



UK Defence and Security Policy: A New Approach?

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Upon entering office in May 2010 one of the first actions of the new Coalition Government was to establish a National Security Council and announce the conduct of a Strategic Defence and Security Review. That review was described as one of the Government's top priorities alongside addressing the budget deficit. It would be published in tandem with a new National Security Strategy and would examine all aspects of security. Previous reviews had focused mainly on defence policy and the reconfiguration of the Armed Forces as a means of delivering the UK's foreign policy objectives.

Both the *National Security Strategy* and the *Strategic Defence and Security Review* were published in October 2010, five months after the Government took office. This paper examines the main priorities and recommendations set out in each of those documents.

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Contributing Authors: Claire Taylor, defence and proliferation/arms control (IADS)
Jon Lunn, UK foreign policy (IADS)
Alexander Horne, counter terrorism (HAS)
Emma Downing, cyber security (SES)
Louise Smith, civil emergencies (SES)
Gavin Thompson, fragile and conflict-affected states (EPAS)
Donna Gore, energy security (SES)
Melanie Gower, border security (HAS)
Sally Almandras, organised crime (HAS)

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Summary

The establishment of the National Security Council and the appointment of a new National Security Adviser were among the first actions of the new Coalition government upon taking office in May 2010. The conduct of a Strategic Defence and Security Review (SDSR) that would encompass all aspects of security, and not just focus on defence policy and the reconfiguration of the Armed Forces, was highlighted as one of the Government's top priorities alongside addressing the budget deficit. The *National Security Strategy* and the *Strategic Defence and Security Review* were subsequently published in October 2010, five months after the Coalition Government took office.

The new Government made it clear from the start that the SDSR would be strongly shaped by its wider foreign policy goals and priorities, which the Foreign Office had suggested would involve continued active engagement on the international stage. The *National Security Strategy* (NSS) attempts to set out that foreign policy framework. It is based on the first ever National Security Risk Assessment (NRSA) which has assessed and prioritised all major areas of national security risk, both domestic and overseas, and identified three tiers of risk. In that assessment the four highest priority threats to the UK are identified as: international terrorism affecting the UK or its interests; hostile attacks upon UK cyber space; a major accident or natural hazard which requires a national response, and international military crises between states that would draw in the UK.

However, the NSS also acknowledged that over the next 20 years the UK is likely to face security threats from a range of sources. Preventive action, such as conflict prevention, international aid and defence diplomacy, is therefore a major objective; while the UK's ability to identify threats at an early stage and remain adaptable for the future is regarded as fundamental. Strengthening mutual dependence with key allies and partners and establishing a more coherent and integrated approach to security across Government are considered key pillars in this new security posture which has been coined 'Adaptable Britain'.

The SDSR effectively establishes a blueprint for meeting those goals. It seeks to establish both the processes through which the broader strategic goals of the UK can be attained and the balance of resources and capabilities needed to deliver them. While it looks ahead to the 2020 timeframe, given the current financial climate, the majority of the recommendations and conclusions of the SDSR are deliberately focused on the period of the current Comprehensive Spending Review up to 2015. In many cases, further announcements are still to be made and the full implications of the SDSR's recommendations are yet to be understood. The coming years will also see this new framework of policies and organisational structures tested by the challenges of implementation.

Defence - In the absence of a major review of defence policy in 12 years, the SDSR was portrayed as a unique opportunity to rebalance the UK's defence priorities, commitments and spending. The conclusions of the NSS set down an important benchmark against which the reconfiguration of military capability is to be achieved. At the heart of the SDSR is also an awareness that the UK cannot afford to do everything and therefore it is essential to prioritise what it does, where, when and with whom.

Operations in Afghanistan will remain the priority until 2015 and therefore the resources and capabilities required to meet the demands of that campaign are protected within the SDSR. However, the review also notes that the nature of warfare in 2020 and beyond is uncertain and therefore it is vital to maintain capabilities that would allow the UK to react to the demands of a changing strategic environment.

The Defence Planning Assumptions and the configuration of the Armed Forces have been revised accordingly. The blueprint for 'Future Force 2020' establishes a military that will be

flexible, adaptable and expeditionary. The future force structure will provide the ability to deploy highly capable assets quickly, but also prepare a greater scale and range of capability if required. The ability to re-generate capabilities will be maintained, and greater operational co-operation will be sought with allies.

Several changes to the configuration of each of the Services have therefore been made. While the recommendations are wide-ranging, the most notable decisions are:

- The intention to decommission the UK's current aircraft carriers and Harrier aircraft, thereby creating a 10-year gap in Carrier Strike capability.
- To continue with the procurement of the Queen Elizabeth-class aircraft carrier and procure the carrier-variant of the Joint Strike Fighter from 2020.
- To withdraw all British forces in Germany by 2020.
- Immediately cancel the Nimrod MRA4 programme.
- RAF Kinloss and two other RAF bases have been identified as surplus to RAF requirements. Decisions on their closure have not yet been made, however, as the implications of returning forces from Germany remain under consideration.

It is also likely that further cuts, as a result of the MOD's 2011 Planning Round, will be made.

The Government has also committed to a full organisational review of the Ministry of Defence, which will be overseen by the Defence Reform Unit and will report in July 2011, and to addressing the longer term implications of the SDSR for the UK's defence industrial base.

The speed of the review and the costs versus policy priorities debate has inevitably opened up discussion on whether the conclusions of the SDSR can be considered strategic and, from a military perspective, whether they leave the Armed Forces capable of meeting the national security objectives set down in the *National Security Strategy*.

Counter terrorism – The NSS continues to identify terrorism, both national and international, as one of the highest priority risks to the United Kingdom. It states that the principal threat from international terrorism continues to emanate from “Al Qaeda, its affiliates and terrorists inspired by its ideology”, whilst domestically, the focus remains on the activities of residual terror groups in Northern Ireland.

Cyber security – The SDSR sets out a new “transformative” Cyber Security Programme. This programme essentially seeks to build on the centralised approach to cyber security established by the previous government and to tackle some of the emerging gaps. It establishes new cyber security institutions and education and skills initiatives, with the aim of locating and addressing the weaknesses in existing cyber measures, anticipating future threats and building good working relationships in this area across UK sectors, as well as between nations. This overall strategy will be supported by £650 million of funding over the next four years.

Civil emergencies – The SDSR does not seek to change the overall framework for managing civil contingencies in the UK, but it does seek to refocus effort on those risks which have been identified as the greatest: terrorist attacks using unconventional materials, major tidal or coastal flooding, and a severe influenza pandemic. It also aims to strengthen community resilience and improve cooperation between public and private sector

infrastructure providers. In order to do so the SDSR confirms that the Government will establish a new Infrastructure Security and Resilience Advisory Council.

Fragile and Conflict-Affected States – The SDSR envisages a greater degree of joint working between diplomatic, development, defence and intelligence resources in support of fragile states. The details of this more integrated approach are to form the basis of the Building Stability Overseas Strategy, to be published in spring 2011. The remit of the Stabilisation Unit is also to be expanded to cover prevention as well as crisis response, while a series of Stabilisation Response Teams will be created. The SDSR also proposes raising the proportion of official development assistance to fragile and conflict-affected states, and increasing the size of the joint Conflict Pool, a fund for conflict prevention, stabilisation and ‘discretionary peacekeeping’, by 30%.

Energy Security – The UK will experience a substantial loss of energy generating capacity during the coming decade and will face rising energy import dependence coupled with greater competition for energy from rapidly developing economies such as China and India. There is also the risk that some countries, such as Russia, will use energy supplies as a political tool. Hence the SDSR proposes giving energy a higher priority in UK foreign policy. To inform this, reform of Whitehall processes is proposed to ensure the effective development of policy, while work overseas to mitigate potential disruption to transit of energy supplies will be a priority.

Organised crime – The Government anticipates that the threat posed by organised crime will increase over the next five years, principally due to new technologies making it easier for criminals to communicate and exploit new opportunities. To tackle this risk, the Government is preparing an Organised Crime Strategy, establishing a new National Crime Agency by 2013 to coordinate law enforcement operations against organised crime. It will also create a body with the specific function of tackling economic crime and fraud, and will introduce a new system for prioritising action against organised crime overseas, including coordination with diplomatic posts, so as to target those criminal groups that are having the greatest impact on the UK.

Border Security – The SDSR notes that security risks at the UK’s border are likely to increase in the future due to increasing passenger journeys, freight volumes and the use of sophisticated technologies by individuals, groups and states with “malicious intent”. The Government intends that using new technologies, reducing operating costs through structural reorganisation, and focussing efforts on where they will be most effective will ensure that future border security activities will be “efficient and cost-effective”. Its plans generally reflect the previous Government’s approach, as set out in 2007 Cabinet Office report *Security in a Global Hub*, and build on work which is already in progress. Specifically, a Border Police Command within the new National Crime Agency will be established, and overseas activity to address threats before they reach the UK will be prioritised. Aviation security will also be improved.

Counter-proliferation – Instead of identifying proliferation as one distinct outright threat, the NSS acknowledges proliferation of weapons of mass destruction (WMD) as a threat within the context of several of the fifteen main risks identified. The SDSR also acknowledges that proliferation can “create instability overseas and increase regional tensions, with potentially serious consequences for UK national security”. The National Security Tasks and associated planning guidelines consequently endorse stronger multilateral approaches for countering proliferation and securing fissile material and expertise. It also advocates the retention of key chemical, biological, radiological and nuclear (CBRN) capabilities that contribute to counter-proliferation and provide an ability to respond to the potential use of WMD, including the retention of a minimum nuclear deterrent.

1 Introduction

Prior to the 2010 general election both the Conservative Party and the Liberal Democrats committed to undertake a strategic defence review should they form the next government. Both parties had openly criticised the length of time that had passed since the last major review of defence policy in 1998 (the *Strategic Defence Review*), and in particular the implications of that delay for the robustness of the foreign policy baseline against which the Armed Forces were operating. Indeed, allegations that the military had been over-committed, under-funded, under-equipped and operating in breach of established harmony guidelines, became an increasing feature of the latter years of the Labour Government.¹ These issues are examined in greater detail in Library Research Paper RP08/57, *British Defence Policy Since 1997*, 27 June 2008.

The need to address a potential shortfall in the MOD's budget of approximately £38 billion over the next ten years, amid severe financial constraints on government spending,² merely added fuel to Conservative and Liberal Democrat calls for a radical re-evaluation of the UK's defence and foreign policies.

Specifically, the Conservatives committed to establishing a National Security Council to oversee a new National Security Strategy and a cross-departmental Strategic Defence and Security Review that would encompass all aspects of security, and not just focus on defence policy and the reconfiguration of the Armed Forces, as previous reviews have erred towards.³ In light of the MOD's financial situation, both parties also stated their intention to conduct a thorough assessment of all major equipment procurement programmes, recognising that the forward defence programme was simply unaffordable against likely future resources and that significant changes therefore needed to be implemented.

The establishment of the National Security Council (NSC), under the chairmanship of the Prime Minister, and the appointment of a new National Security Adviser, Sir Peter Ricketts, were among the first actions of the new Coalition government upon taking office in May 2010.⁴ The conduct of a Strategic Defence and Security Review (SDSR) was highlighted as one of the Government's top priorities, alongside addressing the budget deficit.⁵ Following differences of opinion prior to the election on the replacement of the UK's strategic nuclear deterrent, the Coalition's *Programme for Government* also set out policy on the renewal of Trident. Under that agreement Liberal Democrat opposition to the like-for-like replacement of Trident was dropped, although the new Government announced that the programme would be scrutinised for value for money, within the general framework of the SDSR, and that the Liberal Democrats could continue to make the case for alternatives.⁶

The intention to publish the SDSR in parallel with the Government's Comprehensive Spending Review in autumn 2010 led to criticisms, however, that the review was being conducted too hastily and would become nothing more than a budget cutting exercise at the expense of strategic thinking and overall decisions on Britain's place in the world.⁷ In a

¹ Accusations that the previous Labour government was operating in breach of the Military Covenant were also widely expressed. See for example the Royal British Legion's *Honour the Covenant* campaign which was launched in 2007.

² The National Audit Office had previously predicted that a shortfall of between £6bn and £36bn was likely over the next decade (National Audit Office, *Major Projects Report 2009*, HC 85-I, Session 2009-2010)

³ See Library briefing SN/IA/5714, *A Brief Guide to Previous British Defence Reviews*, 19 October 2010

⁴ The first meeting of the NSC was held on 12 May 2010.

⁵ Cabinet Office Press Office, *Background Note – Non-Legislative Item: Strategic Defence and Security Review*, 25 May 2010

⁶ *Our Programme for Government*, May 2010. The value for money review concluded in July 2010.

⁷ An examination of the arguments in the lead up to the publication of the National Security Strategy and the SDSR is available in Library briefing SN/IA/5592, *Strategic Defence and Security Review*, October 2010

preliminary report on the SDSR in September 2010 the Defence Select Committee expressed its concern over the timetable:

The rapidity with which the SDSR process is being undertaken is quite startling. A process which was not tried and tested is being expected to deliver radical outcomes within a highly concentrated time-frame. We conclude that mistakes will be made and some of them may be serious [...]

We can understand that there is an urgency to the SDSR process, both in terms of alignment with a CSR intended seriously to address the budget deficit, and in terms of the pressing need for a defence review a decade since the last was undertaken. However, the Department could end up with only short-term priorities, misaligned resources, a barely reformed acquisition process and a structure short of manpower to deliver good performance and improperly configured for its tasks.

We welcome the Secretary of State's determination that this should be a real review rather than just a cost-cutting exercise. However, we are not convinced that the combination of a budgetary straight-jacket [*sic*], the short timescale, and the apparent unwillingness by the Ministry to think outside existing structures, will deliver that end.⁸

In a bid to deflect such criticism the Government announced that the review would be "policy-based, resource-aware".⁹ The *National Security Strategy* and the *Strategic Defence and Security Review* were subsequently published on 18 and 19 October 2010 respectively, just five months after the new Government took office.

2 Foreign Policy Baseline

The new Coalition Government made it clear from the start that the SDSR would be strongly shaped by its wider foreign policy goals and priorities. The Defence Secretary, Dr Liam Fox, reportedly described this as the "foreign policy baseline".¹⁰ This part of the paper briefly explores the main elements of that baseline.

2.1 Priorities and objectives

The [foreign policy priority](#) of the new Coalition Government is currently described on the Foreign and Commonwealth Office (FCO) website as follows:

Our priority is to promote Britain's enlightened national interest in a changing world [...]
We will pursue an active and activist foreign policy, working with other countries and strengthening the rules-based international system in support of the following **three** objectives:

1. **Safeguard Britain's national security** by countering terrorism and weapons proliferation, and working to reduce conflict.
2. **Build Britain's prosperity** by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth.
3. **Support British citizens** around the world through modern and efficient consular services.

⁸ Defence Select Committee, *The Strategic Defence and Security Review*, HC 345, Session 2010-11, p.4-6

⁹ MOD Website: [Strategic Defence and Security Review](#)

¹⁰ "MOD aims to cut costs, not programmes", *Financial Times*, 17 June 2010

These objectives represent an attempt to distil the essence of the Coalition's *Programme for Government* and a series of keynote speeches that have subsequently been made by the Foreign Secretary, William Hague. They are also intended to be seen as consistent with the goals identified in the Government's National Security Strategy (NSS) and with the outcomes of both the SDSR and the wider Spending Review, all of which are discussed below. They are also reflected in the FCO Business Plan for 2011-2015, which was published in November 2010 (see section 6.2).

The Coalition's Programme for Government

The initial post-election agreement between the Conservatives and the Liberal Democrats to form a coalition Government said relatively little about foreign policy. However, the final document, called *Our Programme for Government*, addressed foreign policy, international development and national security objectives in some detail. Below are relevant extracts:

15. FOREIGN AFFAIRS

The Government believes that Britain must always be an active member of the global community, promoting our national interests while standing up for the values of freedom, fairness and responsibility. This means working as a constructive member of the United Nations, NATO and other multilateral organisations including the Commonwealth; working to promote stability and security; and pushing for reform of global institutions to ensure that they reflect the modern world.

- We will take forward our shared resolve to safeguard the UK's national security and support our Armed Forces in Afghanistan and elsewhere.
- We will push for peace in the Middle East, with a secure and universally recognised Israel living alongside a sovereign and viable Palestinian state.
- We will work to establish a new 'special relationship' with India and seek closer engagement with China, while standing firm on human rights in all our bilateral relationships.
- We will maintain a strong, close and frank relationship with the United States.
- We want to strengthen the Commonwealth as a focus for promoting democratic values and development.
- We will work to promote stability in the Western Balkans.
- We will support concerted international efforts to prevent Iran from obtaining a nuclear weapon.
- We support reform of the UN Security Council, including permanent seats for Japan, India, Germany, Brazil and African representation.
- We will work to intensify our cultural, educational, commercial and diplomatic links with many nations beyond Europe and North America to strengthen the UK's relations with the fastest-growing areas of the world economy.
- We will never condone the use of torture.

18. INTERNATIONAL DEVELOPMENT

The Government believes that even in these difficult economic times, the UK has a moral responsibility to help the poorest people in the world. We will honour our aid commitments, but at the same time will ensure much greater transparency and scrutiny

of aid spending to deliver value for money for British taxpayers and to maximise the impact of our aid budget [...]

- We will support efforts to establish an International Arms Trade Treaty to limit the sales of arms to dangerous regimes [...]
- We will provide a more integrated approach to post-conflict reconstruction where the British military is involved – building on the Stabilisation Unit in Whitehall and creating a new Stabilisation and Reconstruction Force to bridge the gap between the military and the reconstruction effort [...]

21. NATIONAL SECURITY

The Government believes that its primary responsibility is to ensure national security. We need a coherent approach to national security issues across government, and we will take action to tackle terrorism, and its causes, at home and abroad.

- We have established a National Security Council and appointed a National Security Adviser.
- We have commenced a Strategic Defence and Security Review, commissioned and overseen by the National Security Council, with strong Treasury involvement. We will also develop and publish a new National Security Strategy.
- We will urgently review Control Orders, as part of a wider review of counter-terrorist legislation, measures and programmes. We will seek to find a practical way to allow the use of intercept evidence in court.
- We will deny public funds to any group that has recently espoused or incited violence or hatred. We will proscribe such organisations, subject to the advice of the police and security and intelligence agencies.
- We believe that Britain should be able to deport foreign nationals who threaten our security to countries where there are verifiable guarantees that they will not be tortured. We will seek to extend these guarantees to more countries.

Three keynote speeches by the Foreign Secretary: July-September 2010

The Foreign Secretary, William Hague, provided a more detailed insight into the Government's developing thinking on foreign policy in a series of three keynote speeches between July and September 2010, during the run-up to the publication of the NSS and the SDSR. He stated that a fourth and final keynote speech would be made once they had both been published (see section 6.3 of this paper).

The first speech, given on 1 July, was called "[Britain's foreign policy in a networked world](#)". Talking about the series of four speeches that he intended to make, he said:

In them I will set out how we will deliver a distinctive British Foreign policy that extends our global reach and influence, that is agile and energetic in a networked world, that uses diplomacy to secure our prosperity, that builds up significantly strengthened bilateral relations for Britain, that harnesses the appeal of our culture and heritage to promote our values, and that sets out to make the most of the abundant opportunities of the 21st century systematically and for the long-term. So for the first time in years in my view Britain will have a foreign policy that is clear, focused and effective.

He added:

The Prime Minister has signalled our intention to chart a clear way forward by launching a strategic review of our defence and security needs, led by the requirements of foreign policy as well inevitable financial constraints, and that review will conclude by the autumn. It will be a fundamental reappraisal of Britain's place in the world and how we operate within it as well as of the capabilities we need to protect our security [...]

Put simply, the world has changed and if we do not change with it Britain's role is set to decline with all that that means for our influence in world affairs, for our national security and for our economy. Achieving our foreign policy objectives has become harder and will become more so unless we are prepared to act differently.

Hague went on to discuss four "well known" changes: the shift in economic power and opportunity "to the countries of the East and South"; the widening and increasingly multilateral character of "the circle of international decision-making"; the growing complexity of the challenge of protecting UK security "in the face of new threats"; and the changing nature of conflict. Hague then discussed in depth a less well-known change that is nonetheless the "most striking change of all": "the emergence of a networked world":

Today, influence increasingly lies with networks of states with fluid and dynamic patterns of allegiance, alliance and connections, including the informal, which act as vital channels of influence and decision-making and require new forms of engagement from Britain [...] Relations between states are now no longer monopolised by Foreign Secretaries or Prime Ministers. There is now a mass of connections between individuals, civil society, businesses, pressure groups and charitable organisations which are also part of the relations between nations and which are being rapidly accelerated by the internet [...] So if the increasingly multipolar world already means that we have more governments to influence and that we must become more active, the ever accelerating development of human networks means that we have to use many more channels to do so, seeking to carry our arguments in courts of public opinion around the world as well as around international negotiating tables.

Hague referred to the advantages enjoyed by the UK in seeking to reap the benefits of the "networked world":

The case for the UK embracing the opportunities of the networked world is very strong. We are richly endowed with the attributes for success. We are a member of one of the world's longstanding global networks - the Commonwealth - which spans continents and world religions, contains six of the fastest growing economies and is underpinned by an agreed framework of common values. The previous Government in my view appeared oblivious to this aspect of the value of the Commonwealth, not even mentioning it a strategic plan published for the Foreign and Commonwealth Office in 2009. We are also the world's sixth largest trading nation even though we comprise just 1% of the world's population; second only to the USA in the amount of money we invest abroad and always outward looking and intrepid in nature. One in ten British citizens now lives permanently overseas. We have unrivalled human links with some of the fastest growing countries of the world, whether it is the millions of our own citizens who boast Indian, Pakistani or Bangladeshi heritage, our close links with Africa, or the 85,000 Chinese students currently being educated in Britain or at UK campuses in China. This is giving rise to a new generation with contact with the UK, with its language, culture and norms, and growing networks that we should cherish and build on. The English language gives us the ability to share ideas with millions - perhaps billions - of people in the biggest emerging economies and - if we so choose - to build networks across the world. It is staggering that in India 250 million school and

university-aged students – four times the entire population of the United Kingdom – are now learning English. This underlines the essential importance of the work of the British Council and the BBC World Service, which give Britain an unrivalled platform for the projection of the appeal of our culture and the sharing of our values.

But he then gave this warning:

In the world I have described our approach to foreign affairs cannot be, to borrow the arguments of a former Conservative Prime Minister and Foreign Secretary Lord Salisbury, to “float lazily downstream, occasionally putting out a diplomatic boat hook to avoid collisions.” The country that is purely reactive in foreign affairs is in decline. So we must understand these changes around us and adapt to meet them.

Moving on to the concrete steps that the Government would take to reflect the importance of this “networked world”, the Foreign Secretary said:

Our starting point is the belief that government in Britain is not currently as well-equipped as it needs to be to pursue this ambitious approach. We are well placed to make the most of the opportunities of a networked world, but we are not yet organised or orientated to do so effectively.

First, we inherited a structure of government that had no effective mechanism for bringing together strategic decisions about foreign affairs, security, defence and development or to align national objectives in these areas. We therefore immediately established a true, a heavyweight National Security Council and launched the Strategic Defence and Security Review I have mentioned, which will ensure that we have the right capabilities to minimise risks to British citizens and look for the positive trends in the world, since our security requires seizing opportunity as well as mitigating risk.

Second, many domestic departments of Government have an increasingly international aspect to their work and have staff posted in UK Embassies around the world. But this work is not as coherently brought together as it could be. For example we have already undertaken an audit of the Government’s relations with up to 30 of the world’s emerging economies and discovered that there is no effective cross-Whitehall strategy for building political and economic relations with half of these countries. It is our intention to transform this, using the National Security Council where appropriate to bring together all the Departments of Government in the pursuit of national objectives, so that foreign policy runs through the veins of the entire administration and so that it is possible to elevate entire relationships with individual countries in a systematic fashion – not just in diplomacy but in education, health, civil society, commerce and where appropriate in defence [...]

[...] Third, we believe that we must achieve a stronger focus on using our national strengths and advantages across the board to help build these strong bilateral relations for the United Kingdom as well as complement the efforts of our allies, whether it is the appeal of our world class education system, the standing of our Armed Forces and defence diplomacy or the quality of our Intelligence Services and GCHQ which are unique in the world and of inestimable value to the UK.

Fourth, it was clear to us that the Foreign and Commonwealth Office itself has not been encouraged to be ambitious enough in articulating and leading Britain’s efforts overseas and foreign policy thinking across Government. I consider it part of my responsibilities as Foreign Secretary to foster a Foreign Office that is a strong institution for the future, continuing to attract the most talented entrants from diverse backgrounds and in future years placing a greater emphasis on geographic expertise,

expertise in counter-terrorism and counter-proliferation, experience of working in difficult countries overseas as well as management and leadership ability [...]

[...] And fifth, we are determined as a Government to give due weight to Britain's membership of the EU and other multilateral institutions. It is mystifying to us that the previous Government failed to give due weight to the development of British influence in the EU. They neglected to ensure that sufficient numbers of bright British officials entered EU institutions, and so we are now facing a generation gap developing in the British presence in parts of the EU where early decisions and early drafting take place. [...] Consoling themselves with the illusion that agreeing to institutional changes desired by others gave an appearance of British centrality in the EU, they neglected to launch any new initiative to work with smaller nations and presided over a decline in the holding of key European positions by British personnel. As a new Government we are determined to put this right.

Finally, Hague discussed the thorny issue of the UK's "national resources":

Some will argue that our constrained national resources cannot possibly support such an ambitious approach to Foreign Policy or to the Foreign Office. It is true that like other Departments the Foreign Office will on many occasions have to do more with less and find savings wherever possible and that because of the economic situation we inherited from the previous Government the resources Britain has available for the projection of its influence overseas are constrained. But we will not secure our recovery or our future security and prosperity without looking beyond our shores for new opportunities and new partners. No country or groups of countries will increase the level of support or protection they offer to us and no-one else will champion the economic opportunity of the British citizen if we do not. We must recognise the virtuous circle between foreign policy and prosperity. Our foreign policy helps create our prosperity and our prosperity underwrites our diplomacy, our security, our defence and our ability to give to others less fortunate than ourselves.

He concluded:

[...] although the next twenty years is likely to be a time of increased danger in foreign affairs, it is also a time of extraordinary opportunity for a country that sets out to make the most of the still great advantages the United Kingdom certainly possesses.

Hague's second speech, "[Britain's prosperity in a networked world](#)", was given on 15 July during a visit to Japan. In it, he focused on the ways in which foreign policy would need to contribute to restoring Britain's economic prosperity:

We will make economic objectives a central aspect of our international bilateral engagement alongside our other traditional objectives. We will work in a targeted and systematic fashion to secure Britain's economic recovery, promote open markets and improved financial regulation and to open the way to greater access for British companies in new markets worldwide. We will champion Britain as a partner of choice for any country seeking to invest and do business in Europe. And we will use our diplomacy to help secure a strong, sustainable and open global economy that benefits all nations and helps create the basic conditions for prosperity for those who are now denied it. To do this, we will inject a new commercialism into the work of our Foreign Office and into the definition of our country's international objectives, ensuring that we develop the strong political relationships which will help British business to thrive overseas.

Later in the speech, he said:

Today I have written an open letter to all 15,000 employees of our Foreign Office, including our staff here in Tokyo and Osaka, explaining that we must use our global diplomatic network to support UK business even more intensively and to build stronger bilateral relationships for Britain. This is a matter of vital national importance. In the words of our Prime Minister, our Ambassadors will now be economic as well as political Ambassadors for Britain.

We will work alongside British businesses and the rest of Government and other Governments around the world to use our political influence to help unblock obstacles to commercial success, including cultural and language barriers, excessive regulation or weak enforcement of property rights. We will also strengthen and broaden the science and technology network in our Embassies across the world, so that we help maintain the world-class science and engineering base necessary to transform the United Kingdom into Europe's leading high-tech exporter and stay at the cutting edge of science and innovation.

And we will pursue this approach across the whole of Government, not just the Foreign Office, so that this new focus on economic opportunity runs through the veins of our entire administration and so that whenever Ministers from domestic departments travel overseas on behalf of the United Kingdom they too will promote opportunities for British business as well as other essential objectives.

In other parts of the speech, Hague expanded on how UK-Japan trade and co-operation could be further deepened, referring to Japan's importance as a means of entry for the UK to the wider East Asian region, but also talking about Britain's value to Japan through its membership of the EU and the Commonwealth, and its influence in the Gulf and South Asia. Specifically, he talked about "a significant opportunity to deepen our defence and security partnership if British industry, as part of the Eurofighter consortium, is successful in bidding to supply Japan's future fighter aircraft." Hague ended:

So making the most of our relations with Japan, with China and with other key economies will, for all of these reasons, be a central priority for the Foreign Office that I lead, as part of an approach that puts promoting trade and commercial interests at the heart of our foreign policy. Nothing will come to us by right or by virtue of the past. We have to work hard to earn our living as a nation and maintain our international influence. What we have set out to do with Japan we will also do more widely, pursuing British interests as well as the global good in a systematic fashion while making the most of the new opportunities for influence and action presented by a networked world. If we succeed, the rewards are clear, not only for our economy but for our ability to strengthen the international system and to deal with all challenges of the 21st century more effectively.

In his third keynote speech in September, "[Britain's values in a networked world](#)", the Foreign Secretary sought to counter reports that the Coalition Government had downgraded the importance of human rights in its foreign policy. He said:

There will be no downgrading of human rights under this Government and no resiling from our commitments to aid and development. Indeed I intend to improve and strengthen our human rights work as I will explain later on in the speech. These and other values are part of our national DNA and will be woven deeply into the decision-making processes of our foreign policy at every stage [...] We cannot achieve long term security and prosperity unless we uphold our values. Where human rights abuses go unchecked our security suffers. And our international influence will bleed away unless

we maintain our international standing and cultural influence as a vital component of our weight in the world.

However, William Hague claimed that the Coalition Government's approach would be markedly different from that of the previous Labour Government:

We will replace the sweeping generalisations of 'ethical foreign policy' with a clear, practical and principled approach, persistently applied.

We understand that idealism in foreign policy always needs to be tempered with realism. We have a liberal-conservative outlook that says that change, however desirable, can rarely be imposed on other countries, and that our ability to do so is likely to diminish with time. We know that we have to promote our values with conviction and determination but in ways that are suited to the grain of the other societies we are dealing with, particularly in fragile or post-conflict states. As the Prime Minister has put it, we must be "hard-headed and practical" in the pursuit of our goals, working to strengthen the international frameworks which can turn rhetoric on human rights into accountability and lasting change.

The Foreign Secretary went on to say that the UK's values could not be imposed on other countries, asserting:

We should never turn a blind eye to countries which display the trappings of democracy while violating basic human rights, or that lay claim to the rule of law while lacking the independent courts and proper systems of accountability and transparency to prevent abuses of state power. But we do not have the option, unlike Gladstone or Palmerston, of dispatching gunboats and relying on the power of the British Empire. We must guard against arrogance in our dealings with other countries. Nor do we have the choice, as we protect our security, of only working with the handful of countries in the world which have values and standards of criminal justice as high as our own.

He continued by setting out the concrete steps that the Coalition Government was taking which showed that its commitment to human rights was undimmed:

An enduring strength of our democracy is our ability to shine a light on our faults and to learn from the mistakes of the past. That is why we called for an Iraq Inquiry for a full three years before the-then government established one. That is why we have made a particular focus on the need to shore up stability in the Western Balkans, having learnt the lessons of the 1990s. That is also why we have announced, as one of our first actions in government, an Inquiry into whether Britain was implicated in the improper treatment of detainees held by other countries in the immediate wake of 9/11 [...]

