

GLOBAL STRATEGY FORUM

THE STRATEGIC DEFENCE AND SECURITY REVIEW 2015: TOUGH CHOICES FOR TOUGH TIMES - WILL WE GET IT RIGHT?

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FOREWORD

THIS PAMPHLET comprises the transcript of a Global Strategy Forum debate entitled '*The Strategic Defence And Security Review 2015: Tough Choices For Tough Times – Will We Get It Right?*', which took place in the National Liberal Club on Tuesday 14th July 2015. General the Lord Dannatt GCB CBE MC DL, Marshal of the Royal Air Force the Lord Stirrup KG GCB AFC and Admiral the Rt Hon Baron West of Spithead GCB DSC PC ADC spoke on the panel.

Nearly ten years ago along with Field Marshal Lord Guthrie of Craigiebank and Field Marshal the Rt Hon the Lord Inge, I launched Global Strategy Forum with a lecture (later a pamphlet) entitled *The Fork In The Road*. In it I argued about the immorality of requiring our Armed Forces to undertake dangerous duties without providing sufficient resources to do so in the safest and best prepared ways possible. I condemned the growing gap between resources and commitments and made the point that it was the duty of governments to ensure one way or the other that these were in balance - as they had not been for some time.

I made no judgements, but it was difficult to avoid the cynical view that politicians were trying to have their wars on the cheap. The gap in my estimate was some £13 billion. At the same time we were increasing troop numbers in both Afghanistan and Iraq.

With the benefit of hindsight, I am more charitably disposed to believe that the shortfall flourished because our politicians had no strategy to call on; they undertook their military adventures without really knowing why or how or when they would end. The result was that the shortfall continued to grow. Perhaps naively in 2010, I believed with the coming to office of a different Government that this would change; that resources would increase or commitments would reduce or a mixture of both. Wrong again. Sweeping cuts throughout the Armed Services have been met with new demands on our Armed Forces equally without benefit of strategy and with only the sticking plaster of part-time reserve forces to cover the glaring gap.

As we now approach the new Strategic Defence and Security Review, nothing much seems to have changed, except for the new sleight of hand to use the Intelligence and Security budget as part of the overall defence budget to reach our NATO minimum requirement. This new bout of cynicism cannot hide the truth that the Military Covenant is not worth the breath with which it was spoken and that we are likely to continue to ask our brave forces to put their lives on the line without the wherewithal in terms of adequate training and state of the art equipment which at the very least should be their due.

I profoundly hope that I will be proved wrong. This will certainly be a matter of much discussion over the coming months both before and after the Review and many words will be spoken. I was delighted that amongst the earliest of those words were delivered to

Global Strategy Forum in July by a highly distinguished panel of real experts who had all risen to the top of their individual Services and in one case to the very top; and I am even more delighted that they agreed to allow us to publish them together in this pamphlet. They spoke with deep knowledge and wisdom. Given the enormity of the consequences, serious strategic debate is vital and I trust that this pamphlet will help to inform the debate that will now begin.

I only hope that for once the government of the day will listen, and then act. Cut commitments or genuinely increase resources.

Lord Lothian
September 2015

THE DEBATE

Marshal of the Royal Air Force The Lord Stirrup KG GCB AFC
General The Lord Dannatt GCB CBE MC DL
Admiral The Rt Hon Baron West of Spithead GCB DSC PC ADC

**The Strategic Defence And Security Review 2015:
Tough Choices For Tough Times – Will We Get It Right?**

Transcript of remarks by Marshal of the Royal Air Force The Lord Stirrup KG GCB AFC

I have just got a few minutes to kick things off, so clearly I am not going to indulge in any sort of comprehensive perspective or review of defence or defence requirements, but I will try in those few minutes to register with you what I regard as a few key points.

The first thing I would say is that whenever we have a Defence Review, it is always preceded with a debate about whether Defence Reviews should be foreign policy-led or resource-driven. The answer, of course, is that they have to be both.

A strategy is, in large part, about marrying aims and objectives with resources, so you have to consider both. There is no earthly point in having a foreign policy which you cannot possibly afford to implement. On the other hand, neither is there any sense in being so niggardly with your defence and security that you put the country, its people and its interests at extremely serious risk in a challenging world.

So getting that balance right is in many ways the key judgment in any Defence Review. A classic example is the Prime Minister's recent announcement that he would like to see an emphasis given to Special Forces and intelligence surveillance and reconnaissance in this Defence Review. Well, I happen to agree with that, but they were given special consideration and priority in the last Defence Review. The problem is that if you want to give that priority meaning by enhancing capability, then you have to create financial headroom elsewhere in the programme to allow you to afford that capability and that is next to impossible when any financial headroom you can identify is immediately swallowed up in the need to make substantial savings. So getting the balance between the two is absolutely right.

