 50,000 apprentices in Defence between now and 2020.
83	We will speed up the provision of targeted training for those who wish to pursue careers in cyber security.
84	We will establish a new NSC committee to oversee implementation of this strategy. The Chancellor of the Duchy of Lancaster will chair it.
85	We will launch a review of how we support the NSC and COBR during crises.
86	We will review the structure for strategic assessment within central government.
87	We will establish new policy-making and delivery joint units in 2016.
88	We will establish a security and defence diversity network, sharing best practice and addressing our shared challenges, to drive development of a more diverse and inclusive national security community.
89	We will establish a virtual National Security Academy.