[...] We have also finalised and published, for the first time, the consolidated guidance given to intelligence and military personnel in the interviewing of detainees held by other countries. It makes public the longstanding policy that our personnel are never authorised to proceed with action where they know or believe that torture will occur. It requires them to report any abuses they uncover to the British government so that we can take appropriate action to stop it. And it establishes a clear line of Ministerial authority.

[...] I can announce that I have decided to convene an advisory group on human rights which will draw on the advice of key NGOs, independent experts and others. It will ensure that I have the best possible information about the human rights situation in

different countries, and can benefit from outside advice on the conduct of our policy. It will meet regularly and have direct access to Ministers.¹¹

I am also determined to strengthen the FCO's institutional capability on human rights at home and overseas, building on the work of previous governments. Following the publication of the consolidated guidance to intelligence officers and service personnel, the FCO is re-issuing its guidance to its own staff on the need to report any alleged incidents of torture or cruel, inhuman and degrading treatment that they encounter in the course of their work, and we will for the first time publish this guidance.

We are determined to continue the Foreign Office's work to document human rights abuses on an annual basis. But I also want to improve that work. Rather than the current expensive glossy publication we will now report annually to parliament by Command Paper. The scope and quality of the reporting will not change, and indeed we want to make more of that information available to the public in real time on our website. Our diplomats will continue to raise human rights cases week by week across the world from our global network, and so will our Ministers.

Mr Hague also discussed the importance of using "soft power" to promote UK values, referring specifically to the role of the BBC World Service, British Council and Department for International Development (DFID) in this regard. He finished by talking about Britain's support for a "rule-based international system", promising to work actively within the EU and Commonwealth, promote UN reform and the work of the International Criminal Court, and support efforts to agree an Arms Trade Treaty.

Reaction to developments between mid-May and mid-October 2010

The 'foreign policy baseline' for the SDSR can arguably be distilled down to doing more (and better) with less, in pursuit of the "enlightened national interest". While the SDSR was underway, many focused relatively narrowly on the constraints on British foreign policy that would be imposed by the Spending Review. Shortly after William Hague's first keynote speech, the *Financial Times* commented:

There is no escaping that this is a modest prospectus. But that may mean because Mr Hague has somewhat modest means at his disposal [...] Mr Hague's hands are ultimately tied by the political and financial condition the country finds itself to be in. But at least he is not deluded on that score.¹²

Writing in the same newspaper in July, Associate Editor Philip Stephens argued that the FCO, through the National Security Council and the SDSR process, was regaining much of the influence over foreign policy that it had lost under the previous Labour Government, but the paradox was that this was occurring "just as the UK's voice in world affairs grows weaker".¹³ He added:

Doubts about Britain's capacity to do good in the world, the foreign secretary says, are not synonymous with retreat. Mr Hague insists that the Tories have not returned to office after 13 years in the wilderness to preside over the decline of the UK's international role. He will resist 'strategic shrinkage'. This is easier said than done. Reorganising the way Whitehall formulates foreign policy, concentrating resources on building relationships with rising powers such as India and Turkey, and better exploiting Britain's diplomatic and soft power advantages all sound sensible enough. But they are unlikely to counter the big economic and geopolitical shifts in the world [...]

¹¹ The composition of the advisory group was announced in a Written Statement to the House on 11 November 2010 (c23-24WS)

¹² "Hague the realist takes centre stage", *Financial Times*, 2 July 2010

¹³ "Hague trips over a powerful paradox", *Financial Times*, 6 July 2010

Touring the foreign policy establishment in Washington last week my sense was that Barack Obama's administration already views Britain as a diminished player [...] the underlying perception is that Britain is unwilling to pay the price for international influence. My guess is that similar calculations are being made in Delhi, Beijing and Ankara.¹⁴

By the end of September 2010, Stephens was even more pessimistic about the prospects for future British influence in the world, arguing that the SDSR had "degenerated into an exercise in Treasury spending cuts" and concluding that "Britain is stepping back from the world".¹⁵

However, some observers allowed themselves a degree of optimism. In *Playing to its Strengths: Rethinking the UK's Role in a Changing World*, Dr Robin Niblett, Director of Chatham House, stated in the summary:

Structural shifts in the global economic and political centre of gravity from West to East, growing competition for natural resources, new risks emanating from the most fragile states and pressure to reform structures of global governance will all affect the UK's long-term security and prosperity.

A global role for the UK is therefore a necessity, not a luxury. But its relative place in the world and the legitimacy of its stake in the global system are under serious pressure, not least because of the perceived flaws of the Anglo-Saxon economic model following the global financial crisis.

Britain needs to focus on core strategic objectives that go beyond crisis management. Central among these should be the promotion of open markets that can help deliver sustainable global growth even in this period of economic uncertainty.

The UK possesses considerable strengths through which it can advance its national interests, particularly in the areas of diplomacy, finance and knowledge. It will remain a top-ten global military power and retains important comparative economic advantages.

Britain sits at the heart of the world's leading international organizations and is well placed to deepen its relations with the large number of medium-sized countries in key regions that have traditionally stood back from engaging meaningfully in these institutions, but whose influence is now increasing.¹⁶

On 29 June 2010, William Hague announced over £18 million of savings for 2010/11. The savings were said to be coming from reductions in a range of programmes, rather than from front-line diplomatic services or the FCO's network of posts. This sum was a contribution to the £55 million worth of savings planned for this financial year.¹⁷ In early July, William Hague said that he would resist any new proposals (in the context of the forthcoming Spending Review) to further cut British representation abroad through the closure of embassies, arguing: "Helping British business is an existential mission for the Foreign Office. You have to have a presence in most countries to be able to assist British companies."¹⁸ The new Permanent Secretary at the FCO, Simon Fraser, was formerly in the Department for Business, Innovation and Skills. However, there was reportedly some scepticism on the part of former diplomats about how far the FCO was suited to becoming a more trade-focused

¹⁴ "Hague trips over a powerful paradox", *Financial Times*, 6 July 2010

¹⁵ "A tug of war that heralds Britain's farewell to arms", *Financial Times*, 1 October 2010

¹⁶ This report is part of Chatham House's project, "Rethinking the UK's International Ambitions and Choices". Click [here](#) to find other reports issued as part of the project.

¹⁷ HC Deb 29 June 2010 c37-8WS

¹⁸ "Hague defends embassies amid drive for cuts", *Financial Times*, 14 July 2010

Department.¹⁹ Hague also pointed out that, for a variety of reasons, the FCO had seen significant cuts in its budget since 2004, during a period when other Departments were still expanding, and represented only 0.3% of total government spending.²⁰

According to several media reports during this period, the FCO's budgetary difficulties might also be partly offset by an enhanced ability to draw upon funds within DFID's budget – which the Government had announced would be protected – most notably, in the context of a shift within DFID towards greater emphasis on reducing conflict and insecurity around the world.²¹ An FCO source was reported as stating: “Nothing will be taken out of the DFID budget [...] It'll just be spent on things over which DFID has no control.”²² In late September the Secretary of State for International Development, Andrew Mitchell, said that DFID was spending about £40 million in 2010-2011 to support British Council projects, covering costs that the FCO could no longer afford to fund. He insisted that these projects all had a genuine ‘development’ dimension.²³

On 8 September, William Hague gave [evidence](#) to the Foreign Affairs Committee.²⁴ He asserted that no FCO issues had, up to that time, been referred to the Coalition Committee, the body set up to resolve intractable conflicts of view between the Coalition partners. However, he acknowledged that there had been “inevitable policy compromises” on Europe and on Trident, with the Liberal Democrats having the scope to differ on the latter issue.²⁵ During the session, William Hague also said that, while the UK's overseas network must be protected, it could not be “ring-fenced”.²⁶ He denied that the FCO was raiding DFID's budget but confirmed that the basis on which it could draw upon monies in that budget was under review.²⁷ The possibility that an increased emphasis upon trade and commerce might lead to a downgrading of the FCO's commitment to promoting and protecting human rights was rejected.²⁸

Perhaps the most in-depth discussion of foreign policy in Parliament before the 2010 summer recess took place in the House of Lords in a debate moved by Lord Howe of Aberavon on the day that William Hague delivered the first of his keynote speeches on foreign policy. Baroness Symons of Vernham Dean spoke for Labour in the debate and expressed criticisms of some of the cuts which the Foreign Secretary had announced at the end of June.²⁹

Overall, between mid-May and mid-October, there was relatively little response from the Labour Party, in its role as the official opposition, to the recasting of the UK's foreign policy priorities and objectives that was under way. However, in his valedictory speech to the Labour Party Conference, the then Shadow Foreign Secretary, David Miliband, alleged that the Government had adopted a cynical approach to foreign policy:

¹⁹ “Hague defends embassies amid drive for cuts”, *Financial Times*, 14 July 2010

²⁰ There was controversy in late 2009 and early 2010 over revenues lost due to changes in the value of Sterling on the foreign exchange markets, following the abandonment of the Overseas Price Mechanism by the previous Labour Government. The Conservatives raised this issue when in opposition.

²¹ Further details of DFID's new approach to conflict and fragility can be found in the [Secretary of State's speech to the Royal College of Defence Studies](#) on “Development in a Conflicted World”, 16 September 2010.

²² “Diplomatic raiders plot Dfid heist”, *Financial Times*, 7 July 2010

²³ “Development cash shores up British Council”, *Financial Times*, 29 September 2010

²⁴ See also the accompanying [written evidence](#) to the Committee.

²⁵ *ibid*, Q2

²⁶ *ibid*, Q7

²⁷ *ibid*, Q8-12

²⁸ *ibid*, Q43

²⁹ HL Deb 1 July 2010 c1892-1938

That was the movie that played from 1979 to 1997. It is the movie that led to the halving of the aid budget. It is a movie that led to Britain standing to one side while tens of thousands of people were slaughtered on the edge of Europe. And it is a movie that ends with a British Government fighting a beef war with the EU and losing a beef war with the EU. This is what happens when the cynics win. The opposite of cynicism is not romantic, ridiculous, utopian idealism. The opposite of cynicism is hard-headed internationalism. [This] means that instead of slaughter on the edge of Europe, today there is an independent state called Kosovo.³⁰

2.2 The National Security Strategy

A Strong Britain in an Age of Uncertainty: The National Security Strategy was published on 18 October, the day before the outcome of the SDSR was announced.³¹ In the foreword, David Cameron said that:

the National Security Council has overseen the development of a proper National Security Strategy, for the first time in this country's history. To be useful, this strategy must allow the Government to make choices about the risks we face. Of course, in an age of uncertainty the unexpected will happen, and we must be prepared to react to that by making our institutions and infrastructure as resilient as we possibly can. Unlike the last Government, our strategy sets clear priorities – counter-terrorism, cyber, international military crises and disasters such as floods. The highest priority does not always mean the most resources, but it gives a clear focus to the Government's effort.

In the main body of the document, the purpose of the NSS is summarised as the use of “all our national capabilities to build Britain's prosperity, extend our nation's influence in the world and strengthen our security”.³²

In this and in many other parts of the document, there are clear echoes of the Government's [foreign policy priorities](#) and the themes addressed by the Foreign Secretary, William Hague, in his keynote speeches. For example, the NSS also states: “The networks we use to build our prosperity we will also use to build our security”.³³ Several paragraphs later, the NSS asserts: “The National Security Council has reached a clear conclusion that Britain's national interest requires us to reject any notion of the shrinkage of our influence”.³⁴

A key section of the NSS is Part Three, “Risks to Our Security”. Declaring that the NSS is based on the “first ever **National Security Risk Assessment (NRSA)** to assess and prioritise all major areas of national security risk – domestic and overseas”³⁵, the document sets out three tiers of risks in order of priority:

National Security Strategy: Priority Risks

Tier One: The National Security Council considered the following groups of risks to be those of highest priority for UK national security looking ahead, taking account of both likelihood and impact.

³⁰ “David's plea: stop this soap opera and get behind Ed”, *Guardian*, 28 September 2009

³¹ HM Government, *A Strong Britain in an Age of Uncertainty*, Cm 7953, 18 October 2010. The House of Commons was notified of the publication of the NSS through a Written Statement by the Prime Minister. See HC Deb 18 October 2010 c48WS. A number of relevant factsheets have also been published by the Cabinet Office and are available [online](#).

³² *ibid.*, para 0.5

³³ *ibid.*

³⁴ *ibid.*, para 0.8 The Foreign Secretary chairs the Emerging Powers Committee of the National Security Council

³⁵ *ibid.*, para 3.6 The methodology used is described in further detail in paras 3.7 to 3.14 and in Annex A

- International terrorism affecting the UK or its interests, including a chemical, biological, radiological or nuclear attack by terrorists; and/or a significant increase in the levels of terrorism relating to Northern Ireland.
- Hostile attacks upon UK cyber space by other states and large scale cyber crime.
- A major accident or natural hazard which requires a national response, such as severe coastal flooding affecting three or more regions of the UK, or an influenza pandemic.
- An international military crisis between states, drawing in the UK, and its allies as well as other states and non-state actors.

Tier Two: The National Security Council considered the following groups of risks to be the next highest priority looking ahead, taking account of both likelihood and impact. (For example, a CBRN attack on the UK by a state was judged to be low likelihood, but high impact.)

- An attack on the UK or its Overseas Territories by another state or proxy using chemical, biological, radiological or nuclear (CBRN) weapons.
- Risk of major instability, insurgency or civil war overseas which creates an environment that terrorists can exploit to threaten the UK.
- A significant increase in the level of organised crime affecting the UK.
- Severe disruption to information received, transmitted or collected by satellites, possibly as the result of a deliberate attack by another state.

Tier Three: The National Security Council considered the following groups of risks to be the next highest priority after taking account of both likelihood and impact.

- A large scale conventional military attack on the UK by another state (not involving the use of CBRN weapons) resulting in fatalities and damage to infrastructure within the UK.
- A significant increase in the level of terrorists, organised criminals, illegal immigrants and illicit goods trying to cross the UK border to enter the UK.
- Disruption to oil or gas supplies to the UK, or price instability, as a result of war, accident, major political upheaval or deliberate manipulation of supply by producers.
- A major release of radioactive material from a civil nuclear site within the UK which affects one or more regions.
- A conventional attack by a state on another NATO or EU member to which the UK would have to respond.
- An attack on a UK overseas territory as the result of a sovereignty dispute or a wider regional conflict.
- Short to medium term disruption to international supplies of resources (e.g. food, minerals) essential to the UK.

The NSS goes on to argue that, despite this tiered approach:

all these risk areas are important [...] and all of them require government action to prevent or mitigate the risk. In many cases, we take action precisely to prevent risks that are in Tier Two or Tier Three from rising up the scale to become more pressing and reach Tier One.³⁶

The NSS proceeds to discuss in more depth tier one risks, those “of highest priority for UK national security looking ahead”. With regard to terrorism, al-Qaeda, its affiliates and those inspired by it, are identified as remaining the main threat, with “fragile, failing and failed states” providing “the environment for terrorists to operate as they look to exploit ungoverned or ill-governed space”.³⁷ The document argues that cyber attack is no longer “simply a risk for the future” but a risk for today. It highlights the threat posed by it to national infrastructure, government and business, along with the growing impact of cyber crime. The 2012 Olympics are mentioned as being at particular risk from attack by criminals. Cyberspace is also viewed as providing opportunities for terrorists.³⁸ In terms of international military crises, the NSS points to the recent history of British military operations in the Balkans, Iraq and Afghanistan and asserts that there may in future be other instances in which the threat or use of military force might be justified. The document also refers to possible future involvement in “humanitarian interventions”. It cites failing states, nuclear proliferation, access to energy supplies, and border and sovereignty disputes as possible triggers for UK involvement in international action. However, it stresses that the UK will not be acting unilaterally. Instead, “We would work closely with our allies and partners at all stages of an international military crisis”.³⁹ Finally, on major accidents or natural hazards, the NSS refers to the continuing risk of “human pandemic disease” – specifically, influenza – and flooding. It also cites major industrial accidents, disruption to key utilities and “the potential impact on national infrastructure of severe space weather”.⁴⁰

The document concludes with details of how the new strategy will be implemented. It identifies eight “cross-cutting National Security Tasks”, which will be supported by “more detailed planning guidelines”.⁴¹ These tasks are described as “the **ways** in which we will act to achieve our objectives”. They are:

- 1 Identify and monitor national security risks and opportunities.
- 2 Tackle at root the causes of instability.
- 3 Exert influence to exploit opportunities and manage risks.
- 4 Enforce domestic law and strengthen international norms to help tackle those who threaten the UK and our interests.
- 5 Protect the UK and our interests at home, at our border, and internationally, in order to address physical and electronic threats from state and non-state sources.

³⁶ HM Government, *A Strong Britain in an Age of Uncertainty*, Cm 7953, 18 October 2010, paras 3.15-3.16

³⁷ *Ibid*, paras 3.19-3.26

³⁸ *ibid*, paras 3.27-3.31

³⁹ *ibid*, paras 3.32-3.36

⁴⁰ *Ibid*, paras 3.37-3.4 Cyber security, terrorism and natural disasters are examined in greater detail in section 5 of this paper. The military dimension is examined in section 4.

⁴¹ These detailed planning guidelines are set out in the SDSR and are therefore examined in section 3 of this paper.

- 6 Help resolve conflicts and contribute to stability. Where necessary, intervene overseas, including the legal use of coercive force in support of the UK's vital interests, and to protect our overseas territories and people.
- 7 Provide resilience for the UK by being prepared for all kinds of emergencies, able to recover from shocks and to maintain essential services.
- 8 Work in alliances and partnerships wherever possible to generate stronger responses.⁴²

Initial reactions to the NSS varied, with considerable debate about whether certain risks had been placed in the appropriate tier. The upgrading of cyber attacks and apparent downgrading of what the NSS describes as the “conventional military threat to the territorial integrity of the United Kingdom” provoked much comment.⁴³ There was also further criticism that both the NSS and SDSR processes had been unduly rushed in order to facilitate the Comprehensive Spending Review.

Michael Clarke, the Director of RUSI, wrote immediately after the NSS was published:

It is an honest attempt to think afresh about British security [...] The problem with it, as it presently exists, is that it is not really a strategy as such, but a methodology for a strategy. It does not make hard choices between real things – which is what strategists have to do [...] Of course, government ministers have to make the hard choices between real things all the time. But as we have seen in the last week, when the Prime Minister had to make a personal judgement between the analysis of his Chancellor as opposed to the analysis of his Defence Minister, these genuinely strategic decisions came down to a personal instinct. It is not clear that the National Security Strategy has yet gained enough political weight to inform, still less to shape, those personal instincts.⁴⁴

The International Institute for Strategic Studies commented:

This is a document explicitly predicated on the need to deal with a fiscal deficit, with defence cuts to be announced tomorrow. Therefore it is not surprising that its language prepares the way for a more limited British approach, one that seeks to emphasise prevention of conflict so as to avoid the costly interventions of the past. To the extent that resources will be increased in any area, it is clear that cyber-defence, intelligence and conflict prevention will benefit. But overall, the British approach may have become somewhat more reactive, with stronger arguments required to prompt UK military intervention than previously. The precise measures to be set out in tomorrow's review will determine whether the United Kingdom is going into somewhat of a defensive crouch.⁴⁵

Reflecting on the statement in the NSS that the highest priority risks will not automatically have the most resources allocated to them, the BBC's security correspondent, Paul Reynolds, argued: “We might therefore end up having a league table of risks in which the greatest risk (and Prime Minister David Cameron in a foreword calls al-Qaeda the “most pressing threat”) is not properly funded”.⁴⁶

⁴² HM Government, *A Strong Britain in an Age of Uncertainty*, Cm 7953, para 4.03 How these tasks will be delivered, including the detailed planning guidelines is described in the SDSR. See parts 3, 4 and 5 of this paper.

⁴³ HM Government, *A Strong Britain in an Age of Uncertainty*, Cm 7953, 18 October 2010, para 3.32

⁴⁴ M. Clarke, “[Preliminary RUSI Briefing: The National Security Strategy 2010](#)”

⁴⁵ “[Britain's 'uncertain' National Security Strategy](#)”, International Institute for Strategic Studies, 18 October 2010

⁴⁶ “Spending Review: security in ‘age of uncertainty’”, *BBC News Online*, 18 October 2010

Bagehot's notebook, for the *Economist*, said:

The strategy is a serious and interesting piece of work [...] But overall, it comes across as well, just amazingly complacent and domestic in tone [...] nowhere, really literally nowhere can I find in the 38 page strategy, do the authors discuss another risk that seems to me just as pertinent: that Britain will identify a major threat and not be able to do very much about it.⁴⁷

Responding to the declaration in the NSS that any idea of 'shrinkage' in British influence around the world must be rejected, Bagehot added:

Maybe it is just my melancholy nature. But I read this declaration and my jaw dropped. Does anybody in Britain, even under the chandeliers of Whitehall, expect Britain's relative influence and prosperity to grow in the future? The National Security Council can conclude what it likes, but I have a nasty feeling the world has a vote too. And the 21st century is not looking very friendly to mid-sized ex-colonial powers with an ageing population and a dumbed-down education system.⁴⁸

The *Financial Times* reported:

Yesterday's strategy paper is [...] seen by some as an attempt to give the impression that the government has seriously reflected on the future threats to the UK. As one senior armed forces figure said last night: "It's a fig-leaf with the word 'strategy' written on it. It is difficult to see how it ties into a defence review driven by the views of the Treasury."⁴⁹

The *Daily Telegraph* was more positive, calling it the "first step towards a safer, stronger Britain", but went on to ask: "We now have some idea of the ends – but will we have the means?"⁵⁰

On the role of the National Security Council, Claire Yorke of Chatham House commented:

The National Security Council has proved to be a welcome effort to integrate relevant departments and should provide guidance in the implementation phase provided it can seek external advice and listen to constructive criticism. The allocation of ministerial and departmental responsibilities driven by the centre should further facilitate consistency, so long as the process is not stifled by bureaucracy and personal rivalries.⁵¹

The Shadow Foreign Secretary, Yvette Cooper, was quoted as saying: "The government seem to be producing a reheated security strategy to provide cover for a rushed defence spending review, rather than producing a renewed and careful consideration of the UK's defence and security priorities".⁵² In talking of a 'reheated' strategy, it can be presumed that she was referring back to National Security Strategy documents published by the previous Labour Government in 2008 and 2009.⁵³

⁴⁷ "A National Security Strategy not quite worthy of the name", *Economist*, 18 October 2010

⁴⁸ *ibid*

⁴⁹ "Experts see lack of strategic thinking in hasty review", *Financial Times*, 19 October 2010

⁵⁰ "The first step towards a safer, stronger Britain", *Daily Telegraph*, 19 October 2010

⁵¹ Chatham House, "[Evaluating the 2010 Strategy Review](#)", October 2010, p.5

⁵² "Theresa May warns of growing threat of cyber warfare", *Guardian*, 19 October 2010

⁵³ *The National Security Strategy of the United Kingdom. Security in an Interdependent World*, Cm 7291, March 2008; *The National Security Strategy of the United Kingdom: Update 2009*, Cm 7590, June 2009

The NSS also came out a day after the Public Administration Select Committee, chaired by Bernard Jenkin, published a report entitled *Who does UK National Strategy?*, which included an assessment of the role of the National Security Council and the SDSR process.⁵⁴ The Committee was critical of the record of past Governments on strategy but was not persuaded that the current Government has overcome past weaknesses:

The new Government's aspiration to think strategically is most welcome, but we have yet to see how this marks any significant improvement in qualitative strategic thinking from its immediate predecessors. Apart from the creation of the NSC, which we go on to discuss below, **we have found little evidence of sustained strategic thinking or a clear mechanism for analysis and assessment. This leads to a culture of fire-fighting rather than long-term planning.**⁵⁵

The FCO issued a press release in response to the report, welcoming it but not responding directly to the Committee's comments about the strategic review processes that the present Government had commissioned.⁵⁶

Following the publication of the SDSR, Mr Jenkin commended the Prime Minister's "determination to adopt a more thoughtful and strategic approach".⁵⁷ In reply, Mr Cameron pointed out that the decision to publish the NSS the day before was partly intended to demonstrate the Government's commitment to such an approach. Michael Clarke commented:

Not least as interesting is the fact that what was last week envisaged as a single document of nine chapters, now seems to have been split up into two separate documents to be launched on different days [...] The official reasoning is that these elements are better absorbed by the public in two separate presentations: story today, numbers tomorrow. But it is hard to avoid the feeling that the reason the story and the numbers are being kept apart is that they don't fit together as well as ministers and officials hoped they would.⁵⁸

On the approach taken to strategy, the NSS states:

A national security strategy, like any strategy, must be combination of **ends** (what we are seeking to achieve), **ways** (the ways in which we seek to achieve those ends) and **means** (the resources we can devote to achieving the ends) [...] It must **balance the ends, ways and means**. The ways and means by which we seek to achieve our objectives must be appropriate and sufficient and the objectives must also be realistic in light of the means available.⁵⁹

The degree to which the specifics of how these 'ends, ways and means' have been successfully 'balanced' by the SDSR, remains a subject of hot debate.⁶⁰

Returning to the debate about strategy, the new Chief of the Defence Staff, Sir David Richards, stated in *evidence* to the Defence Select Committee on 17 November 2010:

I do not think that it is true, though, to say that we have lost our ability to think strategically. What we need to rediscover is how to turn that thinking into effect-to draw

⁵⁴ HC 435, First Report, Session 2010-11

⁵⁵ *ibid.*, para 39

⁵⁶ "Response to Public Administration Select Committee report", FCO press release, 19 October 2010

⁵⁷ HC Deb 19 October 2010 c811

⁵⁸ Clarke, "The National Security Strategy 2010"

⁵⁹ HM Government, *A Strong Britain in an Age of Uncertainty*, Cm 7953, 18 October 2010, paras 0.14-0.15

⁶⁰ This is also examined in section 4.7 on the reaction to the defence cuts.

together the ends, ways and means. The national security strategy document is not a bad objective in terms of our ends, but I would say that the ways and means are an area of weakness. I think we can do it and, just to reassure the Committee, I have already talked to the Prime Minister about this. I have talked to Peter Ricketts about it, the PUS at the Foreign Office and the PUS at DFID. We have already agreed first to start constructing a mechanism to deliver a grand strategy. This will take two to three years, I suspect, and then we need to get on and do the actual planning.⁶¹

3 Strategic Defence and Security Review: Overarching Principles

While the National Security Strategy attempts to set out the UK's strategic vision and broader security objectives for the future, the SDSR seeks to establish a blueprint for meeting those goals. This new approach to national security is all-encompassing. Unlike previous reviews, which have focused solely on how defence and the Armed Forces need to be reconfigured in order to deliver on the UK's foreign policy objectives, the SDSR attempts to address security 'in the round', incorporating linked areas of policy including counter terrorism, international aid and diplomacy, border and cyber security and homeland defence. It seeks to establish both the processes through which the broader strategic goals of the UK can be attained and the balance of resources and capabilities needed to deliver them. While it looks out to the 2020 timeframe, given the current financial climate the majority of the recommendations and conclusions of the SDSR are deliberately focused on the period of the current Comprehensive Spending Review up to 2015.

While the detailed recommendations for each policy area stand alone in the SDSR, they are linked by a number of overarching principles, reflecting the acknowledgement that defence and security issues can no longer be regarded as mutually exclusive. Specifically, those principles encompass the idea of identifying and managing threats before they materialise in the UK, thereby placing greater emphasis on 'soft' power and conflict prevention through diplomacy and aid; maintaining a broad spectrum of military and other capabilities with sufficient flexibility to adjust to changing future requirements; strengthening mutual dependence with key allies and partners and establishing a more coherent and integrated approach to security across Government.

3.1 National Security Tasks

As outlined in the previous chapter, in order to deliver on all of the objectives of the NSS and effectively establish the 'Adaptable' posture that the NSS advocates, eight cross-cutting national security tasks have been identified. Each is supplemented in the SDSR by a series of subsequent planning guidelines:

1. **Identify and monitor national security risks and opportunities** – including greater emphasis on horizon scanning; better intelligence; co-ordinated analysis and assessment across government; investment in communications gathering technologies and intelligence assets.
2. **Tackle at root the causes of instability, at home and abroad** – including an effective international development programme that places more effort on priority fragile states; establishing civilian and military stabilisation capabilities that can be deployed early together to assist countries in avoiding crisis or dealing with conflict; and targeted programmes in the UK and in those countries which pose the greatest threat to prevent individuals from becoming terrorists.

⁶¹ *The appointment of the new Chief of the Defence Staff*, HC 600-i, Session 2010-11, 17 November 2010, Q3. He returned to this debate in a [speech](#) given at RUSI on 14 December 2010.

3. **Exert influence to exploit opportunities and manage risks** – including a diplomatic service that supports the UK’s key multilateral and bilateral relationships; an FCO-led overseas network that focuses on safeguarding the UK’s security, building its prosperity and supporting UK national overseas; co-ordinated cross-government effort to build the capacity of priority states to allow them to take greater responsibility for their own stability; and retention of strategic military power projection to enhance security, deter and/or contain potential threats and support diplomacy.
4. **Enforce domestic law and strengthen international norms to help tackle those who threaten the UK and its interests** – including strengthening law enforcement capability; the continuous development of the rules-based international system; and stronger multilateral approaches to issues such as counter-proliferation.
5. **Protect the UK and its interests, both overseas and domestically, from physical and electronic threats from state and non-state actors** – including retention of a minimum effective nuclear deterrent; securing the UK’s borders, strengthening counter-terrorism capabilities; retaining military capabilities to help protect the UK from terrorist attack; retaining an independent ability to militarily defend the UK’s overseas territories and investment in new capabilities such as cyber security in order to meet emerging risks and threats.
6. **Help resolve conflicts and contribute to stability. Where necessary, intervene overseas including the legal use of coercive force in support of the UK’s vital interests and to protect the UK’s overseas territories** – including establishing an integrated approach to building stability overseas; retaining an Armed Forces capable of both stabilisation and intervention operations; retaining the military ability to evacuate UK citizens overseas and a civilian response scaled to support the concurrency and scale of military operations.
7. **Provide resilience for the UK by being prepared to respond to all kinds of emergencies, and maintain essential services** – including maintaining the security and resilience of the critical national infrastructure against attack, damage or destruction; crisis management capabilities able to respond to a variety of major domestic emergencies and maintain government; maintaining resilient supply and distribution of essential services; establishing effective well organised local response measures and enhancing central government and military planning, coordination and capabilities to assist with the most serious emergencies.
8. **Work in alliances and partnerships wherever possible to generate stronger responses** – including maintaining collective security through NATO; the stability of the European neighbourhood and an outward facing EU; focusing the UK’s contribution to international military coalitions on those areas of comparative advantage valued by allies such as intelligence capabilities and elite forces; encouraging greater sharing of military capabilities, technologies and programmes with key allies, based on formal guarantees where necessary; and the creation of a Defence Industrial and Technology Policy that secures the independence of action required for the UK’s Armed Forces, while also allowing for increased off-the-shelf purchases and the greater promotion of UK defence exports.

The means by which these tasks are to be achieved, and the resources to be devoted to them over the next five years, form the main content of the SDSR.

3.2 Alliances and Partnerships

The SDSR reiterates that “internationally, we [the UK] rarely act alone”. More effective alliances and partnerships, and not just those in the defence field, therefore form one of the overarching principles of the review.

The SDSR identifies five key priorities for international engagement going forward, all of which cut across each of the policy areas under discussion:

- The UK’s defence, security and intelligence relationship with the US, which is central to the UK’s national interest.
- New models of practical bilateral defence and security co-operation with a range of allies and partners.
- An effective and reformed United Nations.
- NATO as the cornerstone of the UK’s defence.
- An outward facing EU that promotes security and prosperity.

