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The Strategic Defence Review White Paper

The Labour Government began its Strategic Defence Review (SDR) in May 1997. After longer than expected, an SDR White Paper was published on 8 July 1998 as Command Paper 3999.

This Paper will summarise the course and results of the Review, outline reactions to it and discuss its merits. An earlier Paper, RP 97/106, *The Strategic Defence Review*, examines the origins of the Review and its parameters.

The SDR has been the subject of an extensive investigation by the House of Commons Defence Select Committee. The resulting report, *The Strategic Defence Review*, HC 138 1997-1998, was published on 3 September.

The House will debate a motion to approve the conclusions of the SDR on 19 and 20 October.

Tom Dodd and Mark Oakes

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Summary

Following fourteen months of consultation and preparation, the results of the Government's Strategic Defence Review were finally announced to the House on 8 July 1998. The SDR fulfils the Government's manifesto commitment to undertake a foreign policy-led review to reassess the UK's security and defence needs. This paper takes each main element of the SDR in turn, providing a summary of Government policy followed by an attempt to assess the possible implications of the White Paper's proposals.

The two central pillars to emerge from the SDR are the moves towards more rapidly deployable armed forces and "jointery".[1]

The SDR begins with an assessment of the strategic realities and security context of the post Cold War world. The Government recognises that the collapse of the Warsaw Pact means that there is no longer a direct military threat to the UK. It also acknowledges, however, that the world is an increasingly unstable and unpredictable place where indirect threats to the UK still persist and can arise in many areas around the globe. In this scenario a requirement for more mobile, responsive and flexible armed forces is called for. To this end the SDR signifies a major shift towards expeditionary armed forces, involving the rapid deployment of sustainable military force often over long distances. The planned purchase of two new large aircraft carriers and the establishment of structures to support new Joint Rapid Reaction Forces (JRRF) represent the most potent symbols of this change.

The JRRFs form part of a wider "Joint Vision" intended to maximise the operational and cost effectiveness of the Armed Forces through initiatives aimed at co-ordinating the activities of the three Services more closely. Other elements of this "Joint" approach include combined RAF/RN Harrier forces (Joint Force 2000), a Joint Helicopter Command, a Joint Ground Based Air Defence organisation and the establishment of a further joint command of Army and RAF personnel in a Nuclear, Chemical and Biological Defence Regiment. The joint approach also extends to the logistical base at home where the three single Service logistical organisations will be grouped under a new four-star Chief of Defence Logistics.

Of the other key findings of the SDR, the most controversial would appear to be the planned reduction in the number of Territorial Army units. Other noteworthy points include: the Government's commitment to maintaining a nuclear deterrent, but at a reduced level; a revision of equipment procurement through the 'Smart Procurement' initiative; Government support for greater defence industrial collaboration and rationalisation; and an attempt to address the problems of overstretch and undermanning through the 'Policy for People' initiatives.

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[1] "a series of initiatives across defence to co-ordinate the activities of the three services more closely, pooling their expertise and maximising their punch, while at the same time eliminating duplication and waste." *The Strategic Defence Review,* Cm 3999, Introduction, para 4

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I The Course of the Review

A. The Review Process

On 8 July 1998 George Robertson, the Secretary of State for Defence, came to the House to announce the results of the Strategic Defence Review and their publication in a White Paper.[2] He concluded his opening remarks by stating that:

> This truly radical review builds on the strengths and successes of our armed forces. It rectifies the weaknesses that we inherited, and it modernises our forces to deal with tomorrow's threats rather than yesterday's enemies. It places the skilled, brave and versatile people on whom our defence depends firmly at the centre of planning, and it gives them a clear sense of direction into the next century. Above all it delivers the modern forces Britain needs for the modern world.

A promise to conduct "a strategic defence and security review to reassess our essential security and defence needs" was included in the Labour Party's 1997 election manifesto.[3] The Review was officially launched by Mr Robertson at a press conference on 28 May 1997, although earlier notice had been given in the Queen's Speech on 14 May.[4]

The SDR was originally intended to last six months. This period was then extended to around nine months. There was then evidence of further delay and, in November 1997, the MOD stated that the White Paper detailing the Review's results would now be published in the "first part of next year [1998]."[5] The SDR White Paper was finally presented to the House by the Defence Secretary and published in July 1998. The statement's impact was lessened by the leaking of the White Paper the day before. This leak was the subject of mutual recrimination between Government and Opposition and became the subject of a Cabinet Office inquiry. However, many of the Review's broad conclusions had been known for some time as a result of the Government's own efforts at consultation and previous seepage of information from the MOD. The Review had, in fact, been broadly concluded prior to Easter, being presented to the Prime Minister on 23 March 1998.[6] There then followed a debate with the Treasury over the future size of the defence budget, the SDR constituting the MOD's contribution to the Treasury's Comprehensive Spending Review (CSR).[7] These deliberations were apparently still not

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2 HC Deb 8 July 1998 c 1073-1096 and Cm 3999
3 New Labour Because Britain Deserves Better, p. 38
4 MOD PR 28 May 97 and HC Deb 14 May 1997 c 43
5 HC Deb 25 November 1997 c 499-500w
6 Essay One, Para 33
7 HC Deb 3 November 1997 c 79w

concluded in late June.[8] The results of the CSR were announced after the statement on the SDR on 14 July 1998.[9]

A central element of the SDR was that it was to be "foreign policy and not Treasury led," that the new shape of the armed forces would be dictated by defence and security needs over a twenty year timeframe, rather than by any overriding quest for financial savings.[10] Accordingly, the first stage of the Review was conducted jointly by the MOD and FCO to determine the policy framework or baseline. This:

> assessed our national interests, commitments and responsibilities, and considered potential risks and challenges in the decades ahead, and set out the overall role of defence in support of Britain's foreign and security policy.[11]

This stage was completed by September 1997. Its assessment was converted into guidance for the second stage, the drawing up of planning assumptions by broadly based working groups, and identified in eight military missions. In a third stage, working groups translated these missions into 28 military tasks and additional work was carried out on the development of specific capabilities and the future impact of technology on equipment and capability. In the fourth and largest stage of the Review, working groups, overseen by senior officers and officials, assessed the forces, capabilities, equipment and support needed to conduct the missions and military tasks.[12] The Treasury was kept abreast of discussions in post-first stage working groups, whilst the DTI was involved in those with potential industrial aspects.[13] The work was overseen and co-ordinated by a steering group, chaired by John Reid, the Minister of State for the Armed Forces. John Spellar, the Parliamentary Under Secretary of State for Defence, led work on Smart Procurement, the initiative to make procurement "faster, cheaper and better", announced by the Secretary of State and incorporated in the SDR on 30 July 1998. Dr Reid chaired a parallel review of efficiency and assets aimed at maximising "the efficiency of our organisational structures and working practices".[14] The options emerging from the Review were costed and then considered by the Defence Secretary and other Defence Ministers, the Chiefs of Staff and senior officials in early 1998 and in some cases were referred for further examination. The views of other departments were sought via an inter-departmental committee in the Cabinet Office. Options were then drawn together into a package for presentation to the Prime Minister.[15]

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8 "£2bn defence cuts showdown looms", *The Daily Telegraph* 27 June 1998

9 See Chancellor's statement HC Deb 14 July 1998 c 187-21 and see *Modern Public Services for Britain: Investing in Reform*, Cm 4011

10 HC Deb 16 June 1997 c 9

11 Essay One, Para 8

12 Examples of working groups are given in Essay One, Annex A

13 HC 138, pp.10-11

14 Essay One, Paras 11-18

15 Essay One, Paras 30-33

The Review is presented in a White Paper, with important additional information in a separate volume of eleven supporting essays and 41 separate factsheets on specific forces and policies. The press summary also contains information on costings of force enhancements which is not covered elsewhere. The SDE White Paper does not contain some of the data, particularly financial, which has appeared in previous Defence White Papers. Due to the Review, the MOD did not publish a Defence White Paper in 1997, although some of the factual information normally contained in it was later released in autumn 1997 in an expanded performance report.[16]

B. Consultation

Another aim of the SDR was to forge a national consensus on defence. In his press statement announcing the SDR, the Defence Secretary promised to involve both the opposition parties and parliamentary defence committees in the review process. Mr Robertson wrote to all Members outlining the scope of the SDR in similar language.[17] He held meetings on the SDR with interested Members of both Houses and with spokesmen of all the leading parties. Ministers also held a series of lunches and meetings with former defence ministers and retired senior civil servants and Service leaders.[18] The House of Commons Defence Committee took evidence from Mr Robertson, other ministers, civil servants, academic defence specialists and NGOs and published a comprehensive report on the review on 3 September 1998.[19]

The process of consultation also encompassed the wider defence community and the public. Three seminars on the SDR were arranged with defence and foreign affairs specialists from outside the civil service in 1997 and their proceedings were made available to the House.[20] In addition, the Secretary of State established a panel of 18 external experts, who acted as a sounding board for conclusions as they emerged from the review.[21] The MOD also asked for written submissions from the general public and received over 450.[22] MOD civilian and service personnel were also invited to submit their views.[23] A Liaison Team visited bases and 7,500 staff were given the opportunity to express their views.[24] Serving members of the armed forces and MOD officials will also be able to submit written comments on the SDR, outside the chain of command.[25] Digests of internal submissions and Liaison Team reports were deposited in the House in July 1998.[26]

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16 HL Deb 3 June 1997 WA31
17 HC Deb 19 June 1997 c 264w
18 MOD PR 11 December 1997
19 Defence Committee, *The Strategic Defence Review*, HC 138, 1997-98
20 Deposited Papers 3S/5396 and 5768
21 A list of the experts is provided in Essay One, Annex B
22 Where author permission was obtained these were deposited (Dep 3S/ 5433)
23 HC Deb 16 January 1998 c 348w
24 Essay One, Para 28
25 *The Independent* 13 October 1997
26 Dep 98/723

The consultation process also encompassed work on 'Smart Procurement'. The subject of defence procurement was not specifically mentioned in the official launch of the SDR but was added in July 1997.[27] The concept of 'Smart Procurement' was deliberately taken forward under the auspices of the National Defence Industries Council (NDIC), a joint Government and industry body which is chaired by the Secretary of State. A combined industry-government steering group was established in November 1997 and was jointly led by Kevin Smith, a BAe executive, and Mr Spellar.[28] The group supervised the work of a number of teams, composed of MOD officials, representatives from industry and staff from the consulting firm, McKinsey.[29] Details of preliminary findings were given to an MOD seminar at Didcot at the end of January 1998.[30]

C. Immediate Reactions to the Review

Reactions to the Review have been varied. Responding to the Secretary of State's statement on the Review, John Maples, Conservative defence spokesman, welcomed many aspects of the White Paper, seeing much, as a continuation of initiatives of the Conservative Government. However, pointing to cuts both in the defence budget and in manpower and equipment, he challenged the essential premise of the SDR, declaring that "… this was never a strategic defence review, but was always about cutting defence expenditure". He also expressed concern about the delay in completing the SDR and the impact that this had had on Service morale.[31]

For the Liberal Democrats, Menzies Campbell also supported many of the SDR's measures including "the premium to be placed on flexibility, mobility and rapid deployment, the decision to restrict the number of Trident warheads, the confirmation of the commitment to Eurofighter and the emphasis on joint operations and planning". However, he expressed regret at the paucity of information on European defence co-operation.[32]

Given that this review was intended to be driven by foreign policy considerations, both the leading opposition parties and the Defence Select Committee, the latter generally endorsing the Review, as well as a number of commentators, have expressed concern about the lack of clarity on foreign and security policy commitments and objectives.[33] Mr Maples commented during the statement on the SDR:

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27 HC 138, pp. 2-3
28 MOD PR 13/11/97
29 Essay Ten, Paras 7-11
30 *The Financial Times* 21 January 1998
31 HC Deb 8 July 1998, c 1076-1077
32 Ibid, c 1082
33 HC 138, Para 54

> Nor was it [the SDR] ever a foreign policy-led review. The Government has never published the foreign policy baseline as they promised – not even today. Even the panel of experts set up by the Government to advise them has never seen it. If the review had genuinely been foreign policy-led, it would have had to have made some effort to match capabilities to commitments. There is no attempt in the White Paper to do that.[34]

Separately, Mr Campbell has written:

> The Government's much-anticipated Strategic Defence Review will be memorable for its premature publication, but not, I fear, for the clarity of the foreign policy objectives, which the armed forces are being redesigned to support. In a document allegedly foreign policy-driven the reader requires much diligence to find detailed reference to foreign policy.[35]

An account of the policy framework, or policy baseline, was originally to have been published as a separate document prior to the end of the Review.[36] This did not occur as "this work could not be easily separated out from the review's later stages".[37] However, the MOD maintains that some of the "broad conclusions" of the review of the policy framework were revealed by the Secretary of State in a speech to the Royal United Services Institute (RUSI) on 18 September and during the annual defence debate in October 1997.

The general response of the defence community has been favourable. However, commentators have tended to disagree with the Secretary of State's view that the SDR is "the most radical restructuring of our armed forces for a generation", seeing it more as "sensible" and "evolutionary".[38] They have welcomed the SDR's relative openness in most areas, the lack of Service in-fighting and the signs of successful co-operation between Servicemen and officials in its production. All of the Service chiefs published statements personally endorsing the SDR. This contrasts with what was seen by many as the excessive secrecy surrounding previous defence reviews, such as Options for Change, and the inter-Service competition which has also affected earlier attempts to reorder British defence policy.

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34 HC Deb 8 July 1998, c 1077

35 *The House Magazine*, July 27, 1998

36 HC Deb 28 July 1997 c 75w

37 Essay One, Para 10

38 George Robertson in *The House Magazine* 27 July 1998, Michael Evans "Robertson's blueprint is more sensible than truly radical", *The Times* 8 July 1998 and Michael Codner, 'The Strategic Defence Review A Good Job', *RUSI Newsbrief*, August 1998

II Defence Strategy: Threats and Commitments in a Changing World

A. The Security Context

The White Paper and the Second Supporting Essay give the Government view of the new strategic realities of the post-Cold War world. The Government recognises that the collapse of the Warsaw Pact and the emergence of democracy throughout most of Eastern Europe and in Russia means that there is now no direct military threat to the UK (excluding terrorism related to Northern Ireland), its dependent territories or its western European allies. However, this does not mean that this general state of European security should be taken for granted; the wider world is no less dangerous.

> During the Cold War, the East/West Confrontation dominated strategic thinking in a way that produced a misleading impression of stability in large parts of the world. In part this was because that confrontation temporarily suppressed underlying tensions and problems. In part, it was because the scale of risks involved in the Cold War obscured the potential importance of the newer style security risks that were emerging.[39]

Such instability in, for example, Africa, the Balkans and the Middle East can affect Britain indirectly. "There is an increasing danger from the proliferation of nuclear, biological and chemical technologies."[40] Terrorism, drugs and organised crime pose a threat both to British society and in other countries. Environmental degradation, ethnic tensions, population pressures, competition for resources, and the collapse of states which may result, also fuel instability and human misery. The nature of conflict has therefore changed. The wars of the future are less likely to be between states, but rather within them, with instability and conflict spreading across international borders.[41]

The challenges to British security are most likely to arise in Europe, in the Mediterranean and in the Middle East and Persian Gulf. Although Europe is more secure than in the past, there is still evidence of instability. This, and any deterioration in the political climate, can best be insured against through continued membership of NATO, although the EU, WEU and OSCE also have a (lesser) role in enhancing and preserving European security. The maintenance of an effective Alliance is therefore important, particularly the strength of the transatlantic link. The UK's influence in NATO is based on a commensurate national conventional and nuclear contribution. Further afield, British interests are most likely to be affected by events in the Gulf, threatening oil supplies, and

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39 Cm 3999, Para 5
40 Ibid, Para 8
41 Ibid, Paras 29-30

in the Mediterranean, potentially threatening the EU's and NATO's southern members. However, in responding to potential crises Britain is unlikely to operate alone.

