

GLOBAL STRATEGY FORUM

EDITION No. 24 - JULY 2020

The 24th in our series of expert comment and analysis, by General Sir Richard Barrons, Commander Joint Forces Command (2013-2016), now Co-Chairman of Universal Defence & Security Solutions, and GSF Advisory Board member. As always, the views expressed are those of the author and not of Global Strategy Forum unless otherwise stated.

The Integrated Review Of Security, Defence, Development, & Foreign Policy: Seizing Catastrophe From The Jaws Of Triumph

Just as it was about to get feverish, the UK's Integrated Review (IR) of Security, Defence, Development, & Foreign Policy was suspended early in the struggle against COVID-19, once this particular self-inflicted surprise began to consume almost all political and official attention. It seemed for a while that it would be pushed off to early Spring 2021, when things ought to have calmed down and it could be aligned with a recession-centric Comprehensive Spending Review. That wheeze has now been set aside in favour of hurtling to major conclusions by early Autumn.

With August very likely to be committed to exhausted, stale ministers and officials rejuvenating their wisdom and energy after a tough year so far, the IR clock is clearly running down fast. Nobody outside Whitehall knows how

this is going to turn out, and the present signs are that nobody in Whitehall is that sure either – although it is very clear the major decisions will be taken only in Downing Street and possibly as early as September.

This is by far the most vital moment for resetting our Defence and Security for over a generation. On the 'demand side', the strategic landscape is immensely darker and more challenging than the last 30 years ever presented. We are staring at China, Russia, Iran, North Korea and Trump v. Biden and wondering what this means.

The ways – technology and method - in which harm can be brought to the UK's homeland and vital interests abroad have clearly changed in ways we have just not kept abreast of and this trend is accelerating: the country can already be held in great jeopardy with which we cannot deal. We rely extensively on collective security arrangements and yet NATO is on furlough as a competitive military organisation and its most essential backer is conflicted about whether it even wants to stay in or not.



events@globalstrategyforum.org
www.globalstrategyforum.org

We have parted company with the EU, potentially a major global soft power force if only it could stop gazing at its navel, and we haven't raised our national 'hybrid' game enough. COVID-19 has shown how brittle the veneer of civilisation is in the face of natural and man-made disaster, especially if our national resilience arrangements amplify the former with the latter. China is telling us our choice on Huawei and either 'doing the internet' its way or the US way will have big consequences beyond just cyber resilience.

On the 'supply side', the current defence programme is stuffed with big ticket items that are incomplete and already sliding into obsolescence – and unaffordable to the tune of at least £13bn over 10 years. And that is before the woeful condition of a lot of equipment, logistics, medical support, infrastructure and training that forms the legacy of decades of gradual hollowing out is tackled.

Our Armed Forces have some excellent people and some brilliant kit in the shop window, but as an institution ready to fight home or away in a state v. state conflict this is a frog that boiled and is now simmering gently towards evaporation. The world at large has exploited the power of the Digital Age, our National Security agencies have made some steps towards keeping up, especially in cyber, but this does not yet extend to mastering data in the cloud, AI, vast and complex synthetic environments or common connectivity at above secret level across government. The pandemic has been a sharp reminder that doing so really matters.

Our Foreign Office was so emasculated by cuts to staff, infrastructure and operating budgets

over 10 years that it could not compete well enough for attention and influence against even medium weight peers let alone major diplomatic forces. DfID, meanwhile, had so much development money (a very good thing) that there can hardly be a dancing troupe in Africa not fitted out with a change of sparkly frocks. The Government has already decided to reform a single organisation, placing all UK efforts abroad under the chairmanship of the Ambassador. It will take leadership and time, cultural change, education, money and discipline for this to advance from two cats fighting in a diplomatic bag to the coherent influence machine we need.

It is just not clear yet what kind of IR we are having, and perhaps this doesn't matter as it is still a work in progress. We should, however, recognise that all the previous reviews in living memory have more or less failed. They tend to start with some excellent work from the intelligence agencies and the FCO to set out what the world is like now and will become. From this a list of risks and challenges is drawn up in a combination which looks daunting, unattractive and expensive. These risks are seized upon by different bands of single issue fanatics (SIF) to advance their particular enthusiasms in particular threats and capabilities (terrorism v. Russia, intelligence v. jets, cyber v. everything else).