On that basis, the SDSR sets out the intention of the UK to intensify its bilateral defence and security relationships. Focus will be given to prioritising key allies, emerging powers, key regional actors, countries that provide the UK with basing access and overflight rights, to those countries which supply the UK with energy and other natural resources, and those countries where defence activity can add most value, such as countries where the military plays a prominent role in national policy making. Enhancing the effectiveness of key multilateral institutions such as the UN, NATO, EU, the G8, G20 and the Commonwealth is also identified as a priority.

From a military perspective, new models of practical bilateral co-operation will focus on those countries with a similar defence and security posture to that of the UK or those allies with whom the UK co-operates in multinational operations. Building on the idea that the UK will rarely act alone on the world stage, the SDSR reiterates that “should we [the UK] need to conduct major operations overseas, it is most likely that we will do so with others”. NATO remains the cornerstone of the UK’s defence posture, although the paper does emphasise UK support for EU military and civilian action in this area. However, the paper acknowledges NATO primacy and makes clear that support for EU military operations will only occur “where it is clear that NATO is not planning to intervene”.⁶²

Importantly, the review sets out the commitment of the UK to seek legally binding mutual guarantees with allied nations if “in the context of multilateral operations, we agree with other nations that we will rely on them to provide particular capabilities or conduct particular military roles or missions, and they will likewise rely on us...”.⁶³ Many have argued that this is a direct implication of budget and capability cuts. The feasibility of losing carrier strike capability for the next ten years, and the likelihood of operating only one aircraft carrier beyond 2020 (both of which are examined in sections 4.3 and 4.7), is largely premised on this idea. The review also outlines the UK’s intention to seek strengthened relationships with those nations with whom the UK “can share capabilities, technologies and programmes, ensuring that collective resources can go further” either through bilateral equipment collaboration or off-the-shelf

⁶² HM Government, *Strategic Defence and Security Review*, Cm 7948, October 2010, p.62. UK participation in the EU’s anti-piracy Operation *Atalanta* will continue with the provision of a frigate for a period in early 2011 and the provision of the Operational HQ at Northwood until the end of the current mandate of that operation in December 2012.

⁶³ *ibid*, p.59

purchases.⁶⁴ The UK's relationship with the US, and also increasingly with France, is considered essential to this aim. The SDSR firmly states that the UK will intensify its security and defence relationship with France, and "where possible, develop future military capabilities in complementary, cost effective ways".

Indeed, the Franco-British Summit on 2 November 2010 agreed various measures on closer defence co-operation including maximising capabilities, establishing joint defence equipment programmes and fostering closer industrial co-operation through a bilateral *Defence and Security Co-operation Treaty* and a separate nuclear treaty. The summit also agreed a Letter of Intent which will create a new framework for exchanges on operational matters.⁶⁵

On 10 November 2010, the MOD also announced the launch of a new forum of 11 northern European countries (the UK, the Nordic and Baltic States, Germany and Poland) that would work toward improving defence and security co-operation between the UK and its northern neighbours.⁶⁶

3.3 Structural Reform and Accountability

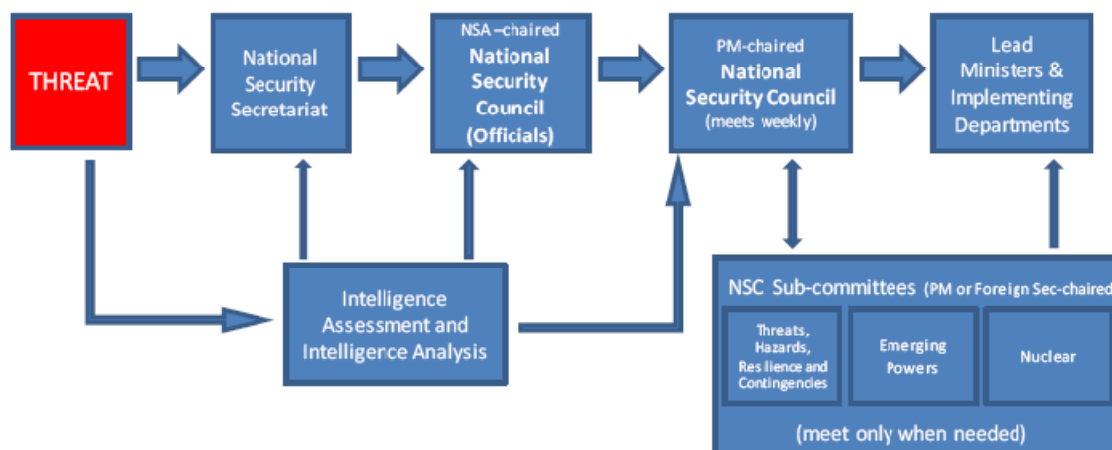
Given the new approach to national security, and in order to bring all of the different strands of work together in a coherent, co-ordinated and effective manner, both the NSS and the SDSR acknowledge the need for strong leadership and guidance at the centre of Government.

The newly established National Security Council, supported by the new National Security Adviser, will therefore be responsible for overall decision-making and overseeing the implementation of both the NSS and the SDSR. The Council will meet on a weekly basis. Relevant Ministers will take responsibility for coordinating priority areas of work across government, while implementation of the NSS and the SDSR will be driven by a cross-departmental Implementation Board, chaired by the Cabinet Office and attended by lead officials. It will monitor progress, risks and issues and identify areas of concern. The Board will provide six-monthly updates to the Prime Minister and the NSC. The new central national security structure will be as follows:

⁶⁴ Historically, multilateral procurement programmes have proven complex, costly and in some cases, have ultimately been abandoned in favour of a national approach. The Type 45 destroyer was developed as a UK only programme after the UK withdrew from the tri-lateral Horizon project in 1999.

⁶⁵ Further information is available in Library briefing SN/IA/5750, *Franco-British Defence Cooperation*

⁶⁶ See "Defence Secretary launches new forum of northern European countries", MOD press release, 10 November 2010



Source: HM Government, *Securing Britain in an age of uncertainty: the Strategic Defence and Security Review: Fact sheet 21*, October 2010

Strategic horizon scanning and early warning will form a fundamental part of this central co-ordination and therefore the SDSR identified several key enablers in this regard:

- Priorities will be agreed annually by the NSC.
- An annual mandate for cross-Whitehall horizon scanning, based on the NSC priorities, will ensure focus on key areas of concern, while also allowing for consideration of emerging issues. The Cabinet Office horizon scanning unit, working in the strategy team of the National Security Secretariat, will be responsible for co-ordinating this work and producing reports for the NSC.
- Early warning will continue to be a key role for the Cabinet office and individual departments and a key function of advising the NSC of emerging issues with implications for UK interests. A biannual report on Countries at Risk of Instability will be established, along with reports from the Joint Intelligence Organisation on other issues.
- Strategy Units within individual Government departments will co-ordinate their work programmes more effectively and improve collaboration through the creation of a more formal strategic thinking network that will be overseen by the National Security Adviser.
- A National Security Communications Strategy will be established in order to set out how the UK will use strategic communications in the delivery of its national security objectives.
- Existing centres of excellence within Government departments will be developed to meet the needs of the broader national security community. As a starting point, a virtual hub for counter proliferation technical assessment, based in the MOD, will join up proliferation expertise from across the community and wider Government.

An annual report of progress on implementation will be presented to Parliament for scrutiny by the newly established Joint Parliamentary Committee on the National Security Strategy. A new National Security Risk Assessment will be undertaken every two years, along with a new NSS and SDSR which will be published every five years. The Government's intention in

instituting regular reviews is to “ensure that the fundamental judgements remain right, that the changes its sets out are affordable and that it provides the right basis on which to deliver security for the UK, its interests and people”.⁶⁷

In order to utilise the expertise of the private sector, non-governmental organisations and international partners, regular forums led by the relevant Government departments will also be held.

4 Strategic Defence and Security Review: Defence and the Armed Forces

In the absence of a major review of defence policy in 12 years, the SDSR was portrayed as a unique opportunity to rebalance the UK’s defence priorities, commitments and spending. In doing so, the Government reiterated on several occasions that the process would be policy, as opposed to budget, led. The conclusions of the National Security Strategy, therefore, set down an important benchmark against which the reconfiguration of military capability is to be achieved. What position and role in the world the UK is expected to have, and what its strategic priorities are, in both the short and longer term, are key determinants in the future size and shape of the Armed Forces.

As set out above, the NSS identifies two core strategic objectives:

1. Ensuring a secure and resilient UK by protecting the population, economy, infrastructure and territory from all major risks.
2. Shaping a stable world – The NSS makes it clear that securing the UK’s national interest necessitates continued full and active engagement in world affairs.

Within this context the National Security Council identified four high priority (Tier 1) risks to UK national security within the next five years: international terrorism and terrorism related to Northern Ireland; cyber attack; international military crises and major accidents or natural hazards.

However, the NSS also acknowledged that over the next 20 years the UK is likely to face security threats from a range of sources. Preventive action, such as conflict prevention, international aid and defence diplomacy, is therefore a major theme in the review. However, the NSS also emphasised that “our ability to remain adaptable for the future will be fundamental, as will our ability to identify risks and opportunities at the earliest possible stage. It will also be essential to maintain highly capable and flexible Armed Forces so that we can exercise military power when necessary”.⁶⁸ This new security posture has been coined ‘Adaptable Britain’. The NSS also stated that:

No state currently has the combination of capability and intent needed to pose a conventional military threat to the territorial integrity of the UK. Yet history shows that both capability and intent can change, sometimes in a matter of only a few years. Our aim is to deter direct threats, including through our membership of NATO and, ultimately, our independent nuclear deterrent. But that does not mean that we would not have to become engaged in an international military crisis overseas if we judged that it constituted a threat to our national interests [...]

⁶⁷ HM Government, *A strong Britain in an age of uncertainty: the national security strategy*, Cm 7953, October 2010, p.70

⁶⁸ *Ibid*, p.18

Our strategic interests and responsibilities overseas could in some circumstances justify the threat or use of military force. There will also be occasions when it is in our interests to take part in humanitarian interventions. Each situation will be different and these judgements will not necessarily be easy.⁶⁹

The long-term risks are set out in the three-tiered National Security Risk Assessment, outlined in section 2.2. It is this hierarchy of risks that informs the choices and priorities set down in the SDSR. Although the NSS emphasises that those risks judged to be of higher priority do not automatically warrant the allocation of greater resources,⁷⁰ it does recognise that tier 1 risks will drive the prioritisation of capabilities.

On the basis of these observations it is not unreasonable to argue that, from the outset, the implication is to maintain military capability across the whole spectrum of operations going forward:

We will give top priority to countering the threat from terrorism at home and overseas. We will maintain the defensive and offensive capabilities needed to protect UK territory and its citizens from the full range of threats from hostile action and to meet our commitments to our allies.⁷¹

4.1 Defence Budget

With an unfunded liability of £38 billion over the next ten years, one of the main objectives of the SDSR was to bring defence policy, plans, commitments and resources back into balance and establish an affordable defence programme going forward.

Despite fears that the defence budget would be cut by in excess of 10% of current spending, the 2010 Comprehensive Spending Review confirmed that defence spending in 2014/15 would be 1.8% higher in cash terms than in 2010/11, but 7.8% lower in real terms.⁷² The total defence budget over the four years of the CSR has therefore been set at:

Table 2.13: Ministry of Defence

	£ billion				
	2010-11	2011-12	2012-13	2013-14	2014-15
Resource DEL ¹	24.3	24.9	25.2	24.9	24.7
Capital DEL	8.6	8.9	9.1	9.2	8.7
Total DEL	32.9	33.8	34.4	34.1	33.5
Departmental AME	2.8	2.8	3.1	3.3	3.4

1 In this table, Resource DEL excludes depreciation and AME excludes non cash items

Source: HM Treasury, *Spending Review 2010*, Cm 7942

The defence budget will continue to meet the unofficial NATO spending target of 2% of GDP.⁷³

On the basis of the conclusions and recommendations in the SDSR it is expected that at least £4.3 billion of savings will be made in non-front line activities, of which approximately

⁶⁹ HM Government, *A strong Britain in an age of uncertainty: the national security strategy*, Cm 7953, October 2010, p.30

⁷⁰ Either because some capabilities, such as the UK's strategic nuclear deterrent, are inherently more costly than others, or because some are already well resourced.

⁷¹ HM Government, *A strong Britain in an age of uncertainty: the national security strategy*, Cm 7953, October 2010, p.4

⁷² Adjusted using the OBR November 2010 forecast GDP deflator

⁷³ Information on comparative defence expenditure in NATO Member States is available from the [NATO website](#).

£3bn is planned from efficiency programmes; and that the MOD's administration costs will reduce by 33% over the CSR period.

Net additional costs of military operations in Afghanistan will continue to be funded from the Treasury Reserve. For each year in the CSR period the Special Reserve has been forecast at £4 billion, £3.8 billion, £3.8 billion and £3.5 billion.⁷⁴

In response to the Defence Select Committee's September 2010 report on the SDSR, the Government confirmed that:

The MOD will continue to undertake financial planning on a ten year basis. The budget for the first four years is set via the Spending Review process. For the later years we will work to a planning assumption, agreed with the Treasury, that the defence equipment budget and associated equipment support spending will be protected in real terms, to enable longer-term capability planning. The planning assumption is just that – and may not reflect the final budget outcome after the next Spending Review.⁷⁵

In his Statement to the House on 19 October, the Prime Minister also suggested:

The precise budgets beyond 2015 will be agreed in future spending reviews. My own strong view is that this structure [Future Force 2020] will require year-on-year real terms growth in the defence budget in the years beyond 2015.⁷⁶

In evidence to the Defence Select Committee on 17 November 2010 the new Chief of the Defence Staff, General Sir David Richards, agreed with this assessment:

We have Future Force 2020 – how much of that we'll be able to deliver is absolutely dependent on a real-terms uplift in defence spending post-2015. It's very important that you all realise that, Mr Chairman, otherwise, I can tell you now, that we will not deliver on Future Force 2020...⁷⁷

The level of UK defence expenditure since 1955 is set in Appendix One.

4.2 Policy Priorities

Both the NSS and the SDSR acknowledge that competing demands have helped to shape the conclusions of the review with respect to British defence policy and changes to the size and structure of the Armed Forces. Operations in Afghanistan remain the priority until 2015 and therefore the resources and capabilities required to meet the demands of that campaign are protected within the SDSR. However, the review also notes that the nature of warfare in 2020 and beyond is uncertain and therefore it is vital to maintain capabilities that would allow the UK to react to the demands of a changing strategic environment. Establishing a balance between these two competing demands is also inherently complicated by the need to address the defence budget deficit and bring the Armed Forces back into harmony after a sustained period of overstretch.

In order to deliver on the strategic objectives of the NSS, while working within these constraints, the SDSR therefore makes a number of assumptions about the nature of the strategic environment up to 2020, the changing nature of warfare, and how the Armed Forces should be reconfigured accordingly to meet the 'Adaptable' posture. At the heart of

⁷⁴ HM Treasury, *Spending Review 2010*, Cm 7924, 20 October 2010, p.57

⁷⁵ Defence Select Committee, *The Strategic Defence and Security Review: Government Response to the Committee's First Report of Session 2010-11*, HC 638, December 2010

⁷⁶ HC Deb 19 October 2010, c799

⁷⁷ Defence Select Committee, *Uncorrected transcript of oral evidence*, HC 600-i, Session 2010-11, Q.33

the SDSR is an awareness that the UK cannot afford to do everything and therefore it is essential to prioritise what it does, where, when and with whom:

- Asymmetric tactics, such as cyber warfare, will not only define the actions of non-state actors but will increasingly shape state-on-state warfare as adversaries attempt to overcome conventional military superiority and level the technological playing field. Therefore investment in technologies and capabilities more suited to the likely character of future conflict must be a priority.
- The UK's relationships with key allies will be crucial in managing changes to the structure and capabilities of the Armed Forces, both in terms of collectively maintaining a full spectrum of capabilities, but also the ability to reconstitute or regenerate capabilities in the future.
- The UK will remain ready to use armed force where necessary to protect its national interests. Future forces will be smaller but they will retain their geographical reach and the ability to operate across the entire spectrum of military operations.
- The UK will be more selective in its use of the Armed Forces, deploying them only where key UK national interests are at stake; where there is a clear strategic aim; where the likely political, economic and human costs are in proportion to the likely benefits; where there is a viable exit strategy and where action is justifiable under international law.
- The UK will focus more on tackling risks before they escalate and on exerting UK influence as part of the overall national security architecture. There will, therefore, be renewed emphasis on conventional forces to deter potential adversaries and reassure partners; a greater coordination of civilian and military expertise in both conflict prevention and crisis response; the establishment of a small permanent capability to enhance cross-departmental homeland security crisis response and a tailored defence diplomacy programme.
- Although it has been acknowledged that the UK will rarely act alone, it will maintain the ability to do so where others cannot be expected to help.
- The Government is prioritising tackling the deficit and success in Afghanistan and believes that these must, for the moment, take priority over defence's investment in some military capabilities needed for the longer term.
- Priority must also be given over the next decade to recovering capabilities damaged or reduced as a result of overstretch.
- The UK will invest in programmes that provide flexibility and advanced capabilities and reduce legacy capabilities which are less likely to be utilised in a strategic environment that places great value on precision weaponry and the increasing use of unmanned and cyber capabilities.
- The UK has long been clear that it would only consider using nuclear weapons in extreme circumstances of self-defence, including in defence of NATO allies, and it will remain deliberately ambiguous about precisely when, how and at what scale the UK would contemplate their use.

- The contribution of the Armed Forces to the overall national security tasks will be defined by seven Military Tasks, as opposed to the current 18.⁷⁸ Those tasks will be: defending the UK and its overseas territories; providing strategic intelligence; nuclear deterrence; supporting civil emergency organisations in times of crisis; defending UK interests through strategic power projection and expeditionary interventions; providing a defence contribution to UK influence and providing security for stabilisation.

4.3 Planning Assumptions and Capabilities

On the basis of the new military tasks, the Defence Planning Assumptions (DPA) have been revised to provide a policy framework for planning the future force structure and set a benchmark against which overstretch can be measured. The new DPA envisage the Armed Forces being configured in the future to conduct:

- An enduring stabilisation operation at around brigade level (up to 6,500 personnel) with maritime and air support where necessary, while also conducting:
- One non-enduring complex intervention (up to 2,000 personnel), and
- One non-enduring simple intervention (up to 1,000 personnel)

Or

- Three non-enduring operations if not already engaged in an enduring operation

Or

- For a limited time and with sufficient warning, committing all effort to a one-off intervention of up to three brigades and air and maritime support (around 30,000 personnel).⁷⁹

In comparison the previous DPA, which were revised in 2004, suggested that as a norm, and without causing overstretch, the Armed Forces must be capable of conducting three simultaneous, enduring operations of small to medium-scale. Given time to prepare, the UK should be capable of undertaking a demanding large-scale intervention operation while still maintaining a commitment to a small-scale peace support operation.⁸⁰

The intention for Future Force 2020, therefore, is to reconfigure military capability to be flexible, adaptable and expeditionary. The future force structure will provide the ability to deploy highly capable assets quickly, but also prepare a greater scale and range of capability if required. Therefore a small number of the most capable units will be held at high readiness; some capabilities will be held at extended readiness including aspects of the amphibious force; the ability to re-generate capabilities will be maintained; and greater operational co-operation will be sought with allies.

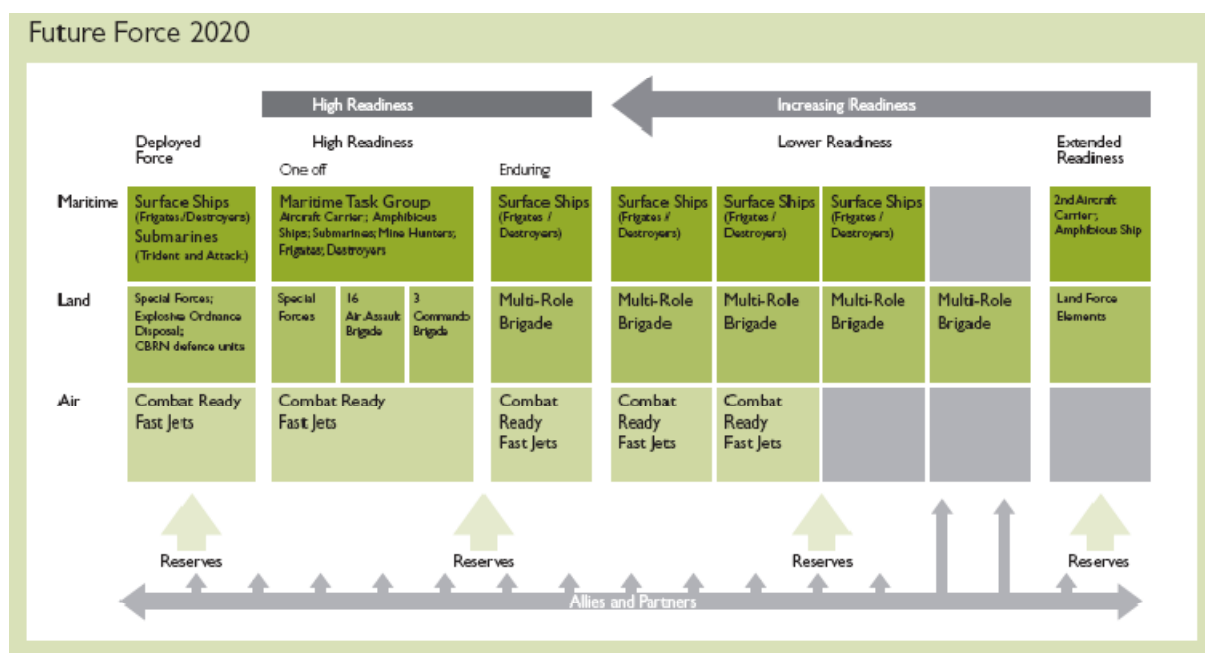
⁷⁸ Those 18 Military Tasks are set out in *Delivering security in a changing world: supporting essays*, Cm 6041-II, December 2003

⁷⁹ An intervention operation is considered to be a short term, high impact military deployment (eg. Sierra Leone in 2000). Stabilisation operations are longer term, mainly land-based operations, to stabilise and resolve conflict situations, normally in partnership with others (eg. Afghanistan). Non-enduring operations are those which last less than six months and typically require a force to be deployed and then withdrawn without replacement (eg. Lebanon in 2006, or a counter-strike terrorist operation). Enduring operations are defined as lasting for more than six months and normally involve the rotation of forces.

⁸⁰ Further detail is available in Library Research Paper RP04/71, *The Defence White Paper*, September 2004

In general, as the diagram below illustrates, Future Force 2020 will comprise three broad elements:

- The Deployed Force – which consists of forces engaged on operations and those forces which conduct permanent operations essential to national security, including the nuclear deterrent, the maritime presence in the South Atlantic and UK air defence.
- The High Readiness Force – which allow the UK to react rapidly to crises and constitute a balance of highly capable land, air and maritime capabilities.
- The Lower Readiness Force – including those personnel recently returned from operations and those preparing to enter a period of high readiness. These forces will support enduring operations and provide additional flexibility.



Source: HM Government, *Strategic Defence and Security Review*, Cm 7948, October 2010

In order to meet the aspirations and objectives of Future Force 2020, the following changes to the configuration of each of the Services will be made. In many cases further decisions have yet to be taken and therefore the full implications of these changes are, for the present, unclear. It is also likely that further cuts, as a result of the 2011 Planning Round, will be made. Indeed, many commentators, including Michael Clark of RUSI, have suggested that the cuts imposed in the SDSR will not go far enough with respect to addressing the MOD's budget deficit and that further savings will, therefore, have to be made.⁸¹ An article in *The Financial Times* on 20 January 2011 even went so far as to suggest that officials at the MOD may have to 're-open' the SDSR because of a new crisis over defence spending, a possibility that has been refuted by the MOD:⁸²

Amid signs that the MOD is in the throes of a new crisis over defence spending, senior figures at the department have discovered that they need to find at least £1bn a year of additional cuts if they are to meet the Treasury's target for future expenditure reductions [...]

⁸¹ See <http://www.rusi.org/analysis/commentary/ref:C4D2C5F306334F/>

⁸² For the MOD's response see: [Defence in the Media 20 January 2011](#)

“The extra cuts we need to find are too big to be done by fudging a few numbers on the margins” a senior military figure said. Instead, he said, the MOD may have to consider imposing a moratorium on some current military operations or scaling back the deployment of ships and aircraft.

However, two senior figures have told the FT this week that the idea of reopening the defence review only a few months after it was published cannot be excluded.⁸³

Royal Navy

With the exception of a 10-year gap in current Carrier Strike capability, core maritime capabilities are largely preserved in the SDSR, albeit on a smaller scale.

- **Manpower Strength** – The manpower requirement of the Royal Navy will be reduced by 5,000 personnel to 30,000 by April 2015. The expectation is that the Navy will require 29,000 personnel by 2020. It is not anticipated that personnel reductions will begin before April 2011.
- **Aircraft Carriers** – While there are few circumstances in the short term in which the ability to deploy air power from the sea will be essential, in the longer term the ability to deploy air power globally without reliance on overseas basing and overflight rights remains. Therefore it will be necessary to retain an operational carrier.⁸⁴

HMS *Ark Royal* will be decommissioned immediately⁸⁵ and HMS *Illustrious* will be withdrawn from service in 2014 once HMS *Ocean* returns to service after a planned refit.⁸⁶ Helicopter carrier HMS *Ocean* will be retained to provide an operational helicopter platform capability for the longer term.⁸⁷ The Harrier fleet will be retired by April 2011. It is the Government’s view that the Tornado fleet represents a more versatile platform for the UK’s security needs in the near term. The MOD has estimated that retiring Harrier in 2011 will save approximately £450m over the next four years and around £900m in total.⁸⁸

The MOD will continue to procure the Queen Elizabeth-class of aircraft carrier to provide a Carrier Strike capability from 2020.⁸⁹ One vessel will be held in extended readiness (or potentially sold),⁹⁰ while the operational carrier will be fitted with catapults and arrestor gear to enable it to routinely fly 12 of the carrier variant of the

⁸³ “MOD faces new crisis over cuts in funding”, *The Financial Times*, 20 January 2010

⁸⁴ The operational use of the UK’s aircraft carriers in the Falklands, the Gulf, Iraq and Afghanistan and in humanitarian operations since 1997 has been set out in answer to Parliamentary Question HC Deb 21 July 2010, c363-4W

⁸⁵ The planned out of service date for *Ark Royal* was autumn 2014.

⁸⁶ The Royal Navy document *Strategic Defence and Security Review 2010: Supporting Question and Answer Pack* suggests that the vessel which is decommissioned will be placed in extended readiness until the Queen-Elizabeth class enters service (p.20)

⁸⁷ The announcement regarding HMS *Illustrious* and HMS *Ocean* was made on 15 December 2010 after a short study to determine which platform would provide the most effective helicopter platform capability (HC Deb 15 December 2010, 103WS)

⁸⁸ *SDSR Briefing Pack: RAF*, October 2010

⁸⁹ A letter from BAE Systems to the Prime Minister setting out the costs of cancelling the carrier contract, compared to the costs of proceeding with the programme, was published by the Treasury at the beginning of November 2010. The contractual arrangements were also examined by the Treasury Select Committee in its report on *The Spending Review 2010*, HC 544, Session 2010-11. A defence Select Committee evidence session with industry on 8 September 2010 also examined the industrial implications of cancelling the contract.

⁹⁰ This will be reviewed in the next SDSR in 2015. In the event that the second carrier was sold, continuous carrier strike capability would rely on co-operation with a close ally such as France. Retaining this flexibility of approach is considered to be at the core of the Government’s Adaptable approach.

Joint Strike Fighter (JSF) aircraft (the F35-C), alongside a mix of Chinook and Merlin transport helicopters and Apache attack helicopters.⁹¹ The carrier would, however, retain the capacity to deploy up to 36 aircraft as previously planned. The change to the carrier flight deck will also allow the carrier to be interoperable with American and French aircraft, should that prove necessary.⁹² The installation of catapults and arrestor gear will delay the introduction of the carrier from 2016 to 2020. The aim will be to bring the planes and the carriers into service at the same time. The overall number of JSF aircraft to be procured will be reduced, although the SDSR does not provide any figures on the potential size of the final fleet.

Procurement of the conventional carrier variant instead of the STOVL (short take off/vertical landing) variant of JSF will provide longer range, greater payload and will be cheaper,⁹³ reducing through-life costs by approximately 25%. The plan remains for JSF to be manned by both Royal Navy and RAF personnel.

- **Amphibious Capability** – The Royal Marines will be retained⁹⁴ and provide one of the two very high readiness battle groups within the future force structure, although a reduction in Corps manpower of approximately 600 personnel is expected.⁹⁵ There will, however, be a reduction in the scale of amphibious capability, retaining at high readiness the ability to land and sustain a Commando group of up to 1,800 personnel as opposed to the ability to undertake amphibious operations at brigade level.⁹⁶ This is approximately a two-thirds reduction in the size of the force that could be landed ashore. The Bay-class amphibious support ship, RFA *Largs Bay*, will be decommissioned in April 2011⁹⁷ and one of the two Albion-class landing and command ships will be placed at extended readiness from November 2011, while the other is held at high readiness for operations. Initially the high-readiness ship will be HMS *Bulwark*, with HMS *Albion*⁹⁸ assuming high readiness status in late 2016 when *Bulwark* enters refit. The full range of specialist amphibious shipping will, however, continue to operate in order to maintain the ability to grow this capability in the future.
- **Surface Fleet** –The fleet of frigates and destroyers will be reduced from 23 to 19 vessels. The four remaining Type 22 frigates will be decommissioned: HMS *Chatham* (end of January 2011), HMS *Cumberland* (1 April 2011), HMS *Campbeltown* (1 April 2011) and HMS *Cornwall* (end of April 2011 once the vessel returns from its current operational deployment in the Indian Ocean).⁹⁹ With a reduction in the fleet, the Royal Navy has acknowledged that “fewer ships will mean fewer activities. We have not yet

⁹¹ The exact force mix would depend on the mission.

⁹² A Parliamentary Question in October 2009 stated that in 2007 a total of 26 aircraft from the US, Spanish and Italian navies had embarked on UK carriers while participating in joint exercises with the UK. No such aircraft had embarked in 2008 or by October 2009 (HC Deb 20 October 2009, c55WA)

⁹³ The US Government Accountability Office estimated in a report in March 2010 that the STOVL engine for the JSF alone would be approximately \$16m more expensive than the conventional engine (GAO report 10-382, [Joint Strike Fighter: additional costs and delays risks not meeting warfighter requirements on time](#), 19 March 2010)

⁹⁴ Speculation prior to the publication of the SDSR had suggested that the Royal Marines could be merged with the Parachute Regiment and subsumed into the Army structure.

⁹⁵ Royal Navy, [Strategic Defence and Security Review 2010: Supporting Question and Answer Pack](#), p.22

⁹⁶ This is also consistent with the changes proposed for 16 Air Assault brigade.

⁹⁷ The intention to decommission a Bay-class amphibious support ship was outlined in the SDSR, although confirmation of which vessel would be decommissioned was given on 15 December 2010.

⁹⁸ For the present, HMS *Albion* has assumed the role of fleet flagship of the Royal Navy after HMS *Ark Royal* entered her home port of Portsmouth on 3 December in order to be decommissioned.