Now in terms of the resource envelope this time round, we have had an announcement by the Prime Minister. He has announced that the UK will adhere to the 2% target of defence spending within NATO until 2020 and that is good news – I will come on to some of the reasons for that later on.

But of course, very much depends on how that actually is measured and if it were just that alone that was in the announcement, I would be somewhat suspicious because the Treasury are the world's greatest experts in wheeling out ever larger smoke and mirror generators. There has already been some debate about what is going to be included and what is not and of course, provided it is within the NATO rules and definitions of what should be measured, then I suppose even though we might moan about the accounting dodges, it is, in any event, legal. But the announcement went further than that and did

announce real terms increases above inflation in each of the years. That is real money and that is good news and so we should be glad about that.

If we think though, that this now means that the defence programme is going to be able to move into broad sunlit uplands, we are deluding ourselves, because we have had real terms increases in the defence budget before. The fact is, the cost of things goes up much more than people anticipate for a whole variety of reasons. We do not know what is going to happen to the pay bill and personnel-related costs in the future, so there will be enormous pressures on the defence budget and the programme as it stands and we have already seen signs of that. And of course, if you want to afford new capabilities as well, they will only serve to increase the pressure.

So it might seem rather ungrateful of me to say 'Well, thank you very much for that announcement, but actually we need more', but I say it for two reasons. First of all, because we do need more, and secondly I do not think that gratitude is the right sort of emotion when a government is doing what one thinks is only its primary duty for its citizens in safeguarding their security and the security of the country. We should be glad, but I do not think we ought to be grateful for it. So it is good news as far as it goes, but we should be realistic and hard-headed about what it actually means.

The second point I want to make is that in the years succeeding a Defence Review, people always leap up and say, 'Ah, you didn't foresee that, did you? Got it wrong. You didn't foresee Libya, or 9/11, or Syria, or ISIL'. And all of that is true: some things were not foreseen. But what was foreseen and what has been stated very clearly in every Defence Review certainly stretching back in my memory, is that things will come along that we did not foresee and did not expect and we have to be able to react to them. So the lesson of events like Libya and ISIL is that that sentence, that proposition is real. It has meaning in the real world and we had better pay attention to it and conduct ourselves and the Review accordingly, rather than just inserting it and paying lip service to it. So I think that is an absolutely crucial point to understand.

The third point I would make is that this seems to me to be a rather timely SDSR, not just because it is the five year cycle, a new government and all the rest of it, but because the EU is about to embark on its own review of European security strategy and whatever position one takes with regard to the EU and the euro more generally, it is a fact that we live in Europe and therefore European security is of fundamental importance to us and we need to get this right. We need to get this right in the UK, but also more widely within Europe, so we have a real chance here to give a lead and to influence the emerging European security strategy, which I think is very good news. We need to seize that opportunity.

With that as background, let me, if I may, just pose some key questions and I make no pretence that these are all-inclusive or that they are comprehensive - in the time

available, they are clearly not, but they are some important issues which I think need to be settled during the conduct of this Defence and Security Review.

The first is: do we still believe in this country, as we have done for decades, that the transatlantic alliance is essential to our own security? That has been the bedrock of all of our defence policy, essentially since 1945 and indeed, one could say from earlier. If it is true, and I personally believe that it is true, then we need to act like we mean it, and there is no doubt that in recent years, we have not acted like we mean it. That does not mean to say that we have to fall in with everything that America thinks or suggests, but we have to not only say that the relationship is important, but act as if it is as well.

Now in that sense, the 2% announcement is extremely good news, because frankly many of our interlocutors on the other side of the Atlantic, like many of us on this side, simply could not understand how a British Prime Minister could stand up and berate the rest of NATO about the 2% target and then not commit to it himself. Well, he has committed to it, so that is good and in a sense, we put our money where our mouth is there.

But we need to go beyond that. We need to reassert ourselves, not just by our words but by our actions, as one of the leading members of NATO. That has been rather lacking in recent years as we became rather introspective about our own financial and economic difficulties. I am not saying we did nothing, I am not saying we did not play our part, but we were not in the leadership role we have been accustomed to assume. I think we need to reposition ourselves there and act as if we mean what we say about the transatlantic relationship.

The next point I would make is: how do we ensure the health and strength of Article 5 within NATO in the 21st century? Clearly the most proximate problem in this regard is Russia and Ukraine. Russia has quite clearly got its own agenda: it has been seeking and is still seeking to weaken the West, the EU and NATO more generally.