Most powerful amongst the SIF is the Treasury, duty-bound to assert that our defence and security is defined only by what we absolutely must and can pay for once we have met the costs of everything else that really matters like health, social protection, education and roads. The Treasury hand is considerably strengthened by the way all these other areas matter more to



citizens and are therefore much more interesting to politicians, in conditions where spending on putative current or future harm is not going to win as many votes as subsidised dining out. There is no SIF for statesmanship these days because we don't demand it.

In constructing the outcome to a Review, the rubber really hits the road in Defence in how the costs of people, equipment, support and activity are rammed into a costed programme. In recent reviews this process has been trumpeted at the start with liberal use of the words 'modernise', 'transform', 'global', and 'efficient'. The scope for actually transforming a comprehensively silted-up programme is then immediately removed by asserting what is off limits: the nuclear deterrent, the major capital programmes such as ships, submarines, and aircraft, especially where this is core of defence industrial policy and defence industrial policy is core to employment in parts of the Union beyond the Lentil Belt.

The next step to failure is to assert that it costs more to get out of huge, outmoded contracts than to see them through (which is no accident) and demand that all changes must be 'cost-neutral': new stuff is only possible by removing old stuff, most of which has just been ruled out of bounds. Bands of SIF then appear to assert the absoluteness of their thing: cyber magic conquers all, a brace of aircraft carriers to crush China, and the stealthy manned fast jets that are hugely expensive even in tiny handfuls, and therefore definitely not to be risked anywhere dangerous.

Meanwhile, the National Security Agencies, the FCO and the Cabinet Office look at the size of

their budgets compared to the size of the MoD budget and conclude that their ambitions are satisfied by a small dip in Defence, especially as cyber is the Only Thing That Matters. (No one was cybered to death in Aleppo, that was all Russian artillery and airpower.)

If the defence programme is silted up and already unaffordable, if big ticket items are protected, if all changes are to be cost neutral, if there is a backlog of misery in things like housing, and if there will be definitely be more money for cyber (and this really is essential), we should not be surprised that 'transformation' becomes 'cut'.

This was obviously even harder in reviews such as in 2010 where cuts were the point anyway, but the general inflationary cost pressures in defence for people and kit mean the budget always has to increase just to stand still in capability terms. The result over the past 25+ years at least has been a trend of hollowing out a bit more: lose people from all three Services but especially from the Army; reduce the range of equipment to be bought; delay equipment even if that adds cost; reduce equipment numbers; hollow out stocks and engineering support a bit more (taking parts from Ship A, deliberately 'breaking' it to allow Ship B to sail); cut training activity; and mend fewer boilers and bathrooms. When faced with this the Services bend to the cuts to keep a diminishing core alive for better times, asserting publicly and to their people that all is well. After 25 years of this, many officers really no longer realise what a skinny veneer is left to meet the scale and character of the threats they are expected to deter and defeat. And the goodwill of those serving and their families is taxed some more.



Once all these measures have been taken there has still been a gap between the programme that is 'agreed' and the money that is allocated over the next three years, let alone for the long-term equipment programme, to the tune of billions. Some of this is marked down to be solved by 'efficiencies': ways will be found to squeeze the pips some more to close the gap. There is an Efficiency Paradox here: easy to inflict efficiencies are imposed, bureaucratic nonsenses like Brigadiers having to sign off on every travel request and official entertainment rationed to one glass of Chateau Draincleaner. Fixing a broken shower is to be hailed as an institutional achievement and the heating is turned down, in fact everyone is sent home for at least three weeks at Christmas to get it down to almost nothing.

On the other hand, really significant efficiencies are let pass. Rationalising the defence estate is not pursued because there is no cash to fuel the new builds and movement costs, despite billions being at stake. The acquisition system proceeds with too little money chasing too many projects using (the original) Dreadnought era procedures, executed by people paid way less than their industrial counterparts in complex contractual negotiations worth billions. The support to the Armed Forces that provides spares, repairs and refurbishment still operates immune to many of the ways of working that make big industries internationally lean and competitive – for want of the collective will and capacity to really invest in modernisation. There is no shortage of senior officers who can articulate what good looks like, and an absolute drought of any with the money to invest in it at scale and pace.