⁹⁹ These vessels had out-of-service dates of 2022, 2021, 202 and 2019 respectively (HC Deb 3 July 2009, c463-4W)

undertaken the detailed design work to establish how this will affect the Fleet Programme but this work is now underway".¹⁰⁰ Despite the proposed cut in the surface fleet, the Royal Navy has sought to reiterate that "the Navy will still be able to deploy a Task Group worldwide in support of our national interests. With 19 destroyers and frigates we will continue to sustain a maritime presence in the Gulf, the Indian Ocean and the south Atlantic, as well as contributing to counter piracy, counter narcotics and the security of the UK and home waters".¹⁰¹

The full fleet of seven Astute-class submarines will be procured,¹⁰² along with the six Type 45 destroyers. The MOD is committed to procuring the Type 26 Global Combat ship to replace the Type 23 frigate from 2021 onwards. The Sandown and Hunt-class mine countermeasures vessels will remain in service and start the transition to a future capability from 2018 as part of the Mine Countermeasures, Hydrographic, Patrol Craft (MHPC) project.

- **Rotary Wing** – In line with the reduction in the destroyer/frigate fleet, further work on the requirement for the Lynx Mk3 will be required. The Sea King Mk7 will continue to support operations in Afghanistan, after which it is expected that they will be gradually withdrawn from service by 2016. The Merlin helicopter force will be upgraded to enhance its ability to support amphibious operations. Decisions on the search and rescue programme (SAR H) have yet to be made.¹⁰³
- **Trident** – The UK's strategic nuclear deterrent will be retained. The Trident Value for Money review concluded, however, that minimum effective deterrence could be achieved with a smaller nuclear weapons capability. Therefore the number of operational launch tubes on the Vanguard-class submarine will be reduced over the next few years from 12 to eight and the number of warheads deployed from 48 to 40. The operational stockpile of nuclear warheads will be reduced from fewer than 160 to less than 120; while the overall stockpile will be reduced from no more than 225 to no more than 180 by the mid 2020s. Continuous-at-sea deterrence (CASD) will be maintained.

Initial Gate of the Trident programme was scheduled for the end of 2010 and Main Gate will be delayed until 2016. The service life of the current Vanguard-class submarines will be extended and the first replacement platform will enter service in 2028. A decision on the final number of submarines will be taken at Main Gate.¹⁰⁴

These decisions are expected to reduce costs by £750m over the spending review period and £3.2bn over the next ten years. The £750m savings over the period of the CSR will come largely from the decision to reduce the number of missiles and warheads deployed aboard the Vanguard-class. Overall savings and savings from deferred spending over the next ten years will also be the result of:

¹⁰⁰ Royal Navy, *Strategic Defence and Security Review 2010: Supporting Question and Answer Pack*

¹⁰¹ *ibid*

¹⁰² Of the planned class of seven, only six had been ordered thus far.

¹⁰³ In June 2010 the decision was taken to suspend the programme over concerns that the privatisation project as it stood did not offer best value for money. At the time of writing, that programme remained suspended following an announcement on 16 December 2010 (HC Deb 16 December 2010, c134WS)

¹⁰⁴ The current nuclear deterrent comprises four Vanguard-class submarines. Since 2006 there has been considerable debate over the technical feasibility of reducing that fleet to three boats as part of the replacement programme.

- Deferring a decision on the replacement warhead until at least 2019 which will defer **£500 million** of spending from the next 10 years.
- Reducing the cost of the successor submarine missile compartment by reducing its size and configuring the platform with only eight operational missile tubes, instead of the planned 12, thereby making an outright saving of up to **£250 million**.¹⁰⁵
- **£1 billion** of spending will also be deferred, and potentially removed, over the next ten years from the submarine infrastructure and support network.
- Under the Submarine Enterprise Performance Programme [SEPP] the MOD also expects to deliver up to **£900 million** of savings over the next ten years by improving commercial arrangements with industrial suppliers.

The MOD has also suggested that some of the deferred £2 billion spend could be translated into real savings in later years. The MOD has suggested that savings achieved from the SEPP will be used to offset the additional costs of delaying the successor programme:

The deferral does add cost to the successor programme but we are embarking on a programme to improve the efficiency of the submarine enterprise. The savings we expect this efficiency programme to generate will more than offset any additional costs resulting from the deferral of the submarines in service date.¹⁰⁶

Indeed, the MOD suggests that only extending the lives of the Vanguard-class beyond 2028 would incur disproportionate costs:

The value for money review showed that 2028 was a more realistic estimate and that it was possible to extend the lives of the Vanguard class boats to match. This involves extending them by 9 years beyond their original design life of 25 years. Any further would require a disproportionate level of spend to keep them in service and would jeopardise British industry's ability to design and construct nuclear submarines – a critical sovereign capability.¹⁰⁷

On the issue of where funding for the replacement programme will come from, the MOD confirmed in its response to the September 2010 report on the SDSR by the Defence Select Committee that:

The costs of the strategic nuclear deterrent have long been a part of the defence budget and the Government has decided to continue this arrangement. How this is reflected in future defence budgets is a matter for future Spending Reviews.¹⁰⁸

As part of the SDSR, the UK's declaratory policy was also reviewed. The SDSR confirmed that the "UK would not use or threaten to use nuclear weapons against

¹⁰⁵ It has been suggested that the change in the number of missile tubes could point toward a possible re-designed Astute-class submarine for the successor platform.

¹⁰⁶ SDSR Briefing Pack: Trident V4M Q&A, October 2010

¹⁰⁷ SDSR Briefing Pack: Trident V4M Q&A, October 2010

¹⁰⁸ Defence Select Committee, *The Strategic Defence and Security Review, Government response to the Committee's First Report of Session 2010-11*, HC 638, December 2010

non-nuclear weapon states parties to the NPT". This assurance would not apply, however, to any state in material breach of the NPT.¹⁰⁹

- **Royal Fleet Auxiliary** – As outlined above, the SDSR set out the intention to decommission one Bay-class amphibious support ship. Plans to withdraw a further auxiliary oiler (RFA *Bayleaf*), and one auxiliary oiler replenishment vessel (RFA *Fort George*), in April 2011 was also confirmed in a statement on 15 December 2010.¹¹⁰ With respect to the future of the RFA overall, the MOD has concluded that there is currently insufficient evidence in favour of changing the current RFA business model to contract out the tasks currently conducted by the RFA, to the private sector.¹¹¹

British Army

The priority afforded to operations in Afghanistan until 2015 has largely defined much of the Army's short term force structure.

- **Manpower** – The Army will be reduced by 7,000 personnel to approximately 95,500 by 2015. There will be no changes to combat units involved in Afghanistan. It is expected that the Army will require 94,000 personnel by 2020.
- **Headquarters** – To enhance the focus on front-line capabilities, the four regional divisional headquarters will be replaced by a single UK support command and at least two of the Army's 10 regional brigade headquarters will be closed by 2015.

The UK will retain the ability to command multi-national operations through the UK-led Allied Rapid Reaction Corps (ARRC), its capacity to deliver a fully deployable, divisional HQ and the ability to regenerate a second deployable divisional HQ. The second of the UK's operational divisional HQ will be converted to a force preparation role. Communications and logistics support to headquarters ARRC will be reduced.

- **Brigades** – The Army will reduce by one the number of deployable brigades and reconfigure into five multi-role brigades, consisting of approximately 6,500 personnel each including reconnaissance, armoured, mechanised and light infantry forces, which will be self-supporting. One brigade will be maintained at high readiness, available for an intervention operation on a six month rotation, with four in support to ensure the ability to sustain an enduring stabilisation operation. 16 Air Assault brigade will remain as a high readiness intervention brigade.
- **Equipment** – The FRES reconnaissance and utility vehicle programmes will be retained. To reflect the assessment of likely adversaries and conflict scenarios in the future, heavily armoured vehicles, including Warrior infantry fighting vehicles, Challenger II, AS90 artillery and Titan and Trojan engineer vehicles will be reduced, although sufficient numbers will be retained to conduct operations in high threat situations. Challenger will be reduced by 40% and AS90 artillery by 35%.
- **Military Stabilisation and Support Teams** – the capacity to deploy joint civilian-Military Stabilisation Response Teams will be enhanced. These teams will be bespoke, flexible and able to conduct a range of tasks from assessing or monitoring

¹⁰⁹ Further detail on the Trident replacement programme, post SDSR, is available in Library briefing SN/IA/5757, [Trident after the Strategic Defence and Security Review](#)

¹¹⁰ HC Deb 15 December 2010, c102WS. Although the intention to withdraw a vessel of these types was initially set out in Royal Navy, [Strategic Defence and Security Review 2010: Supporting Question and Answer Pack](#)

¹¹¹ MOD, [Defence in the Media](#), 7 December 2010

an emergent crisis, to providing expert advice and training through to post conflict reconstruction.

Royal Air Force

According to the Chief of the Air Staff, Air Chief Marshal Sir Stephen Dalton, the future vision for the RAF in 2020 is for a force built around the concept of deployable 'combat ISTAR'.¹¹² Recognising the continuing military utility of air power the SDSR therefore makes the following changes to the configuration of the RAF:¹¹³

- **Manpower** – The RAF will be reduced by 5,000 personnel to 33,000 by 2015.¹¹⁴ The expectation is that the RAF will require 31,500 personnel by 2020.
- **Combat Air Fleet** – By 2020 the fleet will be based around two platforms: the Typhoon and the Joint Strike Fighter, with one third of aircraft retained at high readiness. The Harrier GR9 fleet will be retired by April 2011; while the Tornado fleet will be maintained, albeit reduced to a size based on 18 force elements, as opposed to 40.¹¹⁵ The Tornado fleet will retire progressively once the Typhoon force has the capability and force size to take on the offensive support task. A decision on the force balance between the Typhoon and the JSF is expected to be assessed as part of the next defence review.
- **Airlift/Tankers** – The future transport fleet will be based on 22 A400M transport aircraft, and seven C17 transport aircraft. The Hercules C130J transport aircraft will be retired from service by 2022, a decade earlier than planned, in order to transition to the A400M. The three variants of the Tristar transport/tanker aircraft will be withdrawn from service from 2013 as the RAF transitions to the 14-strong fleet of A330 (future strategic tanker aircraft). The VC-10 aircraft will be reduced to undertake air-to-air refuelling only, prior to its withdrawal in 2013. The MOD has estimated that rationalising the strategic airlift fleet more quickly will save approximately £800m over the next 10 years.¹¹⁶
- **ISTAR** – In addition to the combat ISTAR capabilities of the fast jet fleet, capabilities will focus on the E3D Sentry AWACS to provide airborne command, control and surveillance; the Rivet Joint signals intelligence aircraft;¹¹⁷ and an expanded fleet of unmanned air vehicles.

The Nimrod MRA4 maritime patrol aircraft programme will be cancelled, a decision which is expected to save over £2bn over the next ten years.¹¹⁸ In response to concerns that the cancellation of Nimrod, and thereby an element of the UK's

¹¹² Intelligence, surveillance, target acquisition and reconnaissance.

¹¹³ For a discussion of air power see Air Chief Marshal Sir Stephen Dalton, "The future of British air and space power: a personal perspective", *Air Power Review*, Autumn 2009; Royal Air Force, [Understanding air power](#), 2010 and Air Vice Marshal Timo Anderson, Assistant Chief of the Air Staff, *Interview with Jane's Defence Weekly*, 17 February 2010

¹¹⁴ This is in addition to the reduction of 2,000 personnel made during the 2010 planning round. See Library briefing SN/SG/2621, [Defence Employment](#)

¹¹⁵ Force elements are defined as those aircraft that are required to sustain ongoing operations, in addition to a number held in readiness to deploy in the event of a crisis. That reduction will begin in April 2011 and conclude by March 2015 to coincide with the drawdown of operations in Afghanistan and the build up of the Typhoon force (Ministry of Defence, [Business Plan 2011-2015](#)).

¹¹⁶ *SDSR Briefing Pack: RAF*, October 2010

¹¹⁷ This platform is replacing the Nimrod R1. For further detail see [MOD Press Release](#), 22 December 2010

¹¹⁸ *SDSR Briefing Pack: RAF*, October 2010

maritime patrol capability, would place the strategic nuclear deterrent at risk, the Navy commented:

The NSC judge that there is sufficient balance of capabilities within the SSBN, SSN [attack submarine], frigate, RW [rotary wing] and MCM [mine countermeasures] fleets to maintain the required level of assurance for CASD [continuous at sea deterrence]. The decision to delete MRA4 was made after carefully considering the risks associated with this.¹¹⁹

The Sentinel airborne ground surveillance aircraft will be withdrawn from service once it is no longer required to support operations in Afghanistan. Its capability will be delivered by an element of the Scavenger programme.¹²⁰

- **Helicopters** – The MOD will purchase 12 additional heavy lift Chinook helicopters¹²¹ to give a fleet total of 60, and extend the life of the 24 Puma helicopters, which along with the 25-strong Merlin fleet will ensure that there is sufficient helicopter capability for UK forces both in Afghanistan and in the future.
- **RAF Regiment** – The reduction in the overall size of the deployable air force will lead to a corresponding reduction in the size of the regiment by one or two field squadrons post-2015 and the intended withdrawal of UK combat forces from Afghanistan.¹²²

Reserve Forces and Specialist Capabilities

- A review of the Reserve Forces (Future Reserves 2020) will be undertaken as part of the SDSR. That review will be conducted over a six-month period and will examine their future role and structure, as part of the 'Whole Force concept'.¹²³ The study will be organised in three phases and will announce its findings in summer 2011. Phase one will develop a common understanding of the context in which the Reserves will be used in the future and define the strategic principles around which the balance between Regular and Reserve personnel should be designed. Phase two will focus on the structures needed to complement the Regular forces and meet operational requirements; while phase three will develop a detailed concept and outline plan for the implementation of new single-Service Reserves' structures.¹²⁴

A number of commentators, such as Professor David Kirkpatrick, have argued that by increasing the ratio of Regular/Reserve personnel the Government could achieve a significant reduction in the defence budget. In his report *Making Ends Meet*, Professor Kirkpatrick suggests that:

UK defence expenditure could be significantly reduced by transferring parts of some force elements to reserve status, with their equipment mothballed and the associated personnel trained at a lower level [...] the reductions should be

¹¹⁹ Royal Navy, *Strategic Defence and Security Review 2010: Supporting Question and Answer Pack*

¹²⁰ The Sentinel airborne stand-off radar came into service in December 2008. The Scavenger programme is a requirement for a medium-altitude, long-endurance unmanned aerial vehicle, and forms part of the MOD's wider ISTAR programme, Solomon.

¹²¹ As opposed to the 22 additional helicopters announced in December 2009 as part of a package of force enhancements for Afghanistan. The number has been reduced on the basis that the additional aircraft would not have been available before 2015 and therefore changes can be made without affecting overall operations in Afghanistan.

¹²² SDSR: *Message from the Chief of the Air Staff*, 19 October 2010

¹²³ A Whole Force concept is a means of establishing a balanced force structure using Regular and Reserve personnel, contractors and civilians, optimised to meet the MOD's requirements.

¹²⁴ MOD press release, *Review of Reserve forces gets underway*, 26 November 2010

focused on those force elements whose principal role is the defence of the UK homeland against a major threat which does not exist at present but might emerge in the future [...]

This policy would retain within each force element, and hence within each military capability to which the force element contributes, a sufficient cadre to sustain leading edge expertise in the relevant doctrine, operations and technologies and to allow rapid expansion whenever required to confront an emergent threat.¹²⁵

- There will be extra investment in Special Forces. The size of the UK's regular Special Forces front line units will be maintained and support capabilities will be enhanced.
- A UK Defence Cyber Operations Group will be established as part of the wider cyber security agenda (examined in section 3.3). It is anticipated that future conflict will see cyber operations conducted in parallel with conventional operations across the land, sea and air environment.

4.4 Personnel and Welfare Issues

The new Coalition Government's *Programme for Government*, published in May 2010, outlined a commitment to "work to rebuild the Military Covenant", which would build on the measures set out in the 2008 Service Personnel Command Paper, *The Nation's Commitment: Cross-Government Support to our Armed Forces, their Families and Veterans*,¹²⁶ and include the writing of a new Tri-Service Covenant. A new independent Task Force on the Military Covenant, chaired by Professor Hew Strachan, was established in summer 2010 to support taking that work forward.¹²⁷ In June 2010 the Prime Minister also indicated that the Military Covenant would be enshrined in law for the first time.¹²⁸

Within this framework many Armed Forces welfare policies have been announced since the Coalition Government was established,¹²⁹ and have formed a fundamental part of the work of the Strategic Defence and Security Review. On the whole, many of the Government's welfare proposals or recommendations do not have an accompanying timeframe and are therefore likely to progress as part of wider SDSR implementation over the course of 2011. Many of these proposals also do not have associated costs.

¹²⁵ Professor David Kirkpatrick, *Making ends meet*, Centre Forum, September 2010

¹²⁶ Cm 7424, July 2008

¹²⁷ Professor Strachan's *Report of the Task Force on the Military Covenant* was subsequently published on 8 December 2010. See also MOD Press Release, "Government commits to progress on rebuilding Military Covenant", 8 December 2010.

¹²⁸ MOD Press Release, "Military covenant to be enshrined in law", 25 June 2010. It had been suggested that the Military Covenant could be placed on a statutory basis in the *Armed Forces Bill*, which was presented on 8 December 2010. However that Bill only makes provision for the Secretary of State to present an Armed Forces Covenant report to Parliament every year on the effect of membership of the Armed Forces on Service personnel, their dependants and veterans in the UK. It does not explicitly state what welfare provisions must be provided under the Military Covenant or any minimum levels of care. The introduction of any welfare related policies would not require primary legislation. More detail on the Bill is available in Library Research Paper RP10/85, *Armed Forces Bill*

¹²⁹ In June 2010 the Government announced that the Operational Service Allowance would be doubled for a six month operational tour; in July 2010 changes to the policy governing rest and recuperation for Service personnel deployed on operations were announced; while in October the MOD announced measures for university scholarships for children of Service personnel killed on active operations since 1990 and the publication of a [report on mental health services](#) for personnel and veterans, the recommendations of which are currently under review. At the end of November 2010 the MOD also announced plans to encourage Service personnel leaving the Armed Forces to re-train as teachers.

In an accompanying document to the SDSR, the MOD has stated:

Honouring the Covenant doesn't necessarily have to mean spending large amounts of money. Ensuring that Service personnel, their families and veterans are treated fairly can often be about adapting existing policies where the particular needs of the Service community had not previously been taken account of. Many of the commitments in the Programme for Government will be led by other Government departments and will not be reliant on defence funding being made available.¹³⁰

As part of the SDSR, further personnel and welfare-related measures were announced:

- **New Employment Model** - The current package of terms and conditions of Service personnel will be updated in order to make the overall package simpler to administer, more cost effective and one which offers greater choice and encourages greater personal responsibility. This review will be wide ranging and will include a review into the provision of accommodation, pay, career structure, and allowances.

On the issue of allowances the MOD had indicated its intention to cut approximately £300m per year, over the period of the CSR, from Service and civilian personal allowances (£50m from civilian allowances and £250m from military allowances). The MOD suggested that continuing with the current package of allowances was unsustainable and inappropriate as many of them are not consistent with the demands of modern life or the lifestyle choices of military personnel.¹³¹ The housing model, for example, is considered to be outdated and does not take sufficient account of the desire of more people to own homes with their partners.

In December 2010 the MOD announced changes to the eligibility rules for the Continuity of Education allowance, thereby reducing expenditure on this allowance by over £20m per annum.¹³² The MOD announced its remaining package of changes relating to Service allowances on 20 January 2011, for implementation over the next three years.

As expected the changes reflect the priority that the Government has attached to renewing the Military Covenant and to supporting deployed forces. In a press release the MOD stated:

Allowances paid for operations and separation from families have remained the highest priorities for reimbursement and lower earners have been protected as much as possible [...] The review has expressly not targeted those on operations which is why no changes are proposed for the Operational Allowance, Longer Separation Allowance or Unpleasant Working Allowance.

A full list of the allowance changes is available online: [Summary of Changes to Allowances](#)

Work on the broader examination of terms and conditions of service remains ongoing. It is not intended for the review to be undertaken as part of the work of the defence reform unit (see below), although the MOD has indicated that it could be linked in the future depending on possible outcomes.

¹³⁰ SDSR Briefing Pack, October 2010

¹³¹ HM Government, *The Strategic Defence and Security Review*, Cm 7948, October 2010

¹³² HC Deb 16 December 2010, c116WS

- **Healthcare** – The provision of healthcare to Service personnel will be enhanced by an extra £20m per year. The MOD will also implement the recommendations of the [Murrison Report](#) on mental health services for Service personnel over the course of 2011.¹³³
- **Civilians** – The MOD civil service will be reduced by 25,000 by 2015 to 60,000 personnel.
- **Training** – The contract for the Defence Training Review (DTR) was terminated on 19 October due to the inability of the preferred supplier to deliver a value for money solution. Further options for improving training across all three services will now be examined, including how best to make use of the investment already made at St Athan where training under the DTR was to be concentrated.
- **Force Generation and Sustainability** – A review of how the Armed Forces undertakes the tasks of force generation and sustainability will be undertaken by the three Service Chiefs and is expected to consider issues such as tour lengths and intervals and harmony guidelines. That work will be completed by spring 2011.

4.5 Rationalisation of the Defence Estate

Due to the number of changes in force levels and structures set out in the SDSR, requisite rationalisation of the defence estate is expected to be achieved:

- **Army** – Half of the remaining forces in Germany (approximately 20,000 Service personnel in total)¹³⁴ will return to the UK by 2015, with the aim of withdrawing all forces by 2020. The Government has asserted that “there is no longer any operational requirement for UK forces to be based there, and the current arrangements impose financial costs on the UK, disruption on personnel and their families and opportunity costs in terms of wider Army coherence”.¹³⁵ The likely costs of returning forces back to the UK and the reinstatement of facilities in Germany have yet to be determined.¹³⁶

The rationalisation of Army command structures and the reductions in equipment may also eliminate the requirement for some locations and reduce the infrastructure required at others.

- **RAF** – Due to the cancellation of the Nimrod MRA4 programme, the withdrawal of Harrier fleet, and the reduction in the size of the Tornado fleet, RAF Kinloss and two other bases will no longer be required by the RAF.¹³⁷ No decisions have yet been taken on their future, however, as some bases may be retained for forces returning from Germany or for other military purposes. Final decisions on the defence estate

¹³³ Several elements of that report relating to mental health services for veterans have already been implemented, including the launch of a dedicated 24-hour support helpline. More information on healthcare for veterans is available in Library briefing SN/SP/5764, [Healthcare for Veterans](#) (intranet only)

¹³⁴ A total footprint of approximately 43,000 personnel including dependants and civilian staff

¹³⁵ HM Government, *The Strategic Defence and Security Review*, Cm 7948, October 2010, p.28 The additional costs of military activity in Germany were estimated in 2009-2010 to be £340m (HL Deb 5 January 2010, c4-6WA)

¹³⁶ HC Deb 28 October 2010, c444W

¹³⁷ These two additional bases have yet to be identified. RAF Lossiemouth has been touted as one possibility given the planned reductions in the Tornado fleet and the fact that an extensive maintenance facility for the Tornado already exists at RAF Marham.

will be taken on the basis of detailed investment appraisals and wider impact assessments.

In the short debate on the SDSR on 19 October 2010, James Gray MP made the suggestion that RAF Lyneham, which is due to close in 2012, should also be considered for the potential re-housing of Army personnel returning from Germany, given its close proximity to Salisbury Plain.¹³⁸

- **Naval Estate** – The Royal Navy estate will be rationalised, although exact decisions have yet to be taken. Both the naval bases at Portsmouth and Devonport will be retained. Portsmouth will continue to be the home port for the Queen Elizabeth-class aircraft carrier once it enters service.

Overall, the rationalisation of the defence estate including the sale of surplus land and buildings is expected to generate running cost savings of up to £350 million per year by 2014-15.

The sale of the defence stake in the telecommunications spectrum and assets such as the Defence Support Group and the Marchwood Sea Mounting Centre are also expected to raise in excess of £500 million.

4.6 Outstanding Issues

Defence Reform

Alongside the SDSR the government also announced in summer 2010 that it would conduct a full organisational review of the Ministry of Defence. There would be two themes to this review: structural reform which will see the MOD reorganised into three pillars: Strategy and Policy, Armed Forces, and Procurement and Estates; and a cultural shift towards a leaner and less centralised organisation combined with devolved processes which carry greater accountability and transparency. The scope of the Defence Reform review is expected to be wide ranging and will examine in detail all major areas of defence: policy, strategy and finance; non-front line elements of the Armed Forces; defence acquisition and support; and commercial, estates and corporate services. The Defence Reform Unit will also examine options for devolving greater responsibility for the running of the Services themselves, including an assessment of whether the current Senior Rank structure across the Services is appropriate for a post-SDSR world.

To oversee implementation, a Defence Reform Unit has been established within the MOD to help plan and execute any structural/organisational changes. That work will proceed on a separate track with a view to completion of a blueprint for reform by the end of July 2011, although early high-level findings may be woven into the SDSR implementation process. An implementation plan setting out how the Defence Reform Unit's review will be delivered is expected to be published in September 2011, with a view to overall implementation being completed by April 2015.¹³⁹ Lord Levene is chairing the Steering Group, comprising internal and external experts, which will be supported by a civil service implementation team. The inaugural meeting of the Steering Group was held on 6 September 2010.¹⁴⁰

¹³⁸ HC Deb 19 October 2010, c814

¹³⁹ Ministry of Defence, *Business Plan 2011-2015*

¹⁴⁰ The Defence reform steering group comprises Lord Levene, Ursula Brennan (the new Parliamentary under Secretary at the MOD), General Sir Nicholas Houghton (Vice Chief of the Defence Staff), Baroness Noakes, George Iacobescu (Chief Executive of the Canary Wharf Group), Raymor McKeeve (a partner in law firm Berwin Leighton Paisner), Björn Conway (Head of Aerospace, Defence, Security and Resilience at Ernst & Young), Dr David Allen (a non-executive Director at the MOD) and Gerry Grimstone (Chairman of Standard Life and Candover Investments plc).

Defence Industrial Strategy

The government remains committed to pushing ahead with the process of acquisition reform that is already underway, including the implementation of a 10-year planning horizon agreed with the Treasury, and audited by the NAO every year, in order to provide more clarity and predictability for industry. As outlined above, the Defence Reform Unit is now expected to take forward that acquisition reform agenda as part of its broader remit.

Outside of that structural reform agenda, the Government has also committed to addressing the longer term implications of the SDSR for the UK's defence industrial base, and in particular the impact of a reduction in the defence budget over the period of the current CSR, cuts in capability and changes to the forward equipment programme. In a defence industry conference speech on 9 November 2010 Liam Fox acknowledged that a strong and viable defence industry, which employs approximately 300,000 people,¹⁴¹ was a "strategic asset" but also reiterated that the main purpose of defence procurement was "to provide our armed forces with the equipment and support they need, at the right time and at a cost that represents value for taxpayers' money". He cautioned that defence procurement was not "a job creation project".¹⁴² Emphasis has subsequently been placed on setting out a more measured and strategic consideration of the MOD's industrial and technology requirements and how industrial dependence on the UK's defence budget and forward equipment programme can be reduced. The stated intention of the Government is to be "supportive, but not protectionist".¹⁴³

On 20 December 2010 the MOD published a Green Paper setting out its proposals for industrial and technology policy over the next five years in relation to both UK defence and security. The paper marks the first time that such issues have been considered from the perspective of both defence and the wider security agenda, a reflection of the SDSR's overall integrated approach to these issues. Entitled *Equipment, Support, and Technology for UK Defence and Security: A Consultation Paper*,¹⁴⁴ the main priorities identified in that paper are as follows:

1. To strengthen bilateral international co-operation and collaboration. In some areas policy decisions have already been taken, such as the treaty undertakings on defence acquisition recently agreed with France.¹⁴⁵
2. The Government will support small and medium-sized enterprises that are recognised as a vital source of innovation and flexibility.
3. The Government's default position will be to use open competition in the global marketplace in order to achieve best value for money, to buy off-the-shelf wherever possible and to promote open markets in defence and security-related capabilities. However, the Government will take action to protect the industrial capabilities associated with the UK's identified sovereign requirements, in order to protect national security.
4. Recognising the vital importance of science and technology, the Government will increase engagement with academia in order to access innovative research being undertaken in universities, and encourage the commercialisation and 'pull through' of research into defence and security capabilities.

¹⁴¹ *Equipment, Support and Technology for UK Defence and Security: A Consultation Paper*, Cm 7989, December 2010

¹⁴² Speech by Rt Hon Dr Liam Fox MP to the Spectator Conference on Defence Procurement, 9 November 2010

¹⁴³ Cm 7989, December 2010

¹⁴⁴ Cm 7989, December 2010

¹⁴⁵ See Library briefing SN/IA/5750, *Franco-British Defence Co-operation* for further detail.

5. The Government will give its full support to the promotion of defence and security-related exports, within the framework of responsible export licensing, and the UK's defence and security requirements will be set with exportability in mind.

The proposals set out in the Green Paper will now be subject to a three-month consultation period¹⁴⁶ which will culminate in the publication of a White Paper later in 2011. That White Paper will set out the Government's approach to industry and technology until the next SDSR in 2015.

As part of the SDSR implementation process the Government has also made clear that a review of the terms of non-competitive contracts is currently underway and that an extensive programme of commercial re-negotiations with industry suppliers in order to try and achieve cost savings has begun. However, as an article in *Jane's Defence Weekly* on 24 November 2010 noted, achieving substantial cost savings will be dependent upon securing beneficial terms with suppliers and as such the MOD could incur substantial compensation fees for the termination of any programmes or changes to their requirements.¹⁴⁷

In a move that has been regarded as "a radical overhaul of the way the Department operates",¹⁴⁸ Bernard Gray was appointed the MOD's Chief of Defence Materiel in December 2010, the first civilian appointed to the post. In October 2009 Bernard Gray published an independent report,¹⁴⁹ commissioned by the previous Labour Government, which was largely critical of the way defence acquisition is conducted by the MOD. Many of the report's recommendations have formed the basis of the defence acquisition reform programme which has been underway within the MOD over the last year. However, among the report's main recommendations was also a proposal for acquisition to be outsourced to a "Government owned, contractor operated" organisation, a proposal which met with significant opposition by the then Government.¹⁵⁰ In a December 2010 article in *The Financial Times* Malcolm Chalmers of RUSI made the observation that: "the Government does now need to clarify where it stands on any reform of DE&S [Defence Equipment and Support]" and that "it will be surprising if Gray took this job only to reject one of his main recommendations".¹⁵¹

4.7 Reaction to the Defence Cuts

Prior to the publication of the SDSR, debate and speculation over the possible outcome for the UK's defence posture was wide ranging. The main focus of commentary was on potential capability and manpower cuts within the Armed Forces and whether the review, despite best intentions, would be budget driven as opposed to policy driven. Indeed, many analysts pointed to the intention to publish the SDSR in parallel with the Comprehensive Spending Review as evidence of its budgetary focus; an argument that was supported by the publication of a leaked letter to the Prime Minister in September 2010, in which the Secretary of State for Defence suggested: "Frankly this process is looking less and less defensible as a proper SDSR and more like a "super CSR".¹⁵² Questions over the replacement of Trident also dominated, in particular the increasingly public row over which government department should fund the capital costs of the replacement programme. The inherent dilemma of planning, and funding, 'the' war (Afghanistan), as opposed to 'a' war in the longer term also arose, with much of the focus on where equipment and basing cuts should subsequently fall. This led to protracted debates and well publicised disagreements among the three Service Chiefs.

¹⁴⁶ Submissions to that consultation can be made until 31 March 2011.