How has NATO responded to that - has it been doing the right kind of things and what should it be doing in the future? I actually think that, albeit rather late in the day, NATO has reacted reasonably well in recent months to the challenge in Ukraine. For example, I think pre-positioning US armaments in Poland is a pretty heavy and important signal in terms of NATO resolve.

There is much more to do there and here is an area where our leadership in NATO is going to be important, but I think that this is a critical question and of course, it is not just about facing the 3rd Shock Army across the inner German border any more. It is not just pure head-on, force-on-force conflict. It is a much more subtle and difficult issue than that and we have got to get our minds within NATO around all of those issues.

The third point I would raise is: how do we deal with all of the issues that emerge

from the nexus of problems and crises in the Middle East and North Africa, many (if not most) of which have their origin in the unravelling of the post-1918 settlement that was intended to tidy up the detritus of the Ottoman and Habsburg empires?

One thing we certainly cannot and should not be doing, pace the next session, is sitting around a table and drawing lines on a map of the Middle East. We are not very good at that; we nearly always get it wrong. It is for the people in the region to decide their future and their political structures, with international support as appropriate.

But what can we do to help them in that and help to ensure that the patterns that emerge throughout that whole process are generally more of the benign kind than of the malign kind? We see plenty of malign patterns, so there is some very, very tricky, difficult but crucial work to be done within that region and that is something that we need to prepare ourselves for as this Defence Review moves forward.

The final point that I would make is: what do we do to prepare ourselves, to prepare our attitude towards and our responses towards, the emerging situation in the High North? This is something that a number of us have cared about for a long time, but has not been on the radar of many people.

It seems to be undoubtedly the case that before long, we will have an ice-free passage around the north, probably all year round. That is going to cut off thousands of miles of sailing time between here and the Far East. That is a lot of money and a big commercial opportunity.

There are also, of course, a great many energy resources up in the High North. That is going to become a geostrategic chokepoint and an area of considerable importance to us and to Europe more generally. I do not think that we have been paying sufficient attention to that and this is one opportunity for us to get a bit ahead of the game, rather than waiting for the crises to erupt before we take any action. So I think that is another area that I would point to where we need to do some long-term strategic thinking.

The question was: will we get it right?

Well, of course, it depends upon your definition of right. If by 'right' you mean we will foresee all the events and crises that will occur over the next five years - as I suggested earlier, we most certainly will not. Things will come along that will surprise us, that we did not expect and we have to be prepared for them.

Therefore, whatever emerges from this Defence Review needs to ensure that we retain our agility, our flexibility and our adaptability, because that is the only way that you are able to respond to those unforeseen crises in an appropriate manner. Of course, that has to play through into our equipment programme, into our procurement and into

our systems. But equally, as well as requiring the right investment in infrastructure and systems, it requires talent. It requires huge talent amongst your people and that would be my final point.

We have a massive challenge here, because defence over the last few years has been seen as something of a declining industry - I think the recent announcement has given it a bit of a fillip - but we are going to face a huge challenge in the military, perhaps not in recruiting, but certainly in retaining the right people and the people with the talent we need. That is one of the issues that has got to be at the heart of this Defence Review, if we are going to get it right.

Thank you very much.

**The Strategic Defence And Security Review 2015:
Tough Choices For Tough Times – Will We Get It Right?**

Transcript of remarks by General The Lord Dannatt GCB CBE MC DL

Chairman, ladies and gentleman, can I first of all say that it is a great privilege to follow Lord Stirrup who did what I hoped he would do, which was to give us a macro overview of the major issues facing us in the Defence Review, so that myself and Alan West to follow do not have to do that.

I agree almost all entirely with everything that has been said so far in the session. I think the other point which we ought to bear in mind and we now rather take as a given is that we are having an SDSR – we had one in 2010 and we are having one in 2015. Prior to 2010, we had not had a proper SDR since 1997/1998. It was a really important move of the last government, the coalition government, to decide that once in every Parliament, there would be a Defence Review. I think it is essential to have that discipline and we are almost taking it for granted that there is one. I think it is terribly important that we are doing so.

Having listened with approval to the macro issues that Lord Stirrup set out, what I would like to do for a few minutes is to bring it down a level and to look at some of those issues from the perspective of our Land Forces, principally the Army, and perhaps inevitably so given the responsibilities which I had until 2009.

That said, pretty obviously the purpose and grand strategic objective of our Land Forces is to be fully capable of playing our part in confronting the challenges that we face at the present moment, first and foremost of which is the challenge from so-called Islamic State and the requirement to meet the Coalition's objective of defeating Islamic State and all the ramifications that follow from that. But there is no discretion about that - the objective of defeating and on the way, discrediting, Islamic State is critically important.