The best way to manage these challenges to security is through prevention. This requires an "integrated external policy through which we can pursue our interests using all the instruments at our disposal, including diplomatic, developmental and military."[42] However, the armed forces may be needed to conduct effective military operations if prevention and military deterrence fails: "Our armed forces are Britain's insurance against a huge variety of risks".[43] They need to be flexible, highly capable, mobile and responsive, i.e. they need to be prepared for expeditionary operations. In the words of the Secretary of State, "In the post Cold War world, we must be prepared to go to the crisis, rather than have the crisis come to us."[44] They also need to be ready for, "modern, high intensity conventional warfare".[45] They have responded "outstandingly" to "a series of new and largely unexpected operational challenges" but personnel shortages, coupled with a high level of operational commitments, have led to overstretch. These and other weaknesses, particularly in rapid deployment capabilities, need to be addressed.[46]

The Government explains that it is following this expeditionary strategy because Britain is internationalist:

> Britain's place in the world is determined by our interests as a nation and as a leading member of the international community. Indeed, the two are inextricably linked because our national interests have a vital international dimension.[47]

The UK is a leading member of many international organisations, including the EU and NATO and is a Permanent Member of the United Nations Security Council. (Indeed, the Government intends to make more forces potentially available to the UN for peace support and humanitarian operations.)[48] The economy is founded on international trade, is assisted by extensive foreign investment and is dependent on imports of raw materials. These overseas economic interests and historical links around the world give rise to international responsibilities. Ten million British citizens live and work abroad and there are 13 Overseas Territories scattered across the globe.[49] Yet this global role is more than just self-interest, it is also founded on idealism. In the words of the Defence Secretary:

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42 Cm 3999, Chapter 1, para 10
43 Ibid, Introduction, Para 2
44 Ibid, Para 6
45 Essay Two, Para 25
46 Cm 3999, Para 11
47 Ibid, Para 17
48 Ibid, Para 52
49 Paras 36-40

> The British are, by instinct, an internationalist people. We believe that as well as defending our rights, we should discharge our responsibilities in the world. We do not want to stand idly by and watch humanitarian disasters or aggression of dictators go unchecked. We want to give a lead, we want to be a force for good.[50]

This explanation reflects the mission statement issued by the Foreign and Commonwealth Office shortly after the last election.

> The Mission of the Foreign and Commonwealth Officer is to promote the national interests of the United Kingdom and to contribute to a strong world community.
>
> We shall pursue that Mission to secure for Britain four benefits through our foreign policy:
>
> - Security: We shall ensure the security of the United Kingdom and the Dependent Territories and peace for our people by promoting international stability, fostering our defence alliances and promoting arms control actively;
>
> - Prosperity: We shall make maximum use of our overseas posts to promote trade abroad and boost jobs at home;
>
> - Quality of Life: We shall work with others to protect the World's environment and to counter the menace of drugs, terrorism and crime;
>
> - Mutual Respect: We shall work through international forums and bilateral relationships to spread the values of human rights, civil liberties and democracy which we demand for ourselves.[51]

B. The Impact of Technological Change

Technological change will also alter the shape of future conflict and this is discussed in some depth in Supporting Essay Three. Whereas it will enhance British and Allied strengths in conventional weaponry, it may also open their armed forces and society to novel forms of attack. These include the use of information warfare against increasingly vital computer systems, and the wider availability of chemical and biological weapons and other so-called dual use technologies. There will also be greater pressures on operational decisions arising from instant media coverage (the CNN factor).[52]

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[50] Introduction by Secretary of State, Para 19
[51] FCO PR 12/5/97
[52] Essay Three. Para 34

The rapid pace of technological change will also have implications for defence procurement. Weapons platforms, for example aircraft, may have longer lives but will need more frequent upgrades.[53] It is important that the UK's armed forces remain at the forefront of military technological change, although civil equipment may have increasing numbers of defence applications. The application of information technology, in particular to command and control, may be leading to a Revolution in Military Affairs. By the year 2015, the distinction between air, land or maritime operations will have faded with the creation of a single battlespace, where joint and combined operations will dominate. The USA is leading the process of applying new technologies to warfare and it is important for the conduct of multinational operations, likely to be led by US forces, that British forces can inter-operate with them. This may lead to choices between national and European technologies and those advanced by the Americans.

Domestically, the MOD needs to remain abreast of technological developments as they impact on defence. This will involve collaborative research and planning between the MOD, its Defence Evaluation and Research Agency (DERA), other Government departments, allies and industry. Technology transfer will become more a two-way street, where the MOD will not only contribute skills to industry but will also benefit from "industrial developments in the world market".[54] A key part in this process will be played by the Defence Diversification Agency.[55] With a view to the advantages of inter-operability, international collaboration to develop new defence technologies will become the norm. There will be a greater use of modelling and simulation and of technology demonstrators.

C. Assessment

The Government's analysis of the UK's security environment and of the potential threats and benefits from advancing technology is fairly orthodox. The Review could, however be criticised on a number of grounds.

One of the chief criticisms of the Review is that it is one-sided. It produces a fairly comprehensive security analysis but then only proceeds to set out how the Ministry of Defence and armed forces should respond to these threats and opportunities. The Labour manifesto promised a "strategic defence and security review" but only delivers on the former. The SDR outlines the threats posed to the United Kingdom and UK interests by drugs, international crime and environmental degradation, but it could be argued that these problems lie outside the remit of the armed forces. What was required, in this view, was a cross-departmental military and security review, involving from the outset, the MOD, FCO, the intelligence services, the Home Office, Customs and Excise, the DTI,

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53 Ibid, Para 9
54 Ibid, Para 24
55 See *Defence Diversification: Getting the Most Out of Defence Technology*, Cm 3861

DETR and Department for International Development (DFID), which could have considered the threats to both UK interests abroad and the UK homeland and thought out suitable countermeasures. Instead what occurred was a SDR baseline drawn up by the FCO and MOD, with other departments with an external or security interest only involved at a later date. Thus, responses to threats to the UK homeland were given less consideration than some had hoped. In the words of the Defence Select Committee:

> … because the Review was foreign policy led, we fear it may have led to neglect of certain aspects of the fundamental duty of defence of the United Kingdom's territory, its constitution and the way of life of its citizens. The chosen strategy is to prepare for the expected—for our Armed Forces to be ready to do the kind of operations they are most likely to be called upon to undertake. This is common sense. But the diminished probability of the emergence of a serious threat to the United Kingdom should not cause us to forget the first purpose and mission of defence. There are elements of the package contained in the Review that suggest to us that this is a danger that has not entirely been avoided.[56]

The Review does make a nod towards a cross-government approach by stating that the defence of national security requires an "integrated external policy with the combined application of all tools at our disposal – diplomatic, trade, developmental as well as Armed Forces". However, what is presented is a reorganised military instrument and no new central government mechanisms are established to promote such integration.

One defence analyst suggests:

> For all its virtues, the SDR is an internal management review with the MOD. It has not been "strategic" as the MOD would have us believe, and has made some important assumptions that may not stand up over the next few years. We do need another review, but not of the MOD alone, rather of the way our government and our civil service approach the world around them.[57]

The SDR does include a new emphasis on conflict prevention, but some critics, particularly on the Left, do not see this as going far enough. The use of military force, they would maintain, is ultimately reactive and the Review does little to address one of the main causes of global insecurity, which is inequality. Conflict is not only generated by differences of wealth between states, but more often by vast differences in wealth between elites and the masses in many less developed countries. Notwithstanding an increase in the DFID budget under the Comprehensive Spending Review, some maintain that more should be spent on alleviating global poverty, particularly in relation to the reduction of Third World debt.[58] This school of thought would also favour stronger curbs on the arms trade, whereas the SDR sees the defence industries as an important national

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[56] HC 138, Para 419
[57] Michael Clarke 'How the MoD came to rewrite our foreign policy' *The Independent* 8 July 1998
[58] Paul Rogers at RUSI Seminar 'The Outcome of the Strategic Defence Review', 10 September 1998

asset and defence exports as beneficial "not just to Britain's economy but directly to the MOD".[59]

The confirmation of an expeditionary strategy is also open to debate. Britain has fought a series of expeditionary and "withdrawal from empire" campaigns overseas since the end of the Second World War. These engagements have generally been successful and have resulted in very few casualties. In contrast, other states which have followed an interventionist foreign policy have suffered heavy casualties and, on occasion, major defeat. The USA lost over 100,000 men in Korea and Vietnam combined. France lost similar numbers in Vietnam and Algeria. Whether it is under UN auspices or in concert with the USA, the UK could be committing itself to future conflicts which could turn out to be domestically divisive and costly, both in terms of expenditure and in lives.

The acceptance of a secondary role to the USA is also a matter of concern to some analysts. Although there are good arguments for retaining a continued alliance with the world's strongest power, some see active UK military support to US expeditionary operations as irrelevant and thus pointless. In almost every area the US armed forces possess significantly more capability than those of Britain. Whether in the Gulf War or the more recent Iraq crisis, the UK's significance to Washington has been more in providing political than military support. Others worry that given the known US aversion to incurring any military casualties abroad, British and perhaps French soldiers could become the tool of US foreign policy:

> Since the fear of 'body bags' is most keenly felt in Washington, the possibility exists that the Americans will offer the Europeans logistic support, while expecting Britain and France to provide most of the soldiers and casualties.[60]

Some analysts question whether such a close alliance with the USA is really in Britain's long-term interests.[61] As Lord Wallace, a Liberal Democrat spokesman, remarks, "Following the Americans up and down the Gulf, grappling with the confusions and domestic lobbies which shape American foreign policy, is scarcely a firm basis for British strategy".[62] This school of thought would see the future of UK defence and security policy lying with the majority of its trade, in Europe. The dominance of the Anglo-American relationship in defence could be seen as being at odds with a continuing economic and possible further political convergence in Europe.

Those who fear the implications of being too closely linked to US military power are also concerned at the relative absence of reference to even current military links with Britain's

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59 Essay Ten, Paras 28-30

60 Jonathan. Eyal "Defence on the cheap', *The Financial Times* 9 July 1998

61 Michael Clarke 'How the MoD cam to rewrite our foreign policy' *The Independent* 8 July 1998

62 'Spent Force: Following the Americans up and down the Gulf scarcely justifies us spending billions on new aircraft carriers', *The Guardian* 9 July 1998

European allies.[63] Although NATO's survival and renewal in the post-Cold War era has surprised many of its critics, it certainly cannot be regarded as immutable over the next two decades, nor are significant developments in European security co-operation to be ruled out. The SDR says little about the future development of the WEU as an equal European pillar of the Atlantic Alliance, the European Security and Defence Identity, or as the defence dimension of the European Union.[64] Although the UK under successive governments has opposed the creation of independent European defence institutions, which were not linked or subordinate to the Atlantic Alliance, one way in which it can maximise its defence output is via bilateral defence co-operation with European allies. One of the most productive initiatives in the last decade has been a new, mutual enthusiasm for Franco-British defence co-operation, born, in part, out of a shared military experience of peace-keeping in Bosnia. In another example, the Army has recently signed a new co-operation agreement with the Dutch Army. The SDR says nothing about such co-operation. Although European allies were informed about the SDR as it progressed, it seems that no attempt was made to co-ordinate the proposed changes in the British armed forces with them.[65] There is also no reference to NATO's strategy review, due to finish in 1999, which might, it could be argued, have important implications for the role and structure of UK defence.

The Review, while reducing defence expenditure and forces, does not actually reduce the UK's defence commitments. Indeed, by making more forces potentially available to the UN for peace support and humanitarian missions, it could be said to increase them. Although there are some indications that deployments beyond the Gulf are not planned, the UK is still committed under the Five Power Pact to "consult" along with Australia and New Zealand with Malaysia and Singapore if the latter fell under threat. The armed forces must assist the civil power in Northern Ireland, while maintaining a division in central Germany as part of a NATO commitment, defend widely spread overseas territories, and, potentially, come to the assistance of allies in the Middle East.

The SDR thus commits the UK to maintaining sophisticated and expensive armed forces and engaging them in crises far from home. Although there may be diplomatic gains from having armed forces which are capable and respected, it is still open to question why Britain should spend more in GDP terms on defence than many of its competitors, when home is acknowledged to be no longer under a direct threat.[66] *The Economist* comments, "a truly radical review would have asked why Britain needed much defence at all, once the threat to it had disappeared".[67] Both Japan and Germany follow more low key diplomatic and military policies in international affairs but have enjoyed economic success in the post-war period. The SDR does recognise that, after the end of the Cold

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63 *The Guardian* 10 July 1998

64 Essay Two , Para 12

65 Essay One, Para 25

66 In 1996, while the USA spent 3.7 per cent of its GDP on defence, France and Britain spent 3 per cent, Italy 2 per cent, Germany 1.7 per cent and Canada 1.5 per cent (Cm 3781, Para 40).

67 *The Economist* 11 July 1998

War, a policy of active internationalism is a matter of choice, "We could, of course, as a country, choose to take a narrow view of our role and responsibilities which did not require a significant military capability", before dismissing this approach. Being "a force for good" in the language of the Labour Government, or "punching above our weight" in the words of its predecessor, runs a risk of perpetuating a delusion about Britain's status in the world and the real economic means it has to support it. As *The Economist* remarks, "In real life, boxers who punch above their weight tend to get flattened …".[68]

The implications of following an active internationalist policy in a reduced threat environment remains to be seen. Ultimately, it may depend on public support. This point is addressed by Freedman: -

> The success of deterrence during the Cold War could be readily judged. If nothing happened, the policy could be assumed to be working. The success of the new policy will be far harder to judge. If nothing happens, it will soon be argued that the Government is making provisions for which there is no call. A similar view may be taken if contingencies regularly arise but prudence and politics argue against intervention. The policy will also be questioned if interventions turn out to be hazardous and ineffectual. A substantial military establishment can be justified only if it is kept busy at low risk to good purpose. [69]

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[68] Ibid

[69] Lawrence Freedman 'Britannia returns to the waves', *The Times* 7 July 1998

III Defence Missions and Tasks

A. Policy

The SDR White Paper translates responses to the UK's external challenges and responsibilities into a number of missions and subordinate military tasks, which are outlined in Supporting Essay Six.

Between 1992 and early 1997 UK strategy was configured around three defence roles: one, the defence of the UK mainland and its dependent territories; two, insurance against a major external threat to the UK and its allies (i.e NATO); and finally, the promotion of the UK's wider security interests through the maintenance of international peace and stability (UN peacekeeping, etc).[70] These three roles were then replaced by seven core missions: security of the UK; security of the Dependent Territories; military assistance; support of international order and humanitarian principles; regional conflict outside NATO; NATO regional conflict; all-out War.[71] Apart from the addition of a new mission, Defence Diplomacy, the SDR does not lead to great change. The new missions are as follows: -

> *A: Peacetime Security*: To provide forces needed in peacetime, to ensure the protection and security of the United Kingdom, to assist as required with the evacuation of British nationals overseas, and to afford Military Aid to the Civil Authorities in the United Kingdom, including Military Aid to the Civil Power, Military Aid to Other Government Departments and Military Aid to the Civil Community.
>
> *B: Security of the Overseas Territories*: To provide forces to meet any challenges to the external security of a British Overseas Territory (including overseas possessions and the Sovereign Base Areas) or to assist the civil authorities in meeting a challenge to internal security. (An amendment to legislation in due course will formalise the change of title from "Dependent Territories" to "Overseas Territories".)
>
> *C: Defence Diplomacy:* To provide forces to meet the varied activities undertaken by the Ministry of Defence to dispel hostility, build and maintain trust, and assist in the development of democratically accountable armed forces (thereby making a significant contribution to conflict prevention and resolution).
>
> *D: Support to Wider British Interests:* To provide forces to conduct activities to promote British interests, influence and standing abroad.