¹⁴⁷ "Cancellation fees eat away at SDSR savings", *Jane's Defence Weekly*, 24 November 2010

¹⁴⁸ "MOD critic to lead defence procurement", *The Financial Times*, 17 December 2010

¹⁴⁹ Bernard Gray, *Review of Acquisition for the Secretary of State for Defence*, October 2009

¹⁵⁰ See *Written Ministerial Statement*, 15 October 2009

¹⁵¹ "MOD critic to lead defence procurement", *The Financial Times*, 17 December 2010

¹⁵² "Defence cuts: Liam Fox's leaked letter in full", *The Daily Telegraph*, 28 September 2010

The speed at which the defence review was being conducted also led to criticism across the board. Many academics expressed concern that the pace of the review had precluded any wide ranging discussion of strategy and that the debate had inevitably focused on capability cuts as opposed to bigger strategic questions.¹⁵³ The ability of the UK to even conduct 'grand strategy' in any meaningful way was a consequence of that discussion.¹⁵⁴

In announcing the SDSR in the House the Prime Minister, David Cameron, sought at the outset to fend off criticism of the motivations behind the review. He stated:

First, this is not simply a cost-saving exercise to get to grips with the biggest budget deficit in post-war history. It is about taking the right decisions to protect our national security in the years ahead, but let me say this: the two are not separate. Our national security depends on our economic strength, and vice versa.¹⁵⁵

The Leader of the Opposition, Ed Miliband, refuted that argument, however, commenting:

Many people will believe that this review is a profound missed opportunity. It is a spending review dressed up as a defence review; it has been chaotically conducted and hastily prepared; and it is simply not credible as a strategic blueprint for our future defence needs.¹⁵⁶

On the issue of timing, the then Chief of the Defence Staff, Air Chief Marshal Sir Jock Stirrup, defended the Government's position in an interview on the Andrew Marr Show on 31 October:

Of course it would have been nice to have been able to adopt a more leisurely pace, but the one thing we knew was that the Comprehensive Spending Review was going to complete this October. If we had taken say a year over the Defence review, we'd be halfway through it now and the Treasury would already have decided our resource allocation on a fairly arbitrary basis, and we would have had to conduct the second half of the review within that financial straitjacket. Now nothing is more finance driven than that. By doing the defence review at the same time as the Spending review, we were at least able to use some of the strategic arguments in an attempt to influence the resource allocation process.¹⁵⁷

In its response to the Defence Select Committee's September 2010 report on the SDSR, the Government also made the point that one of the criticisms voiced over previous defence reviews was precisely that they had not been tied closely enough to long term spending decisions. That report went on to reiterate that significant preparatory work on the SDSR had been undertaken within the MOD,¹⁵⁸ and had largely been endorsed by all three main political parties.¹⁵⁹

The speed of the review and the costs versus policy priorities debate opened up a much broader discussion, after the review's publication, on whether the conclusions of the SDSR can indeed be considered strategic and, from a military perspective, whether they leave the

¹⁵³ See for example, Dr Paul Cornish, *Strategy in Austerity*, Chatham House Report, October 2010

¹⁵⁴ See for example the report of the Public Administration Select Committee, *Who does UK national strategy?*, HC 435, Session 2010-11 and "Why Britain doesn't do grand strategy", *RUSI Journal*, August/September 2010

¹⁵⁵ HC Deb 19 October 2010, c797

¹⁵⁶ *ibid*, c803

¹⁵⁷ *Interview with the Chief of the Defence Staff*, The Andrew Marr Show, 31 October 2010

¹⁵⁸ *Global Strategic Trends, The Future Character of Conflict* and the Labour Government's *Strategic Defence Review Green paper*, Cm 7794.

¹⁵⁹ Defence Select Committee, *The Strategic Defence and Security Review: Government response to the Committee's First Report of Session 2010-11*, HC 638, December 2010

Armed Forces capable of meeting the national security objectives set down in the NSS. In a short debate in the House of Lords on 19 October 2010, Lord Robertson, a former Secretary of State for Defence and NATO Secretary General commented:

I can say to the leader of the House that I know a strategic review, I have done a strategic review, and this is not a strategic review.

Instead, will it not be seen by the country as a cobbled-together exercise on the back of a letter from the Treasury calling for deep and random cuts in the defence budget? As such, it is unworthy of those who serve in Her Majesty's forces today.¹⁶⁰

Lord Boyce also called the SDSR a “cash-driven defence review”, going on to comment “I certainly cannot possibly dignify it with the word ‘strategic’”.¹⁶¹

As outlined above, the two core objectives of the NSS are a secure and resilient UK and the maintenance of a full and active role for the UK on the world stage; what David Cameron has referred to as ‘no strategic shrinkage’. The subsequent National Security Risk Assessment also identified international military crises as a Tier One threat to the UK. Despite the emphasis in both the NSS and SDSR on ‘soft power’, diplomacy and conflict prevention, and a perceived move away from the interventionist approach that defined the Blair premiership, taken together these objectives confirm the need to maintain conventional military capability across the whole spectrum of operations. Indeed Dr Robin Niblett, Director of Chatham House, argues that “a global role for the UK is a necessity, not a luxury” and that “given the great benefits that the UK derives from stable and open global markets, as well as the ways that distant conflicts can have direct consequences for the UK, the capacity to project military capabilities far from its shores will remain a vital insurance policy for the country”.¹⁶²

However, as Colonel Richard Williams has observed:

In the “Tier 1” basket is the more nebulous need for the UK to counter an “international military crisis between states that draws in Britain, its allies and other state and non-state actors”. This catch-all phrase positions the UK for participating in costly military quagmires of questionable worth, other people's wars and working to objectives set by foreign nations. But far more damaging, it provides the MOD, the Civil Service and the Service Chiefs almost unlimited freedom to choose their own course of travel...”.¹⁶³

Patrick Porter, writing in *The World Today*, shares this view. He has suggested that “the country's interests have acquired an open-ended, de-territorialised and unbounded character. If British policymakers and their military advisers believe that the nation's interests are at stake wherever questions of order, values, stability or wealth are involved, all things are British concern and virtually everything matters”.¹⁶⁴ On that basis General Lord Guthrie has observed that “Governments do not have as much choice as they think they will have”.¹⁶⁵

Yet the reconfiguration of the Armed Forces envisaged in the SDSR has led many analysts to question whether there is in fact a mismatch between intended strategy and the means to implement it. The loss of carrier strike capability for the next decade, the reduction in amphibious capability and the revision of the planning assumptions to reflect a much reduced intervention capability, and a smaller stabilisation capability, have raised questions over the

¹⁶⁰ HL Deb 19 October 2010, c784

¹⁶¹ *ibid*, c785

¹⁶² Dr Robin Niblett, *Playing to its strengths: rethinking the UK's role in a changing world*, June 2010

¹⁶³ Colonel Richard Williams, “After the review, can Britain still defend itself?”, *The Times*, 20 October 2010

¹⁶⁴ Patrick Porter, “The maps are too small”, *The World Today*, May 2010

¹⁶⁵ General Lord Guthrie, “The defence of Britain: what can we do?”, Centre for Policy Studies lecture, 10 March 2010

UK's capacity for effective force projection in the future, its ability to conduct operations on the level of the Falklands Conflict, the Gulf War in 1990, or indeed to make a meaningful contribution to the types of coalition operations seen more recently in Iraq and Afghanistan.¹⁶⁶ A future intervention operation envisages a force size of approximately two-thirds of that which was originally deployed into Iraq in 2003;¹⁶⁷ while the stabilisation capability envisaged in the new DPA is again approximately two-thirds the size of the stabilisation force which is currently deployed in Afghanistan.¹⁶⁸

Professor Michael Clarke of RUSI has observed this apparent divide between strategy and resources. While he argues that there is "some clear grand strategy" behind the NSS and the SDSR, he concludes that the "Government has salami sliced the Forces, making savings where it can, and runs the risk of creating an eccentric force structure to back up a pretty ambitious national strategy". He argues that:

Here is the mis-match. If we are to take the National Security Strategy really seriously, we might logically be looking at a much greater shift of resources from military 'hard power' towards diplomatic, economic or cultural 'soft power' – playing our role in the world in more subtle ways.

But the Government feels instinctively that this would be too much of a risk, so the strategy has been to interpret 'punching above our weight' essentially in conventional military terms; and terms that we think matter to the United States. Agree with it or not, that part at least is consistent with the Prime Minister's grand strategic view of what we should be doing in the world. This is why the two parts of the strategy do not match very well. The review has really struggled to get over the short-term pressures and has gone for the cuts that are possible, as opposed to those that might make a real difference to Britain's long-term strategy.¹⁶⁹

He concludes that "the SDSR has been more of a holding operation" and that "the real transformative questions for the forces are still to come".¹⁷⁰ Indeed, since the publication of the SDSR he has continued to argue that further capability cuts are increasingly likely if the MOD is to address its budget deficit over the next few years.¹⁷¹

Philip Stephens, writing in the *Financial Times*, agrees with the idea of a division between ambition and resources:

Mr Cameron's administration is unwilling to surrender Britain's global aspirations, but it is also unwilling to pay for them. The outcome is a defence posture that pretends every circle can be squared. Britain can meet all the threats to its security – old and new – and simultaneously slice an effective 15 per cent from the £38bn defence budget. The result? Aircraft carriers without jets.¹⁷²

An assessment by the International Institute for Strategic Studies suggests that this mismatch "leaves the UK still able to 'punch above its weight' but with the power of its punch reduced, and more dependent on partnerships with other countries".¹⁷³ Indeed, the emphasis

¹⁶⁶ See for example, Con Coughlin, "Defence review: these cuts leave us vulnerable to our enemies around the world", *The Guardian*, 21 October 2010

¹⁶⁷ 46,000 personnel during the combat phase

¹⁶⁸ Currently 9,500 personnel

¹⁶⁹ Professor Michael Clarke, "Has the defence review secured Britain's place in the world?", *RUSI Commentary*, 19 October 2010

¹⁷⁰ "The defence and security review survey", *RUSI Occasional Paper*, October 2010

¹⁷¹ See <http://www.rusi.org/analysis/commentary/ref:C4D2C5F306334F/>

¹⁷² Philip Stephens, "How the carriers sank a defence strategy", *The Financial Times*, 19 October 2010

¹⁷³ "Britain lowers its military sights", IISS Briefing, 19 October 2010

within the SDSR on alliances and partnerships as a means of overcoming potential capability gaps has led *Jane's Defence Weekly* to argue:

Although there is a commitment to maintain a 'broad spectrum' of defence capability, there is considerably more space given over to the UK's mutual dependence upon its allies and ensuring greater effect by combining its defence capability with development, diplomatic and intelligence capacity [...]

Nowhere in the SDSR is there any real acknowledgement that the risks of such sweeping cuts means that we may well identify a threat that we no longer have the ability to address.¹⁷⁴

The assessment goes on to conclude:

A hurried review, driven largely by the Treasury, may have made assumptions about the last wars on the ability of allies to agree – and the efficacy of an 'arm's length' security strategy – that will tightly constrain our flexibility in the coming decade. Such constraints may potentially preclude, as examples, a second Falklands operation or even a similar action to that seen in Sierra Leone.

The UK military may have lost its ability to respond to these without recourse to its allies: fine and good, as long as the threats the country faces remain as they are, do not do anything unexpected and we march in step with all our friends abroad.¹⁷⁵

Dr Niblett has also noted the potential risk of relying on international partnerships at a time of fiscal austerity. In a June 2010 report he argued that:

There is, however, one important problem at this time. In the midst of the Eurozone crisis, most EU member states are less concerned with international challenges or crises. Painful national reform programmes will affect their willingness to engage [...] The US administration and Congress are similarly preoccupied in the aftermath of the global financial crisis.¹⁷⁶

Dr Paul Cornish at Chatham House suggests, however, that while the overall review is indeed characterised by indecision or 'muddling through', this approach is not entirely unwelcome. He has argued:

There is indecision, but deliberately and knowingly so; the government seems to be saying that some decisions cannot and need not be made today, or that it would be imprudent to do so. In other words, we have the beginnings of a risk-based approach to national strategy. This is to be welcomed: national strategy must be concerned with a vast array of challenges and it is inconceivable that preparations could be made to meet every one of them. Priorities must be reassessed as circumstances change. This is merely the beginning of a long and difficult process, one that will require frequent reconfiguration of strategic resources. But a start has been made in the right direction.¹⁷⁷

Dave Clemente, also at Chatham House, shares this view:

Many issues that today weigh heavily on the armed forces will look very different in five years, not least the conflict in Afghanistan and the financial crisis. In the light of this,

¹⁷⁴ "Arm's length approach sees the UK doing less", *Jane's Defence Weekly*, 27 October 2010

¹⁷⁵ *ibid*

¹⁷⁶ Dr Robin Niblett, *Playing to its strengths: rethinking the UK's role in a changing world*, June 2010

¹⁷⁷ *Evaluating the 2010 Strategy Review*, Chatham House, October 2010

the government's apparent indecision may not be entirely unwarranted, though the process of conducting this review could have been done in a way that inspired much more confidence.¹⁷⁸

Professor Keith Hartley agrees that "there is a strategy – albeit one that acknowledges that adjustments needed to reflect Britain's changed economic position in the world",¹⁷⁹ while *The Economist* has concluded that "the government has made a goodish fist of a rotten hand" and that "Britain may not be quite so willing to throw itself into every fight going as it has been in the recent past, but this SDSR should be seen more as a tactical retreat than a surrender".¹⁸⁰ This view is also shared by Air Chief Marshal Sir Brian Burridge who concluded that "the review makes a reasonably pragmatic match between strategy and force structure".¹⁸¹

The decision to cut the UK's carrier strike capability for the next decade has epitomised this debate over grand strategy and whether the UK will be willing, or indeed able, to match the ambitions of the National Security Strategy. For many analysts the decision represents "a deliberate reduction of the UK's capacity to act unilaterally far from home in the immediate years to come",¹⁸² "explicitly lowers Britain's level of ambition for expeditionary operations",¹⁸³ and "questions the navy's global reach".¹⁸⁴ The ability of the UK to adequately defend the Falkland Islands has been frequently raised as a concern in this regard.¹⁸⁵

In his evidence to the Defence Select Committee in November 2010 General Richards defended the decision to cut carrier strike, arguing that:

In our collective judgement, it is certainly a risk, but it is less of a risk than doing away with certain other capabilities [...] Between now and 2020, particularly between now and 2015-16, looking at what our own excellent intelligence services and our own analysis and defence intelligence tell us, and at our commitment in Afghanistan and the things from which that springs – namely extremist ideology – we can manage without the carrier. We need aircraft, but we know we can deliver aircraft from land-based options, such as airfields.¹⁸⁶

Indeed, operating without a carrier strike capability is not unprecedented. As Lord Astor emphasised in a House of Lords debate on 12 November "the UK's carrier strike capability was gapped during the late 1970s, as we transitioned from Buccaneer to Harrier. While Harrier was operating in Afghanistan between 2004 and 2009, our ability to generate carrier strike was severely curtailed".¹⁸⁷

¹⁷⁸ *Evaluating the 2010 Strategy Review*, Chatham House, October 2010

¹⁷⁹ Keith Hartley, "The economics of the defence review", *RUSI Journal*, December 2010

¹⁸⁰ "Painful, but not fatal", *The Economist*, 19 October 2010

¹⁸¹ Brian Burridge, "At last we have put better intelligence capability ahead of the nuclear deterrent", *The Times*, 20 October 2010

¹⁸² "Arm's length approach sees the UK doing less", *Jane's Defence Weekly*, 27 October 2010

¹⁸³ "Britain lowers its military sights", *IJSS Commentary*, 19 October 2010

¹⁸⁴ Christian Le Miere, "Cuts cast doubts over UK navy's global reach", *IJSS Commentary*, 19 October 2010

¹⁸⁵ In response to this criticism, the MOD has argued that the presence of the UK garrison on the Falkland Islands and the UK's ability to rapidly reinforce by air, has a sufficient deterrent effect on any would-be adversaries (SDSR Briefing, October 2010). Sir Jock Stirrup also argued on the Andrew Marr Show on 31 October 2010 that the current situation relating to the defence of the Falklands is militarily different to the position in 1982 where the UK actually lost the Falkland Islands and had to retake them ([Interview with the Chief of the Defence Staff](#), The Andrew Marr Show, 31 October 2010).

¹⁸⁶ Defence Select Committee, *Uncorrected transcript of oral evidence*, HC 600-i, Session 2010-11, Q.35

¹⁸⁷ HL Deb 12 November 2010, c393-4

He also went on to defend the decision to scrap the Harrier as opposed to the Tornado fleet, which it has been acknowledged would have achieved greater cost savings:

We have agreed that, over the next five years, life-saving combat air support to operations in Afghanistan has to be the overriding priority. However, the bottom line was that salami-slicing the Harrier and the Tornado fleets would not save the required money nor provide the required capability. A decision was therefore needed about which fleet to cut, and military advice was sought.

The military advice, which Ministers accepted, was to retain Tornado. We were advised that operations in Afghanistan have taken their toll on the Harrier force and that, because of the cuts made in the Harrier fleet last year, Harrier numbers have been reduced far below the minimum needed to maintain our fast-jet contribution in Afghanistan on an enduring basis and without breaching harmony guidelines. Therefore, we could not sustain our current fast-jet requirement in Afghanistan using Harriers alone. Crucially, we were advised that the Tornado was the more capable aircraft to retain, due to its wider capabilities and force size, not only for Afghanistan but other significant contingent capabilities. In contrast, short-range carrier-based Harriers would provide only a very limited coercive capability beyond 2015. Our judgment was that it was unlikely that this would be sufficiently useful in the second half of the decade. It is true that deleting the entire Tornado fleet would save more money, but that is because we have three times as many Tornado force elements at readiness as Harrier, and Tornado has a longer planned service life. That also surely proves that we have made this decision on the basis of military judgment, not just as a cost-saving exercise.¹⁸⁸

The decision to gap carrier strike for the next ten years has also led to questions over the utility of procuring the Queen Elizabeth-class carriers from 2020 onwards. An article in *The Daily Telegraph* observed that “the decision to decommission Ark Royal, the Royal Navy’s flagship is troubling. If Britain can do without the strike capability provided by its aircraft carriers for the next decade, then why is it proceeding with the construction of two new carriers at a cost of £5bn?”¹⁸⁹ At a more technical level, concerns have also been expressed over the ability to regenerate a carrier strike capability in ten years’ time due to a loss in the skills set of pilots and carrier-based personnel. Admiral Sir Sandy Woodward, commander of the British task force during the Falklands Conflict, has argued that “handling fixed wing aircraft on the deck of an aircraft carrier is as complicated a business as it is to run the Bolshoi ballet, if not more so, and you do it for months on end as opposed to one evening at a time, and to get all that skill back will take you 10 to 15 years”.¹⁹⁰ Indeed the First Sea Lord has acknowledged that the “decline of skills and experience in maritime air operations may complicate the transition to JSF operations on the future carrier” but that “transition planning will seek to mitigate this risk”.¹⁹¹ Specifically, it is envisaged that:

The successful recreation of the UK’s ability to operate aircraft from carriers will rest upon the leadership and support of everyone in defence, and the contribution of our international partners.¹⁹²

Several analysts have, on the other hand, argued that the decision to maintain one operational carrier, albeit without the Harrier, and to procure the Queen Elizabeth-class in the longer term is strategically sound; that it recognises the utility of naval power in providing political choice and flexibility, particularly if secure access and freedom of movement in areas

¹⁸⁸ HL Deb 12 November 2010, c393-4

¹⁸⁹ “Our armed forces pay for Labour’s neglect”, *The Daily Telegraph*, 19 October 2010

¹⁹⁰ “Struggle at the top over decision to scrap UK Harriers”, *BBC News Online*, 15 December 2010

¹⁹¹ SDSR Briefing, October 2010

¹⁹² Message from the First Sea Lord, *Outcome of the Strategic Defence and Security Review*, 19 October 2010

of conflict becomes difficult; and that it epitomises a posture that seeks to be ‘Adaptable’.¹⁹³ Admiral Lord West commented in the short debate in the Lords on 19 October:

I am delighted by the decision that we will go ahead with the two new aircraft carriers. That fits in exactly with the view that I think all of us have of the United Kingdom; namely, that we need global reach and that we are still a great power. A lot of people might deny that, but I argue that we are. We are one of the six richest nations in the world. We have commitments all around the world; we have huge investments around the world; we run global shipping; we are an important and great power. There is no doubt that, when it comes to flexibility and capability for global reach, aircraft carriers have it in spades.¹⁹⁴

As *The Economist* also noted “building a second carrier when the navy desperately needs smaller surface ships to patrol the sea lanes looks lopsided. But frigates can be easily built at a later date if they are needed, whereas the carriers are a once in 50 years decision”.¹⁹⁵

As General Richards concluded in a speech to the Policy Exchange on 22 November “we cannot prepare for everything. We cannot be instantly ready for every eventuality. But we can be prepared, in close concert with allies, for the most likely contingencies and structured and equipped to deal with the greatest threats”.¹⁹⁶ As he also pointed out in the annual Chief of Defence Staff lecture at RUSI in December 2010:

The Government has not drawn the same strategic conclusion as some wanted, not because there is a lack of strategic direction but the reverse: to maintain our strategic freedom of manoeuvre.¹⁹⁷

However, as an article in *The Daily Telegraph* observed: “the big test of whether the 2010 SDSR has been a success will come when the next strategic shock arrives. The Falklands War, the first Iraq War, the Balkan crisis, 9/11, the Afghanistan War, were all entirely unpredicted. No one knows what form the next strategic shock will take, only that it will come”.¹⁹⁸

5 Strategic Defence and Security Review: Wider Security Issues

In light of the Government’s new approach to security in the round, the following section examines the chapters of the SDSR devoted to broader national security issues.

5.1 Terrorism

The 2010 NSS continues to identify terrorism, both national and international, as one of the highest priority risks to the United Kingdom, listing it as a “Tier One” risk in the National Security Risk Assessment. In particular, it is contended that the principal threat from international terrorism continues to emanate from “Al Qaeda, its affiliates and terrorists

¹⁹³ For a discussion of the military utility of naval power see a speech by Admiral Sir Mark Stanhope to the Royal United Services Institute, *Future Maritime Operations*, 7 July 2010; Jeremy Blackham & Gwyn Prins, “Why things don’t happen”, *RUSI Journal*, August/September 2010 and “Carriers give politicians options – not dead ends”, *The Daily Telegraph*, 15 September 2010

¹⁹⁴ HL Deb 19 October 2010, c788

¹⁹⁵ “Painful, but not fatal”, *The Economist*, 19 October 2010

¹⁹⁶ [Speech by the Chief of the Defence Staff](#) at the Policy Exchange, 22 November 2010

¹⁹⁷ RUSI Annual Chief of Defence Staff Lecture, 14 December 2010

¹⁹⁸ “National security strategy’s real test will come when the next shock arrives”, *The Daily Telegraph*, 17 October 2010

inspired by its ideology”, whilst domestically, the focus remains on the activities of residual terror groups in Northern Ireland.

Jonathan Evans, the Director General of the Security Service (MI5), recently indicated in a speech to the Worshipful Company of Security Professionals that:

The Security Service ... assumed the lead responsibility for national security intelligence work in Northern Ireland in October 2007. At that point our working assumption was that the residual threat from terrorism in Northern Ireland was low and likely to decline further as time went on ... Sadly that has not proved to be the case ... (and) we have seen a persistent rise in terrorist activity and ambition in Northern Ireland over the last three years.¹⁹⁹

Shortly thereafter, in October, Sir John Sawer, the Chief of the Secret Intelligence Service (MI6), gave his first speech (to the Society of Editors). He said, amongst other things, that:

Al-Qaida have ambitious goals. Weakening the power of the west. Toppling moderate Islamic regimes. Seizing the holy places of Islam to give them moral authority. Taking control of the Arab world's oil reserves. They're unlikely to achieve these goals, but they remain set on trying, and are ready to use extreme violence ... It's not just the border areas of Afghanistan and Pakistan. Al-Qaida affiliates in Yemen, Somalia and North Africa pose real threats to the UK. From his remote base in Yemen, Al-Qaida leader and US national Anwar al-Awlaki broadcasts propaganda and terrorist instruction in fluent English over the internet ... Whatever the cause or causes of so-called Islamic terrorism, there is little prospect of it fading away soon.²⁰⁰

Specific and Underlying Threats

The NSS notes that the threat of terrorism is “becoming more diverse and this trend is likely to continue”. It indicates that internationally, al Qaeda now has affiliates in Somalia, Yemen and Iraq, and that those who have received experience overseas may return to the UK “with the know-how to conduct attacks”. The NSS also highlights the fact that al Qaeda and other groups “have stated an aspiration to develop [...] chemical, biological, radiological or nuclear [...] capabilities” to maximise the impact of its attacks. There is also a threat from “lone terrorists” who may have been radicalised, but are neither directed, nor trained by established groups.

Sir John Sawer noted the risk of proliferation in his speech, arguing that:

Proliferation terrorism is difficult enough and, despite our collective efforts, an attack may well get through. The human cost would be huge. But our country, our democratic system, will not be brought down by a typical terrorist attack.

The dangers of proliferation of nuclear weapons – and chemical and biological weapons – are more far-reaching. It can alter the whole balance of power in a region.

States seeking to build nuclear weapons against their international legal obligations are obsessively secretive about it. SIS's role is to find out what these states are doing and planning, and identify ways to slow down their access to vital materials and technology.

¹⁹⁹ [Jonathan Evans, Address at the Worshipful Company of Security Professionals, September 2010](#)

²⁰⁰ [John Sawers, Speech to the Society of Editors, October 2010](#)

A recent Cabinet Office factsheet on terrorism provides some statistics on convictions for terrorism related offences in the UK and restates the perceived areas of greatest risk:

Between 11 September 2001 and the end of 2009, 235 persons in the UK were convicted of terrorism related offences (with further persons awaiting prosecution) [...] Threats emanating from Pakistan, Yemen, and Somalia currently pose the greatest risk to the UK and UK interests.²⁰¹

Funding

The SDSR makes clear that in spite of the abovementioned threats and the need to ensure that “our key counter-terrorist capabilities are maintained and in some areas enhanced”, there is still a need to deliver “efficiency gains”.

Other Reviews

In addition to the issues specifically addressed by the SDSR, the Government has commenced a series of reviews, both of the underlying counter-terrorism strategy, CONTEST, and the terrorism legislation itself. It is fair to say that a considerable amount of the legislation is currently in flux, as (should the Government wish to retain the powers) renewal votes in Parliament would be required on the issues of extended pre-charge detention and control orders early in 2011. The *Terrorist Asset-Freezing etc. Bill* has recently passed through both Houses.²⁰²

It is worth noting at the outset that the *Terrorism Act 2000* was intended to be a consolidating measure. However, post 9/11, a series of further Acts were introduced to enhance counter-terrorism powers. These included the *Anti-terrorism, Crime and Security Act 2001*, the *Prevention of Terrorism Act 2005*, the *Terrorism Act 2006* and the *Counter-Terrorism Act 2008*. There has been a series of successful legal challenges to certain powers introduced in these Acts (these are set out in the House of Commons Library publication [Key Issues in the New Parliament](#)).

The Government has now indicated that it will review key counter-terrorism and security powers, including:

- Control orders²⁰³;
- Section 44 stop and search powers and the use of terrorism legislation in relation to photography;
- The use of the Regulation of Investigatory Powers Act 2000 (RIPA) by local authorities and access to communications data more generally;
- Extending the use of ‘deportations with assurances’ in a manner that is consistent with our legal and human rights obligations;
- Measures to deal with organisations that promote hatred and violence;
- Pre-charge detention, including alternatives to the current measures and possibilities for increased safeguards.²⁰⁴

²⁰¹ Cabinet Office, "Factsheet 16, Terrorism"

²⁰² [House of Commons, Terrorist Asset Freezing Bill page](#)

²⁰³ See: [House of Commons Library, "Control Orders and the Prevention of Terrorism Act 2005", SN/HA/3438](#)

²⁰⁴ See: [House of Commons Library, "Pre-charge Detention in Terrorism Cases", SN/HA/5634](#)

The outcome of the review was due to be published in November 2010.²⁰⁵ There has been press speculation that publication was delayed due to disagreements over how to deal with control orders. The most recent speculation is that any replacement for the control orders will not be unveiled until early in 2011.²⁰⁶

In respect of the counter-terrorism strategy, the CONTEST programme is currently organised into four work streams, namely:

- Pursue – to stop terrorist attacks;
- Prevent – to stop people from becoming terrorists or supporting violent extremism²⁰⁷;
- Protect – to strengthen our protection against terrorist attack;
- Prepare – where an attack cannot be stopped, to mitigate its impact.

The Home Office has said that the CONTEST strategy (which was last reviewed in 2009) is subject to a further review, which is due to report in 2011.²⁰⁸ It notes that “the strategy includes action at the international, national and local level.” There is “a parallel Olympic and Paralympic Safety and Security Strategy to protect the 2012 Games from all types of risk, including terrorism”.²⁰⁹

The Home Office is also undertaking a separate review of the Prevent strand of CONTEST²¹⁰, to try to achieve a clear separation between Prevent (which would have a Home Office lead) and integration (which would have a Communities and Local Government lead (DCLG)). The outcome of this review is due to be published in January 2011. The Government’s Independent Reviewer of Terrorism Legislation, Lord Carlile QC, was appointed to supervise the review (until the end of 2010).²¹¹

The SDSR suggests that this is being done so that DCLG can continue to work “to encourage a more integrated society, separate from CONTEST”, whilst the Office for Security and Counter-Terrorism, which is based in the Home Office, takes responsibility for a more focused Prevent strategy.

National Security and the Courts

As well as the abovementioned reviews, the NSS also acknowledges certain difficulties that have developed where the security and intelligence services have obtained intelligence from third countries which may not share British values on the rights of individuals.²¹² The courts have been faced with a series of allegations that the UK security services have been “complicit in torture” or ‘extraordinary rendition’.²¹³ During the course of the litigation, which

²⁰⁵ <http://www.homeoffice.gov.uk/counter-terrorism/uk-counter-terrorism-strat/>

²⁰⁶ <http://www.bbc.co.uk/news/uk-politics-12000406>

²⁰⁷ See: House of Commons Library, “Preventing Violent Extremism”, SN/PC/04766 (Intranet only)

²⁰⁸ <http://www.homeoffice.gov.uk/counter-terrorism/uk-counter-terrorism-strat/>

²⁰⁹ Further information about this strategy can be found at: <http://www.homeoffice.gov.uk/counter-terrorism/securing-2012-olympic-games/>

²¹⁰ “Measures to prevent violent extremism come under review”, *BBC Online*, 9 November 2010

²¹¹ <http://www.homeoffice.gov.uk/media-centre/news/prevent-review>

²¹² For more on this, see: Home, A. “Security Services Under the Microscope”, *Criminal Law and Justice Weekly*, 4 December 2010, Vol 174, p.757

²¹³ Further information on extraordinary rendition, see Library briefing, SN/IA/3816, *Extraordinary Rendition*, 25 June 2007 (intranet only).

was settled by the Government in November 2010, particular concerns were expressed over the 'control principle' on intelligence sharing.²¹⁴

In his speech to the Society of Editors, Sir John Sawers has contended that the control principle is:

Rule Number One of intelligence sharing. We insist on it with our partners and they insist on it with us [...] If the Control Principle is not respected, the intelligence dries up. That's why we have been so concerned about the possible release of intelligence material in recent court cases.

The NSS indicates that it is not always easy to strike an appropriate balance, but that the Government will be publishing a Green Paper in 2011, "seeking views on a range of options, designed to enable the courts and other oversight bodies to scrutinise modern day national security actions effectively, without compromising national security".