And secondly, behind that is the threat from a more aggressive and assertive Russia, deterring whatever Vladimir Putin might think that he wants to do or do next. Then of course, there is the range of other threats which arise from the Middle East, from migration and other issues.

So that is the grand strategic objective and the Army must be capable of playing its part to fulfil that part of our national grand strategic objective. Coming down to the military strategic objective as far as the Army is concerned coming out of this Defence Review, the primary requirement is to make sure that Future Force 2020 – Army 2020 within Force 2020 - as set out in the 2010 Defence Review is fully implemented.

There was a real concern until we had the three pledges made by the Prime Minister during the election campaign and more recently the commitment to the headline of 2% of GDP on defence, that there would be a whittling away of the defence budget and therefore an unravelling of Force 2020 and Army 2020. If that had been the case, then we would have had to have started again a lot of work that has been done over the last three or four years. So there is some confidence that we can now move towards fulfilling Force 2020 and Army 2020 and if we can do that, that would be a very achievable and commendable outcome from this SDSR.

Why is this particularly important for the Army? It is for the following headline reasons. In 2010, the SDSR took some 7%-8% out of the defence budget. That translated (amongst other things) to a 20% reduction in the regular manpower of the Army and that translated into a reduction by 50% of what the Army could do.

What do I mean? Just very simply this: in 2006-2009, when we were engaged in significant size operations in Iraq and Afghanistan, from the size of our land forces – I include the Royal Marines, RAF Regiment, Joint Helicopter Command and elements such as that - we were able to generate five brigade groups to go round a cycle in Afghanistan and five brigade groups to go round a cycle in Iraq. That is ten brigade groups – five and five – out of an Army and Royal Marines that actually had only eight brigades. The mass was large enough to be able to generate more to achieve the outcome that the government of the day required. Under Army 2020 and Force 2020, we could only do one of those operations with five brigades going round a cycle.

So a 7-8% cut in the money led to a 20% cut in the regular manpower, which has led to a 50% cut in the potential outcome of what our land forces can do. Therefore it is essential to make sure that we have got a critical capability to meet those grand strategic objectives so that we can at least do one of those major operations if it arose again - and of course we are into the 'if' question - but to do it again and do it properly.

Beneath that, there are quite a number of operational and tactical issues which are significant, but if we do not get those right, then we will not be able to achieve the fulfilment of Army 2020 and Force 2020 that I talked about within the overall objective that I have already mentioned.

What are some of those things?

We must keep a capability to deploy our land forces at up to divisional level. Why is that important? The divisional level is the lowest level that all elements of land combat power can be integrated together. Below that level, we are dealing with large tactical units that have essentially lost their meaning in a modern conventional manoeuvre army. That is important in its own right and it is important as a focus for training and motivation.

It is also very important in terms of our relationship with the United States. If in a future major conflict – don't know where, don't know when, but it will happen somewhere along the line – we are not able, as the UK, to put a division into the field, we drop off the top table and we are straight down amongst the smaller players and when you are down amongst the smaller players, you have virtually no influence at all on the overall objective or on the overall plan.

We may have felt we did not have much influence in the first Gulf War or the second Gulf War, but by fielding a division within the overall American-led scheme of manoeuvre, we had some influence and it is important that the Americans can count on us to be able to do that. So it is important in its own right and it is also important in terms of our relationship with the Americans, for us to be a dependable and capable ally.

Underpinning all that is the current thinking about the Reserves. It seemed like a pretty comfortable quick fix shortly after the 2010 SDSR came out, that despite the regular Army having reduced to 82,000 and the other Services also suffering reductions, it was going to be all right, because we would have 30,000 trained reservists.

That has proved to be a huge challenge. I think the corner has been turned and numbers are increasing and it is important that they do increase, but actually it is not as important as perhaps it seemed. If you accept, in land forces terms, that what the Army can do is what it can generate from its regular force of 82,000 - that is realistic.

The up to 30,000 reservists must be regarded genuinely as a reserve and not part of the routine plan. It is a reserve that can be mobilised in terms of national extremis. I think if we think of it that way, then actually getting towards 30,000 is a good thing, but if we do not achieve it, it is not a disaster. What the Army and Land Forces can do routinely therefore comes out of that envelope of 82,000.

Then there is the issue of bringing our forces back from Germany. It is something that I argued for strongly while I was Chief of the General Staff. It did not seem to have much logic to retain 20,000 troops in Germany seventy years after the end of the Second World War and twenty odd years after the Cold War. It was expensive and when money is tight, it made financial sense to bring those elements of the Army back to the UK and that is the plan, to do that by 2020.