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70 *SDE 93*, Para 103

71 *British Defence Doctrine*, February 1997

> *E: Peace Support and Humanitarian Operations:* To contribute forces to operations other than war in support of British interests and international order and humanitarian principles, the latter most likely under UN auspices.
>
> *F: Regional Conflict Outside the NATO Area:* To contribute forces for a regional conflict (but not an attack on NATO or one of its members) which, if unchecked, could adversely affect European security, or which could pose a serious threat to British interests elsewhere, or to international security. Operations are usually under the auspices of the UN or the Organisation for Security Co-operation in Europe.
>
> *G: Regional Conflict Inside the NATO Area:* To provide forces needed to respond to a regional crisis or conflict involving a NATO ally who calls for assistance under Article 5 of the Washington Treaty.
>
> *H: Strategic Attack on NATO*: To provide, within the expected warning and readiness preparation times, the forces required to counter a strategic attack against NATO.[72]

Outlined in a separate Supporting Essay Four, Defence Diplomacy will include the work of the MOD and armed forces in arms control, non-proliferation and confidence and security building, including the restoration of a British aircraft to help to enforce the Open Skies Agreement. It will include an expanded 'Outreach', the programme which aims to promote security and stability in Eastern Europe and the Former Soviet Union, particularly in Russia, by encouraging efficient, democratically-accountable armed forces and promoting their integration with and understanding of NATO forces. This is accomplished through activities such as unit and ship visits, defence consulting, loan personnel, joint training, and educational courses. Similar activities will take place in non-Outreach countries. New Defence Diplomacy Scholarships will be established for foreign officers and officials at the Joint Service Command and Staff College. Following a review of requirements, the number of British defence attachés abroad will be increased and they will be given new importance and training as "ambassadors of defence diplomacy".

In Essay Six, the military tasks identified within the missions of the armed forces are maintained but refined and rationalised from 50 to 28. As before, the force planning assumptions for each Military Task are shown. The most important change here is that Britain "will no longer maintain forces to meet a strategic attack on NATO".[73] Other thinking behind the levels of forces allocated to each Military Task is revealed. Firstly, the MOD considered the *scales of effort* required over and above that needed to meet day-to-day commitments. These are defined as: small scale (requiring the allocations of a battalion, squadron, ship as in the No-Fly Zones over Iraq, the Armilla Patrol in the Gulf and UNFICYP in Cyprus); medium scale (needing a brigade, as in Bosnia); large scale,

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[72] Ibid, Annex A

[73] Essay Six, Para 4

which would be the largest contribution to peace enforcement or regional conflict outside NATO (at divisional level as during the Gulf War); very large scale and full scale (a contribution of all available forces to NATO to defend an ally, with the distinction being differing lengths of warning times, ranging from at least months to years). Planning for these force commitments was then influenced by other factors: the levels of *readiness* required for units; the *endurance* of the total force structure, shaped by length of deployments and the possible need for unit rotation. Once all these factors were examined, the MOD decided that the shape of the armed forces should be guided by a requirement to plan for: either two concurrent small-scale operations, one six-months-long warfighting operation and another enduring non-warfighting operation; or, a single full scale operation, utilising the bulk of the UK's armed forces.

Force planning is also governed by a number of conclusions about the nature of warfare. Firstly, the new importance of force projection. During the Cold War, the UK faced the prospect of fighting a brief but highly intense conflict close to home from well-stocked home bases. With the risk of a strategic attack on NATO now remote, UK forces will now need to be deployed to a (distant) operation, which they will possibly need to undertake without a local military infrastructure, for an indefinite period of time. Secondly, with the exception of national commitments, future operations "will almost always be multinational".[74] The UK will work in the UN, NATO or WEU context or with other states in "coalitions of the willing" and "this means that we do not need to hold sufficient national capabilities for every eventuality". The analysis rejects any distinction between high and low intensity warfare. Recent experience in Bosnia has shown that troops trained for conventional war and their heavy armour, such as tanks, can successfully be turned to peacekeeping. "We therefore need a balanced and coherent spectrum of capabilities, which collectively provide a range of deployment options".[75]

The Essay identifies certain trends in military capabilities. Of increasing importance are command, control and communications; ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance); rapid deployment, and therefore transport (lift); sustainability, and therefore combat support (logistics, equipment and medical services); the need to protect forces against the chemical and biological weapons they may encounter in certain theatres of operations; the utility of Special Forces and of air manoeuvre forces in high intensity conflict. Of relatively declining importance are some required for the direct defence of the UK and blue water naval operations. This analysis also informs changes to the force structure, which are set out below.

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74 Essay Six, Para 13

75 Ibid, Six, Para 14

B. Assessment

The military missions and military tasks identified with them represent continuity rather than change. The military missions were last redefined in 1997 and no major alteration, apart from the definition of defence diplomacy, has been made. The only exception is that the UK will no longer maintain forces to meet a strategic attack on NATO. This statement is important since it, in a sense, reverses a half century of UK defence planning. From the onset of the Cold War and increasingly thereafter, the UK's defence effort was dedicated to NATO. Forces to meet contingencies outside western Europe were to be drawn from those allocated to NATO. This assumption is now reversed. No longer is the force structure primarily defined by the contribution to NATO, but, rather by the need to launch expeditionary operations. It is therefore missions which UK forces are likely to perform which determine the force structure, rather than commitments.

On the one hand, the SDR states that such missions are likely to be multinational but on the other, it decides not only to maintain a purely national capability to deploy and operate overseas, but also to enhance it. This may preserve a degree of UK independence of action and also increase leverage with the USA, by retaining the ability to deploy fully coherent national force packages, but it could also be seen as wasteful. The SDR implicitly rejects role prioritisation, the idea that allies should specialise in specific defence functions either within NATO or in preparation of rapid deployment operations. If operations overseas are to be multinational, then, it could be argued, the UK could enter into binding agreements with other European states to supply force components, along the lines of similar agreements in defence supply being considered (see below). As one academic study comments:

> Since the UK's slimmed down forces will only be able to contribute to even these smaller operations as part of a multinational effort, it is especially regrettable that the SDR has so little to say about this multinational context and how Britain's input can be co-ordinated more closely with that of other nations.[76]

There is the risk here of 'role prioritisation' by default with certain European states shedding capabilities and making unchecked assumptions about the types of forces which may be made available by their allies.

As it stands, the SDR is absolutely clear as to which forces are required for which mission. It has been argued that this could place the Government and the MOD in a politically precarious position in the future if force cuts were being considered. The 'two-campaign' strategy may also prove a liability. The new force structure may create the impression in the international community that the UK will contribute to military intervention missions come what may. If the UK were involved in one major

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[76] *The Strategic Defence Review: How Strategic? How much of a Review?, London Defence Studies, July 1998*

peacekeeping operation, it would be difficult to reply to the UN or the USA that forces were insufficient to provide for another, whatever its circumstances.[77]

Defence Diplomacy, although it has been given much publicity, is as the MOD admits, "not a new idea".[78] UK servicemen have been engaged in training foreign forces for many years. In the 1981 Defence Review, the MOD envisaged the projection of British interests overseas by politico-military activity based on "military assistance, advice, training, loan of personnel, and provision of equipment to friendly countries whose security benefits from our help".[79] The Defence Diplomacy initiative does, however, give a greater intellectual coherence to a number of previously unlinked activities and fits in with the new preventative onus on security policy. Still, in this new guise it could be regarded as insufficiently ambitious. Given that the greatest indirect threats to British security have been identified as coming from the (southern) Mediterranean, Near and Middle East, perhaps a greater emphasis could have been placed on defence diplomacy activities in these regions, rather than in eastern Europe and the Commonwealth.

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77 M. Codner "The Strategic Defence Review: How Much? How Far? How Joint is Enough? *RUSI Journal*, August 1998

78 Speech by George Robertson to the European Atlantic Group on "NATO, its Partners and Defence Diplomacy" 29 October 1997 and Essay Four, Para 1.

79 1981 White Paper, p. 11, Para 33

IV Joint Operations

A. Policy

A key element of the SDR is the establishment of structures to support one, and if need be, two new Joint Rapid Reaction Forces (JRRFs), which will carry out the new expeditionary strategy. This is part of a wider Joint Vision intended to maximise the cost and operational effectiveness of the armed forces through inter-service co-operation or pooling in what is expected to be a three-dimensional battlespace.[80]

The JRRFs will be available from a pool of Service assets. For the Army, this will include four high readiness brigades: the 3rd Commando Brigade; a new Air manoeuvre Brigade; and two 'ready' brigades, one each from the 1st Armoured and 3rd Mechanised Divisions. The Navy will supply around 20 major warships, including carriers, attack submarines, destroyers, and 22 minor/support vessels. The RAF will commit around 110 combat aircraft and 160 other support aircraft. Special Forces will also be available. There will be a dedicated JRRF HQ, together with the nucleus of another. Both will be backed up by medical and logistical chains, under Joint Force Logistics Component HQs. As a result, the Forces will be able to support two concurrent operations, each including up to 15,000 tri-service personnel. Deficiencies have been identified in supporting JRRFs overseas. These will be remedied by the acquisition of new strategic air and sea lift and through extra spending on the defence medical services, both in front-line units and in the Defence Secondary Care Agency. These enhancements are shown under individual Service headings below.

Responsibility for command and the organisation of the JRRFs, due to be operational in 2001, falls to the existing three-star Chief of Joint Operations (CJO) at the Permanent Joint HQ, Northwood. This post will be given more responsibility and accordingly raised to four-star level and become a Top Level Budget Holder (TLB), on a similar budgetary level as the single-Service commanders. (Within the MOD, the Vice Chief of the Defence Staff (VCDS) and 2nd Permanent Under Secretary (PUS) Top Level Budgets (TLBs) will be merged into a single centre TLB.) The CJO will be supported in this role by a new two-star Chief of Joint Force Operations and Training. The planning and conduct of joint operations will be influenced by a new Joint Defence Centre which will work on tri-service doctrine.

In keeping with the new emphasis on "jointery", a number of joint forces are to be created. RAF Harriers GR7, dedicated to ground attack, and RN Sea Harriers FA2, optimised for air defence, were embarked together on RN carriers during the recent Iraq crisis, providing a combined and more powerful air wing. Both RN and RAF Harrier forces will now be brought together under a Joint Force 2000, which will harmonise

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[80] See Joint Vision Statement, Essay Eight, Para 1

operational practice and orchestrate joint RN/RAF Harrier forces able to operate from both land and sea. In the longer term, such co-operation will be taken a step further with the acquisition of a Future Carrier Borne Aircraft, common to both services. Separately, all Service battlefield helicopters, that is including Navy commando helicopters, Army attack helicopters and RAF support helicopters, but excluding those used for anti-submarine warfare, search and rescue and airborne early warning, will be brought together in a Joint Helicopter Command, under a 2-star officer. In addition, a Joint Ground Based Air Defence organisation will be set up by 2002, pooling Army and RAF Rapier surface to air missile units around a common Rapier standard C system.[81] A further joint command will be established in Nuclear, Chemical and Biological Defence Regiment, formed from both Army and RAF personnel. This will take over a role currently performed by the TA. In all cases, the intention is to promote best practice, enchance operational effectiveness and make economies in support costs.

The joint approach extends not only to joint force logistics abroad, but also to the logistical base at home. Here, the main initiative will involve bringing the three single Service logistical organisations (CinC Fleet Support, the Quartermaster General and RAF Logistics Command) under a new four-star Chief of Defence Logistics in April 1999, with a view to their later merger into a single organisation. The aim is again to spread best practice and make efficiency gains. A number of changes will be made to support organisations. In some areas these will merge on a greater tri-service basis, in others a single Service will take the lead in providing a particular function. Thus, there will be a single Defence Transport and Movements Organisation, pooling the work of the Defence Transport and Movements Executive, the Air Movements Executive and the Joint Transport and Movements organisation; and a Defence Storage and Distribution Agency responsible for all third and fourth line storage. Both should be established by April 1999. Responsibility for explosive storage, processing and distribution, currently divided between the Army and RN, will pass to the Naval Base Support Agency. A fully unified explosive distribution and storage organisation is envisaged by 2004/5. The RAF will take lead responsibility for fuel and lubricants. A tri-service Defence Aviation Repair Agency will be established, responsible for both helicopters and fixed wing aircraft and will become a trading fund.[82] This consolidation will result in a number of future base closures. In the short-term, storage depots at Rosyth and Colerne will close earlier than previously planned.[83]

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81 Factsheet 4
82 Essay Eleven, Para 38-47
83 Factsheet 30

B. Assessment

As the Review admits, the development of the concept of "jointery" is based on inheritance. A Joint Rapid Deployment Force, albeit weaker than the JRRFs now planned, was formed in 1996, as was a Permanent Joint Headquarters to plan and execute all overseas operations. It was the Defence Costs Study of 1994 which first pushed ahead the concept of tri-service defence organisations in the support and training field, leading to, for example, the Joint Service Command and Staff College. Although evolutionary in advancing jointery, the SDR does attempt to give some greater direction to the process, via the Joint Vision Statement, and greater operational robustness to rapid deployment, though the establishment of JRRFs.

The SDR could still be accused of some timidity in this respect by not taking jointery further. Few would advocate a total unification of the armed forces, as occurred in Canada thirty years ago with rather mixed results. However, more could perhaps have been done. Whilst merging the three separate logistical commands, the SDR might also have formed a comparable single personnel and training command. Similarly, the single Service chiefs have become much more like Service administrators, lending their forces to the PJFHQ for overseas missions. Why not scrap this role and place all combat forces under the Chief of Joint Operations? Ultimately, the single-Service Boards and their related staffs could be abolished and the single-Service chiefs could be turned into inspector generals and figureheads of their own Services, with all other functions done on a tri-service basis.[84]

On the other hand, jointery should not be regarded as a panacea. There may be justifiable reasons why certain operational functions should remain on a single-Service basis. A major impetus for jointery is that it is expected to produce cost savings. Although this may prove true in most cases in the long-term, in the short-term joint organisations, such as the Chief of Defence Logistics, may be costly to set up.

In the operational context, jointery may also take some time to implement. For example, the merger of the two Harrier forces, from two different traditions, into the Joint Force 2000 will require lengthy and complex implementation and, as a result, any financial or operational gains arising may take many years to appear. One commentator writes:

> … the Joint Force 2000 initiative will take years to implement and bed down, and fundamental operational and training issues have not even begun to be addressed. It remains to be determined, for instance, whether aircrew will be cross-trained from air-to-air and air-to-surface operations.

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[84] Michael Codner, 'The Strategic Defence Review: How Much? How Far? How Joint is Enough?', *RUSI Journal*, August 1998

> In terms of timescale, some senior RAF officers believe that it will take at least a decade to implement the Joint Force 2000 concept of operations.[85]

It could be argued that the MOD could have avoided some of these problems by unifying certain functions on a single service basis. Thus, rather than see the Royal Artillery and RAF painfully thrash out joint practice in air defence in their new Joint Force, simply transfer the RA air defence regiments into the RAF Regiment or the RAF air defence squadrons into the Army. Notwithstanding, the trend towards jointery, coupled with the development of common approaches to personnel issues, may lay the foundations for an eventual merger of the armed forces sometime in the next century should future governments wish to pursue this option.