As we approach what may turn out to be the midway point in the IR there appear to be at least four separate IRs in play. First, the part of the No10 Policy Unit that covers Defence and Security (could this be as many as three people?) knows what the outcome looks like and is presumably mapping that out for Mr. Cummings and the PM. This may indeed be truly coherent, comprehensive and transformative – plotting the most important change programme for over 100 years. I do hope so because the situation we face as a country, the state of our current capabilities, and the fleeting opportunities ripe for exploitation demand nothing less. Or, is the Policy Unit about to seize on the wrong end of one or two interesting sticks and beat us to death with acquisition reform talk and some wobble about data and intelligence? Will the Policy Unit deliver us more than just digital trophy wives on the arm of blunt cuts to the Armed Forces, and not the profound Digital Age transformation that is required and possible? We'll know in about three months.

The National Security Secretariat, under the National Security Advisor, also knows what the outcome looks like and is presumably hoping also to map that out for Mr. Cummings, the PM and Whitehall. The NSS view can be a prisoner of very solid careers spent managing CT and discretionary military interventions like Iraq and Afghanistan, with a deflection since 2014 into trialling the tokenism of limited airpower, SF and capacity building at a safe distance to address major issues like Syria and Libya without blood or treasure.

The next dose of tokenism, sending a carrier and a destroyer or two with a handful of jets (mostly



from the US) to assert our national manhood in Asia-Pacific, is already taking shape. The NSS is generally pro-cyber and pro MoD paying for it all. Having been battered by the government cluster around the pandemic it surely must also have national resilience, in its widest sense, firmly in mind as the thing to fix. We'll know in about three months.

As the NSS works out what the answer, it will also be umpiring the summer shotgun wedding of the FCO and DfID; managing whatever happens next with COVID-19; and engaged in its own battle for turf and resources as No10 reshapes central government in its own image. The National Security Advisor will change in September from the highly experienced and dominant force in defence and security of Mr. Sedwill to Mr. Frost, who is currently pretty busy on point for UK negotiating our exit terms from the EU following a mid-level career in diplomacy and a CEO role in whisky. Mr. Frost will become our first political appointee NSA as the IR reaches conclusions he will have to implement, but which on the balance of probabilities he will not have played much part in shaping.

The Treasury knows what the outcome looks like and is presumably mapping that out for Mr. Sunak. In its steely way it is shaking every Department by the throat to point out the fiscal realities of a 13% drop in GDP this year and the profound uncertainty about whether the future will be V, L or some trajectory in between. This is why right now the staff in every Department, but most of all in Defence, are hanging their heads in despair as they work out what a large cut to their programmes would mean.

For Defence, this means closing the gap they already had between their programmes and their money before COVID-19 struck, measured in the hundreds of millions for each of the Navy, Army, Air Force and Strategic Command, and likely adding on top what perhaps at least 5% more off the programme would mean.

There is no way this sort of reduction can be met by turning down the heating and squeezing chip portions in the cookhouse. It means slicing manpower, typically 15-20,000 from the Army; cutting some expensive old kit out sooner than planned like the more vintage ships, helicopters, planes, and armoured vehicles; reducing the numbers of planned buys of new kit (like ships, helicopters, planes, and armoured vehicles) and delaying what's left; and deferring capital expenditure on things like basing, houses and infrastructure. It also means taking a knife to terms and conditions of service such as pay, pensions, and allowances, and accepting that redundancies are an extra cost that won't bring much of a saving for about three years. In recent reviews, showing what these cuts would require (aka the 'shroud waving phase') has generally resulted in the real force of the combined military and political pain (nationally and as an alliance partners) leading to a short-term bung of cash and kicking the decision along to another review. But that was before COVID-19 tanked the economy.

In fact, working out what such cuts look like is not an entirely negative exercise, there are efficiency gains to be had if the pain is enough to break out of the Efficiency Paradox. Recession could actually unlock transformation. There is great potential to rationalise Defence real estate



by concentrating more functions on the bigger sites and shifting more around the country, freeing up other sites in locations that are suitable for housing. This can only be done by driving through painful change and funding the necessary rebuilds and movement costs – with industry in the tent.