5.2 Cyber Security

Cyber-based systems underpin our lives from energy generation to banking and shopping to emailing. Over 91% of UK businesses and 73% of UK households have internet access and £47.2 billion was spent online in the UK alone in 2009.²¹⁵ Information and Communications Technology (ICT) is a key part of the UK critical national infrastructure (CNI) along with water, energy and transport, whose operational systems are also dependent on this sector. The growth of the Internet (estimated to be expanding by 60% a year) is increasing our reliance on cyber-based systems and bringing an increased vulnerability to any moves to disrupt such systems for political or individual gain as well as accidental disruption.²¹⁶

The European Network and Information Security Agency (ENISA) has identified the UK as one of the leading states in the EU dealing with internet incidents and the UK is generally seen as having sophisticated defences and "reasonably well placed" to cope with disruptions from cyber attacks.²¹⁷ However, in the UK alone, GCHQ observes over 200,000 malicious emails on Government networks each month, 1000 of which are deliberately targeting them. The Security Service estimates that at least 20 foreign intelligence services are operating to some degree against UK interests in cyberspace. The UK currently ranks 6th behind the US, Brazil, India, China and Germany in the world rankings of hotspots for malicious cyber activity produced by Symantec, a market leader security software firm.²¹⁸ Further detailed information on the nature of the cyber security threat is available in Library briefing SN/SC/5832, *Cyber Security – A New National Programme*.

The cyber realm of networked, digital activities (often internet-based) is therefore now globally recognised as a 'new front' in military and security terms. The US has established a new Pentagon command for cyberspace (US Cybercom) and in 2009 the UK's first Cyber

²¹⁴ The Control Principle is an understanding of confidentiality governing the working relationships between intelligence services of different countries; confidentiality is vested in the country of the service which provides the information; it never vests in the country which receives the information. *R (Mohamed) v Foreign Secretary* (No2) [2010] EWCA Civ 65; [2010] EWCA Civ 158; [2010] 3 WLR 554 at [5]

²¹⁵ Office for National Statistics, *E-commerce and ICT activity 2009*, 26 November 2010; Office for National Statistics, *9.2 million UK adults have never used the internet*, 27 August 2010; GCHQ Press Release, *Director GCHQ, Iain Lobban, makes Cyber speech at the IISS*, 12 October 2010 and Payments Council website, *Key Payment Facts (2009)* page [on 8 December 2010]

²¹⁶ GCHQ Press Release, *Director GCHQ, Iain Lobban, makes Cyber speech at the IISS*, 12 October 2010

²¹⁷ House of Lords European Union Committee, *Protecting Europe Against large-scale cyber-attacks*, HL Paper 68, 2009-10, March 2010, para 24

²¹⁸ Symantec, *Symantec Global Internet Security Threat Report – Trends for 2009*, Vol xv, April 2010, Executive Summary and Symantec, *Symantec Intelligence Quarterly: July –Sept 2010*, October 2010

Security Strategy was produced which created centralised cyber security capability for the first time.²¹⁹

- The Office of Cyber Security (and now also Information Assurance), to co-ordinate policy across Government and pool intelligence from police and security services, and
- Cyber Security Operations Centre in GCHQ, to co-ordinate the protection of the country's major IT systems.

The Strategy was also intended to help co-ordinate existing cyber security efforts across Government in a "strategic enabling framework". It prioritised the development and growth of critical skills and additional funding for the development of innovative future technologies to protect the UK network.²²⁰ An overview of current government responsibilities for cyber security is set out in Appendix Two. The Home Office, the Serious Organised Crime Agency (SOCA) and the Police tackle cybercrime. The Home Office Minister Baroness Neville Jones recently praised the previous Government for establishing the centralised approach which the current Government is seeking to build upon.²²¹

In October 2010, the Director of Government Communications Headquarters (GCHQ), made an unprecedented, public address on cyber security prompted by increasing public interest in the matter.²²² The Chief of the Defence Staff, General Sir David Richards has also said that Britain is devoting more energy to understanding and developing "weaponry" for cyber warfare than any other military area.²²³ The Cabinet Office for Cyber Security and Information Assurance (OCSIA) sums up the current situation as one where the UK faces "an ongoing, persistent risk from other states, terrorists and criminals operating in cyberspace".²²⁴

The UK's national security planning now reflects this new terrain:

- a) The National Security Council has assessed cyber attack as one of four most serious threats to the UK taking into account likelihood and impact over the next five years. The 2010 National Security Strategy therefore categorises "hostile attacks upon UK cyberspace by other states and large scale cyber crime" as one of the four tier one priority risks alongside terrorism, major accidents and natural hazards and international military crises.²²⁵ These priorities closely mirror the five recently agreed EU strategic objectives for internal security.²²⁶
- b) The SDSR reflects this priority with a new "transformative" £650 million Cyber Security Programme to protect the UK from cyber attacks from both nation states and individuals.²²⁷

²¹⁹ Cm 7642, Office of Cyber Security and UK Cyber Security Operations Centre, *Strategy of the UK: Safety, security and resilience in cyberspace*, June 2009

²²⁰ *ibid*, p.7, para 1.3

²²¹ [HL Deb 14 October 2010, c696](#)

²²² [GCHQ Press Release, Director GCHQ, Iain Lobban, makes Cyber speech at the IISS](#), 12 October 2010

²²³ [Government concentrating on developing cyber "weaponry"](#), *Reuters*, 23 November 2010

²²⁴ Who controls the Internet? *Financial Times Magazine*, 9/10 October 2010 and Cabinet Office website, [Cyber security page](#) [on 30 December 2010]

²²⁵ HM Government, *A Strong Britain in an Age of Uncertainty: The National Security Strategy*, Cm 7953, October 2010, p.27

²²⁶ As articulated in Com (2010) 673 final, [Communication from the Commission to the European Parliament and the Council – The EU Internal Security Strategy in Action: Five steps towards a more secure Europe](#), 23 November 2010

²²⁷ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, Foreword

The Prime Minister's foreword to the SDSR explains the increased focus on cyber space:²²⁸

Over the last decade the threat to national security and prosperity from cyber attacks has increased exponentially. Over the decades ahead this trend is likely to continue to increase in scale and sophistication, with enormous implications for the nature of modern conflict. We need to be prepared as a country to meet this growing challenge, building on the advanced capabilities we already have.

As outlined above, the importance of cyberspace was evident in previous strategies but now has new emphasis. For example, the 2008 NSS suggested that any state-led threat to the UK was likely to be via cyber-attack or covert, technical attacks by foreign intelligence organisations rather than conventional military means.²²⁹ The SDSR acknowledges this change in state-on-state conflict. It notes that those outmatched by conventional military capability can, and will, increasingly employ "asymmetric tactics" such as economic, cyber and proxy actions instead of direct military confrontation, as a means of levelling the technological playing field.²³⁰ The 2007 cyber attack on Estonia was a wake-up call to the nation-scale disruption that can be caused.²³¹ The NATO accredited Co-operative Cyber Defence Centre of Excellence (CCDCOE)²³² predicts that cyber attacks, employed in concert with conventional weapons, will become the standard operating procedure in future conflicts.²³³ As the Royal United Services Institute has observed, the cyber threat has changed from the "spotty adolescent hackers making mischief" of a few years ago to the "game changing" feasibility of state-sponsored cyber attacks which could constitute an act of war.²³⁴

The Government's recognition of the importance of the cyberspace "arena" has been widely welcomed by the technology industry.²³⁵ Intellect, the UK technology trade association, has described the creation of the National Cyber Security Programme as a "sensible reaction to the growing importance and vulnerability of cyberspace."²³⁶

In addition to the national security aspect, the Government recognises that cyber attacks can have a detrimental impact on the wider economic and social well-being of the country because ICT is such a key part of the UK's critical infrastructure and means of doing business. A 2008 report by the US Center for Strategic and International Studies concurred:

In the new global competition, where economic strength and technical leadership are as important to national power as military force, failing to secure cyberspace puts us at a disadvantage.²³⁷

²²⁸ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, Foreword

²²⁹ HM Government, *The National Security Strategy of the United Kingdom: Security in an independent world*, Cm 7291, March 2008, p.16

²³⁰ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, p.16 (Text Box)

²³¹ Estonia's financial operations were severely compromised and Government communications networks were reduced to radio for a limited period. The nation's dependence and investment in internet-based systems was not at the time matched with investment in cyber security measures. Further details on this attack and other examples are available in Library briefing SN/SC/5832, *Cyber Security – A New National Programme*

<http://www.ccdcoe.org/>

²³² Co-operative Cyber Defence Centre of Excellence website, *General Trends* page

²³³ Prof. Michael Clarke, *Preliminary RUSI briefing: The National Security Strategy 2010*, Royal United Services Institute, 25 November 2010

²³⁴ See HL Deb 12 November 2010 cc 393-507

²³⁵ Intellect reacts to the National Security Strategy and Strategic Defence and Security Review, *Intellect*, 21 October 2010

²³⁶ *Securing Cyberspace for the 44th Presidency: A report of the CSIS Commission on Cybersecurity for the 44th Presidency*, Centre for Strategic and International Studies, December 2008

However, the SDSR is also keen to stress the opportunities available to the UK if the Government gets cyber security right – a reputation for being a safe place to do business and a thriving export market in cyber security products. Analysts at Gartner forecasted that 2010 figures for worldwide spending on security software will show an increase of 11% to \$16.5 billion (approx £10.5 billion).²³⁸

Key elements of the new National Cyber Security Programme

The new Cyber Security Programme, as set out in the SDSR, essentially seeks to build on the centralised approach to cyber security established by the previous government and to tackle some of the emerging gaps. It establishes new cyber security institutions and education and skills initiatives with the aim of locating and addressing the weaknesses in existing cyber measures, anticipating future threats and building good working relationships in this area across UK sectors (including both the public and private sectors and academia), as well as between nations. The important role of the private sector and academia is stressed in terms of leveraging the knowledge and resources necessary to co-design credible policy, achieve buy-in from those that own and operate large elements of the critical cyber infrastructure and to obtain value for money. This overall strategy will be supported by £650 million (£500 million of new money) over the next four years.²³⁹

The content of the Programme is not especially controversial. Most risk bases are covered with new initiatives.²⁴⁰ As ever, execution, co-ordination and progress evaluation will be the key and whether the strategies and institutions can deliver sufficient protection, be sufficiently flexible and forge effective partnerships to tackle the ever changing threat. There is no mention in the SDSR, however, of whether the Government thinks that there are any gaps in current enforcement regimes and whether further legislative measures or voluntary, technical standards might be necessary in this arena.

The lead Minister for Cyber Security will be the Security Minister in the Home Office (a member of the National Security Council) working with the Director of Cyber Security and the National Security Secretariat both in the Cabinet Office.

The programme relates to all elements set out in the National Security Tasks and Planning Guidelines and there is something for everyone in terms of risk bases covered.²⁴¹ It is also closely aligned to the cybercrime actions and themes of the EU's Internal Security Strategy.²⁴² The Programme, as set out in the review, seems to be focused on protection against cyber threats but clearly these initiatives can equally inform offensive cyber measures. In November 2010 the Armed Forces Minister referred to UK cyber capabilities supplementing physical capabilities, thereby giving the UK "protection where necessary and greater flexibility where required".²⁴³

²³⁸ "Gartner predicts positive future for security software industry", *Tech Watch*, 16 August 2010

²³⁹ HC Deb 19 October 2010, c798

²⁴⁰ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, pp 11-12

²⁴¹ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010

²⁴² Com (2010) 673 final, *Communication from the Commission to the European Parliament and the Council – The EU Internal Security Strategy in Action: Five steps towards a more secure Europe*, 23 November 2010

²⁴³ Chatham House, *Transcript: Cyberwarfare – Addressing the Challenge, Speech by Nick Harvey MP, Minister of State for the Armed Forces*, 9 November 2010

The key elements of the Programme are set out below. They will be brought together in a new Cyber Security Strategy in spring 2011. The SDSR also refers to a “strengthened” Office of Cyber Security.²⁴⁴

- Cyber crime - There will be an overhaul of the UK’s approach to cyber crime including a new:
 - a) Home Office National Cyber Crime Strategy (originally for late autumn 2010 but now expected early 2011).²⁴⁵
 - b) single point of contact for reporting cyber crime (public and businesses).
 - c) programme of skills development for those tackling cyber crime.
- Cyber Security – The Government will:
 - Address deficiencies in the UK’s ability to detect and defend itself against cyber attack e.g through improving the delivery of cyber products and services and investment in intelligence capability.
 - Create a new Defence Cyber Operations Group to mainstream cyber security through the MOD and integrate it across all defence operations.
 - Address shortcomings in the critical cyber infrastructure of the UK, tackling immediate weaknesses and maintaining access to a trusted industrial base.
 - Create a new Cyber Infrastructure Team within the Department for Business Innovation and Skills (BIS) to provide strategic leadership and regulatory oversight.
 - Sponsor long-term cyber security research to build and maintain excellence.
 - Create a new programme of cyber security education and skills for the public and businesses to encourage a more preventative approach to cyber security throughout the UK.
 - Continue to build cyber security alliances e.g a Memorandum of Understanding with the US and undertake capacity building with partner countries to ensure that where the UK has key national interests at stake, minimum standards of cyber security are being met.

There is little more detail about these proposed initiatives, although the Armed Forces Minister has provided further insight into the proposed work of the Defence Cyber Operations Group:

The Group will provide a cadre of experts from across Defence to support our own and allied cyber operations, to secure our vital networks and guide the development of our

²⁴⁴ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, p.65

²⁴⁵ HC Deb 21 December 2010 c.1211W

cyber capabilities. It will also be responsible for developing, testing and validating cyber techniques as a complement to traditional military capabilities.²⁴⁶

Issues arising from the new approach

- Future of the Police Central e-Crime Unit (PCeU):

Elements of an “overhaul” of the UK’s approach to cybercrime are set out in the new Programme but the Government has not yet decided what will happen to the PCeU or how it will relate to the new National Crime Agency (see section 5.7 on organised crime).²⁴⁷ The PCeU co-ordinates the law enforcement approach to all types of e-crime, develops the capabilities of the police force to deal with this type of crime in England, Wales and Northern Ireland, and provides a national investigative capability for the most serious e-crime incidents.²⁴⁸ In 2009 the unit had a budget of £2.75m.²⁴⁹ As the Unit was only created in 2008 any major changes would be disruptive to operations in the short term and would clearly need to be in the context of an improved, long term strategy for e-crime.

- Liaison with industry and academia:

The new cyber security programme aims to promote greater co-ordination and co-operation with the private sector and academia. A similar commitment was made in the 2009 *Cyber Security Strategy* and the ACPO e-crime strategy (2009-12).²⁵⁰ It is not yet clear what new approaches will be tried and what areas for co-operation will be prioritised. Effective cross-fertilisation is crucial because very sophisticated co-operation is taking place across sectors to orchestrate cyber attacks.

The Office of Cyber Security and Information Assurance (OCSIA) already works with the Research Councils, the Technology Strategy Board and individual departments to try and ensure a co-ordinated approach to cyber research and development.²⁵¹ Meanwhile, the PCeU has been successfully using a Virtual Task Force concept to improve joint working. This currently has a finance industry focus, with partners from banking, payment services, telecoms and Internet Service Providers with Chatham House providing facilitation and academic rigour. The approach will be extended to other sectors such as retail and property.²⁵²

The Director of GCHQ believes that the Centre for the Protection of National Infrastructure (CPNI) and existing Whitehall/industry bodies already provide a strong foundation for co-operation.²⁵³ He has also commented that such co-operation may also need to stretch to new financial models to support a joint government and private sector capability to protect critical national infrastructure as well as greater inter-connection e.g. the sharing of real time data to enable swifter response to cyber attacks.²⁵⁴

The Cabinet Office has admitted that further work needs to be done to develop mechanisms to identify scientific and technical experts in industry and academia in

²⁴⁶ Chatham House, *Transcript: Cyberwarfare – Addressing the Challenge, Speech by Nick Harvey MP, Minister of State for the Armed Forces*, 9 November 2010

²⁴⁷ HL Deb 14 October 2010 c.698

²⁴⁸ Metropolitan Police website, [Police Central e-crime Unit page](#)

²⁴⁹ “Police Chief warns of rise in cybercrime”, *The Daily Telegraph*, 2 October 2010

²⁵⁰ Association of Police Officers (ACPO), *ACPO e-Crime Strategy*, May 2009

²⁵¹ *Scientific Advice and evidence in emergencies: Memorandum submitted by the Government Office for Science and the Cabinet Office*, HC 499, 14 September 2010

²⁵² Association of Police Officers (ACPO), *ACPO e-Crime Strategy*, May 2009

²⁵³ GCHQ Press Release, [Director GCHQ, Iain Lobban, makes Cyber speech at the IISS](#), 12 October 2010

²⁵⁴ *ibid*

relation to cyber attacks.²⁵⁵ The OCSIA is developing a private sector engagement strategy and associated science and technology plan. The software suppliers have their own cross-industry initiatives such as the Advancement of Security on the Internet (to respond to issues affecting multiple platforms) and Safecode (agreeing best practices for building software securely). The industry is also sharing information about the activities of cybercriminals and may collaborate to respond to particular threats.²⁵⁶ Microsoft recently commented that collaboration is making it harder for criminals to attack as long as organisations are using the correct, up-to-date technology.²⁵⁷

Despite existing liaison structures, a greater variety of fora offering safe information exchange environments would be welcomed by many. EURIM (the UK industry and Parliament Information Society Alliance), has reported that concerns of state security, commercial advantage and reputation often hamper the necessary information exchange.²⁵⁸ Intellect, the technology industry trade association, agrees and has also suggested the mandated sharing of some forms of information loss.²⁵⁹ At EU level, the Commission is urging Member States to share information through the European Public-Private Partnership for Resilience (EP3R).²⁶⁰

- Professional Skills:

EURIM has identified a potential shortage of cyber security skills from information assurance to forensics to surveillance and electronic warfare. The alliance is seeking to organise educational and training programmes with parts of the industry that have agreed to work together.²⁶¹

Baroness Neville-Jones recently agreed “we do not have enough people” in terms of the level of expertise that will be needed for both maintaining and developing systems.²⁶² In July 2010, the Government launched the [Cyber Security Challenge](#), a series of national online games and competitions to “identify and nurture” the UK’s future cyber security workforce. The Challenge is run by a management consortium of cybersecurity professionals across the public and private sectors and academia and is an approach which is already being tried in the US. Prizes include internships at net security companies and funded courses at eminent institutions such as the SANS Institute.²⁶³

- Public and business awareness:

The National Security Agency has commented that relatively few practitioners and security officers in large corporations, even internet providers, know what the normal

²⁵⁵ [Scientific Advice and evidence in emergencies: Memorandum submitted by the Government Office for Science and the Cabinet Office](#), HC 499, 14 September 2010

²⁵⁶ For example, the Conficker Working Group organised by Microsoft. [Conficker Working Group website](#), [Home Page](#), 1 December 2010

²⁵⁷ Software producers collaborate to turn tide on cybercrime, *Computer Weekly*, 22-28 June 2010, p.6

²⁵⁸ EURIM (The Information Society Alliance), *Can Society afford to rely on security by afterthought not design? Status report and recommendations of the ISA (EURIM) subgroup on Security by Design*, October 2010, section 4.2 p.11.

²⁵⁹ Intellect, [Improving cyber security partnerships: Government – industry information sharing mechanisms on cyber threats](#), November 2010

²⁶⁰ *Com (2010) 673 final*, [Communication from the Commission to the European Parliament and the Council – The EU Internal Security Strategy in Action: Five steps towards a more secure Europe](#), 23 November 2010, p.11

²⁶¹ Email from Philip Virgo to EURIM members of 29 October 2010 outlining new exercise on cyber skills

²⁶² HL Deb 14 October 2010 c. 697

²⁶³ [Cyber security Challenge](#) website

configuration of their system is so that they can spot when there is anomalous behaviour.²⁶⁴

There are a number of organisations and initiatives already offering cyber security advice, some with Government support. For example [Click Clever Click Safe](#), the Information Commissioner's Office, and CPNI, [getsafeonline.org](#). Specific advice is also often provided on the websites of banks, telecommunications operators, and retailers. Such advice is clearly available but, except for the CPNI, tends to be offered in the context of protecting individual interests rather than also highlighting the national security angle.

The European Commission wants Member States to ensure that people can easily report cyber crime incidents and the UK Government's new programme proposes a single contact point for such reporting. The Commission also wants Member States to ensure that citizens have easy access to guidance on cyber threats, how to detect them, and the basic security precautions that need to be taken.²⁶⁵

- International co-operation:

The new cyber security programme recognises that the interconnected nature of the cyber domain makes international co-operation vital. It particularly promotes co-ordination with the US. There are already numerous EU and international initiatives on cyber attack/cybercrime and critical infrastructure as well as individual agreements between nations as an extension of their existing security or co-operation agreements.²⁶⁶ The UK is a signatory of the 2001 *EU Convention on Cybercrime* and has made some legislative changes in line with this but has yet to ratify it.²⁶⁷

The SDSR also refers to capacity building in other countries, a move supported by the House of Lords European Union Committee, which concluded that all Member States have an interest in bringing the defences of the lowest up to those of the highest, making capability a legitimate area of concern at EU level.²⁶⁸

A recent EU Security Strategy document, *The EU Security Strategy in Action: Five Steps Towards a More Secure Europe*, sets out a number of areas for co-operation and new structures for achieving this. For example, a new European cybercrime centre is to be established within existing structures by 2013 as the focal point of Europe's efforts to fight cybercrime. The new centre is expected to co-operate with the European Network and Information Security Agency (ENISA) and interface with a network of national/governmental Computer Emergency Response Teams (CERTs).

The SDSR also commits the UK to ensuring that NATO's new Strategic Concept recognises "the importance of NATO's wider role in responding to new types of threat such as those from cyber attack".²⁶⁹ NATO already has the authority to respond

²⁶⁴ HL Deb 14 October 2010 c.698

²⁶⁵ *Com (2010) 673 final*, [Communication from the Commission to the European Parliament and the Council – The EU Internal Security Strategy in Action: Five steps towards a more secure Europe](#), 23 November 2010

²⁶⁶ For example, COM (2009) 149 final, Council Document 8375/09, [Communication on Critical Information National Infrastructure Protection. Protecting Europe from large scale cyber-attacks and disruptions: enhancing preparedness, security and resilience](#)

²⁶⁷ Council of the European Union, ADD 15893/10 ADD 1 REV 1, [EU Action Plan on combating terrorism](#), 1 December 2010 (this lists the Member States' stages of compliance with a variety of relevant EU agreements)

²⁶⁸ House of Lords European Union Committee, [Protecting Europe Against large-scale cyber-attacks](#), HL Paper 68, 2009-10, Summary, March 2010

²⁶⁹ HM Government, *Securing Britain in an age of uncertainty: The Strategic Defence and Security Review*, Cm 7048, October 2010, p.62

immediately to cyber-attacks on its Member States and to deploy support teams.²⁷⁰ The NATO Summit in November 2010 agreed a new Strategic Concept which identifies cyber attacks as a key threat and recommends developing NATO's ability to prevent, detect and defend against cyber attacks. There will be a NATO cyber defence policy by June 2011.²⁷¹

5.3 Civil Emergencies

An emergency, as defined in the *Civil Contingencies Act 2004* (CCA), is a situation or series of events that threatens or causes serious damage to human welfare, the environment or security in the United Kingdom. This definition covers a wide range of scenarios including adverse weather, severe flooding, animal diseases, terrorist incidents and the impact of a disruption on essential services and critical infrastructure.²⁷²

The aim of the CCA and accompanying non-legislative measures was to deliver a single framework for civil protection in the United Kingdom. The Act is separated into two substantive parts: local arrangements for civil protection in part 1, and emergency powers in part 2. The CCA does not set out how each emergency should be dealt with, but provides a broad framework setting out responsibilities and powers in an emergency.

The SDSR does not seek to change the overall framework for how civil contingencies are managed in the UK, but it does seek to refocus effort on those risks which have been identified as the greatest. It also aims to strengthen community resilience and improve cooperation between public and private sector infrastructure providers.

Civil Emergency Risks

The Labour Government's 2008 *National Security Strategy* stated that an influenza-type pandemic was the biggest civil emergency risk, with coastal flooding identified as the second highest risk.²⁷³ In 2008 the then Government also published the first National Risk Register. It was last updated in March 2010 and provided the Labour Government's last assessment of the likelihood and potential impact of a range of different risks, (both natural hazards and malicious threats), that may directly affect the UK. The latest version of the register gave an illustration of "high consequence risks facing the United Kingdom":²⁷⁴

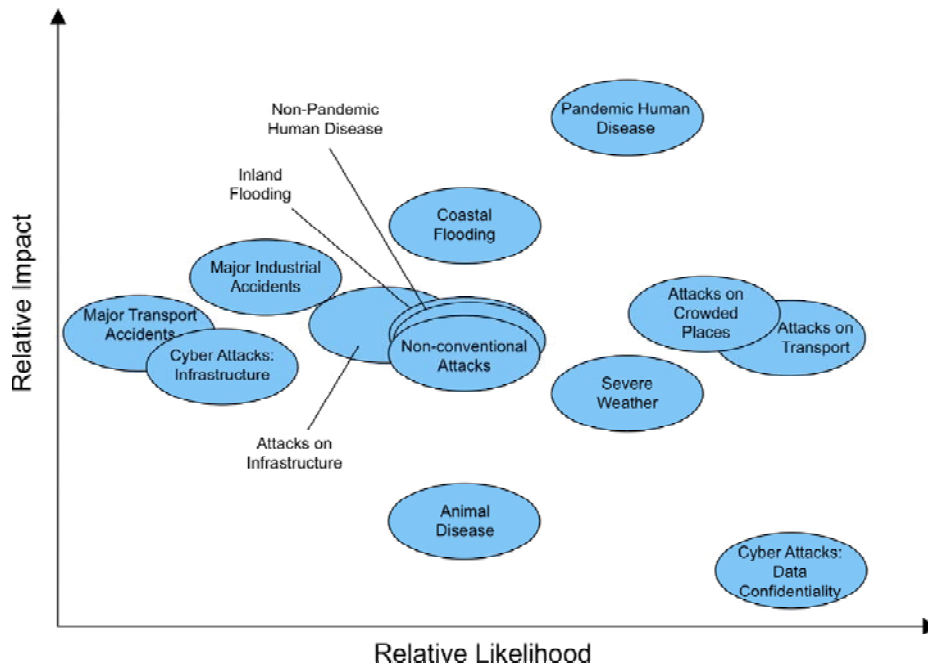
²⁷⁰ House of Lords European Union Committee, *Protecting Europe Against large-scale cyber-attacks*, HL Paper 68, 2009-10, March 2010, para 81

²⁷¹ Further information is available in Library briefing, SN/IA/5788, *NATO Summit*, 2 December 2010

²⁷² HM Government, *Responding to Emergencies, the UK Central Government Response Concept of Operations*, March 2010, Para 1.1

²⁷³ Cabinet Office, *The National Security Strategy of the United Kingdom: Security in an interdependent world*, March 2008, p.14

²⁷⁴ Cabinet Office, *National Risk Register of Civil Emergencies 2010 edition*, March 2010, p.5



One of the changes set out by the coalition Government in the SDSR is the refocus on “the top three civil emergency risks.” These are:

- terrorist attacks using unconventional materials;²⁷⁵
- major tidal or coastal flooding; and
- a severe influenza pandemic.

These risks are now identified in the *National Security Strategy* as tier one priority risks.²⁷⁶ The Government said that if an influenza pandemic or major coastal or tidal flooding was to occur, it would have a “significant impact on the UK, threatening the lives of citizens and damaging the economy”.²⁷⁷ The NSS explains that the highest priority does not always mean the most resources, but gives “a clear focus to the Government’s effort.”²⁷⁸

The Government wants to reinforce measures to improve preparedness for these top three priority risks. It has stated that this will involve implementation of the measures set out in the July 2010 *National Flood Emergency Framework For England*²⁷⁹ and testing preparedness through a major exercise in March 2011. The Government will also review measures identified as necessary following the H1N1 swine flu pandemic. An independent review into the UK’s strategic response to the 2009 swine flu pandemic was published in July 2010.²⁸⁰

²⁷⁵ For example, chemical, biological, radioactive or nuclear materials

²⁷⁶ HM Government, *A Strong Britain in an Age of Uncertainty: The National Security Strategy*, October 2010

²⁷⁷ HM Government, *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review*, October 2010, p.49

²⁷⁸ HM Government, *A Strong Britain in an Age of Uncertainty: The National Security Strategy*, October 2010, p.5

²⁷⁹ Department for Environment, Food and Rural Affairs, *National Flood Emergency Framework For England*, July 2010

²⁸⁰ Dame Deirdre Hine, *The 2009 Influenza Pandemic: An independent review of the UK response to the 2009 influenza pandemic*, July 2010

Community Resilience

In March 2010 the Labour Government published a consultation on a *Draft Strategic National Framework on Community Resilience*.²⁸¹ The framework was intended to support and encourage individuals and communities to be better prepared and more self reliant during emergencies. The consultation exercise was not completed before the general election.

The SDSR also states that there should be more of a focus on building community resilience to civil emergencies “in recognition of the fact that individuals, community and voluntary sector groups and local businesses are better placed than Government to understand and respond to the needs of the local community.” The SDSR envisages that this will be achieved by the introduction of a new strategic national framework and a range of public information products.

National Infrastructure

In March 2010 the Labour Government published a *Strategic Framework and Policy Statement on Improving the Resilience of Critical Infrastructure to Disruption from Natural Hazards*.²⁸² It set out proposals for a cross-sector programme to improve the resilience of critical infrastructure and essential services to severe disruption by natural hazards. The document stated that work would be done to determine the need for infrastructure resilience groups at local and regional level, and look at whether a national multi-sector strategic co-ordination and planning group for national infrastructure should be established.²⁸³ This measure followed a June 2009 report by the Council for Science and Technology (CST), *A National Infrastructure for the 21st Century*, which had said that there was a lack of understanding of the vulnerabilities of critical infrastructure, particularly where one sector is dependent on another.²⁸⁴ The CST expressed concern that no single authority for national infrastructure existed.

The SDSR now confirms that the Government will establish a new Infrastructure Security and Resilience Advisory Council. It is not yet known what sort of body the new council will be, but its aim is stated to be to “significantly enhance cooperation between public sector bodies and private sector providers of national infrastructure (for example in the water, telecommunications, and civil nuclear industries) and improve their resilience to all kinds of hazard and threat, particularly with regard to cyber attack.

5.4 Fragile and Conflict-Affected States²⁸⁵

The SDSR Proposals

1. Improving integration between Government departments in tackling fragile and conflict-affected (FCA) states

The SDSR envisages a greater degree of joint working between diplomatic, development, defence and intelligence resources in support of fragile states. Harnessing expertise across departments is seen as important in tackling the particular problems presented by these countries, and in delivering programmes more efficiently.

The common objectives underlying these recommendations are the early identification and fast response to states at risk of instability, using a pool of expertise tailored to the particular needs of the country, and with a focus on conflict and instability *prevention*. The SDSR

²⁸¹ Cabinet Office, *Draft Strategic National Framework on Community Resilience*, March 2010

²⁸² Cabinet Office, *Strategic Framework and Policy Statement on Improving the Resilience of Critical Infrastructure to Disruption from Natural Hazards*, March 2010

²⁸³ *ibid*, p.16

²⁸⁴ Council of Science and Technology, *A National Infrastructure for the 21st Century*, June 2009, p8

²⁸⁵ See Appendix Three for definitions of fragile and conflict-affected states.

makes these objectives clear through the use of specific examples. The use of Provincial Reconstruction Teams in Afghanistan is used to demonstrate the benefits of military and civilian co-operation in post-conflict situations. Yemen is used as an example of a country where early intervention might mitigate the rise of extremism; and the co-ordinated support provided by DFID, FCO and MOD in response to Kenya's post-election violence provides evidence for the efficacy of early warning and fast response.