But will it be affordable? I am not sure that it will be. If it is not affordable, and there are also environmental reasons against putting all our armoured troops around Salisbury Plain, for that environmental reason and that affordability reason, you could actually argue a very good case that to leave one brigade group in Germany plays quite sensibly in these changed circumstances between 2010 and 2015 and make something of a statement by keeping a presence in Europe. Of course, a brigade in Sennelager and Paderborn is not going to make a material difference to Vladimir Putin's thinking, but it sends part of the

message that we need to send. So I think what we do about Germany is a very critical issue.

Time moves on. What we have also got to watch (and this does come back to the 2% announcement) is that 2% really means 2% and there is not constructive accounting within that. The way that we will know that we are becoming victims of constructive accounting is when the cash for day-to-day business drops off and this will affect our Land Forces in particular, but also the Navy and the Royal Air Force in terms of activity levels.

If there is not sufficient resource on an annual basis to conduct overseas exercises, to conduct training, to have the fuel for ships, the fuel for aircraft to fly, then our training standards and our capability will drop off, and critically the motivation and morale of our people will drop off and when that happens, the exit starts to get very popular and our numbers will begin to drop.

So we have got to make sure that the spend is a genuine spend at 2%, not least of which is reason to keep activity levels up, to keep our training levels up, our expertise levels up and also our motivation.

Finally there are some equipment issues that have got to be looked at. The particular issue that affects our Land Forces - and I think Alan West and Jock Stirrup will probably know where I am going to go on this - is the Army has had a well-articulated requirement to replace its medium-weight vehicles and it has been there for quite some time. The cash was there in the middle of the last decade, but it was allocated to other programmes not in the Land Environment and therefore the medium-weight vehicle replacement programme was effectively zero-funded, apart from just the Scout reconnaissance vehicle that is coming in to service in small numbers.

But within the brigades that we might deploy on operations today, their infantry battalions in the main are equipped with what we salvaged from Afghanistan and Iraq, vehicles procured through the Urgent Operational Requirement process for those particular theatres - good in those theatres and saved a lot of lives - but will they be the right kind of vehicles on a modern manoeuvre battlefield? Probably not. The Army has got a major capability gap if it is going to be capable of manoeuvre in the 21st century and we have got to address this issue of a medium-weight vehicle replacement programme. The existing medium-weight vehicles date back to the 1970's and were designed a decade before. They are no longer fit for purpose.

So there we are. Will we get it right? I hope so. The Army must remain capable in order to meet our grand strategic objectives. There are a number of things that we have got to focus on in order to be able to do that. Let's hope that the 2% means 2% and that we can do most of the things that I have talked about, but we have to keep an open mind.

**The Strategic Defence And Security Review 2015:
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Transcript of remarks by Admiral The Rt Hon Baron West of Spithead GCB DSC PC ADC

It is always a delight to follow Richard. I have great respect for military officers and the way they do business. Wellington famously, when he was Prime Minister in 1828, went to his first Cabinet meeting and on coming out, was quoted as saying to his Private Secretary: 'An extraordinary affair – I gave them their orders and they wanted to stay and discuss them!'

Most wars, as we know - and this has been touched on by the two previous speakers - catch us by surprise and the reality is that a nation such as ours has to maintain a general set of war-fighting capabilities, at a certain scale, or become an irrelevance in world affairs, with a corresponding fall in our wealth and our ability to shape world events to our advantage. And we are able to do that through all sorts of areas, if we have some hard power.

Additionally for the first time since the end of World War II, America is facing relative military decline. It is exacerbated by Europe's - and most notably our - retreat from strategic engagement and that is something I believe we have seen over the last few years. America will need allies with capable militaries if her leadership of a liberal, rules-based world is to continue and I believe that it is in our interests as a nation that it should.

It is instructive to reflect on the managed decline of our hard power capability since World War II. There have been nine Defence Reviews in that period and there are constant themes that arise again and again, but very often, successive governments have ignored them.

I would like to think that SDSR 2015 will be different, but I am not over- hopeful and certainly we do not have a good track record as government of continuing to fund satisfactorily the decisions that are made in reviews.

Clearly there is a relationship between the economy and defence, as has been stated. A strong economy is vital even when engaged in a war for survival. Duncan Sandys in his 1957 review said that without a strong economy, military power cannot in the long run be supported and that military expenditure should be considered in conjunction with the need to maintain the country's financial and economic strength.

Absolutely right, and that is a theme that has run through all our Defence Reviews, because it is very understandable. It is of interest to note when he was saying that, that Defence actually accounted for 10% of GDP at the time.