It also made sense for the MoD to provide housing and single accommodation when most of the Armed Forces lived abroad, it makes very much less sense now the vast majority live permanently in UK. MoD housing has never gone totally well, as the litany of evidence about shameful accommodation repair and maintenance over decades testifies, despite the major new builds that have come with repatriation. As the UK is stuffed with local authorities and housing associations that do housing for a living, maybe the MoD could be relieved of its accommodation responsibilities?

Similarly, what about the size and shape of traditionally-structured Service Headquarters, the balance between Regular and Reserve Forces, the transfer of more training into advanced synthetics, and new ways of working that do not accessorise even quite junior commanders with (expensive) supporting staff in ways unchanged for decades despite the advent of mobile phones and the computer. Could these and other measures be unlocked by the pressure of less ‘old programme’ money, but still money to prime a more sustainable future?

The scope for positivity is just as well as the fourth IR is being thoughtfully conducted by the senior leadership of the Armed Forces, the Intelligence Agencies and Departments – who

know what a good outcome looks like and are hoping to get a listening-to and not just a lecture. Partly because they have persisted for so long in trying to hold last-century capability together, partly because they know they will fail if really tested in this hard new world, and partly because they have had a bit more time to think about what good really looks like, there are now some extremely forward-thinking propositions appearing. These generally advance how combinations of Digital Age technology will restore the effectiveness of defence and security, including the modernisation of military hard power, the ability to mount effective hybrid campaigns that include a harmony of intelligence, data, cyber, diplomacy, development and the private sector, and the restoration of the country’s physical, cyber and cognitive resilience. There are thoughts about how to use these advances to improve key alliances and to restore UK influence abroad. There are encouraging signs of UK industry sensing the opportunity of building new capability for our Armed Forces that also has tangible global export potential.

These thoughts are for the most part being constructed ‘bottom-up’ by Departments, Services and Agencies, sometimes at odds with the DNA of the institutions they represent and certainly not as part of any HMG grand design for Defence and Security. They are also inevitably competitive, at least in part. None of these actors is immune from looking covetously over the fence at their neighbours to cast aspersions and mount raids. Competition is not a bad thing as it leads to choices, but it is a bad thing if these choices are driven by parochialism or poorly umpired.



The new thinking is also banging into the fiscal hard-core at the heart of all Departments which broadly insists: there already is a programme - which is already overspent, there is no political traction, direction or authority for changing course and certainly no appetite for any more money - so please just go back to showing what less means. In the case of the Armed Forces, the CDS' lexicon of needing to find 'sunset' capabilities to disengage from, 'sunrise' (Digital Age) capabilities to grow towards, and a way to manage a long, cold night in between, could be ambushed by how to deliver essential and transformative change at pace whilst being financially cut off at the knees. But the greatest challenge is that it is just not certain that anybody in the upper echelons of Government, in Parliament and Civil Society is interested in listening to these propositions or giving them the policy and fiscal priority in a crowded field that they demand.

We will know soon enough how all this turns out. We probably won't know more than the autumn term headlines with any certainty for some time, because for all the reasons set out above, if big hands are waved over a small map to the sound of fresh trumpets in September, it will take maybe six months to prove these declarations are still unaffordable.

Maybe, though, we will be clearer about what our Government really thinks are the major risks we face and what the priorities must be in tackling them. Maybe there really will be a sense of a coherent transformative policy, strategy and design that restores our defence and security, at a sustainably affordable price, in a way that wins the UK influence in the post-Brexit, post COVID-19 world, and establishes a new industrial policy that provides for UK needs and services a global export market. And maybe not. So much seems to depend on how a tiny number of people at the top of our Government, to whom fortune and sharp elbows have handed our defence and security amongst everything else, either do or do not choose to drive their IR in one way or another. The outcome will certainly be profound for us all, and as things stand now either profoundly good or profoundly poor.

General Sir Richard Barrons
July 2020

Commander Joint Forces
Command (2013-2016),
now Co-Chairman Universal
Defence & Security Solutions