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[85] D. Barrie, 'Rhetoric or reality: the UK's Labour Government has delivered its magum opus on its armed forces', *Flight International,* 15 July 1998

V Nuclear Forces and Arms Control

A. Policy

As declared in the Labour election manifesto and confirmed at the start of the Review, the SDR affirms the Government's commitment to maintaining a nuclear deterrent but makes a number of changes to it.

In Essay Five, the Government declares that:

> The world would be a better place if such weapons were not still necessary, but the conditions for complete nuclear disarmament do not yet exist.
>
> Progress has been made through the START process in reducing Russian and United States strategic range nuclear forces and deployed warheads. Nonetheless, very large numbers of strategic and shorter range nuclear weapons, and substantial conventional military capabilities, remain as a potent potential threat to the security of Britain and our Allies should current circumstances change for the worse. We and NATO have radically reduced our reliance on nuclear weapons, but in present conditions nuclear deterrence still has an important contribution to make in insuring against the re-emergence of major strategic military threats, in preventing coercion, and in preserving peace and stability in Europe.
>
> The Government's General Election Manifesto therefore promised to retain Trident as the ultimate guarantee of the United Kingdom's security while pressing for multilateral negotiations towards mutual, balanced and verifiable reductions in nuclear weapons. When we are satisfied with progress towards our goal of global elimination of nuclear weapons, we will ensure that British nuclear weapons are included in the negotiations.[86]

In the meantime, improvements in the strategic landscape mean that it is possible to make changes in the manner in which the deterrent is exercised. The British warhead stockpile is to be cut from the ceiling of up to 300 warheads maintained by the previous government to less than 200 operationally available warheads.[87] With earlier reductions under Conservative administrations, the potential explosive power of the deterrent will have fallen by more than 70 per cent since the end of the Cold War. "This is the minimum necessary to provide for our security for the foreseeable future and smaller than those of the major nuclear powers".[88]

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86 Essay Five, Paras 3 -5
87 Cm 3999, Para 64
88 Ibid, Para 70

The patrol cycle of the Trident submarines has also been relaxed with normally only one submarine on patrol at any one time. Each submarine will have one instead of the current two crews and will carry out secondary tasks while on patrol, such as exercises, "without compromising their security".[89] As with pre-Chevaline Polaris, each submarine will now only carry a maximum of 48 warheads, rather than the ceiling of up to 96 under the Conservatives.[90] The Government claims that the explosive power of a Trident submarine will now be less than one third of that of the previous Polaris Chevaline submarine.[91] The Trident submarine's alert status will also be reduced. Missiles have not been targeted for some years but, in addition, henceforth submarines will normally be at several days' notice to fire them. A requirement for an additional seven Trident missile bodies has been cancelled, leaving a new total of 58.[92]

The SDR did consider more radical measures such as taking the Vanguard submarines off patrol altogether and also separating warheads from the missiles. However, it felt that both measures could lead to a crisis of escalation if they were required to be reversed during a period of rising tensions and could, as a result, undermine the deterrence effect of the weapons system.[93] Although the Government intends to retain a capability to design and produce nuclear warheads, "There are no current plans for any replacement for Trident, and no decision on any possible successor system would be needed for several years".[94] Fresh information is given on the costs of the nuclear deterrent. The total cost of Trident is estimated to be about £12.5bn and the running costs of Trident submarines are put at £280m per annum over the next 30 years. The nuclear warhead programme will cost £410m in 1997/98, of which £114m is directly related to Trident.[95]

On nuclear arms control, while hoping for progress in the START negotiations, the SDR catalogues a number of British initiatives. The UK is committed to its obligations under the Non-Proliferation Treaty (NPT) and was one of the first states to ratify the Comprehensive Nuclear Test Ban Treaty (CTBT). The UK continues to pressure other countries to do so. It encourages India and Pakistan, states which have both recently tested atomic bombs, to sign the CTBT and NPT. Britain is also committed to the negotiation of a Fissile Material Cut-Off Convention, i.e. that no more bomb-making nuclear material should be manufactured. To support this aim, the White Paper reveals a decision to make a minor cut in the UK's stock of fissile material as well as other measures to reduce the use and increase the transparency of this stockpile; the UK claims to be the first nuclear weapons state to declare the size of its stocks of nuclear materials. These total 7.6 tonnes of plutonium, 21.9 tonnes of highly enriched uranium (HEU) and

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89 Essay Five, Para 12

90 Cm 3999, Paras 66-67

91 Chevaline was a secret project begun by the Callaghan Government to upgrade Polaris. One effect was to reduce the number of warheads on each upgraded submarine from the previous 48 to 36.

92 Cm 3999, Para 68

93 Essay Five, Para 13

94 Ibid, Para 14

95 Ibid, Para 18-19

15,000 tonnes of other uranium.[96] Nine thousand tonnes of non-HEU will be placed under international safeguards alongside 4.4 tonnes of plutonium (including 0.3 tonnes of weapons grade material). All planned future reprocessing and enrichment will also take place under international safeguards, but the UK retains the right to resume activities if necessary. It aims to publish a report on past fissile production in 2000.[97] The Government will also develop a new capability to verify reduction and elimination of nuclear weapons. Separately, it supports the various nuclear weapons free zones around the world "where conditions are right".[98]

The SDR details UK support for the implementation of the Chemical Weapons Convention, the strengthening of the Biological and Toxin Weapons Convention and the operation of various international export control regimes. It assesses that 20 states either possess or show an interest in developing offensive chemical/or biological capabilities. These capabilities pose a threat to UK forces deployed overseas and hence steps are described elsewhere in the White Paper to strengthen Army/RAF NBC defence. The SDR states that:

> At present, any risk to Britain from the ballistic missiles of nations of concern in terms of proliferation is many years off, but the risk to some of our NATO allies is less distant; and British forces must be able to operate in regions, such as the Gulf, where they might face these risks.[99]

The Government has decided not to develop a national ballistic defence capability, partly as technology in this field is changing rapidly. However, the government will monitor developments and consult with allies, particularly within NATO.[100]

Essay Five details other areas of work in conventional arms control. These include negotiations to ensure the continued relevance of the CFE Treaty, which since 1991 has limited heavy weapons in NATO and the former Warsaw Pact, and of the Vienna Document on confidence-building measures in the OSCE. An RAF Andover will be re-roled for use in inspection flights under the Open Skies Treaty, restoring a previously deleted capability.

B. Assessment

The changes announced to Trident in the SDR are minor rather than fundamental. On the operational side, the use of single crewing and the practice of having one submarine on patrol at any one time has reduced Trident to a minimum *active* nuclear deterrent.

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96 Cm 3999, Para 72
97 Essay Five, Para 26-28
98 Ibid, Para 32
99 Ibid, Para 40
100 Ibid, Para 45

However, on close analysis, the reduction in warhead numbers may represent an act of frankness rather than a real cut. Under the Conservative Government, Britain was to have maintained up to 300 warheads but, according to SIPRI, it actually possessed around 260, including at least a ten per cent margin for spares and maintenance, that is about enough for three boatloads (48 missiles), each with five warheads. This requirement was due to fall with the introduction of a small number of single warhead missiles, to be used in the sub-strategic role.[101] The figure of "less than 200 operationally available warheads" must be seen in this light.

The SDR states that "There are no current plans for any replacement for Trident, and no decision on any possible successor system would be needed for several years".[102] However, this should be considered within the twenty-year purview of the Review. It took 15 years from the firm decision to procure Trident (1980) to the operational deployment of the first Trident submarine (1995). If the pre-procurement studies are taken into account, then the procurement span was almost 20 years. On this basis, preliminary decisions about a possible follow-on to Trident might need to be taken between 2000 and 2005.

The SDR might be criticised by those in favour of more rapid progress towards nuclear disarmament. The Government states that it is "unequivocally committed to Britain's obligations under the Nuclear Non-Proliferation Treaty".[103] Under Article VI of the NPT, the nuclear weapons states, that is the Permanent Five members of the UN Security Council, are "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament". Notwithstanding other arms control initiatives, the UK Government position to wait for progress in bilateral reduction negotiations between Russia and USA could be viewed as being rather passive. In addition, its decision not to end nuclear patrols and store nuclear warheads separately from missile bodies would also be seen by some as overly cautious. At a time when there is concern about the physical security of Russian nuclear weapons, it might be appropriate for the UK to promote an international agreement to store warheads separately from missile bodies.

CND has expressed doubts about the Government figure for Trident running costs, some £280m per annum. It points out that this figure ignores the costs of decommissioning the Trident submarines and claims that 70 per cent of the operating costs of the Faslane and Coulport nuclear bases have been excluded (some £170m). It also suggests that other related expenditure, such as the ships, submarines and aircraft required to protect Trident submarines on the departure and return from patrol, and the costs of the physical security of nuclear bases should also be added (some £50m). Coupled with the £114m for 1997/98 which the MOD states is attributable to Trident costs, CND maintains that

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[101] *SIPRI Yearbook 1998*, pp. 439-440
[102] Essay Five, Para 14
[103] Ibid, Para 22

Trident operating costs are in fact in excess of £500m per annum. CND also holds that, due to insufficient clarity in the defence votes, the true costs of the nuclear weapons programme is not £410m but in excess of £1bn.[104] The USA became the first nuclear weapons state to reveal full details of its stocks of plutonium, and their location, in 1996.[105]

Perhaps the most trenchant criticism of the UK's nuclear weapons policy is the lack of clarity about the role of the sub-strategic nuclear deterrent. Given that this is the most likely, although still remote, contingency for Trident use, there is no text in the SDR on sub-strategic doctrine. If Trident is intended to have a deterrent role against the use of, for example, chemical weapons by 'rogue' states, then some explanation of the thinking might be expected.

The Government's position on the threat from ballistic missile development overseas could also be regarded as unduly complacent. In 1997, the US Congress established a Commission to Assess the Ballistic Missile Threat, known as the Rumsfeld Commission. This is a bi-partisan expert body tasked with examining the US administration's claim that the continental USA faced no threat of missile attack from states newly acquiring this capability before 2010. The Commission reported that the long-range ballistic missile threat to the USA is "broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community". The report did not rule out the development of long-range missiles by Iran, North Korea and Iraq within the next decade.[106] Whatever the nature of the Government's risk assessment, an influence on decision-making is likely to have been the huge cost of any ballistic missile defence system. On the one hand, the UK appears to look to US capabilities for the current defence of UK forces from ballistic missile attack in certain expeditionary operations, i.e. an act of role prioritisation, and, on the other, looks to possible future multilateral NATO solutions to European defence. However, the principle of role prioritisation and multi-lateralism of defence capabilities is implicitly rejected elsewhere in the SDR.

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[104] CND, *Lies and Damn Lies Within the Strategic Defence Review*, August 1998 CND states that, when related expenditure such as on the development of Trident reactor, construction at AWE, Faslane and Coulport, and work on the Trident warhead are included, the capital costs of Trident are in excess of £20bn, rather than the £12,520million stated by the Government.

[105] 'US Plutonium Inventory is nearly 100 Metric Tons', *The Washington Post*, 7 February 1996

[106] *Armed Forces Journal International*, August 1998

VI Conventional Forces

A. The Royal Navy

New Structure

In line with the greater emphasis on rapid deployment, the Royal Navy will change its bias from open-ocean warfare, as formally envisaged in the North Atlantic, to force protection and near coast (littoral) operations. Shallow water operations in UK waters will also be given less importance.

The centrepiece of the new strategy of force projection is the *planned* acquisition of two large, 40,000 ton aircraft carriers, with a complement of up to 50 aircraft and helicopters each. The first will have an in-service date of 2012. The fixed-wing component could be provided by the Joint Strike Fighter but the MOD is also studying a marinised Eurofighter 2000, an upgraded Sea Harrier and other existing US and French naval jets for its Future Carrier Borne Aircraft requirement.[107] The two new carriers will replace the three existing *Invincible* class light carriers, which will be retained in the meantime. The latter, of 20,000 tons, only deploy a maximum of 24 aircraft and helicopters and were originally designed for anti-submarine warfare operations rather than force projection.

Deployment capabilities will be improved by the acquisition, possibly as part of a Private-Public Partnership, of four additional 'roll-on roll-off' container ships to add to the existing two (*Sea Chieftain* and *Sea Crusader*). The 3rd Commando Brigade will be retained in its present form. Modernisation of the amphibious squadron will continue with the recent addition of a helicopter carrier (*HMS Ocean*) and the construction of two replacement Landing Platforms Dock (*HMS Albion* and *HMS Bulwark*). A tender will be invited for two replacement Landing Ships Logistic(LSL); refurbishment of two older LSLs has proved more expensive and time-consuming than originally intended.[108] As planned, the Royal Fleet Auxiliary will also acquire 2 Auxiliary Oilers. A 200-bed hospital ship will be procured with provision made for a second.

Due to the reduced threat in UK waters and new flexibility in certain deployments, the size of the destroyer/frigate force will be cut from 35 ships to 32. This will be achieved over the next three years by paying-off five Type 22 frigates (*HMS Boxer*, *Beaver* and *London* in 1999, *HMS Brave* in 2000 and *HMS Coventry* in 2001) and, as previously intended, one Type 42 destroyer (*HMS Birmingham* in 1999) and bringing three Type 23 frigates into service over the same period.[109] There will be no further order for Merlin ASW helicopters; the RN will only procure 44. In order to fill the gap left by an earlier

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[107] 'UK studies Eurofighter for future carrier', *Jane's Defence Weekly* 22 July 1998
[108] See R. Scott, 'RN abandons plans to prolong LSL vessels', *Jane's Defence Contracts*, December 1997
[109] HC Deb 8 July 1998 c 1096

expected order for 24 Merlins, 10 Lynxs will be upgraded from Mk 3 to Mk 8 standard.[110] The MOD remains committed to the Horizon anti-air frigate as a replacement for the Type 42. A Future Escort is planned to replace the Type 22 and 23s.[111]

The attack submarine fleet will be cut from 12 to 10 with the paying off of *HMS Splendid* in 2003, when it is due for refit, and *HMS Spartan* in 2006, after a refit in 1999.[112] All remaining attack submarines will be fitted with (conventionally-armed) Tomahawk cruise missiles, rather than only seven as originally planned. Despite the cut in the fleet size, two further Astute class submarines will be ordered after 2000 to join the three already on order, which will start to enter service in 2005.

Due to a reduced mine threat in home waters, the Mine Counter Measures Vessel (MCMV) fleet will increase from a current 19 to only 22 ships, rather than 25 as previously intended. This will be achieved by continuing to commission Sandown MCMVs while paying off three Hunt class ships after 2000.[113] Although the often reviewed Fishery Protection Squadron will remain in being, the decision of the Scottish Fishery Protection Agency that it no longer requires a dedicated RN ship means that *HMS Orkney* will pay off in 1999.[114] Overall, personnel freed from reductions in the fleet will be used to fill gaps elsewhere. However, the net effect of the force changes will be a cut of 1,400 posts.