The economic imperatives are crucial, but today we are the 5th richest nation in the world and military capability is not a matter solely of other budgeting priorities or of financial hardship. Decline is a choice. And it is not a choice that we as a nation should make.

The Sandys review saw nuclear deterrence as the mainstay of Britain's defence policy. He stated that European allies should shoulder more of the conventional burden within NATO –that sounds familiar, doesn't it! It emphasised the need for aircraft carriers as an effective means of bringing power rapidly to bear globally. It also said that governments should not over-commit politically and operate outside planning assumptions, even for short periods of time. And I have to say - that again is a theme and I am afraid governments regularly do exactly that. They say 'we are only going to do these things' and they do a lot more and they want to do a lot more. They like to stride the globe and say they are going to do things.

The Healey Reviews between 1965-1968 favoured a conventional rather than a nuclear emphasis. It stated and I will read this because it is important: *"The present Government has inherited defence forces which are seriously over-stretched and in some respects dangerously under-equipped [...] There has been no real attempt to match political commitments to military resources, still less to relate the resources made available for defence to the economic circumstances of the nation [...]"*.

That rings a bell, doesn't it? You could actually slot that into most of the reviews that we have done.

The main thrust of his review was the cancellation of further aircraft carriers, halving the Territorial Army and withdrawal from East of Suez.

Mason in his 1975 review said: *"Our examination of the impact of cuts to defence has convinced us that force reductions resulting from the defence review may over-stretch the Services in the fulfilment of their remaining commitments, and may leave an inadequate margin for dealing with unforeseen tasks."*

Absolutely true and it happens again and again.

The Nott Review of 1981 decided to proceed with the replacement of the UK's nuclear deterrent, going down the Trident route, and concluded that cost savings could be most easily achieved by making a strategic choice between either the UK's continental or maritime contribution to NATO, forgetting all our other commitments in the world.

The Falklands War showed the folly of that decision.

We didn't seem to learn the lessons of that - of not being able to predict, because we constantly tell governments the unpredictable is the only thing that is going to happen,

but they don't really hoist it in - and in *Options for Change* in 1990, Tom King demanded savings and a reduction in the share of GDP taken by defence. Sure enough, spending fell to 4.3% from 5.2% of GDP - quite a big drop in that year.

There followed the Gulf War and civil war in the former Yugoslavia and one can't help feeling that the assumptions upon which *Options for Change* was based were flawed. Indeed governments never seem to learn, no matter how much the military tells them, that you cannot predict what is going to happen and that means you have to have some overall capability.

Labour when it entered office in 1997 conducted a foreign policy-led review to re-assess the UK's national interests and likely overseas commitments. In SDR 1997 two main themes emerged: the need to move towards more rapidly deployable expeditionary forces (hence the need for large aircraft carriers) and the need for more jointery.

The conclusions of the SDR were welcomed - people thought that it was a good review and it was a good review, but crucially the planned programme was not fully funded in subsequent years. And again, that is a real problem and has long been a real problem.

And so to SDSR 2010, which I fear had forgotten many themes of the past and has to be seen as a largely cuts driven exercise. It has been lambasted by an awful lot of people. Since 2010, we have seen a 9.5% reduction in defence spending and a 30% reduction in military capability - this capability leverage is exactly what General Dannatt was talking about. It is much more than you would think from the reduction in money spent. It bore little relationship to or thoughts about all the various threats which there might be that we could not predict - because we cannot predict them.

It is interesting - in terms of percentage of GDP spent on defence we only dropped 0.2% in the whole 13 years before 2010, but we have actually dropped more than double that in the five years up to now. We are now at 2.1% or is it 2.2% - and previous speakers have spoken on this. I am very, very concerned by what exactly the 2% figure means. I have asked a number of questions in the House of Lords, I have put down a number of written questions, but I have not had a satisfactory answer and I think it needs real clarification about what exactly is now included.

The 2015 Strategic Defence and Security Review must be based on the National Security Strategy and the National Risk Assessment. Now those two things, I think, can be done without actually looking at resource constraints, but they have to clearly articulate where we see the UK's place in the world and they should lay out all the various risks. But the SDSR has to lay out stark choices and Ministers must explain what risks they are prepared to take with our security as a result of the inevitable resource constraints, because the SDSR has to apply resource constraints - as Jock stated, it absolutely has to take those into account - and the implications of those risks, because too often, they do not tell us

what the implications are of the risks they are intend to take because of lack of money.

Any further cuts to defence will have a devastating impact on our nation's security. The Government must ensure that the commitment to the NATO 2% as a **minimum** spent on defence should result in a growth rather than further reductions of military capability. I am not convinced there is going to be very much extra money, and actually the Chiefs of Staff and a lot of people in the MOD cannot work out exactly what sort of extra money there will really be and we need to have some real clarity about that.