- A new 'Building Stability Overseas Strategy' – The details of the more integrated approach proposed by the SDSR are to form the basis of the Building Stability Overseas Strategy, to be published in spring 2011. Few clues are given about the likely contents of the strategy: the SDSR states it will "provide clearer direction with a greater focus on results". It is likely that it will clarify some of the more vague proposals for tackling fragile and conflict-affected states put forward in the SDSR document.
- An expanded role for the Stabilisation Unit – The Stabilisation Unit is a joint unit of DFID, the MOD and the FCO. It consists of 34 core staff and a pool of over 1,000 individuals, known as the Civilian Stabilisation Group, with a mix of experience and expertise relevant to conflict-prevention, stabilisation and security, of whom a proportion are ready to deploy at any one time. Under the SDSR proposals, the remit of the Stabilisation Unit is to be expanded to cover prevention as well as crisis response. Its role in this respect is to be the subject of further review. However, it is envisaged that the Unit's existing pool of 'civilian experts' will be deployed at short notice not only to support post-conflict stabilisation, as has happened to date, but in the name of conflict prevention as well.²⁸⁶
- The creation of Stabilisation Response Teams – Related to the expansion of stabilisation capacity is the proposal to create Stabilisation Response Teams, to be deployed from April 2011. These teams are to combine military and civilian personnel to conduct a range of tasks, such as "assessing or monitoring an emergent crisis, such as the Pakistan floods, to providing expert advice and training, for example on peace talks or police training, through to post-conflict reconstruction, as in Afghanistan".²⁸⁷

The civilian element of the teams will be drawn from the Stabilisation Unit's pool of experts, who have already been deployed alongside the military in post-crisis situations. It is expected that the relationship between the military and civilian elements in the new teams will be closer however.

- An enhanced early warning system – The SDSR makes a brief mention, but provides no details, of an improved system of identifying countries at risk of instability. This fits in with the broader 'co-ordinated approach horizon scanning and early warning' that the SDSR identifies as necessary for identifying and monitoring national security risks.
- Structural changes – In 'priority locations' the SDSR proposes situating FCO, DFID, MOD and Home Office representatives in one facility, with Ambassadors and High Commissioners responsible for co-ordinating work to deliver goals driven by the National Security Council. Overseas posts will have lead responsibility for handling conflict issues, with a single government board dictating the 'overall approach': this board will replace the separate structures that oversee the Conflict Pool, the Stabilisation Unit and Peacekeeping Boards.²⁸⁸

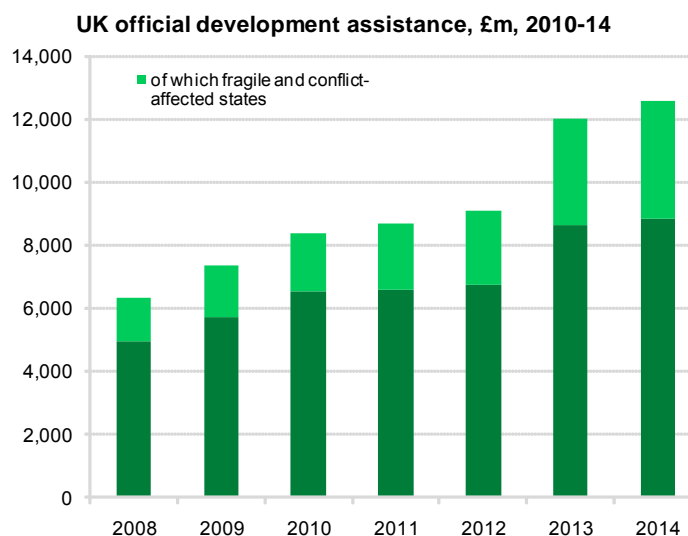
²⁸⁶ [HL Deb 2 November 2010 c402WA](#)

²⁸⁷ SDSR Fact Sheet 17: *Instability and Conflict Overseas*, p.1

²⁸⁸ DFID Business Plan 2011-14, p.13. How this approach will fit with the creation of the new European External Action Service (EEAS), which will co-ordinate the EU's approach to this issue, is unclear. Further information on the EEAS is available in Library briefing SN/IA/5558, [The European External Action Service](#)

2. Increasing aid and conflict funding to fragile states

The SDSR proposes raising the proportion of official development assistance (ODA) to fragile and conflict-affected (FCA) states, and increasing the size of the Conflict Pool by 30%. It gives two separate justifications for an increase in ODA to FCA states. Firstly, it asserts that development projects in these countries, particularly those that are focused on institution-building and governance, can contribute to domestic security objectives. Secondly, it points out that FCA states consistently lag behind peaceful and stable ones in development terms, and are therefore among the most worthy recipients of assistance. A larger Conflict Pool, meanwhile, is required to deliver the proposals outlined above, in particular the Building Stability Overseas Strategy.



Note: figures from 2010 are forecasts. Forecasts based on GNI estimated from GDP forecasts & Government commitments. A steady rise from 22% of ODA in 2010 to 30% of ODA in 2014 for fragile and conflict-affected states is assumed.

Sources: *Statistics on International Development 2009/10*, table 7; *Strategic Defence and Security Review*; *Spending Review 2010*; HMT GDP deflators; ONS database GNI [ABMZ] & GDP [YBHA] series

- Increase ODA to 0.7% of Gross National Income and increase the proportion of ODA to FCA states to 30% - The first element of this proposal is a reiteration of a commitment already expressed by the present Government and the previous administration.²⁸⁹ The second involves increasing the total share of ODA going to FCA states from 22% in 2010/11 to 30% by 2014/15. The effect of both proposals together would be to increase ODA to FCA states from around £1.8bn in 2010 to roughly £3.8bn in 2014. The October 2010 Spending Review confirmed that the proportion of development spending under the control of DFID would remain roughly constant to 2013,²⁹⁰ and the SDSR factsheet reiterates that “DFID will continue to be responsible for the vast majority of ODA spending”.²⁹¹

No details are given as to how progress toward the 30% target are to be monitored, given that the Government does not make its list of FCA states available.

- Increase the size of the joint Conflict Pool, which is a fund for conflict prevention, stabilisation and ‘discretionary peacekeeping activity’, from £229m in 2010/11 to £309m in 2014/15. The pool is financed directly by the Treasury and is jointly managed by DFID, FCO and MOD. As such, it is expected to play a role in supporting the integration between Government departments anticipated in the SDSR, and delivering the Building Stability Overseas Strategy. More cross-government support and long-term stabilisation programmes are anticipated as the fund is increased in size.

²⁸⁹ See Library Standard Note SN/EP/3714 *The UK and the 0.7% aid target, and the Draft International Development (ODA target) Bill* and the Coalition’s *Programme for Government*, p.22

²⁹⁰ HM Treasury *Spending Review 2010*, p.60

²⁹¹ SDSR Fact Sheet 17: *Instability and Conflict Overseas*, p.2

Issues

In advance of the SDSR's publication, concerns were raised that aid would be diverted to war zones and channelled through 'military structures'.²⁹² The same organisations expressing these fears, however, most notably Oxfam, have acknowledged that many were not borne out in the contents of the published document.²⁹³ Importantly, the target to increase the proportion of aid to FCA states has been framed in terms of the internationally-agreed definition of development assistance (ODA); thus, increases in military assistance, peace enforcement, and anti-terrorism activities cannot contribute to this target.²⁹⁴ Meanwhile, the October 2010 Spending Review settlement saw the proportion of overseas aid spending controlled by DFID remain roughly constant to 2013, at around 95%, rather than diverted to the FCO or other departments without a specific development mandate. Nonetheless, given the links between aid and security acknowledged in the SDSR, it remains open to debate whether a balance can be struck between delivering assistance through a range of institutions with a mix of expertise, whilst ensuring the role of aid does not become 'blurred' with military and diplomatic objectives.

It is also widely acknowledged that delivery of aid to FCA states presents particular challenges. Weak institutions and a lack of expertise in the local population mean the capacity for such countries to absorb assistance is limited and the potential to do harm is greater. These problems can be mitigated by disbursing aid through non-government channels, but, as the African Development Bank has acknowledged, this approach can lead to parallel structures, weakening government capacity to manage the development processes and draining domestic institutions of their expertise.²⁹⁵

The OECD has adopted a list of ten principles for engagement in FCA states,²⁹⁶ some of which are echoed in the SDSR document: in particular principle 3 (focus on statebuilding), principle 4 (focus on prevention) and principle 5 (recognise the links between political, security and development objectives). Together with the overall rise in ODA to the 0.7% target, the increased proportion of UK aid to FCA states will result in a doubling of the assistance they receive (from £1.8 billion to £3.6 billion) between 2010 and 2014. This, together with the increased activities of other Government departments in these areas represents a significant increase in engagement and it remains to be seen whether such levels of assistance can be absorbed whilst upholding the OECD principles.

²⁹² See "[Anger as billions in aid is diverted to war zones](#)", *The Guardian*, 19 October 2010

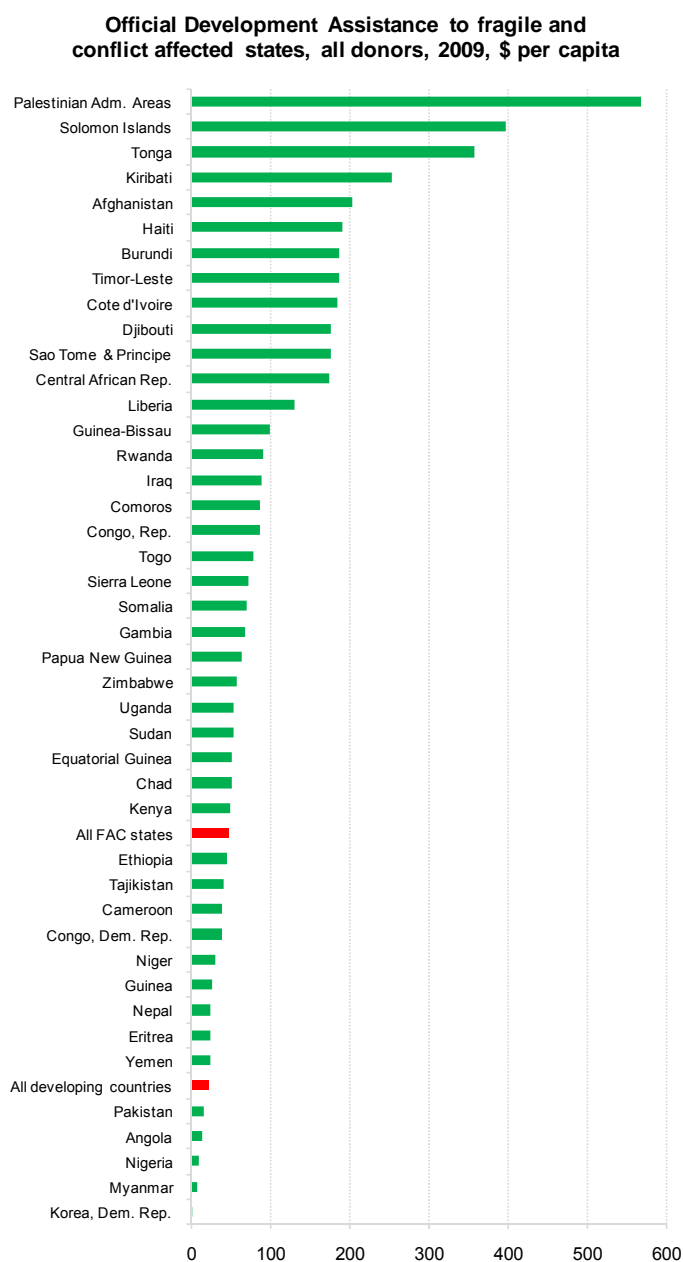
²⁹³ Oxfam news blog 20 Nov 2010 [Getting it Right](#)

²⁹⁴ For more details, see the OECD guide [Is it ODA?](#)

²⁹⁵ African Development Bank Policy Brief 1/2010 [Fragile States](#)

²⁹⁶ See OECD [Principles for good international engagement in fragile states and situations](#)

Furthermore, UK bilateral ODA per head of population is almost three times higher in FCA states than in other developing countries (\$2.72 per head in FCA states in 2009, compared with \$1.06 elsewhere).²⁹⁷ This gap is likely to widen as the share of aid to non-FCA states falls from 78% in 2010 to 70% in 2014. It has been pointed out that non-FCA states, such as India, which contains two-fifths of the world’s malnourished children, also have significant development needs; moreover, assistance to these countries is often cost-effective because their political stability and institutional capacity mean they are better able to absorb aid inflows.²⁹⁸ A rapid increase in total ODA after 2012, however, will mean these countries will still see development assistance rise by a third from 2010 to 2014. The exact implications of the SDSR for the distribution of UK aid are as yet uncertain. All of DFID’s aid programmes are currently under review, and future allocations will be dependent on the outcome of this.



The DFID ‘list’ of FCA states is not something that is made available to the public, nor does the SDSR give any clue as to how spending on FCA states will be distributed. Even with the increase in funding, certain FCA countries might be neglected. In relation to best practice, the OECD has raised concerns that particular FCA states and particular groups within countries are neglected (‘aid orphans’). In a 2009 review, it found Principle 10 of its engagement guidance (avoid pockets of exclusion between and within countries) to be the most poorly implemented of the ten principles.²⁹⁹ The chart above shows the disparity in the current distribution of aid between fragile and conflict-affected states.

5.5 Energy Security

Why is Energy Security an issue for the UK?

The UK will experience a substantial loss of generating capacity during the coming decade. It has entered a period of declining output of North Sea oil and gas, although the energy mix in

²⁹⁷ OECD *DAC Online Datasets*; UN *Population estimates*

²⁹⁸ See, for instance, Collier and Dollar (1999) World Bank Working Paper *Aid Allocation and Poverty Reduction*. On the strength of statistical modelling, the authors point out that aid should be targeted more towards countries with ‘severe poverty and adequate policies’.

²⁹⁹ OECD *Monitoring the principles for good international engagement in fragile states and situations*

2020 is still likely to be dominated by these two sources. By 2016 about a third of coal-fired generation will close, and much of the rest will be decommissioned by the end of the decade to comply with emissions standards set by the EU. All nuclear generators, apart from Sizewell B, are scheduled to close by 2023. Much energy infrastructure, such as electricity networks, needs replacement and updating.

The country faces rising energy import dependence coupled with greater competition for energy from rapidly developing economies such as China and India. There is also the risk that some countries, such as Russia, will use energy supplies as a political tool. Hence the SDSR proposes giving energy a higher priority in UK foreign policy. To inform this, reform of Whitehall processes is proposed to ensure the effective development of policy, especially involving the Department of Energy and Climate Change and the Foreign Office. A key area mentioned in the SDSR is work overseas to mitigate potential disruption to transit of energy supplies.

The inclusion of the supply of key minerals, such as the rare earth metals, is a new and interesting inclusion in the SDSR. These are essential components of some low-carbon technologies and mobile telecommunications. The market dominance of China in their supply is worthy of note.

UK Energy Policy and Energy Security

The UK government estimates that £200 billion of new investment is needed to replace outdated stock and secure energy supplies, and plans to use the opportunity to rebuild with low-carbon technology. It believes that security of supply is enhanced by using a mix of technologies and plans a balanced portfolio.³⁰⁰

Renewables will be part of the mix. Although the UK is well placed with 40% of Europe's wind resources, the highest tidal reaches in the world and 11,000km of coastline, it currently only generates about 6% of its electricity from renewable sources.³⁰¹ To meet the EU target of 15% of *energy* from renewable sources by 2020, about 35% of *electricity* will have to be generated from renewables. The huge increase in such generation necessary within 10 years will be a considerable challenge. In the near future, the majority of renewable generation will come from wind, mostly offshore, but developments in marine, tidal and wave technologies are aimed at securing future energy supplies. The government is committed to Feed-in Tariffs and the forthcoming Renewable Heat Incentive to bolster local generation. It has plans to set up a Green Investment Bank with an initial £1 billion to fund renewable and other green measures.

New nuclear generating capacity is planned, to be built by private companies and without public subsidy. As mentioned in the SDSR recommendations, the Government is developing a new planning policy in National Policy Statements to address some of the planning issues that could potentially delay large infrastructure developments such as new nuclear build. This is designed to give private companies the certainty required to make the considerable, long-term investment to build them. The Government also aims to place a floor under the carbon price to incentivise low-carbon generators including nuclear and renewables. Extra resources have been allocated to the nuclear decommissioning programme to deal with legacy issues and pave the way for new build.

Nuclear sites are already secured by special policing arrangements under the Civil Nuclear Constabulary. The SDSR recommends examining policing strategy for critical national

³⁰⁰ Charles Hendry speech: Energy and Utility Forum, 21 October 2010

³⁰¹ DECC press notice 2010/105, *Statistical press release: Energy statistics*, 30 September 2010.

infrastructure, including civil nuclear sites, with the view to aligning policing at these locations.

The UK has about a century of coal reserves.³⁰² The government hopes to use this in future clean coal plants which have been fitted with carbon capture and storage (CCS) facilities. Following oil and gas extraction the UK has suitable undersea sites for carbon sequestration in the North Sea, and the skilled workforce used to working in these challenging conditions. The government has committed substantial resources to help bring the first CCS plant to fruition.

The coalition believes that there is a long-term need for gas-fired generation which can be fired up rapidly and used when there are unexpected outages, and to supplement intermittent renewables, such as wind. To ensure gas security, an increase in storage facilities for imported supplies is planned, and further work will be undertaken on pipeline connections, and long-term and interruptible contracts.

Forthcoming UK Legislation

The Government introduced the [Energy Bill 2010-11](#) to Parliament in December 2010. Later in the five-year term it intends to introduce a second energy bill. The main focus of the latter will be electricity market reform. This is probably the most important energy issue to be addressed this Parliament and will re-invent the electricity market. It is a key energy security measure.

The centrepiece of the *Energy Bill 2010-11* is the Green Deal, a programme aimed at making homes more energy efficient, thus saving energy. The Bill also includes a range of other measures. Those specifically to improve energy security:

- Confer on the Gas and Electricity Markets Authority a duty to report to the Secretary of State with an estimate of future need for electricity capacity. Amend the *Energy Act 2004* to give the Secretary of State a duty to publish his assessment of future capacity need.
- Establish powers for Ofgem to require changes to be made to the Uniform Network Code so as to strengthen market incentive mechanisms for ensuring sufficient gas is available during a Gas Supply Emergency.
- Consolidate existing provisions across four Acts of Parliament for third party access to upstream oil and gas infrastructure, and streamline current procedures to facilitate determinations by the Secretary of State where required. Make new provisions for the notification of commercial negotiations, to trigger determination procedures where negotiations have been unduly protracted, and to publish any determinations made.
- Establish powers for the Secretary of State (or Ofgem, with the consent of the Secretary of State) to apply to the court for an energy supply company administration order for gas and electricity suppliers to ensure that gas and electricity continue to be supplied as cost effectively as possible in the event that a large gas and electricity supply company becomes insolvent.
- Establish powers to de-designate areas of the UK Continental Shelf in order to facilitate the signing of a comprehensive agreement with Ireland about maritime boundaries; which will enable the alignment of Exclusive Economic Zones and

³⁰² [Charles Hendry speech: Energy and Utility Forum, 21 October 2010](#)

provide flexibility in managing the UK Continental Shelf resources (important for oil, gas and renewable energy supply).³⁰³

The EU Energy Strategy

The SDSR recommends working with international institutions to effect energy security. A key measure mentioned in the SDSR is the *EU Energy Strategy* which is under development and expected to be endorsed by the European Council in March 2011. This will improve energy security throughout the EU. Essential components include: exploitation of the full potential of energy savings; the promotion of low-carbon innovation; a fully functioning internal market; greater cooperation and solidarity within the EU; and a more coherent and effective approach to the EU's external energy relations.

5.6 Border Security

The SDSR notes that security risks at the UK's border are likely to increase in the future due to increasing passenger journeys, freight volumes and the use of sophisticated technologies by individuals, groups and states with "malicious intent". Over 220 million people and 450 million tonnes of freight passed through UK ports and airports in 2009, not taking into account illicit cross-border movements.³⁰⁴

The UK Border Agency (UKBA)'s budget is being reduced by up to 20 per cent over the next four years, and its headcount will fall by around 5,200.³⁰⁵ It intends to make a greater use of technology and computer-based systems in order to improve its efficiency and productivity.³⁰⁶ This approach is reflected throughout the SDSR's section on border security. The Government intends that using new technologies, reducing operating costs through structural reorganisation, and focussing efforts on where they will be most effective will ensure that future border security activities will be "efficient and cost-effective". Its plans generally reflect the previous Government's approach, as set out in the 2007 Cabinet Office report *Security in a Global Hub*, and build on work which is already in progress.³⁰⁷

The specific objectives identified in the SDSR are to:

- Establish a Border Police Command within the new National Crime Agency (see section 5.7 on organised crime).
- Prioritise activity overseas to address threats before they reach the UK, by capacity building law enforcement in high risk countries, and ensuring closer working between agencies such as the UKBA, Foreign and Commonwealth Office, Ministry of Defence on intelligence and operational activities overseas.
- Widen the checks carried out on visa applicants and their sponsors and change pre-departure checks to better identify people who pose a terrorist threat.
- Use technological improvements, biometrics and the e-Borders programme to improve border security.
- Work for an EU Passenger Name Record Directive to enable the collection and sharing of passenger data.

³⁰³ DECC Policy brief: [Energy Bill-further information](#), December 2010

³⁰⁴ HM Government, *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review*, Cm 7948, October 2010, para 4.G.1

³⁰⁵ [HC Deb 24 November 2010 c301W](#)

³⁰⁶ [HC Deb 22 November 2010 c75W](#)

³⁰⁷ Cabinet Office, *Security in a Global Hub*, November 2007, Ref: 284440/1107

- Create a multi-agency National Maritime Information Centre, at a cost of £450,000, to provide the UK with a comprehensive picture of potential threats to UK maritime security, bringing together intelligence and monitoring by agencies including the UKBA, Coastguard, Police, Royal Navy and Foreign and Commonwealth Office.
- Improve aviation security, including modernising the regulatory regime and better integrating policing, passenger screening and border controls so as to improve the passenger experience and increase security standards.

Whether there should be a separate police force for the UK's borders has been much debated in recent years.³⁰⁸ The UKBA was established in 2008 to replace the work of the Border and Immigration Agency and UK Visas, and HM Revenue and Customs' border control work. This followed a recommendation in the Cabinet Office's 2007 report *Security in a Global Hub – Establishing the UK's New Border Agency Arrangements*.³⁰⁹ Front-line staff were given immigration, customs powers and "police-like" powers, and a [Memorandum of Understanding](#) was agreed between the UKBA and the police in England, Wales and Northern Ireland for intelligence-sharing and delivering frontline operations at UK borders.³¹⁰ However, although it recognised that there would be some merits in doing so, the Labour government was not persuaded of the case for merging the work of the police into a single border force agency, or establishing a national border police force. It considered that the border agency reforms that it had already implemented were working well, and raised concerns relating to the associated costs and practicalities, and the potential impact on securing cooperation and information-sharing with local police forces of further border policing reforms.³¹¹

The Coalition Agreement committed the Government to creating a dedicated Border Police Force "to enhance national security, improve immigration controls and crack down on the trafficking of people, weapons and drugs".³¹² The recent Home Office consultation paper *Policing in the 21st Century* provided some further details of the Government's plans for creating a Border Police Command within a new National Crime Agency. It argued that currently "there are too many agencies working disjointedly on border controls and security which has led to gaps in process and communications, different lines of reporting and accountability, and no streamlined process, oversight or strategy about how goods and people move through checks and controls." The new Border Police Command will "have responsibility for coordinating and tasking those border enforcement operational staff who together will form the new Border Police capability".³¹³ The Home Office's summary of responses to this consultation stated that there was wide support for including border police functions in a national approach to policing.³¹⁴

Much of the work in relation to extending the use of technology, pre-departure screening of visa applicants and the use of biometrics is being taken forward through the e-Borders programme. e-Borders processes involve detailed information (including biometrics) about individual travellers being electronically collected before, during and after their passing through UK ports of entry/exit, checked against immigration, police and security 'watch lists', and shared between agencies in order to facilitate targeted interventions. e-Borders is linked

³⁰⁸ See Library standard note [SN/HA/5122 Policing: A separate police force for UK borders?](#)

³⁰⁹ Cabinet Office, *Security in a Global Hub*, November 2007, Ref: 284440/1107

³¹⁰ See Library research paper [09/47 Borders, Citizenship and Immigration Bill \[HL\]](#) for some related discussion

³¹¹ Cabinet Office, *Security in a Global Hub*, November 2007, Ref: 284440/1107, paras 51 – 58. See also Library research [paper 09/65 Borders, Citizenship and Immigration Bill \[HL\]: Committee Stage Report](#) for a summary of related discussions during passage of the *Borders, Citizenship and Immigration Act 2009*.

³¹² HM Government, *The Coalition: Our Programme for Government*, May 2010, p.21

³¹³ Home Office, *Policing in the 21st Century: reconnecting people and the police*, 26 July 2010, para 4.42 – 4.43

³¹⁴ Home Office, *Policing in the 21st Century – summary of consultation responses and next steps*, 1 December 2010

to the use of automated border control systems such as the Iris Recognition Immigration Scheme for registered travellers and the Automated Clearance Service for biometric passport holders.³¹⁵

Watch-list checks and alerts are made by UKBA staff working from the National Border Targeting Centre (NBTC), alongside SOCA and police staff.³¹⁶ The e-Borders system has been criticised on the grounds that it cannot identify persons who have created a false identity but who nevertheless match their identity documents, or persons who appear on a security 'watchlist' but travel under a different name.³¹⁷

The SDSR states that so far, the e-Borders system has led to over 7,200 arrests for crimes including murder, rape and assault, and assisted in investigations related to counter-terrorism, people trafficking, smuggling and immigration offences.³¹⁸ It was originally envisaged that e-Borders would be fully operational by 2014. By June 2010 it was screening around 50 per cent of all passenger movements, significantly less than the implementation timetable had intended. The Government terminated the £750 million contract with the main private contractor working on e-Borders in July 2010, due to ongoing poor performance and missed implementation deadlines. Concerns have been expressed as to whether the e-Borders implementation timetable remains feasible.³¹⁹ There are some major issues in its design which still need to be resolved, including whether e-Borders is compatible with EU freedom of movement law and other countries' national data protection laws. The Government is seeking to resolve these problems in consultation with transport carriers' representatives, the European Commission and other EU Member States. In addition, the EU is working towards agreeing a Passenger Name Record Directive, which would harmonise Member States' use of information collected from passengers by airline carriers in the course of taking their reservation, for anti-crime and terrorism purposes, and establish common data protection standards.

5.7 Organised Crime

The NSS identified a significant increase in organised crime as a "Tier Two" risk to the UK's national security.³²⁰ The SDSR estimates that there are some 38,000 individuals involved in organised crime affecting the UK, costing the economy and society between £20 billion and £40 billion each year.³²¹ The Government anticipates that the threat posed by organised crime will increase over the next five years, principally due to new technologies making it easier for criminals to communicate and exploit new opportunities.

To tackle this risk, the Government is preparing an Organised Crime Strategy that will include the following specific measures:

- a) establishing a new National Crime Agency (NCA) by 2013 to coordinate law enforcement operations against organised crime;
- b) creating a body with the specific function of tackling economic crime and fraud;

³¹⁵ See [HC Deb 27 January 2009 c278W](#) for further details of these schemes.

³¹⁶ The Library's standard notes [SN/HA/5771 *The e-Borders programme*](#) and [SN/HA/3980 *E-Borders and Operation Semaphore*](#) contain further background information.

³¹⁷ F Gregory, [UK Border Security: Issues, systems and recent reforms](#), March 2009

³¹⁸ HM Government, [Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review](#), Cm 7948, October 2010, p53

³¹⁹ Home Affairs Committee, [UK Border Agency: Follow-up on Asylum Cases and E-Borders Programme](#), HC 406, 7 April 2010

³²⁰ Cabinet Office, [A Strong Britain in an Age of Uncertainty: The National Security Strategy](#), Cm 7953, October 2010, p.27

³²¹ Cabinet Office, [Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review](#), Cm 7948, October 2010, p.52

- c) exploring potential overlaps between the business support and operational capabilities of organised crime and counter terrorism policing, with a view to improving effectiveness and efficiency;
- d) increasing the effectiveness of asset recovery mechanisms, including improving the UK's ability to recover criminal assets held abroad; and
- e) introducing a new system for prioritising action against organised crime overseas, including coordination with diplomatic posts, so as to target those criminal groups that are having the greatest impact on the UK.

Further details on the NCA were set out in the Home Office consultation paper *Policing in the 21st century: reconnecting police and the people*.³²² It is proposed that a number of existing organisations that focus on organised crime, including the Serious Organised Crime Agency and the Child Exploitation and Online Protection Centre, will become part of the NCA under the new structural arrangements. The NCA will be made up of a number of operational "commands" – for example, an organised crime command, a border policing command, and possibly an operational support command – under the overall leadership of a chief constable.

Respondents to the consultation were divided over the functions that should be taken on by the NCA. Some suggested that it should focus purely on organised crime, while others suggested that it should also cover areas such as major crime, counter-terrorism and e-crime.³²³ The Government has "acknowledged the extent of the debate around the NCA's exact functions", and will be legislating to introduce the NCA at the earliest suitable opportunity.³²⁴

5.8 Counter proliferation and Arms Control

The proliferation of WMD and the potential acquisition of such technologies by hostile states or terrorist organisations has been a constant feature of any threat assessment in the last ten years.³²⁵ The National Security Risk Assessment, as set out in the NSS, takes a slightly different approach. Instead of identifying proliferation as one distinct outright threat, it acknowledges WMD proliferation as a threat within the context of several of the fifteen main risks identified. The potential use of WMD by terrorists, for example, is considered part of the Tier One risk of international terrorism affecting the UK or its interests; while proliferation also has a direct bearing on the Tier Two threat of a WMD attack on the UK or its overseas territories by another state or proxy. The SDSR also acknowledges that proliferation can "create instability overseas and increase regional tensions, with potentially serious consequences for UK national security".³²⁶

The National Security Tasks and associated planning guidelines consequently endorse stronger multilateral approaches for countering proliferation and securing fissile material and expertise; and the retention of key chemical, biological, radiological and nuclear (CBRN) capabilities that contribute to counter-proliferation and provide an ability to respond to the potential use of weapons of mass destruction (WMD), including through the retention of a minimum nuclear deterrent. In order to achieve these objectives, the SDSR makes a number of changes to existing policy, which reflect the new national security structures that have

³²² Home Office, *Policing in the 21st century: reconnecting police and the people*, Cm 7925, July 2010, pp.29-31

³²³ Home Office, *Policing in the 21st century: reconnecting police and the people – summary of consultation responses and next steps*, December 2010, p27

³²⁴ *ibid*, pp30-31

³²⁵ The 2003 defence white paper, *Delivering security in a changing world*, identified the proliferation of WMD as one of the main threats to UK security, a position reiterated in both the 2008 *National Security Strategy* and its update in 2009.

³²⁶ *The Strategic Defence and Security review*, Cm 7948, October 2010, p.55

been established. Specifically central government direction over counter-proliferation policies will be strengthened by the establishment of a new committee, chaired by the Cabinet Office and reporting to the NSC. That committee will ensure that UK counter-proliferation priorities are reflected in all of the UK's wider relationships with international partners. A new common fund, the Critical Capabilities Pool, will also be established and overseen by the committee. That fund will bring together cross-government activities in this area and ensure that the UK retains the skills and abilities it requires to tackle proliferation risks both in the UK and overseas. A virtual hub for counter proliferation technical assessment, based in the MOD, will also join up proliferation expertise from across the community and wider Government.