Assessment

The decision to acquire two large carriers has a certain irony, in that it was an earlier Labour government which decided to scrap plans for a new generation of large fixed-wing carriers in 1966. The new ships will also be expensive, costing perhaps £2bn not including aircraft, and it remains to be seen whether the MOD will be able to afford them, even if, as with *HMS Ocean*, commercial rather than military specifications are used. Given that the first is not intended to enter service until 2012, it stands outside the MOD's current long-term costings. Indeed, a future government could well review this decision on economic grounds. It is also open to question whether Britain should place so many of its financial and weaponry eggs in one carrier basket, which may be vulnerable to attack from mines, missiles and aircraft. Still, the reluctance of all the Gulf States but Kuwait to sanction the use of their airfields for potential air strikes on Iraq earlier this year, severely hampered the organisation of a projected air campaign. In international waters, aircraft carriers offer independence and mobility as command and force platforms. However, it is notable that the MOD has only decided to plan for two carriers. Although this may be all that Britain can afford, the provision of two ships will mean that when one is in refit and

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[110] D. Barrie, 'Rhetoric or reality: the UK's Labour Government has delivered its magum opus on its armed forces', *Flight International*, 15 July 1998
[111] HC Deb 21 July 98 c 478w
[112] Ibid
[113] Factsheet 28
[114] Factsheet 29

another undergoing a period of regular maintenance, none will be available. In these circumstances, a naval task force would lack its most potent element or, more likely, opt to deploy *HMS Ocean* in a task for which it has not been designed.

Within a fixed Naval budget, as with the other services, new capabilities have been bought with cuts elsewhere. In the RN these fall primarily on the submarine and destroyer/frigates fleets. The decision to continue with the £150m refit of *HMS Spartan* at the Rosyth dockyard, for only an additional four years of service life has been the subject of criticism by the Opposition.[115] NATO, overseas, training and other destroyer/frigate commitments have not been changed. The cuts in the destroyer/frigate force are partly gained by altering the manner in which some of these commitments are discharged. With new 'flexibility' the Falklands and Caribbean guardships and Armilla patrol are maintained, but, in the former two cases, 12-month cover will no longer be instantly available, and for the latter a reduction from two ships to one.[116] It remains to be seen whether these changes are entirely consistent with the UK's ostensible commitments to the defence of its Overseas Territories and its reaffirmed defence interest in the Gulf. Moreover, the paying off early of a number of frigates is not reversible. Rather than perhaps being placed in reserve for future eventualities, as for example, certain ships are in the US Navy, these frigates will be sold abroad. A reduction of the national anti-submarine warfare capability must also be balanced against the proliferation of submarine technology, particularly in the Middle and Far East. Forty countries now operate diesel-electric submarines. Iran, for example, has acquired such submarines from Russia.[117] And given the commitment to rapid deployment, it seems odd that there is no mention of a replacement for the Sea King helicopters in either their commando or early warning role.

B. The Army

New Structure

The SDR reorganises the Army's existing structure in order to conform with the policy of retaining forces capable of engaging in conventional warfare but making them more deployable and more mobile. The basic structure of two combat divisions is retained but significant changes are made to the brigade structure. The current force of five heavy brigades (three armoured and two mechanised) and three light brigades (one airborne, one airmobile and one attached RM Commando) will be altered by converting the 5th Airborne Brigade into a third mechanised brigade (the 12th Brigade). This is because "we do not see a need for parachute operations at bigger than battalion level".[118] The new

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115 See HC Deb 20 July 1998 c 771w

116 HC 138, Para 227

117 D. Foxwell,' Sub proliferation sends navies diving for cover: the multiple menace of diesel electric submarines', *International Defense Review*, August 1997

118 Cm 3999, Para 112

brigade will also help with overstretch and form part of an innovative readiness cycle. Each Brigade will "spend a year training, followed by a year at high readiness as part of the Joint Rapid Reaction Forces pool, followed by a year either preparing for, deployed on (for six months) or recovering from peace support operations such as Bosnia". The plan is to make available: an armoured or mechanised brigade at high readiness for JRRF operations; two brigades annually to meet an indefinite one brigade peacekeeping commitment; a division of up to three brigades with a choice of capabilities at varying states of readiness for warfighting; and an armoured and a mechanised brigade able to train coherently; and, in parallel, retain Britain's contribution to NATO.[119] A key element of the JRRF will be the 24 Airmobile Brigade, incorporating two battalions of the Parachute Regiment and the new attack helicopters as a new air manoeuvre force under the Joint Helicopter Command (see below).

Although no cuts will be made to the number of armoured and infantry formations, there will be some changes in their role to fit the new brigade structure. Only six heavy armoured regiments will be retained with the remaining two being re-roled as a fourth armoured reconnaissance regiment and an NBC regiment. Of the 40 infantry battalions, 9 instead of 8 will be armoured infantry (with Warrior) and 6 instead of 4 mechanised (with Saxon), leaving 22 rather than 25 in the light infantry role. In the Parachute Regiment only one battalion, instead of the current two, will be prepared for airborne operations. Provision for airborne support elements will presumably be made from within 24 Brigade.

386 Challenger II main battle tanks will still be procured but will be organised in a manner aimed at maximising efficiency and at prolonging their longevity. The six remaining armoured regiments will each gain an additional squadron, expanding from 38 tanks and 470 personnel to 58 tanks and 600 personnel. They will only utilise 30 tanks each for training purposes, with the remaining being in maintenance or reserve for rapid deployment. Similar 'whole fleet management' of the Warrior and Saxon fleets will allow extra equipment to be released for the new armoured infantry and mechanised battalions. The MOD will collaborate with the US government to develop a new reconnaissance vehicle in the TRACER/Future Scout and Cavalry System programme and with France and Germany to develop a Multi-Role Armoured Vehicle (MRAV).

Plans to acquire Medium Range Trigat and a Next Light Anti-Armour Weapon are retained but orders will be reduced to reflect the Army's new structure and readiness patterns.

In combat support, the Royal Artillery will retain its 15 regiments, but one will convert from l05mm light guns to the AS90 self-propelled gun. Programmes for new precision munitions for the AS90 and Multi-Launch Rocket System and a light gun replacement will continue. The Royal Engineers will expand with an increase from five to six close

[119] Factsheet 31

support regiments, the establishment of a full regiment to support the air manoeuvre force and two new engineering squadrons to back RAF overseas deployments. Two new signals squadrons will also be formed for this purpose.

Extensive enhancements are made to combat service support units centred around the formation of two logistical supply chains capable of sustaining two concurrent medium scale deployments and reinforcing the support elements of the six heavy brigades. This will involve the establishment of 2,000 additional posts chiefly in the Royal Logistics Corps, Royal Electrical and Mechanical Engineers, Royal Engineers and Royal Signals. A new field ambulance regiment will also be formed. Four field hospitals will be given higher readiness. In the only reduction in this area the Army's Landing Craft Logistic will be withdrawn from service from 1 April 1999.[120] In support, Army equipment support will be reorganised with the absorption of the Army Technical Support Agency into this new body. The Army Base Repair Organisation will be re-structured and may become a trading fund.[121]

The British Signals Brigade and 1st Armoured Division dedicated to the Allied Rapid Reaction Corps (ARRC) will remain in Germany although three of the existing six heavy armoured regiments and some support units, together 186 tanks and some 2,500 personnel, will be repatriated. The garrisons and units affected by these changes have yet to be selected. Retaining a German deployment is justified on grounds of mutual NATO obligations, particularly to the ARRC, training opportunities with allies, closer proximity of potential operational areas, and the cost and practicality of finding barracks and training areas for the division in the UK.[122]

The rationalisation of the Army's district/divisional structure is still under study, with a possible reduction from the six districts to three.[123] Overall, the regular Army's establishment will increase by 3,300 posts to 111,300. Full implementation of the post-SDR structure will not be complete until the Army has recruited to new manpower levels and sustainability shortfalls are met, although the JRRF should be operational by 2001.[124]

Assessment

In a review which is fairly neutral in its impact, the Army could be said to be the chief beneficiary. This arises partly from a realisation that it is the Army, of all the Services, that has suffered the most from overstretch. The combination of heavy commitments in Northern Ireland and Bosnia, coupled with personnel shortages, has placed it under intense pressure in recent years. The strain has fallen not only on the infantry but also on combat service support units. The additional manpower is intended to relieve this overstretch.

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[120] Factsheet 38
[121] Essay 11, Para 48
[122] Factsheet 33
[123] Essay 11, Para 36
[124] Essay Six, Paras 30-36

However, it remains to be seen whether recruitment will be sufficient to meet this target. Full manning at the previous level was not expected until 2002; this date has now been put back to 2004.[125] The extra manpower allotted to the Army is also a feature of the SDR's land-based emphasis. Whatever the publicity given to the concept of a three-dimensional battlespace, the strategy which the SDR assumes is based mainly on achieving security objectives on foreign territory. The major improvements to lift and logistical and medical support are all about getting the Army to a crisis and supporting it there.

The creation of the readiness cycle is an innovative attempt to grapple both with the problems of overstretch and with the need for more rapidly deployable forces. However, it is predicated on formations of brigade size. Most emergency deployments are at battalion or sub-battalion level. In particular, the cycle also does not seem to allow for the deployment of units to Northern Ireland for six-month roulement tours; formations in the six deployable brigades may still be sent to Ulster when they are supposedly training or recovering from overseas operations. The main burden of roulement tours in Northern Ireland is likely to continue to fall on home-based defence battalions outside the JRRFs. The maintenance of reasonable gaps between such tours for these units and for those in the 'readiness cycle' will be dependent on developments in the Northern Ireland security situation, which may allow the future reduction of the Army garrison there, and on the pattern of overseas missions.

The decision to scrap the airborne brigade has had its critics, fearful of the impact on the Parachute Regiment's particular ethic and the loss of this capability at brigade level. However, the SDR does retain a battalion in a secondary air-dropping role, albeit that in the longer term this will be dependent on retaining para-trained combat and combat service support units. It remains a fact that the last British combat drop was at Suez in 1956 and the RAF probably does not have sufficient airlift for more than a battalion group mission in any case. Even its close ally, the USA, which retains an entire parachute division, last dropped in brigade strength during the Vietnam War. As the Army's new elite rapid deployment force, the air manoeuvre brigade will take some time to bed down. It should also be pointed out that the brigade is only manoeuvrable for as far as the range of its helicopters and is dependent on a large logistical base. Although the SDR has made some extra provision for this, the last operational deployment of 24 Airmobile Brigade to Bosnia and Croatia in 1995 was delayed and hampered by a lack of logistical support.

Although some reductions are made and a practical justification given, the commitment to retain a division in Germany over the twenty year purview of the SDR is open to question. The SDR admits that "the specific military argument for stationing forces close to the Cold War front line has disappeared".[126] Many would see the continued stationing of a quarter of the UK Army on the continent as a Cold War anachronism. The British military presence may look even more anomalous following NATO enlargement to the east in 1999 The SDR talks of the benefits of training with allies, but it is actually quite difficult to train in

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[125] Essay Eight, Para 13
[126] Essay Six, Para 34

Germany due to environmental restrictions. There would seem to be no reason why units could not be sent from the UK to exercise with allies on the continent, as indeed they were frequently during the Cold War. As regards NATO, Britain could be said to be enhancing its contribution to the Alliance of the future by developing its rapid deployment forces for service outside the NATO area. In this context, Britain could retain leadership of the ARRC, whilst withdrawing its combat formation from Germany. In the same manner, it could be argued that the Eurocorps has not been materially affected by the French decision, in 1996, to withdraw all but a few thousand of its remaining troops in Germany by the end of the decade. It remains open to doubt whether Britain will still need to retain a permanent force in Germany in 2015.

C. The Royal Air Force

New Structure

Air power is seen by the SDR as complementing ground and maritime operations but also having an offensive role in its own right. This will be further enhanced by the acquisition of further precision air-delivered weapons. Air power will also have a role in non-war fighting missions, such as the enforcement of no fly zones and the provision of humanitarian aid. The SDR concludes that a balanced force, similar to the present force structure, is required to meet these contingencies.

The Review reconfirms the procurement of 232 Eurofighter 2000s, now renamed the Typhoon. "Eurofighter will be the primary component of the Royal Air Force future fighting capability and a vital element in Britain's overall defence effort".[127] The Typhoons will replace the Tornado fighters and the Jaguars with 140 in the front-line and the remainder used for training and replacement. The existing front-line fast jet strike fleet will be reduced from 177 aircraft to 154. Consequently, 12 Tornado GR1s, 9 Harriers and 2 Jaguars will be placed in store. One of the existing strike squadrons, No. 17 (Tornado GR) Squadron at RAF Bruggen will disband in 1999. Of the other Tornado squadrons at Bruggen, 14 Squadron will move to RAF Lossiemouth and 9 and 31 Squadrons to RAF Marham. The Tornado Operational Conversion Units (OCU) will move to RAF Colisthall. The moves will occur in 2001.[128] The Harrier squadrons will form part of the Joint Force 2000. The air defence force will be cut from 100 to 87 aircraft with one of the six squadrons, No. 29 (Tornado F3) Squadron at RAF Coningsby, being disbanded.[129] A greater call will be made on aircraft and staff aircrew in OCUs for use in combat operations.

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[127] Essay Six, Para 38
[128] MOD PR 19 August 1998
[129] HC Deb 9 July 1998 c 595w

Elsewhere, the RAF Regiment will be reduced from 14 to 13 squadrons but some Regiment personnel will be drafted into a new joint Army/RAF NBC defence unit. The Regiment's air defence squadrons will form part of the joint air defence command with the Army. In order to improve medical evacuation, an additional RAF aeromedical flight and 18 paramedic air escort flights will be established. The Search and Rescue helicopter force will retain its current structure but there will be more civilianisation. The support helicopter fleet, with 22 Merlin and 14 Chinook helicopters already ordered, will transfer to the new Joint Helicopter Command. There will be no redundancies in the RAF arising from the SDR, with the released manpower used to help fill current shortfalls.