I think the whole basis of the SDSR needs a fundamental re-think of priorities within Government and across Whitehall departments. Can we really expect to remain a member of the UN Security Council with our ever-diminishing military capability? Can we protect our 14 dependencies worldwide? Can we protect the global shipping we run from London? Can we ensure the safety of UK nationals and national interests worldwide? These are all at risk.

We have a political class that has little military experience. If Ministers get defence wrong and they need to be clear about this, the nation will never forgive them and the costs in blood and treasure are enormous. It could be argued that the removal of HMS ENDURANCE from her role in the South Atlantic in the 1981 defence review, for a saving of some £16 million (and lots of people were against it), triggered the invasion of the Falklands with a final cost of almost 300 British lives and £6 billion.

Strong defence prevents war, but the Government has boxed itself into a corner. Too much ring fenced and too many commitments.

According to press reports and it was touched on by Jock, the Prime Minister wants defence forces consisting of drones and Special Forces and reconnaissance capability. Clearly all of these are very crucial and we have identified them in the past, but I don't think that will answer all the inevitable, unforeseen threats that may come up and that I can promise you will affect us. I have to say, I found it slightly surprising that the Prime Minister said that, bearing in mind we have a National Security Strategy going on, we have an NRA going on and he seemed to be rather - in military terms - "situating the appreciation" by making that statement when he did.

In terms of dream sheets (I am sure I am allowed to give a dream sheet as a maritime chap), what are the sort of things that I would like to see?

- The first thing on the nuclear side is the replacement of the Vanguard class and I would love to see the Government take this issue to Parliament this autumn and get it done, agreed and through and make the orders for four boats quickly. It is about time we got cracking on it. I am very concerned with the fragility of all our nuclear capability, where it's AWE or whether it's Rolls Royce in Derby or whether it's Barrow

and we need to look at that and it probably needs some money to sort it out.

- We do need to further develop ISTAR assets. I would particularly like them to be deployable from the new carriers, to give that global reach.
- Running both the carriers is very sound judgement, but the Royal Navy needs an uplift in terms of money for the personnel to do that. If you just tell them to find it, it is effectively a cut for the Navy.
- The T45s - to develop their potential, I think we ought to look at ballistic missile defence. I believe that could be crucial in the future and it is capable of that sort of thing, and I would like to see CEC on there and the fitting of land attack cruise missiles.
- There is no doubt that the lack of long-range rapid response ocean ASW capability with the loss of Nimrod MRA4 is grave, but I am not sure we can afford the P8 option. The costs involved, for example, of getting the P8s would equate to two fast jet squadrons and the RAF have few enough of those already. Perhaps a mix of drones, satellites, low-tech fixed-wing aircraft, ships and submarines might be a more cost-effective solution – not the optimum, but more cost-effective.
- We must order the new frigates – all we have done is long lead for three of them. We have got to get the order going and our industry building these things.
- Spending on cyber is crucial, yes, but it is not a panacea. You can see people in the Treasury thinking, ‘Ah, cyber, that’s it, this is the answer, it costs very little and we will be able to hack the whole world and that solves the problem’, but that is just not the case.
- Similarly with Special Forces. It is great having lots of Special Forces, but you need a pool from which to draw them. Most come from the Royal Marines and the Parachute Regiment. You need lots of soldiers and marines to distil those Special Forces.
- My final plea would be: don’t forget attrition, please, because we have. When you fight, you lose things. Numbers do count and I think the Treasury need to have a more realistic view of the financial value of the defence industries to UK Ltd and the fact that if you buy something in this country, work out the full cost of it compared with abroad, because although abroad seems attractive to the MOD, it is not necessarily cheaper.

So those are a few of my dream sheet items, but I have to say that I am not particularly sanguine that most of them will be met.

BIOGRAPHIES

General The Lord Dannatt GCB CBE MC DL was a soldier for forty years concluding his military career from 2006-2009 as Chief of the General Staff – the professional head of the British Army. Since retiring from active duty in 2009, he has been Constable of the Tower of London and in 2011 became an independent member of the House of Lords. He is a frequent commentator on defence and security issues in the media. He is Chairman of the Strategic Advisory Board of the Durham Global Security Institute which focuses on conflict prevention through the integration of defence, diplomacy and development. He is also on a number of other boards in the private and charitable sectors, and holds several other appointments including President of Help for Heroes. He divides his time between London and his family home in Norfolk where he is a Deputy Lieutenant for both counties. He published his autobiography, *Leading from the Front*, in 2010. He is married with four children.