The SDSR also commits the UK to continuing to strengthen its international commitments in this area, including its obligations under the *Nuclear Non-Proliferation Treaty* (NPT), the *Biological and Toxin Weapons Convention* and the *Chemical Weapons Convention*; and its support for the work of the International Atomic Energy Agency (IAEA), and the Organisation for the Prohibition of Chemical Weapons. It also calls for the work of critical programmes for building security capacity overseas, such as the G8-led Global Threat Reduction programme, to be refocused on those areas that represent the most serious risk to the UK such as the security of WMD and WMD-related expertise. The SDSR also reiterates the UK's support for the establishment of an international arms trade treaty.

6 Impact of the SDSR on Foreign Policy

As outlined above, the SDSR sets out the steps that the Government will take in order to deliver on the National Security Tasks and Planning Guidelines. Based on the information provided in the SDSR, the FCO would seem likely to have a role to play in delivering all eight of those National Security Tasks, although the FCO is only mentioned directly in connection with Task 3: "Exert influence to exploit opportunities and manage risks."³²⁷

Part 4 of the SDSR, "wider security", provides information about the actions that the Government will be taking to address eight "wider security risks". These have been identified by the National Security Risk Assessment as risks "we should give greatest priority to, based on their relative likelihood and impact." It should be noted that the eight risks identified, while including three of the four Tier One risks in the NSS (which were described in that document as "those of the highest priority for UK national security looking ahead, taking account of both likelihood and impact") also include risks placed in Tiers Two and Three.

Through its ongoing diplomatic and alliance-building activities, the FCO can be expected to have a role to play in addressing all eight of these wider security risks. Its role in relation to five of them is briefly described below:

- **Terrorism** – The FCO "will continue to focus on counter-ideology and counter-radicalisation overseas, in regions that pose the greatest threat to the UK."³²⁸
- **Instability and conflict overseas** – A new Building Stability Overseas Strategy will be published in spring 2011. In the SDSR, the FCO is described as the lead department for this "priority area".

³²⁷ HM Government, *Securing Britain in an Age of Uncertainty. The Strategic Defence and Security Review*, Cm 7948, 19 October 2010, p. 11

³²⁸ *ibid*, para 4.A.5

Under the same heading, the SDSR states that DFID will be increasing its expenditure on fragile and conflict-affected states to 30% of ODA. The Conflict Pool, which is jointly managed by the FCO, DFID and the MOD, will see an increase in funding from £229m in 2010/11 to £300m by 2014/15. The remit and capabilities of the Stabilisation Unit will also be expanded. Facilities abroad in “priority locations” by different government departments will be shared. Finally, a “single, cross-government board to deal with conflict overseas” will be established.³²⁹

- **Energy security** – The FCO, reporting to the National Security Council, has been given a specific role to play in “coordinating work relating to [...] security impacts of climate change and resource competition”.³³⁰
- **Border security** – The FCO will have a role to play in prioritising “activity overseas to tackle threats before they reach us through capacity building in law enforcement in high risk countries.” It will also have a part in moves to strengthen visa processes and will provide intelligence and monitoring on maritime security issues to a new multi-agency National Maritime Information Centre.³³¹
- **Counter proliferation and arms control** – a new committee on counter proliferation will be established. It will be chaired by the Cabinet Office and report to the National Security Council. However, it is not clear how this is to be squared with a subsequent description of the FCO as having the sole lead on the “priority area” of “state threats and counter-proliferation”. Other activities mentioned under this heading – on non-proliferation, building security capacity overseas and support for an Arms Trade Treaty – have all seen a leading role for the FCO, if not the lead role, in the past but are not attributed to it directly here. A new fund, the Critical Capabilities Pool, is to be overseen by the new committee.³³²

While the FCO is not mentioned directly in the section of the SDSR on alliances and partnerships, it can be assumed that it will continue to have a leading role to play in implementing the “five priorities for our international engagement” identified there. Many of the proposals on structural reform and implementation also envisage an active role for the FCO. The Department will contribute to the process of coordinating UK activity overseas by leading in the production of “integrated strategies [...] for key countries and regions. However the final decision on what the “highest priority strategies” should be will be agreed by the National Security Council. The FCO, working with UK Trade and Investment, will also work with industry to identify “top commercial priorities”, integrating them into country and regional strategies and using the “overseas network to help realise our national and industrial objectives”.³³³

There is also a box in this part of the SDSR entitled “The Foreign and Commonwealth Office and the UK’s overseas network”. It rehearses many of the points made by the Foreign Secretary in his three keynote speeches made between July and September 2010. It states:

The Foreign and Commonwealth Office and the UK’s overseas network

As part of an adaptable posture, the UK will continue to need an active foreign policy and strong representation abroad. A genuine understanding of what is happening

³²⁹ HM Government, *Securing Britain in an Age of Uncertainty. The Strategic Defence and Security Review*, Cm 7948, 19 October 2010, para 4.B.2

³³⁰ *ibid*, 4.E.1

³³¹ *ibid*, 4.G.2

³³² *ibid*, para 4.H.2

³³³ *ibid*, 6.4

overseas requires people on the ground. And effective influencing – of governments, countries and organisations – requires face to face contact.

The National Security Council therefore agreed to maintain a global diplomatic network but with a sharper focus on promoting our national security and prosperity. The aim is to protect UK interests, addressing risks before they become threats, meeting new challenges as they emerge, and embracing new opportunities, while doing better with less. We also recognise that we cannot achieve long-term security and prosperity unless we uphold and promote our values in our international relationships. To achieve this, the FCO will:

- operate according to a new, more focussed, mandate: to safeguard the UK’s national security, build its prosperity, and support UK nationals around the world
- maximise the economic opportunities provided by the network with a new emphasis on commercial diplomacy including more effort on creating exports and investment; opening markets; ensuring access to resources and promoting sustainable global growth
- improve coordination of all UK work overseas under the leadership of the Ambassador or High Commissioner representing the UK Government as a whole, and create a simpler mechanism to allow other government departments to co-locate with the FCO overseas to increase efficiency
- focus resources on those countries most important to our security and prosperity including by establishing stronger bilateral relationships with a range of key partners such as India and China and on supporting fragile states such as Afghanistan, Somalia and Yemen
- continue to provide global coverage in a cost effective way by increasing efficiency and developing new, more flexible forms of diplomacy including regional coverage from central hubs, deploying mobile consuls across borders to reinforce our missions during serious consular incidents or in response to seasonal tourist patterns, rapid deployment teams for reaching crises quickly, and extending use of digital media to reach and influence more audiences
- continue to support the BBC World Service and British Council which play unique roles in promoting our values, culture and commitment to human rights and democracy.³³⁴

Last but not least, the SDSR identifies the lead ministers, designated officials and bodies responsible for coordinating work on “priority areas”. Of the ten priority areas specified, the FCO has the joint lead with DFID on “building stability overseas” and sole lead on “state threats and counter-proliferation” and “climate change and resource competition: security impacts”.³³⁵

6.1 The Spending Review and the FCO

On 20 October, the FCO put out the following [press release](#):

Foreign Office Spending Review settlement ensures UK maintains its global reach

³³⁴ HM Government, *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review*, Cm 7948, 19 October 2010, p. 67

³³⁵ *ibid*, p. 69

The Chancellor George Osborne today outlined the Spending Review 2010 which determines Government spending over the next four years. The Foreign Office settlement ensures the FCO plays its role in deficit reduction.

Foreign Secretary William Hague said:

“Reducing the huge deficit left by the last government is essential to getting Britain back to recovery. This settlement ensures the Foreign Office will play its part, while also maintaining our global reach and forging a distinctive British approach to foreign policy. The FCO’s global network is key to building our prosperity and to strengthening our security, as set out in the National Security Strategy earlier this week.

“The settlement also overturns the last government’s disastrous decision to end exchange rate protection for the Foreign Office budget. That change led to a 10% fall in FCO spending, with our foreign policy determined by exchange rate fluctuations, not a serious assessment of Britain’s place in the world.

“The BBC World Service and British Council are and will remain fundamentally important parts of Britain’s presence in the world. The transfer of BBC World Service funding to the Licence Fee in 2014-15 will enhance and safeguard the World Service’s vital role, allowing the BBC as a whole maximum scope to exploit efficiencies while also maintaining clear safeguards for BBC World Service funding and impartiality.”

Over the course of the Spending Review period the Foreign Office will see a 24% real terms reduction in the resource budget, and a 55% real terms reduction in capital spending. The Department’s administration budget will be reduced by 33%.

The settlement provides for an increase in the FCO’s Overseas Development Assistance (ODA) spending to help meet the Government’s commitment to dedicating 0.7% of Gross National Income to ODA by 2013 - the FCO’s contribution to UK ODA spending will increase from around 2% in 2010/11 to around 2.4% in 2011/12.

The settlement also continues to provide grants to both the World Service and the British Council, though at a reduced level. From 2014-15 the BBC World Service will be funded by the BBC, but the Foreign Secretary will retain his veto over any decisions to cut language services.

Once the additional resources from the BBC are taken into account the rest of the FCO budget will only fall by 10% over the period.

According to the *Times*, the FCO’s increased contribution to UK ODA would involve an increase from £130m to £270m.³³⁶

The BBC stated that the 24% real terms reduction in the FCO’s resource budget would be funded through a reduction in the number of “Whitehall-based diplomats and back office costs.”³³⁷ An article in the *Guardian* reported that it is expected that the “drop in the number of diplomats deployed around the world is projected to be 10% over four years.”³³⁸ The *Times* talked in terms of the FCO losing “at least 430 of its 4,300 British employees”, with both it and DFID looking to reduce their “administrative budgets by one third”. The article added that “both departments will consider sharing offices, embassies and other buildings overseas” –

³³⁶ “Bigger aid budget to stop war and terror”, *Times*, 21 October 2010

³³⁷ “Spending Review: Osborne wields UK spending axe”, *BBC Online*, 20 October 2010

³³⁸ “Foreign Office: Shift from hardware to soft power but scepticism over planned changes”, *Guardian*, 21 October 2010

something that they have already been doing for some time, for example in a number of sub-Saharan African countries.³³⁹

The *Guardian* article also claimed that the shift in funding of the BBC World Service from the FCO to the BBC in 2014 would save “more than £200m – a tenth of the budget.”³⁴⁰ The article continued:

Other savings will come from spending less on upgrading embassies and selling off some property abroad. Officials say the brunt of the remaining cuts will fall on what George Osborne called the “back-office functions” – the accountants and computer experts – whose jobs will either be consolidated or outsourced.³⁴¹

It concluded:

The Foreign Office denies those cuts will be reflected in any drop in influence around the world [...] Officials also insist that the cut in spending on human rights reporting simply means that the reports will be printing on less glossy paper, not that there will be less attention paid to the issue.

Others are less confident that such deep cuts can be achieved so painlessly. “There’s a danger of falling for the mythology of faceless bureaucrats in London, as if there are lots of people doing nothing very useful”, said a former senior diplomat.

“For example, a report comes in on human rights abuse and it sits in an in-tray because there’s not enough staff with quality time to sort out priorities and send the right stuff up to ministers in timely fashion, for decision and action. I’ve seen that sort of thing happen even on present staffing, so there are risks in cutting too hard.”³⁴²

DFID’s projected increase in expenditure on fragile and conflict-affected states, as discussed in section 5.4 above, should also assist the FCO in coping with its planned budget reductions.³⁴³

Further information about the impact of the spending review on the FCO was provided in a [memorandum](#) sent to the Foreign Affairs Committee dated 27 October 2010, and during an [evidence session](#) by the Permanent Secretary, Simon Fraser, and other senior officials before the same Committee on 24 November 2010.

With regard to the BBC World Service, a commentator in another article in the *Guardian* asserted shortly after the spending review had been announced:

The changes to World Service funding are the most far-reaching in its 78-year history. It will have to find savings of 27% over the next four years: a 16% cut in funding plus more money for the pension fund. This won’t be salami-slicing, whole chunks will go.³⁴⁴

However, Mark Thompson, Director-General of the BBC, later put a much more positive spin on the settlement:

From now on, the funding of World Service and Monitoring will be agreed in separate licence fee negotiations which will give them longer settlements and greater security

³³⁹ “Bigger aid budget to stop war and terror”, *Times*, 21 October 2010

³⁴⁰ “Foreign Office: Shift from hardware to soft power but scepticism over planned changes”, *Guardian*, 21 October 2010

³⁴¹ *ibid*

³⁴² *ibid*

³⁴³ The same should also apply to the MOD.

³⁴⁴ “The impact on the World Service and S4C”, *Guardian*, 25 October 2010

than they have enjoyed before. Just as now, the foreign secretary will have to agree BBC proposals to open or close services. But the BBC will have complete editorial and operational independence over these services and, for the first time ever, international audiences will know that the services are funded not by the UK government but directly by the British public. That's likely to increase further their already high reputation for independence and trustworthiness.³⁴⁵

Returning to the wider picture, Philip Stephens, writing in the *Financial Times* in the immediate aftermath of the Spending Review, reprised what had become his customary pessimistic refrain about the prospects for maintaining British influence in the world in the new age of austerity:

Britain is turning in on itself. Cool Britannia, self-confident globalism and liberal internationalism – all belong to a bygone era [...] The world now belongs to China, India, Brazil, Turkey and the rest.³⁴⁶

6.2 The FCO Business Plan

The FCO published its [Business Plan for 2011-2015](#) on 9 November 2010. This plan represents a further articulation of the FCO's vision and priorities, linking them to specific "actions" and "milestones" (rather than "the old top-down systems of targets and central micromanagement" which it claims had been the hallmark of the previous Labour Government) in a Structural Reform Plan intended to promote "a power shift, taking power away from Whitehall and putting it into the hands of people and communities, and a horizon shift, making the decisions that will equip Britain for long term success." There will be monthly progress reports published on both the FCO and No. 10 websites and the plan as a whole will be "refreshed annually".

In his introduction, William Hague, the Foreign Secretary, refers back to the three-pronged "foreign policy priority" of the Government, as described in Section 2.1 above, this time talking in terms of "three overarching priorities". The plan then sets out five "structural reform priorities":

1. Protect and promote the UK's national interest

- Shape a distinctive British foreign policy geared to the national interest, retain and build up Britain's international influence in specific areas, and build stronger bilateral relations across the board with key selected countries to enhance our security and prosperity

2. Contribute to the success of Britain's effort in Afghanistan

- Support our military Forces abroad, protect British national security from threats emanating from the region, create the conditions to shift to non-military strategy in Afghanistan and withdrawal of UK combat troops by 2015, and support the stability of Pakistan

3. Reform the machinery of government in foreign policy

- Establish a National Security Council as the centre of decision-making on all international and national security issues, and help to implement the foreign policy

³⁴⁵ "BBC Director General says licence fee deal with strengthen independence", *The Guardian*. On 3 November 2010, Peter Horrocks, the Director of BBC World News, and Richard Thomas, its Chief Operating Officer, gave [evidence](#) to the Foreign Affairs Committee, during which the financial future of the World Service was extensively discussed. Evidence was taken from the Vernon Ellis, the Chair of the British Council, and Martin Davidson, its Chief Executive, in the same session.

³⁴⁶ "Austerity spells the end of Britain's post-imperial reach", *Financial Times*, 22 October 2010

elements of the National Security Strategy and the Strategic Defence and Security Review

4. Pursue an active and activist British policy in Europe

- Advance the British national interest through an effective EU policy in priority areas, engaging constructively while protecting our national sovereignty

5. Use ‘soft power’ to promote British values, advance development and prevent conflict

- Use ‘soft power’ as a tool of UK foreign policy; expand the UK Government’s contribution to conflict prevention; promote British values, including human rights; and contribute to the welfare of developing countries

The plan then immediately goes on refer to “other major responsibilities”:

- Reduce the risk to the UK and to UK interests overseas from international terrorism
- Ensure appropriate structures are in place to deal with terrorist incidents overseas, enhance the detection and disruption of terrorists and terrorist networks, and reduce the risk to the UK and UK interests by countering violent extremist ideology and undermining the terrorist narrative Support British nationals around the world through modern and efficient consular services
- Deliver a smaller and better Consular Service by managing resources more effectively and putting the needs of British nationals overseas at the heart of consular service provision Control migration to secure the UK’s borders and to promote the UK’s prosperity
- Work with the UK Border Agency and Whitehall partners to support the development and delivery of a migration policy that protects our security and attracts the brightest and best Support conflict resolution in fragile states
- Work with the Department for International Development and the Ministry of Defence to support conflict resolution and improve governance in fragile states Lead effective international action on climate change
- Achieve acceleration towards the low carbon economy in the EU and build momentum towards agreement in the post-Copenhagen climate negotiations

Detailed actions and milestones are then provided for the five “structural reform priorities” but not for the “other major responsibilities”. The final two parts of the plan set out departmental expenditure for the period in accessible form and explain the FCO’s future intentions with regard to transparency and the publication of data.

6.3 Further foreign policy speeches by Cameron and Hague

On 15 November 2010, David Cameron made a [speech](#) on foreign policy to the Lord Mayor’s Banquet. In it, he rejected “the thesis of decline”, adding: “I firmly believe that this open, networked world plays to Britain’s strengths. But these vast changes in the world mean we constantly have to adapt.” The Prime Minister went on to focus on three areas “where we believe that Britain’s interests require a change of course”:

First, we must link our economy up with the fastest growing parts of the world, placing our commercial interest at the heart of our foreign policy.

Second, we're taking a more strategic and hard-headed approach to our national security and applying that to our mission in Afghanistan.

Third, we are focusing our aid budget on building security and preventing conflict.

He concluded that, while Britain's "moral authority in the world depends on showing that we uphold our values":

Our foreign policy is one of hard-headed internationalism [...] Above all, our foreign policy is more hard-headed in this respect: it will focus like a laser on defending and advancing Britain's national interest.

William Hague made his fourth and final keynote foreign policy speech at Georgetown University, Washington, DC, on 17 November 2010. Entitled "[International security in a networked world](#)", the speech appeared primarily designed to reassure American audiences that, whatever they might have heard about the SDSR and related policy changes, the US could continue to rely on the UK as a close, reliable and effective diplomatic and military partner in the future. The Foreign Secretary concluded his speech as follows:

We have a clear long-term vision of Britain as an active global power and the closest ally of the United States. In a networked world the UK is now equipped to play not a shrinking but a growing and increasingly effective role – both in promoting our interests and in helping meet the major world challenges, and so there will be no shrinkage of the UK's global role in the lifetime of this British Government.

In the years ahead our intelligence services will continue to work in the most dangerous parts of the world, detecting threats to our security and supporting that of our allies. Our aid workers will continue to be in the front line of combating deprivation, insecurity and hopelessness. Our Armed Forces will continue to be the backbone of our defence and to train others around the world. Our diplomats will remain among the very best it is possible to have, working from one of the largest diplomatic networks of any country, with new partners as well as our oldest allies. And our government will work to harness all the instruments of our national power more effectively than in the past.

So ours is a foreign policy that will be based firmly on our own enlightened national interest, consciously geared to securing prosperity for our own citizens but always connected to the needs of our allies. It will uphold our values and defend human rights, without which we cannot hope to see stability entrenched and democracy more universally enjoyed, and it will protect the security of the United Kingdom - without which we imperil all we have achieved and hold dear, and in support of which there is no single more important alliance than our unshakeable partnership with the United States of America.

Both of these speeches largely reiterated what were by this time off-rehearsed arguments. Their significance was that they brought the curtain down on the first phase of the Coalition Government's foreign policy: the establishment of its vision and objectives, and the identification of the resources available to achieve them.

7 Next Steps

The period ahead will see this framework, and all of the recommendations set out in the SDSR tested by the inevitable challenges of implementation – and, of course, by events.

From a defence perspective, the conclusions and recommendations of the SDSR have already begun to be challenged. Commentators have continued to debate whether the conclusions of both documents can be regarded as truly strategic, or merely a reaction to financial pressures. The ability of the Armed Forces (reconfigured for Future Force 2020) to match the level of foreign policy ambition set out in the National Security Strategy, in particular, has been questioned. The decisions to decommission the Harrier fleet early, as opposed to the Tornado fleet, and create a 10-year gap in carrier strike capability, have prompted particular criticism and calls from many former senior military figures for the Government to reverse its decision. Going forward, concerns have now begun to emerge over whether the cuts announced in the SDSR go far enough towards addressing the MOD's budget deficit. Speculation has been rife that further capability and manpower cuts may now be necessary.

The new approach of incorporating wider security issues into the SDSR has been broadly welcomed. The challenge for the next few years will again be in the implementation of the new initiatives and frameworks that the SDSR establishes in each of these areas. Much will depend on the effective co-ordination of policies within the National Security Council and its associated structures. That newly established framework will no doubt evolve as lessons are learnt, and the intention to conduct a National Security Risk Assessment every two years and publish a new National Security Strategy and SDSR every five years, has been regarded as crucial in this regard.

In the process, the evolution of the NSS and the SDSR will also be subject to close political and parliamentary scrutiny. By way of a foretaste, the shadow Foreign Secretary, Yvette Cooper, made her first major [speech](#) on foreign policy at Chatham House on 13 December 2010³⁴⁷ and the Foreign Affairs Select Committee recently began an inquiry on "[The Role of the FCO in UK Government](#)".³⁴⁸ The Defence Select Committee also launched an inquiry into the [SDSR and the National security Strategy](#) in January 2011.

³⁴⁷ The speech was entitled, "Coalition Foreign Policy - an assessment and Labour's approach to Opposition". In it, she claimed that "there is a lack of serious strategy in the Government's foreign policy. It is a shrivelled vision of Britain's role in the world, and ultimately, I fear, it will let Britain down."

³⁴⁸ The [first evidence session](#) (published as HC665-i, Session 2010-11) was held on 8 December 2010. The [second evidence session](#) (published as HC665-ii, Session 2010-11) took place on 15 December 2010.

Appendix One – Defence Spending Since 1955

UK defence expenditure^a : 1955/56 to 2009/10

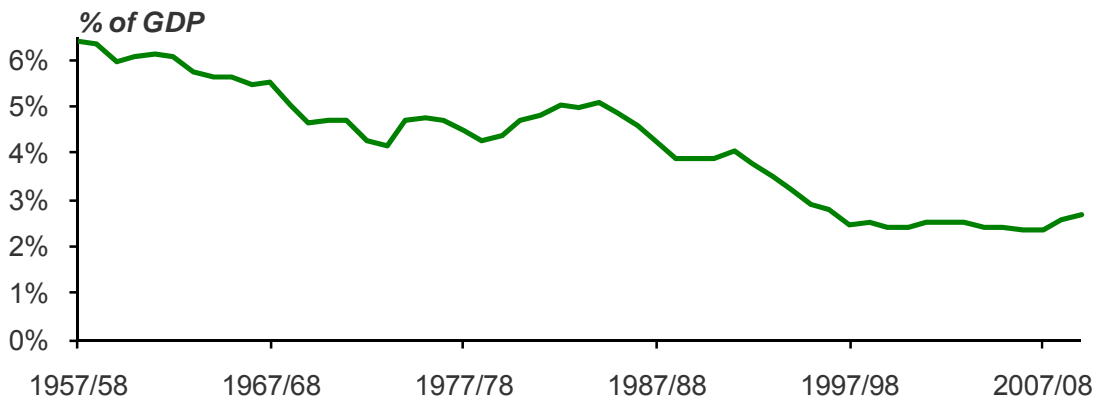
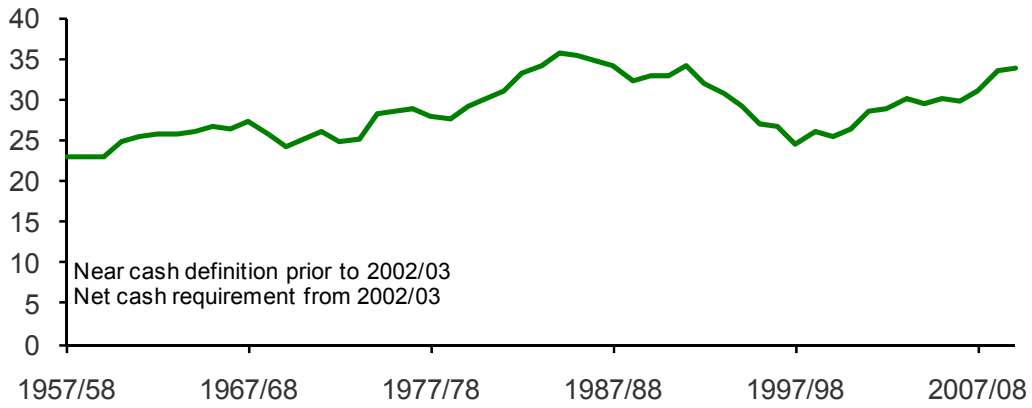
	£ billion	£ billion at 2009/2010 prices ^b	£bn change over previous year in real terms	% change over previous year in real terms	As per cent of GDP
1955/56	1.4	28.4	7.1%
1956/57	1.5	25.7	-2.7	-9.4%	7.2%
1957/58	1.4	23.0	-2.7	-10.4%	6.4%
1958/59	1.5	23.0	-0.0	-0.1%	6.3%
1959/60	1.5	22.9	-0.1	-0.5%	6.0%
1960/61	1.6	24.7	1.8	7.6%	6.1%
1961/62	1.7	25.3	0.7	2.8%	6.1%
1962/63	1.8	25.7	0.3	1.3%	6.1%
1963/64	1.8	25.6	-0.1	-0.2%	5.7%
1964/65	1.9	26.0	0.4	1.7%	5.6%
1965/66	2.1	26.7	0.7	2.7%	5.6%
1966/67	2.1	26.4	-0.4	-1.3%	5.5%
1967/68	2.3	27.3	1.0	3.6%	5.5%
1968/69	2.2	25.8	-1.5	-5.5%	5.0%
1969/70	2.2	24.2	-1.6	-6.4%	4.6%
1970/71	2.5	25.1	0.9	3.9%	4.7%
1971/72	2.8	26.0	0.9	3.6%	4.7%
1972/73	2.9	24.7	-1.3	-4.9%	4.3%
1973/74	3.1	25.0	0.3	1.2%	4.2%
1974/75	4.2	28.4	3.3	13.3%	4.7%
1975/76	5.3	28.5	0.1	0.4%	4.8%
1976/77	6.2	28.9	0.4	1.4%	4.7%
1977/78	6.8	28.0	-0.9	-3.1%	4.5%
1978/79	7.5	27.7	-0.3	-1.0%	4.3%
1979/80	9.2	29.2	1.5	5.3%	4.4%
1980/81	11.2	30.1	0.9	3.1%	4.7%
1981/82	12.6	31.0	0.9	3.0%	4.8%
1982/83	14.4	33.1	2.2	7.0%	5.0%
1983/84	15.5	34.0	0.9	2.7%	4.9%
1984/85	17.1	35.7	1.7	5.0%	5.1%
1985/86	17.9	35.5	-0.3	-0.8%	4.9%
1986/87	18.2	34.8	-0.7	-1.9%	4.6%
1987/88	18.9	34.2	-0.6	-1.8%	4.3%
1988/89	19.1	32.3	-1.8	-5.3%	3.9%
1989/90	20.8	32.9	0.5	1.6%	3.9%
1990/91	22.3	32.7	-0.1	-0.4%	3.9%
1991/92	24.6	34.0	1.3	4.0%	4.0%
1992/93	23.8	31.9	-2.1	-6.2%	3.8%
1993/94	23.4	30.6	-1.3	-4.0%	3.5%
1994/95	22.5	29.0	-1.6	-5.3%	3.2%
1995/96	21.5	26.9	-2.1	-7.1%	2.9%
1996/97	22.0	26.6	-0.3	-1.3%	2.8%
1997/98	20.9	24.6	-2.0	-7.4%	2.5%
1998/99	22.5	25.9	1.3	5.1%	2.5%
1999/00	22.6	25.5	-0.4	-1.5%	2.4%
2000/01	23.6	26.3	0.8	3.0%	2.4%
2001/02	26.1	28.5	2.2	8.4%	2.5%
2002/03	27.3	28.9	0.4	1.5%	2.5%
2003/04	29.3	30.2	1.3	4.4%	2.5%
2004/05	29.5	29.5	-0.6	-2.1%	2.4%
2005/06	30.6	30.1	0.5	1.8%	2.4%
2006/07	31.5	29.9	-0.2	-0.6%	2.3%
2007/08	33.5	30.9	1.0	3.5%	2.4%
2008/09	36.4	33.3	2.4	7.8%	2.5%
2009/10	37.4	33.7	0.3	1.0%	2.7%

Notes: (a) Figures show the department's near cash up to 2002/03 and net cash requirement from then. This series allows for comparisons between pre and post RAB implementation

(b) Adjusted using the adjusted GDP deflator as at September 2010

Sources: *British Historical Statistics*, Mitchell - Up to and including 1974/75
UK Defence Statistics, DASA (provided by DASA official) - From 1975/76
Public Expenditure: Statistical Analyses 2010, HM Treasury

UK defence expenditure
£billion, constant 2009/10 prices



Appendix Two - Overview of Current Government Responsibilities for Cyber Security

ROLE	BODY	REMIT
Policy coordination	The Office of Cyber Security and Information Assurance (OCSIA)	Based in the Cabinet Office and set up at the same time as CSOC (see below) to provide coherence and strategic leadership across the Government's cyber security policy interests. This includes horizon scanning to consider impact of an evolving cyber landscape for the UK's cyber security and working with partners across government to identify and implement the appropriate policy responses.
Strategic Analysis	The Cyber Security Operations Centre (CSOC)	<p>Established in September 2009 as part of GCHQ with staff from a range of government and other stakeholders.</p> <p>Provides a hub for strategic analysis of developments in cyberspace and improving the co-ordination of the UK's response to cyber incidents.</p> <p>CSOC's work aims to draw together a range of sources to enable a better understanding of the risks and opportunities of cyberspace, ensure information is coherently distributed to government, industry, international partners and the public and help inform strategic decision making.</p>
Response and analysis	UK's Government Computer Emergency Response Team (GovCert UK)	Provide response and analysis to the public sector
	MOD Computer Emergency Response Teams (CERTs)	MOD dedicated team
	Combined Security Incident Response Team (CSIRTUK)	Provide response and analysis to critical infrastructure providers.
Advice and Guidance	The Centre for the Protection of National Infrastructure (CPNI)	Provide advice and guidance on electronic attack/cyber attack to the critical national infrastructure and to government departments
	CESG (the national technical authority for information assurance)	

Appendix Three – Defining Fragile and Conflict-Affected States

There is no single agreed definition of fragile and conflict-affected states; given the subjectivity of the two terms, this is perhaps unsurprising. Some countries define themselves as fragile or conflict affected through membership of the g7+; other organisations have attempted a dispassionate classification through indices or relative rankings of fragility and conflict, based on quantifiable or observable characteristics. DFID also maintains a list of fragile and conflict-affected states, but it is not made available to the public.

Self-defined: the g7+

Established in April 2010, the g7+ is an independent forum of states that define themselves as fragile or conflict-affected. As a collective voice, the goal of the group is to improve representation of these countries' interests on the international stage.

g7+ includes East Timor and South Sudan



DFID's classification

DFID maintains a list of fragile and conflict-affected states, but it is not published for diplomatic reasons. A DFID Project Evaluation Report from February 2010 lists 46 fragile and conflict-affected states as at 2007; it further separates them into five categories: 'collapsed', 'conflict', 'post conflict', 'recalcitrant', 'gradual reform', and 'arrested development'.



Other organisations

The World Bank, the Brookings Institute, and Carleton University in Canada all compile rankings of countries based on the strength of their institutions and their vulnerability to collapse. The OECD uses all of these to produce its own list, illustrated on the right.

Red=ongoing conflict; blue=post-conflict; green=other; black=multi-category