On procurement, the Review confirms a number of existing missile projects: BVRAAM (Beyond Visual Range Air to Air Missile), the Brimstone advanced anti-armour missile, and the Storm Shadow stand off air-to-surface long range cruise missile. More AMRAAMs (Advanced Medium Range Air to Air Missile) will be acquired. The Tornado GR4 squadrons will be given more logistical support to improve their deployability, as well as a new collision warning system early in the next century. The Nimrod reconnaissance aircraft will be fitted with the Joint Tactical Information Distribution System to enhance their integration with other forces. The RAF's reconnaissance capabilities will also be improved by the procurement of ASTOR (the Airborne Stand-Off Radar) perhaps involving five new aircraft. The MOD will continue to pursue a successor to the Tornado GR4, the Future Offensive Air System (FOAS). This could be supplied by manned aircraft, cruise missiles or Unmanned Air Vehicles (UAVs).[130]

The modernisation of the air transport fleet, begun with acquisition of 25 Hercules C-130Js, will continue with the procurement of four US Globemaster II C-17s "or their equivalents" in the short-term and complete renewal of the remainder of the fleet in the longer term. Requests for proposals will be issued in both cases in 1999 with a decision expected in 2000. The Future Large Aircraft is a contender for the second order. The tanker force will also be renewed.[131]

Assessment

For the RAF, by preserving a broad range of capabilities, the SDR essentially represents the status quo, although the transfer of the Harriers and RAF helicopters to new joint forces could be said to weaken the Service's independence. The order for the Eurofighter 2000, although regarded as an expensive white elephant by some commentators, had been ring-fenced at the start of the Review and was never in doubt. There is, however, a tilt towards strategic lift with new aircraft here being paid for by cuts in the existing fast jet fleet. Given the level of the perceived threat to UK airspace, a justification can be made for the disbandment of an air defence squadron. More difficult to understand is the

[130] Essay Six, Paras 37-49 and Factsheet 41
[131] Essay Six, Para 18

decision to cut the strike fleet in the light of potential calls for the use of RAF offensive air power in future crises and conflicts abroad. However, it seems that one Tornado squadron was to be disbanded in any case in order to stretch the life of the Tornado fleet as a whole to 2018, when FOAS is intended to enter into service.[132]

Many expected RAF victims of the SDR escape. For Example, the often mooted disbandment of the Jaguar force and merger of the RAF Regiment into the Army did not occur. The Brimstone air launched anti-armour weapon, originally envisaged to counter massed columns of Soviet tanks, also survives, but, although not mentioned in the Review, the Tornado has apparently lost its anti-ship role. The withdrawal of the RAF from Germany will still take place by 2002, despite the fact that an earlier pull out of Tornado squadrons based there would save approximately £2 million per month.[133]

On the debit side a possible order for additional support helicopters did not materialise. The BVRAAM will not enter service until 2008. This was earlier planned to occur in 2003, when the Typhoon will enter squadron service.[134] As an interim measure the MOD will procure Raytheon ALM-120 active radar guided Advanced Medium Range Air-Air Missiles (AMRAAM).[135]

Finally, the commitment to procure four large C-17 transport aircraft "or their equivalent" appears curious when there is no comparable aircraft immediately available. A RAF spokesman has been quoted as saying, "no decision has been taken on whether to buy or lease the C-17; there really is no equivalent".[136] Given that each C-17 costs some $200m, leasing would seem a more likely option until such time as the second and larger batch of new air transport aircraft is acquired.[137]

D. The Reserves

New Structure

The SDR devotes considerable space to the future of the reserves and the Territorial Army in particular. Both the Royal Naval Reserve (RNR) and the Reserve Air Forces are to see minor expansions. The RNR will be increased by 350 posts to 3,850 to, "provide an expanded pool of personnel to provide additional reinforcements for the Fleet".[138] The Royal Marines Reserve (RMR) will remain the same size but both the RNR and RMR will be given provision for extra training. Two hundred and seventy posts are created in

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[132] HC 138, Para 254
[133] MOD PR 19 August 1998
[134] D. Barrie, 'Rocket's red glare', *Flight International,* March 1998 and Cm 3781, p. 34
[135] D. Barrie, 'Rhetoric or reality: the UK's Labour Government has delivered its magum opus on its armed forces', *Flight International,* 15 July 1998
[136] *Jane's Defence Weekly* 15 July 1998
[137] *The Financial Times* 8 September 1998
[138] Essay 16, Para 16

logistics and other supporting roles in the Reserve Air Forces, which will expand from an establishment of 2,650 to 2,920. Firm support is given to the use of reservist aircrew. In contrast, the TA will see a significant reduction from 57,000 to "around 40,000"[139]. The bulk of these reductions will fall on yeomanry and infantry units.

The aim of the changes to the reserves is to make them more relevant and useable and integrate them more closely into regular forces, in the context of a changed strategic environment. Much of the TA, particularly its armoured and infantry units, has been configured to resist a Russian attack. These units have either been allocated to home defence or as reinforcements to UK forces in Germany. When there is no perceived direct military threat to the UK, these formations had become less useful. The TA, both as individuals and as formed units, will now be optimised to support the armed forces in rapid deployment missions abroad under the authority of the *Reserve Forces Act 1996.* The TA will not only meet routine commitments in Bosnia and elsewhere but, for the first time, will be mobilised to support warfighting expeditionary forces of divisional size. The TA will be particularly important to the medical services and as a consequence will be mobilised for missions of brigade level. In order to facilitate rapid call-out, an Army Mobilisation Centre is to be established at Chilwell for pre- and post-call out training. In addition, a Reserves Manning and Career Management Division in the Army Personnel Centre, Glasgow "will centralise all personnel management for the TA, bringing it into line with the Regular Army and also providing a single focus for identifying and notifying individuals for mobilisation".[140] The Sponsored Reserve concept will be developed, that is where the personnel of defence contractors have a liability for call-out. Such personnel may be used, in particular, to fill logistical posts in an overseas mission after an initial deployment phase. The number of Territorial Army and Volunteer Reserve Associations (TAVRAs), which both administer and represent the TA, will be reduced from 14 to 12 to conform with the boundaries of the Land Command Brigade structure.[141] The TAVRAs will loose their financial autonomy and become financially subordinate to the district/divisional commanders.[142] The reduction of the TA will only take place after further consultation, not due to finish until the autumn, and with a view to the links between the TA and local communities and TA support for the cadet forces, the latter receiving some additional resources. A consultative document, *TA Restructuring*, which outlines the suggested changes, has not yet been made available to the House.

Assessment

The changes to the Territorial Army have proved one of the most controversial elements of the SDR. The reductions announced by the SDR amount to the fourth round of cuts since the end of the Cold War. At 40,000 personnel, the TA will be less than half of its

[139] Cm 3999 Para 109
[140] Factsheet 39
[141] Essay 11, Para 37
[142] Factsheet 10

91,000 establishment in 1991.[143] The new total bears comparison with that which resulted from cuts to the TA under the Wilson government in the 1960s and which succeeding governments reversed between 1970 and 1981.[144]

Although details of the implementation of the cuts have not been revealed officially, it has been reported that the TA infantry battalions will be the hardest hit, falling from the current 36 to 15. The TA RAC units will also see a reduction of over 50 per cent. Perhaps more significantly, 140 out of the 443 TA centres will close. No mention is made of the loss of an estimated 600 regular and MOD civilian posts attached to the TAVRAs.[145]

The fact remains that no single formed unit of the TA infantry has been directly involved in a UK military operation since World War II. Some members of the TA complained at the time of the Gulf War of 1990-91 that TA units were not sent to the region. Although this was partly for legal reasons, TA infantry units pointed to the use of three battalions of regular infantry in the communications and guarding role. This was exactly the role envisaged for much of the TA infantry in plans for the defence of West Germany against a Warsaw Pact invasion during the Cold War. What the TA may have overlooked was that in the Gulf, this prisoner guard force may also have been intended to provide a pool of battle casualty replacements. It may have been the case that the Defence Staff felt that it was not wise to use the TA in a front-line combat role. By contrast the US Army used whole reservist artillery units in the Gulf.

TA enthusiasts would see the cuts as a result of a persistent neglect of the TA by the regular Army.[146] When TA strength amounts to over half regular strength, then, it is suggested, the TA should have far greater influence in the Army and MOD. There is, for example, no TA officer above the level of brigadier. TA supporters also oppose the trend towards breaking up TA formations into smaller groups. They might prefer to see the formation of wholly TA Brigades within Land Command and more training at whole unit level. It is certainly the case that the TA has had, in the past, a poor reputation in the regular Army as the home of bands of 'weekend warriors'. However, the TA has gained much respect for its activities in Bosnia. In addition, there are now four TA brigadiers and one RNR Commodore where there were no one-star volunteer reservists at all.[147]

Clearly the military potential of the TA will remain a matter of debate. However, the TA does have a number of distinct advantages. The TA soldier is cheap and costs about 20 per cent of his regular counterpart.[148] The Reserves cost £360m per annum, plus the £80m cost of the TAVRAs. As the Defence Committee points out, this sum supplies over 60,000 military personnel for about 2 per cent of the defence budget.[149] Perhaps more importantly, at a time when memories of National Service are fading, the network of TA

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143 The TA establishment was cut to 63,500 in 1991, to 59,000 in 1994 and 57,000 in 1997 (See RP 96/40, *The Reserve Forces Bill*, pp. 10-11)

144 See RP 96/40, pp. 7-8

145 *The Times* 20 April 1998 and *The Sunday Telegraph* 16 August 1998

146 See, for example, Julian Brazier HC Deb 27 October 1997 c 664-5

147 HC 138, p. 59

148 *The Sunday Times* 28 September 1997

149 HC 138, Para 280

units and drill halls provides an important link between the armed forces and the wider community. Under the TA restructuring proposals, geographical coverage will be thin. For example, there will apparently only be seven TA bases in the whole of Scotland and five in East Anglia.[150] The distances involved in reaching them may not only harm TA recruitment and retention but also affect the military 'footprint' which the Government is keen to preserve.

The TA forms an important source of regular recruitment, both directly but also indirectly through the cadet forces. The SDR recognises the role of the cadet forces as "a significant national volunteer youth movement".[151] Of the 443 TA centres, 376 are used by the cadet forces.[152] The closure of many centres could have an adverse affect on cadet recruitment, particularly if cadets are asked to travel long distances to their particular unit. (The SDR promises to minimise this impact.)[153] Domestically, TA units have also been used in various Military Aid to the Civil Community (MACC) tasks, such as disaster relief, as a supplement to the usual emergency services, who are often hard-pressed in such contingencies. On this point, the NBC defence role currently performed by the TA is to transfer to the regulars. When this new regular force is abroad, there could be a role for reservists in national defence against CBW attack.

There is a clear role to be played by individual specialists and groups of combat reservists in support of the regulars in currently envisaged operations. Although the SDR states that the number of medical reservists will increase, there will be reductions in the engineering and transport units. Even if, as the SDR states, some of them "exist to support a rather larger force than we are now likely to deploy", it could be argued that this particular reduction is inconsistent with the emphasis on deployment and logistical support.[154] Furthermore, the modalities of how a TA support contingent would fit in with proposals for a contracted civilian support force for expeditionary operations are unclear. The personnel employed by such a contractor would presumably be required to join the as yet untested Sponsored Reserve. Whatever the operational difficulties with this concept, this might mean three tiers of personnel involved in a particular operation: regulars, TA and sponsored reservists.

In a wider sense, there may be a critical mass, both in terms of size and number of enthusiasts, below which the TA will loose any real effectiveness. TA membership could be regarded as a pyramid in which only a fraction of the total is engaged to the highest extent in reservist activities. An excessive cut in the overall TA strength could merely demoralise and deconstruct the organisation as whole and hinder the 10 or 20 per cent of the readily useable contingent from volunteering for additional call-outs.

Ultimately, as in other areas of the SDR, working within existing budgets has dictated trade-offs. The most immediate missions in which the Army is likely to be engaged are short-notice overseas expeditions. There are currently manning deficiencies in these

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150 *The Sunday Telegraph* 16 August 1998 and *The Scotsman* 17 August 1998
151 Essay Seven, Para 28
152 HC Deb 27 April 1998 c 23w
153 Factsheet 10
154 Essay Seven, Para 17c

areas and an extra 3,000 men can be paid for by reducing resources available to a TA, much of which would be regarded as inappropriate to these contingencies. However, the TA does serve as a platform upon which to reconstitute and expand the Army in the future, should the UK face a greater level of threat. Even in the short-term the TA may have an understated value as a last reserve. The SDR strategy sees the bulk of the Army as an expeditionary force. This is at best a two-shot weapon, able to respond to at most two small-scale overseas deployments at any one time. The potential destructiveness of conventional warfare for the forces of a western power may often be underestimated and should the regular Army suffer heavy casualties in a foreign campaign, then the TA may offer an essential kernel for reconstruction. Here, the TA armour and infantry units could play an important part. The TA in its present form could therefore be regarded as providing a limited insurance policy. The SDR seems to have decided that, given the perceived low level of threat to the UK, and the longer warning times that result, such an insurance is not necessary.

VII Defence Procurement

A. Policy

The SDR devotes considerable importance to achieving "faster, cheaper and better" defence procurement as, in the Defence Secretary's words, "too often in the past our new equipment has been too expensive and delivered too late".[155] As the SDR points out, "The 1997 National Audit Office (NAO) report on major programmes reported an average delay of 37 months, unchanged from 1996".[156] The costs of the 25 major projects identified in the NAO report have registered a 7.5-8.5 per cent overrun over original estimates in each of the last three years.[157] One commentator has described this picture more trenchantly:

> The defence ministry's capacity to waste money is legendary. Procurement is a dismal story of delays and extortion. The defence contractors, assured their prosperity is vital to national security, have a captive customer and no incentive to cut costs.[158]

This situation may appear bleak but other countries also encounter problems in defence procurement. The NAO reviewed procurement practices in 11 other countries in 1994 and concluded that "relatively, and particularly in terms of the pursuit of competition, the Department was performing well".[159]

The main causes of procurement problems were identified by the MOD as:

> – slippage due to technical difficulties, budgetary constraints leading to the postponement of expenditure, the redefinition of requirements and difficulties over collaborative programmes;
>
> – cost over-runs due to programme changes, changes in equipment specification, poor estimating and inflation of prices for defence equipment in excess of inflation in the economy as a whole.[160]

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155 Cm 3999, Introduction, Para 17
156 Ibid, Para 151
157 Essay Ten, Fig. 1
158 Philip Stephens 'Short range target: Tony Blair's defence review has taken the politics out of the issue but has missed the opportunity to think 10 years ahead', *The Financial Times* 25 May 1998
159 NAO, *MOD Defence Procurement in the 1990s*, HC 390, 1993-94, Para 6
160 Essay Ten, Para 4

The SDR provided an opportunity to examine the procurement process from first principles, drawing on best practice from the private sector.[161] One of the study's main conclusions was that the MOD should no longer operate the same acquisition process for all items purchased, but instead should use different means of procuring three separate categories of items, each valued at around £3bn. The first category or 'Tier' comprises low-tech and low cost civil and military items, which are readily available 'off-the-shelf'. Tier 2 includes items which do require some development work and an associated active MOD role, but are relatively low cost and low risk, such as components of a weapon or a weapons upgrade. Finally, Tier 3 includes the most complex projects, such as ships and aircraft, which will involve Tier 1 and 2 items, but are of high cost and risk with few potential contractors. The acquisition of all 'Tiers' would retain certain common characteristics, such as a military requirement, a competition, a contract, testing and public accountability, but savings could be made in the way in which procurement was managed. For example, Tier 1 items could be procured on much longer contracts.

The SDR also suggests other changes to procurement. This includes a new *through-life approach* to procurement decisions. During the Cold War, it was often felt necessary to rush equipment into development and production to meet a particular perceived Soviet threat. In today's threat environment, the MOD can spend more time assessing a concept and a project before authorising development. Better project planning and estimating may reduce the risks of later overruns and delays. Procurement may also now be *incremental*, that is, instead of waiting to introduce an item into service until optimum performance has been achieved, equipment will initially be accepted with less ambitious capability. Taking account of rapid changes in technology, the equipment will be upgraded incrementally, rather than awaiting large mid-life upgrades. The MOD also intends that future contracts will be *less inflationary*. Contracts will be fixed price for agreements under five years duration. Contracts over five years will have variation clauses based on general output indices, i.e. the general producer price index, rather than input indices, such as labour and materials. Historically, general inflation has been less than inflation in defence goods. The MOD wishes to pass greater risk and incentive to control costs to the contractor.

Another feature of the new procurement policy is closer 'partnering', particularly in situations where competition is no longer available. This approach will influence the formation of *integrated project teams*, which, unlike the current position where functions are conducted separately, will be responsible for both procurement and through-life support. Project teams, under long-term and specially recruited leaders, will include representatives from all the bodies with an interest in the particular programme including the contractors. Project leaders will be given greater powers to take decisions. It is hoped that the co-operation engendered by this team approach should, on US experience, lead to earlier problem solving and more efficient development and oversight of a project throughout its pre- and in-service life.