Marshal of the Royal Air Force The Lord Stirrup KG GCB AFC was born in London, and educated at Merchant Taylors' School and the Royal Air Force College Cranwell. He was commissioned into the Royal Air Force in 1970, and after pilot training completed a number of tours in the instructor and fighter reconnaissance roles. This included two years on loan service with the Sultan of Oman's Air Force during the Dhofar War, and three years on exchange with the United States Air Force in Texas. In the 1980s Lord Stirrup commanded No 11 (AC) Squadron, flying Jaguar aircraft from RAF Laarbruch in Germany, and from 1990 to 1992 he was Officer Commanding RAF Marham in Norfolk, a period that covered the first Gulf War. After attending the Royal College of Defence Studies and the Higher Command and Staff Course, Lord Stirrup served as the Director of Air Force Plans and Programmes in the Ministry of Defence before becoming Air Officer Commanding No 1 Group in 1997. He was Assistant Chief of the Air Staff from 1998 to 2000, and then took up the post of Deputy Commander in Chief Royal Air Force Strike Command. In 2001 he was deployed to United States Central Command immediately following 9/11, and commanded British forces during Operation Veritas, the UK's contribution to Operation Enduring Freedom in Afghanistan. Following a tour as Deputy Chief of the Defence Staff for Equipment, he became Chief of the Air Staff in 2003, and was appointed as Chief of the Defence staff in 2006. Following retirement from the military, he was appointed to the House of Lords in 2011, where he is particularly involved in the areas of defence, security, foreign relations and the arts. He lives in Marylebone, is married with one son, a practising cardiologist, and maintains a keen interest in history, music and the theatre.

Admiral The Right Honourable Baron West of Spithead GCB DSC PC ADC DUniv joined the Navy in 1965. He spent the majority of his naval career at sea, serving in fourteen different ships and commanding three of them. He is a graduate of the Royal Naval Staff Course, the Higher Command and Staff Course and The Royal College of Defence Studies. In 1980 he took command of the frigate HMS ARDENT taking her south to the Falkland Islands in 1982 where she was sunk in their successful recapture. He was subsequently

awarded the Distinguished Service Cross for his part in the action and led the Victory Parade through the City of London. He has held several appointments in the Ministry of Defence in the Plans, Programmes and Policy areas plus three years as head of Naval Intelligence and three years as Chief of Defence Intelligence covering the Kosovo War. He was promoted to Admiral in November 2000 when he became Commander-in-Chief Fleet, NATO Commander-in-Chief East Atlantic and NATO Commander Allied Naval Forces North. He led the United Kingdom's maritime response to 9/11 including the invasion of Afghanistan. He became First Sea Lord in September 2002 and the First and Principal Aide-de-Camp to HM The Queen. He inspired and organized the Trafalgar Bicentennial Year and led the Navy during its crucial and successful role in the initial invasion of Iraq. He retired as First Sea Lord on 7 February 2006 becoming Chairman of the QinetiQ Defence Advisory Board. He advised both Conservatives and Labour on defence and foreign policy before being asked by Gordon Brown in July 2007 to join the Government as one of the GOATs (Government of All The Talents) responsible for national security and counterterrorism as well as cyber and Olympic security. He produced the United Kingdom's first ever National Security Strategy and Cyber Security strategy as well as formulating a series of other groundbreaking strategies. He was Chairman of The National Security Forum. He left government in May 2010 and is currently a strategic advisor to a number of small companies, a motivational speaker, Chancellor of Southampton Solent University, Naval Trustee of the Imperial War Museum, Chairman of the Cadet Vocational Qualification Organisation plus a number of other appointments. Lord West was made a Knight Commander of the Order of The Bath in 2000, Knight Grand Cross in 2004, Baron in 2007 and a Privy Councillor in 2010.

ABOUT GLOBAL STRATEGY FORUM

GLOBAL STRATEGY FORUM was founded by Lord Lothian (then the Rt Hon Michael Ancram MP) and Johan Eliasch in 2006 to generate open debate and discussion on key foreign affairs, defence and international security issues. As an independent, non-party political, non-ideological organisation, GSF provides a platform to explore some of the more challenging and contentious aspects of UK foreign policy and to stimulate imaginative ideas and innovative thinking in a rapidly changing global landscape. GSF is supported by a strong and active Advisory Board of MPs, Peers and experienced foreign and defence policy practitioners.

In accordance with our founding remit, we aim to bring together those with a strong interest in international affairs and to offer them the opportunity to exchange opinions and ideas, and to engage in informed debate. Through our publications and our website, we enable their expertise to be disseminated widely.

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