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[161] See Essay Ten, Paras 7 –27 for results

In earlier efforts to control projects, the MOD introduced the Downey Cycle in the 1960s. Projects had to pass a series of assessment hurdles on the way from concept to entering into service. Formal approval for entering each new stage was required, often at senior level, and the approvals often proved time-consuming. The new Acquisition Cycle will reduce these hurdles to only two: at initiation of the project; and at approval for full manufacture or the production of a demonstrator. Between these approvals, the team leaders will be given greater authority to take decisions, but will be held accountable for their actions. The Equipment Approvals Committee, which reports to ministers, will remain the highest level equipment approval body in the MOD but will examine fewer projects and normally only those in excess of £400m.[162]

The SDR also examined the position and role of the Procurement Executive, and whether, the MOD needed a specialist procurement arm or whether its work could be done in the private sector. Having decided that there was still a requirement for a civil service, although more commercially minded, defence procurement body, the Review then examined what the place of the PE should be within the MOD. It resolved that there needed to be a clearer customer/supplier relationship. The Review decided that these requirements could be best met by turning the PE into an Agency, with effect from April 1999, and establishing a new central defence customer in MOD HQ. Changes to the PE are intended to cut its operating costs by around 20% by 2001/02. Much of this figure will be gained by cutting the number of staff by 650.[163]

Important to these procurement reforms will be the establishment of a new specialist stream of acquisition personnel in the MOD, a cadre of both civil and military staff, who will be specifically trained and spend much of their careers in the procurement field. Collectively, the above initiatives are intended to save £2bn over the next decade.[164] A team of officials, industry representatives and external consultants, under ministerial leadership, will see that the package of Smart Procurement measures are implemented.

The Defence Evaluation and Research Agency (DERA) has played an important part in developing new defence technologies and in the procurement process. The SDR studied five options for DERA's future. These included: retaining the status quo; franchising its capabilities to university/research sector and industry; limiting DERA to only those activities which could not be carried out by industry, i.e. partial privatisation; allowing DERA to expand into a wider range of non-defence activities; and seeking more private investment via public-private partnerships. Although information on the outcome of this particular part of the SDR is limited, it did decide to support public-private partnership

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[162] HC 138, Para 339. EAC is chaired by the Chief Scientific Advisor and includes the Vice Chief of the Defence Staff, the Chief of Defence Procurement and the 2nd Permanent Under Secretary.

[163] Factsheet 15 and HC 138, Para 340

[164] Essay Ten, Para 21 and HC 138, Para 350

initiatives in order "to strengthen DERA's ability to continue to provide world class scientific research well into the next century".[165]

B. Assessment

Smart Procurement is not the first initiative to try to tackle the cost overruns and delays which plague defence projects. As the Defence Committee report demonstrates, such initiatives stretch back to the Downey Cycle, introduced in the 1960s, and before. It was not until the introduction of the Levene Reforms in the mid-1980s that they had any significant impact.[166] The introduction of greater competition and fixed price contracting in this period is said by the MOD to have led to a reduction of more than 10% in procurement costs over the following decade, although the extent of this reduction has been disputed.[167] Procurement mechanisms were most recently examined as part of the Defence Costs Study in 1993/94. Recommendations arising included: among other things, an examination of longer-term contracts; a reduction in the number of tenders for a requirement; and the use of single-source suppliers.[168]

Although it draws on a less adversarial relationship with industry practised in the last few years, the inclusion of industry in project teams in a 'partnership' approach is novel. It may help to reduce the likelihood of delays and excess costs. However, there is at least the potential danger of industry 'capture' of certain defence projects. The MOD has sought to define a clearer customer/supplier relationship by separating a future Procurement Agency from a new single, central defence customer in the Main Building.

Comment has also been made on the potential dangers of constant incremental change to defence systems. Incremental upgrades will need to be managed very carefully to avoid harming the availability of equipment to the front-line and are better suited to stand alone subsystems of a macrosystem, such as air defence, where improvement of a part will benefit the whole. The cost of the Tornado Mid-Life Update, albeit a major upgrade, has been almost 70 per cent beyond original estimates and is an object lesson in how control can be lost of upgrades.[169]

The procurement reforms may also create further instability for the Procurement Executive. Staffing was reduced substantially following co-location of PE branches at Abbey Wood on the outskirts of Bristol and then after implementation of the Defence Costs Study. Further job cuts may have an impact on morale and destabilise the PE at a time when experienced personnel are needed to implement many of the proposals. It is

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165 Essay Eleven, Para 51

166 Named after the former Chief of Defence Procurement Sir Peter Levene (1985-1991).

167 HC 390, 1993-94, Para 11 and S. Schofield, 'The Levene Reforms: An Evaluation', *Defense Analysis*, August 1995

168 *Frontline-First: The Defence Costs Study*, 1994, Paras 402-412

169 David Kirkpatrick, 'Smart Procurement', *RUSI Newsbrief*, August 1998

notable, here, that the MOD aims to develop a special 'acquisition stream' of personnel, perhaps along the lines of the European stream in the home civil service, who are trained specifically for jobs in or dealing with the EU institutions. The new team projects may also only work if such staff remain in post for five years or more, beyond the usual civil service/military job cycle. Hanging on to skilled civil service procurement personnel may prove particularly difficult, when they may well be in demand in the private sector. Administrative grade salaries are already considerably below those payable in the private sector. Contracting-in skilled procurement staff from industry is feasible, but could prove divisive and demoralising to civil service team staff.

In sum, 'Smart Procurement' may not be a radical departure but rather a continuation of a longer reform process where each new generation of procurement processes is built on the foundations of the previous one. Due to the long-term nature of procurement, many of the improvements introduced by the SDR will take time to bear fruit. It will not be surprising if the NAO *Major Projects Report 1999*, which will comment on defence procurement under the first year of the Labour Government, reveals the same litany of cost-overruns and delays as its predecessors.

According to the Defence Committee, the savings target set for procurement by the MOD is fairly conservative and therefore probably achievable. However, even this projection may be optimistic. The MOD procures often complex defence systems, conceived, produced and brought into service over perhaps a twenty-year period and these may seldom proceed according to plan. The most common reasons for cost increases in programmes are re-orientation and inflation. Whatever the dangers of gold-plating and notwithstanding the new incremental approach to acquisition, the pace of technological change and the shifting needs of the armed forces may require projects to be altered. Similarly, longer-term levels of inflation and exchange rates are also unpredictable.[170] Ultimately, although defence procurement may always be improved, it may never, due to its very nature, become perfect and a certain degree of cost overruns and delays may prove an inevitable part of the procurement process.

The Defence Select Committee has also expressed concerns about the use of Private-Public Partnerships in DERA and the manner in which this might compromise the Agency's role as an independent expert advisor.[171] The Committee stated that:

> …we would regard the risks to DERA's impartiality and critical mass of even partial privatisation, in the shape of Public Private Partnerships, as unacceptable and against the public interest.[172]

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[170] See HC 238

[171] Defence Committee, *The Defence Evaluation and Research Agency*, HC 621 1997-98, Paras 20-21

[172] Ibid, Para 35

VIII Defence Industries

A. Policy

The SDR makes a firm commitment to the maintenance of a strong UK defence industry:

> The British defence industry is outstandingly successful and a vital national asset. It provides jobs for over 400,000 people and earns the country around £5bn from exports each year. From a defence point of view a healthy and competitive industrial base is crucial to ensuring that we will be able to continue to procure the right equipment for our forces at competitive prices.[173]

The issue of arms exports is only mentioned briefly in the Review and this is via a commitment to:

> support and promote defence exports within the strict criteria which the Government laid down in July 1997 to avoid their misuse for aggression or internal repression.[174]

The response from industry to the SDR has been favourable, particularly as almost every major conventional defence equipment programme has been kept intact. John Weston, Chief Executive of British Aerospace, said: "The SDR offers greater stability to the defence industry, allowing for better planning of investments and organisational structures."[175] The Defence Industries Council, which represents defence manufacturing associations, has commented that it was looking forward to "implementing ideas which can produce cheaper, faster and better procurement."[176]

While underlining the strategic importance of a healthy defence industry, the SDR does acknowledge the problems that the sector has faced following the end of the Cold War. The 1990s have witnessed a significant contraction of the global defence market as most Western nations dramatically reduced their expenditure on defence equipment. According to the Stockholm International Peace Research Institute (SIPRI), world military expenditure fell by around one-third in real terms over the period 1988-97.[177] At the same time the dissolution of the Cold War power blocs has made the global arms market much more competitive.

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[173] Cm 3999, para 162
[174] Ibid, para 163
[175] D Kemp, "UK companies relieved at review ", *Janes Defence Weekly*, 15 July 1998, p20
[176] Ibid
[177] SIPRI Yearbook 1998, page 191

The SDR points to two possible ways of alleviating these problems.

Firstly, a greater emphasis on finding new ways of exploiting defence technology and expertise in civilian markets is proposed. This proposal takes practical shape in the plan to establish a Defence Diversification Agency within DERA, whose remit will be to "foster, in partnership with industry, greater two-way technology transfer between the military and civilian sectors."[178]

Secondly, competitiveness could be improved, with the SDR pointing to greater international industrial collaboration and restructuring as a means of achieving better economies of scale. The main impetus behind this move has been the increased competition from huge US defence conglomerates, such as Boeing and Lockheed Martin, that have emerged from the intense US defence consolidation that has taken place over the past five years. Concerns have been expressed that European industries will lose the capability to design and manufacture defence systems independently and become mere outstation sub-contractors of the US defence giants. Such a scenario would have serious implications for national and continental defence capabilities and national sovereignty. The SDR underlines the Government's commitment to assisting the UK and European defence industry in achieving greater efficiency through restructuring by its involvement in international initiatives to facilitate this process. A key event in this process was the tri-lateral statement issued in December 1997 by the UK, France and Germany calling on their defence industries to present a clear plan for possible restructuring of their aerospace and defence electronics industries. This process has now been joined by the governments of Italy, Spain and Sweden.

In addition to industrial restructuring, the SDR suggests that efficiency in procurement could be improved through the harmonisation of the requirements of the various European Armed Forces. Such harmonisation would reduce duplication of development and production costs and would, according to the Review, make "sound operational sense."[179] The creation of the multinational common procurement organisation, OCCAR (Organisme Conjointe de Co-operation en matière d'Armament), involving the UK, France, Germany and Italy, is regarded by the SDR as an important factor in this harmonisation process. The SDR also points to its forward equipment procurement plans as evidence of its commitment to a "strong and healthy British and European defence industry."[180] These future equipment plans involve a number of European collaborative projects including Eurofighter, Horizon frigate, and the Multi-Role Armoured Vehicle (MRAV). Moreover, the Review states that the Government will attempt to ensure that there are realistic European options for consideration regarding "our longer term requirements such as the replacement for the Tornado bomber and improved strategic air transports."[181]

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[178] Cm 3999, para 164
[179] Ibid, para 167
[180] Ibid, para 168
[181] Cm 3999, para 168

B. Assessment

There are some contradictions and potential pitfalls evident in the Government's defence industrial policy as presented in the SDR. Firstly, the Review begins by emphasising the importance of a "healthy and competitive industrial base" but then proceeds to highlight the need for greater international collaboration and industrial restructuring. As industrial restructuring often results in company mergers, this approach, if taken to US levels, will result in a subsequent loss of competition. How effective competitive pressures will be maintained, should a pan-European defence company emerge, is not made clear. Indeed, the recent abandonment by Lockheed Martin of its bid to purchase Northrop Grumman was the result of US Department of Defense (DOD) concerns about vertical and horizontal integration. Secondly, further rationalisation of the defence industry and greater international collaboration will make the preservation of the strategic role of the industry more problematic and expensive:

> The key to retaining access to strategically important technologies and manufacturing capabilities, in an era of an increasingly rationalised industry and collaborative programmes, is to ensure mutual inter-dependence. The risks of dependency are high, however, and the Government must take a hard-nosed and critical look at our ability to keep open such access, and where there are doubts we must still be willing to fund the necessary capabilities single-handed.[182]

While the SDR makes several references to greater co-operation and harmonisation within the European defence industry, little mention is made regarding the very close ties between many UK and US defence companies. The previous government's policy on international defence industrial co-operation essentially followed a twin-track approach of sanctioning European collaboration while simultaneously retaining links to US technology and industry. The SDR does not clearly state how this balancing act will be performed in future. Indeed, there is a danger that what emerges from the process of European defence industrial consolidation is not a strong European defence pillar that is better able to compete and collaborate with the large US conglomerates, but a "Fortress Europe" where preference is given to European solutions for future equipment requirements. Concerns over this issue have been expressed by the House of Commons Defence Committee:

> A careful balance is needed, with the UK government using its influence in Europe to avoid any undue European-preference policy emerging while also playing a full part in rationalising the defence equipment market in Europe.[183]

The future defence industrial relationship between Europe and the US will become a key issue because, as the costs of developing new defence products escalate, then the trend towards 'global' products, such as the Joint Strike Fighter (JSF), may become the norm.

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[182] Defence Committe/Trade and Industry Committee, *Aspects of Defence Procurement and Industrial Policy*, HC 675 1997-98, para 55

[183] HC 675 1997-98, para 55

IX Personnel Issues

A. Policy

The SDR is notable in devoting, in comparison with predecessor reviews, considerable space to Armed Forces and Civil Service personnel issues. Essay Nine starts with the premise:

> To have modern and effective Armed Forces, we must recruit and retain our fair share of the best people the country has to offer. The quality of our people and their readiness for the tasks entrusted to them are the true measure of our Forces' operational capability. The skills and experience we have been able to give our personnel, Service and civilian, their capacity for innovation and their morale and motivation are fundamental to Britain's defence.[184]

The SDR recognises that the armed forces have suffered from overstretch and undermanning. Overstretch is a result, in some cases, of having too few units to meet certain commitments. In others, it is a product of having too few individuals, which arises from undermanning, which in turn fuels further overstretch, causes dissatisfaction and low morale, leads to retention problems and hence more undermanning in a vicious circle.

As at 1 October 1997 the Army was undermanned by 4,500 trained personnel or around four per cent,[185] and in the spring of that year the RAF and Navy were undermanned by 1,200 (two per cent) and 2,200 (five per cent) trained personnel respectively.[186]

The MOD proposes to respond to this key problem in two ways. Firstly, for the RN and RAF forces are to be cut and the manpower released used to fill gaps elsewhere. For the Army, manpower is being increased by 3,300 and a sixth deployable brigade and new logistical and medical units, where overstretch is at its worst, are being established. Secondly, the MOD will take a number of measures to improve recruitment and retention, aiming to achieve full manning in the RAF by 2000, the RN by 2002 and the Army by 2004.

A major element of this second tier is the 'Learning Forces' initiative. This aims to provide a range of educational measures and thereby to attract recruits and to persuade them and existing Service personnel to stay in the armed forces for longer, while assisting their passage with transferable skills into the civil labour market. All recruits will be given the opportunity to gain six essential skills identified by the DFEE, including

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[184] Essay Nine, Para 1
[185] HC Deb, 27 November 1997, c601w
[186] *Ministry of Defence Performance Report*, 1996/97, Cm 3781

competence in literacy, numeracy and IT and will be given the opportunity to gain Scottish and National Vocational Qualifications (S/NVQs) Level 2 within three years of engagement. Service personnel will given personal logs of their experience and qualifications to assist their return to civil society, as well as the ability to earn 'learning credits', which can be used to purchase education both during and after being in service. More resettlement assistance will be given to Service leavers with over five years' service.

Another initiative is to improve Service welfare. This includes improving single accommodation, providing a common leave entitlement of 30 working days a year irrespective of rank, increasing the telephone allowance for those on overseas deployments from three to ten minutes a week and providing extra rest and recuperation flights for those on more than 10 months deployments. A new Task Force will address the needs of Service families and changes will be made to Service schools to reflect recent reforms in the civil educational sector. For ex-Servicemen, the MOD will establish a Veterans' Advice Cell later this year as "a single point of contact" to "provide guidance on where and how to obtain specific assistance". [187]

In a further aid to recruitment and retention, the armed forces will continue to pursue an equal opportunities policy. Women are currently allowed to serve in 96 per cent of posts in the RAF, 73 per cent of the Navy and 70 per cent of the Army. a further review 1300 specialist posts in the RM Brigade, manned by the Army and RN, will be opened to female personnel. However, posts in RM, RAF and Army front-line combat units will remain closed to women for the next two-to-three years to allow a recent increase in female roles in the Army to be assessed. A review of whether women can serve on RN submarines and diving teams will conclude later this year. In an agreement with the Commission for Racial Equality, the armed forces intend to recruit 6 per cent of their recruits from the ethnic minorities by 2002. Ethnic minorities currently comprise only 1 per cent of armed forces personnel. Equal opportunities training will become more widespread, following the creation of a Tri-Service Equal Opportunities Centre at Shrivenham.

The SDR also contains details of a number of longer-term initiatives. These include the introduction of an overarching personnel and parallel overarching recruiting strategy. Both will aim to establish common practices between the three Services in these areas, whilst recognising the strengths of the single Service ethos. The Review also promises better career management and the introduction of a common appraisal system for all the Services. Further changes will be made to officer and NCO career structures. While better use will be made of the experience of NCOs, more will be encouraged to gain late commissions. A new pay system will be introduced in April 2000, in which individual pay progression will be linked to experience, qualifications and performance.

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[187] Essay Nine, Para 34

Changes will also be made to Service pensions and compensation for injury arrangements. A review of compensation is underway, with a view to issuing a consultation document. The Armed Forces Pension Scheme will also be reviewed. Separately, the Government will introduce a tri-service discipline act, consolidating Service law and replacing the current three single service discipline acts. In the meantime, rules on the membership of courts-martial boards will be altered to allow warrant officers to serve on them. The MOD promises a similar package of educational, career management, consultation and equal opportunities initiatives for its civil service staff. A total of 1,400 MOD civil service posts will be abolished under the Review. There will be some compulsory redundancies.

B. Assessment

The 'Policy for People' has generally been welcomed by commentators. Historically, the UK has made up for its relatively small armed forces by the quality of its military personnel. Recruiting and holding on to these personnel may prove to be the MOD's biggest challenge. The MOD has set itself targets for achieving full manning and the real test of the personnel policy will be whether these targets are met. With its increase in size, the Army may face the most difficult task, but all the Services may face particular problems in attracting the increasing number of technically qualified or intelligent recruits that they require to meet the demands of the advanced technology battlespace of the future. Since the end of National Service, the armed forces have never succeeded in being fully manned and traditionally the best recruiting officer has often been the dole queue, rather than the attractiveness of Service life.

The improvements offered in education are in some cases novel and should assist with recruiting. However, in another sense, the recent concentration on educational qualifications in recruitment advertising could be seen as rather defeatist, since they suggest what recruits can get out of the Services for when they leave, rather than on enjoying Service life for its own sake. Although, as often stated, the armed forces require the fit and the young, there is also a need to retain longer serving personnel, who provide the senior NCOs and middle ranking officers. Here, the commissioning of more officers from the ranks at a young age could be regarded as beneficial. However, the SDR's commitment to commissioning more late entry officers could result in weakening the NCO caste. An alternative might be to give NCOs more responsibilities and pay, whilst reducing the number of officers, leading to a more efficient and overall cheaper rank structure along German lines.

There is also the danger that the Government has raised expectations that quantifiable improvements will be made to Service life. The SDR Liaison Team was apparently surprised by the extent of discontent in the armed forces and MOD.[188] Morale was

[188] *The Independent* 22 January 1998

described as between "good and adequate" and, although personnel were "keen to get on with their work", they found "a more deep seated pessimism about the long-term future of the defence of the UK". In particular, they found considerable scepticism about the then continuing review and "cynicism about messages delivered from on high".[189] The SDR has been careful to state:

> If some of the proposals in our Policy for People seem modest it is only because we have promised what we can deliver. Addressing the personnel problems that affect the Armed Forces will take time, trust, and money. Trust needs to be earned and will only arise from the delivery of tangible improvements in overstretch and undermanning. [190]

If the SDR fails to deliver on even its "modest" proposals then this may lead to considerable disillusionment and could exacerbate retention problems.

The establishment of a form of Veterans Advice Cell has long been called for by ex-Service organisations. It, of course, bears no comparison with the Veterans Affairs Administration in the USA, for example, which provides not only ex-Service benefits but extensive facilities for medical care. The modalities of the Cell are unclear. On the face of it, it would seem to offer no more assistance than is currently available from such organisations as the Royal British Legion. Many ex-Service complaints are material, relating to levels of pensions and benefits. A small Advice Cell may be able to do little to address their problems.

The Government's commitment to the drafting of a Tri-Service Discipline Act to consolidate and replace the existing single Service Acts appears to take no account of previous work on this subject. Both the 1991 and 1996 Select Committees on the Armed Forces Bill recommended that Service legislation be consolidated. Parliamentary Counsel actually began work on such a new Bill in 1991 and had reached "an advanced stage" before this work was abandoned in 1993.[191]

As in other areas and, indeed, as the SDR makes clear, the Policy for People builds on work undertaken by the Conservative Government. In particular, it endorses work arising from the *Independent Review of the Armed Forces' Manpower, Career and Remuneration Structures* (the Bett Report), published in 1995 and *The Armed Forces of The Future - A Personnel Strategy*, published in January 1997.[192] It could be argued that the MOD has been remarkably slow in responding to some of Bett's proposals. Many of these have been controversial. In particular, Bett recommended far-reaching changes to the Armed Forces Pension Scheme. Currently, officers can receive partial pensions on leaving after 16 years service from the age of 21 and other ranks after 22 years service from the age of

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189 Dep 98/723
190 Essay Nine, Para 9
191 *Special Report from the Select Committee on the Armed Forces Bill*, HC 143, 1995-96
192 HINF 95/845 and Dep. 3S/4655

18. These particular pension arrangements are very generous in comparison with others and are costly to the MOD. Bett recommended that an immediate pension would only be payable to those leaving over 50. Leavers before the age of 50 would not be able to receive any pension until age 60.[193] The prospect of a new pay scheme being partly related to performance has also attracted critics and could prove divisive. The introduction of a tri-service appraisal system for officers means that the systems just introduced for the RN and RAF will now be scrapped.

[193] Bett Report, Ch. 8

X Defence Expenditure

A. Spending

The incoming Labour Government accepted the first two years of the Conservative Government's November 1996 PES round i.e 97/98 and 98/99 but effectively cancelled the third year's estimates (99-2000). The November 1997 PES round did not take place, being replaced by the Comprehensive Spending Review. The impact of the CSR on the MOD was revealed in the Defence White Paper. Fixed expenditure plans for the next three years are to be: £22,295m (99/00); £22,830m (00/01); and £22,987m (01/02). As a result defence spending is expected to fall from 2.7 per cent of GDP or £22,250m in 1998/99 to 2.4 per cent in 2001/2.[194] This represents a real-term cut of £915m, although due to one-off asset sales this will be reduced to £685m.[195] UK defence spending has fallen from a recent peak of 5.3 per cent of GDP in 1984/5 to 2.7 per cent in 1998/9. Defence spending has fallen by 23 per cent in real terms since 1989/90.[196] It is already at its lowest level since the early 1930s.

Future defence spending merits only one page in the White Paper, although additional limited financial information appears in other SDR documents For example, the Press Notice released with the Review indicates that defence diplomacy will receive an additional £15m per annum and the cadets an additional £1m. Extra spending on logistical enhancements was to peak at an additional £100m per annum, with an up to £40m on the Defence Medical Services by 2000/01. [197] In evidence, the Defence Committee was told that the Policy for People and Learning Forces initiatives would cost £30m per year and that an additional 3,300 regular soldiers would require £100m per annum. Expenditure on equipment would rise from £6bn in 98/99 to £6.8bn in 01/02.[198] On the debit side, savings will be made chiefly by asset sales and efficiency savings.

The MOD aims to double the value of expected surplus property sales over the next four years to £700m. The most significant new item in the disposal programme is the sale of the Duke of York's HQ in Chelsea, mainly occupied by the TA. Other existing or new proposals in London contained in an MOD study of property requirements in the capital include: a public/private partnership project to replace Chelsea Barracks (not necessarily on the same site); the sale of Millbank barracks; and a rationalisation of MOD HQ from the current seven buildings to two by 2004. Future basing requirements in London, including at RAF Northholt and Uxbridge, are under study. Outside London the following

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[194] HC Deb 10 December 1997 c 568-570w
[195] Cm 3999, Para 198
[196] Cm 4011, Para 14.1
[197] MOD PR 8/7/98
[198] HC 138, Para 385

sites, in whole or in part, will be sold: Chilwell, Didcot, Malvern, Old Dalby and Woolwich (Army); Cardington (RAF); Bromley, Chertsey and Farnborough (DERA); Bath (MOD); and numerous TA centres. [199] The MOD will share with the Treasury an additional £250m expected in 2001/02, arising from non-property sales and public/private partnerships asset sales in DERA.[200] The latter may include sales of surplus ammunition and supplies resulting from reduction of stocks (see below) and equipment. For example, the decommissioned Type 22 frigates may be sold to various South American navies.

While operating costs will be reduced by cuts in the force structure, chiefly in the RN, RAF and TA, other savings have been anticipated by raising the MOD efficiency target. This was 2 per cent in 98/99, although the MOD achieved 3.2 per cent.[201] The efficiency target for the next four years will be 3 per cent per annum, which the SDR sees as "challenging" but "achievable".[202] Savings will arise from the establishment of various tri-service bodies and the more widespread use of commercial practices. The latter will play a role in a major destocking programme, where stocks will only be maintained when realistically required for operations or deployments. Stockholdings will fall by a book value of 20 per cent or £2.2bn over the next three years.[203] Separately, the SDR identifies savings of £2bn from Smart Procurement over the next decade, although, due to long duration of many procurement projects, these are likely to fall towards the end of this period.[204]

B. Assessment

The future level of defence spending is central to the SDR. The SDR confirms an expeditionary strategy and this is linked to the implementation of existing equipment programmes and procuring some new items as well as rectifying manpower shortfalls. The SDR 'package' is tightly costed and would seem to lose some credibility if it is not broadly carried out as predicted. Analysis of the financial support of the SDR is limited by the MOD's long-standing practice of not publishing its ten-year long-term costings.

The SDR was concluded in March 1998 and then submitted to the Treasury as part of the Comprehensive Spending Review. Press reports suggest that the SDR costings originally included savings of £500m over three years. The Treasury apparently pressed for long-term cuts of £2bn (some 10 per cent of the current budget) or even £4bn (20 per cent), although, as usual, these assessments may arise from propaganda and counter-propaganda.[205] The final MOD offering of £915m, reduced to £685m by one-off sales,

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[199] Essay Eleven, Paras 13-17
[200] HC 138, Para 390
[201] HC 138, Paras 393-397
[202] Essay Eleven, Para 53
[203] Essay Eleven , Para 21-23
[204] Essay Ten, Para 21
[205] *The Observer* and *The Sunday Times* 1 February 1998

may have been agreed by increasing the size of the property disposal programme and boosting the efficiency target. The exact way in which the MOD CSR was carried out is unclear.

The MOD budget is now fixed for the next three years. Although large extraordinary overseas operations, such as the peacekeeping mission in Bosnia, may continue to be wholly or largely funded from the reserve, if the MOD's financial plans go awry then it must make any necessary economies from within its own budget. Doubling the property disposal programme could be described as ambitious, particularly as future disposals are estimated against a notoriously cyclical property market. The MOD was recently criticised by the NAO for its poor handling of property sales[206] Fears have also been expressed that property sales will be influenced by potential value rather than operational need. The SDR also admits that its three per cent efficiency target is challenging. One commentator has said that this "would represent heroic efforts".[207] Marrying the cultures of the three Services in various new tri-service bodies may prove more time consuming and costly than at first apparent. In addition, as discussed above, controlling procurement spending is enormously difficult and has at least partly defied the best management efforts of previous governments. The costs of collaborative projects with foreign countries, which are given new favour in the SDR, can be particularly difficult to keep in check.

If the MOD does not stick to its spending plans then it must fall back on the traditional budgetary expedients. These include stretching existing procurement projects or postponing/cancelling new ones; cutting support services; or general salami slicing in which budgets are cut across the board. The difficulty here, and with the last two measures in particular, is that they would run counter to the whole thrust of the SDR to promote logistics and increase levels of readiness.

Even if the MOD can, or is allowed to, remain within its current budgetary plans, the fact remains that the SDR has maintained existing commitments, but attempts to meet these responsibilities with reduced resources. All of these commitments, whether they be to the Overseas Territories, to NATO, or to allies in the Middle and Far East, are potentially extremely costly. There is then, in the eyes of some commentators, a fundamental distinction between the Government's desire to continue to play an active global military role and the ability of this country to pay for it.

> Overall, the SDR commits the armed forces to doing more in operational terms, with slightly fewer resources, and slightly less cash available. This is not a cost-cutting review, and it seeks to create a broadly stable base of spending for the next three years up to financial year 2001-02. Nevertheless, if defence policy was generally overstretched before the review by an increasing mismatch between commitments and resources, it is hard to see what there is anything in the review which structurally addresses this problem.[208]

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206 NAO, *Ministry of Defence: Identifying and selling surplus property*, HC776 Sess 1997-98

207 *The Strategic Defence Review: How Strategic? How much of a Review?* London Defence Studies 46, p. 32.

208 *The Strategic Defence Review: How Strategic? How much of a Review,* p. 32

XI The Longer Term

The Strategic Defence Review is the fifth major attempt to recast the UK's armed forces since the Second World War. Although the SDR did not accept the institution of formal periodic defence review, as, for example, is now practised in the USA, it is likely that it will not be the last. Major reviews have occurred approximately every decade. Despite the 20 year purview of the SDR, another major defence review may be expected before 2010.

The SDR draws what is widely regarded as rightful attention to the rapid pace of technological change and the unpredictable ways in which new instabilities may impact upon the United Kingdom and UK interests. However, these factors mean that some of the assumptions made by the current Review could turn out to be incorrect. The Sandys Review of 1957 was predicated on the superiority of nuclear weapons, but British forces were embroiled in a series of conventional post-colonial conflicts in the succeeding years. The Nott Review reshaped British forces to respond to what was then perceived to be the most powerful threat to national security, that of the forces of the Warsaw Pact in central Europe, and failed to anticipate threats to British dependent territories, such as the invasion of the Falklands.

To some extent the White Paper resulting from the SDR insures against future uncertainty by continuing to plan for a very diverse range of defence capabilities, the precise balance of which could be reviewed and readjusted. It also attempts to keep future options open by paying due attention to the need for a highly trained but flexible military workforce.

Indeed, it can be argued that the UK’s military power lies less in its equipment than in the quality of personnel. In order to continue to attract recruits of quality and retain existing personnel, Service pay and conditions may increasingly need to approximate to those in the civilian private sector. However, in order to remain effective, the armed forces may also need in some areas to remain distinct from civilian society. The Government desires to “have terms and conditions of service which are both relevant to the 21st century and balance the needs of the individual with those of the organisation”. Preserving this balance may be one of the greatest challenges in the wake of the defence review.