



## **Size and Capability of the UK's Armed Forces for Contributing to Global Peace, Stability and Security**

### **Debate on 23 November 2017**

#### **Summary**

On 23 November 2017, the House of Lords is due to debate a motion, moved by Lord Soley (Labour), that “this House takes note of the case for maintaining United Kingdom defence forces at a sufficient level to contribute to global peace, stability and security”.

The Conservative Government led by David Cameron set out its plans for the Armed Forces' future capabilities in the *National Security Strategy and Strategic Defence and Security Review* (SDSR 2015) published in November 2015. This outlined plans for a Joint Force 2025 capable of deploying an expeditionary force of around 50,000, including a maritime task group, a land division, an air group and a Special Forces task group. The Government stated that it would meet the NATO guideline of spending at least 2 percent of GDP on defence each year, and would also raise the defence budget by 0.5 percent a year in real terms, and invest £178 billion in defence equipment over the next decade (an additional £12 billion compared to previous plans).

The SDSR 2015 made headline commitments to slightly increase the overall size of the regular Armed Forces, maintaining an Army of 82,000 and increasing the Royal Navy and Royal Air Force by 400 and 300 respectively, but pledged to reduce the Ministry of Defence's civilian staff by around 30 percent. However, the Joint Committee on the National Security Strategy expressed concerns in July 2016 that the Armed Forces would not be able to fulfil the wide-ranging tasks assigned to them with the capabilities, manpower and funding allocated in the SDSR 2015. In July 2017, the Cabinet Office launched a review of national security capabilities led by the National Security Advisor, Mark Sedwill. The review will examine the policy and plans which support the implementation of the national security strategy. In October 2017, the then Defence Secretary, Sir Michael Fallon, suggested that the review was being conducted in “light of the rapidly changing international situation and the intensification of the threats identified in the 2015 SDSR”. A number of commentators have speculated that this review is considering cuts to the UK Armed Forces. For example, press reports have suggested that two specialist landing ships—HMS Albion and Bulwark—may be taken out of service, and that the Royal Marines could be cut by 1,000.

#### **Table of Contents**

1. Size and Capability of the UK's Armed Forces

2. International Situation

The UK had the fifth largest defence budget worldwide in 2016, and is one of only six of NATO's 29 members forecast to meet the 2 percent defence spending guideline in 2017. There have been calls for the level of defence spending to be raised to 2.5 or 3 percent of GDP. The Ministry of Defence's equipment spending plans depend on meeting challenging efficiency savings targets, and its spending power could also be affected by the weakening of the pound and fluctuations in GDP. Although the Government has already begun acquiring some of the equipment outlined in the SDSR, concerns have been raised that the long lead time required for the development of new capabilities could leave the UK exposed in the short-term.

A number of commentators have suggested that the Armed Forces' future capabilities need to be re-examined in light of the result of the EU referendum, which could change the way the UK cooperates militarily with its EU partners; the victory in the US presidential election of Donald Trump, who has indicated he may not be as committed to the NATO alliance as his predecessors; and signs of increasing aggression on the part of Russia. For example, in a foreign policy speech at the City of London Lord Mayor's Banquet, in November 2017, the Prime Minister, Theresa May, accused the Russian Government of interfering in elections and cyber espionage, and of threatening the international order.

## Table of Contents

<b>1. Size and Capability of the UK's Armed Forces</b>	<b>1</b>
1.1 Overview: Strategic Defence and Security Review 2015 .....	1
1.2 Defence Spending.....	3
1.3 NATO's 2 Percent Target .....	8
1.4 Personnel .....	10
1.5 Equipment .....	14
1.6 Affordability of the Defence Equipment Plan .....	17
1.7 UK Armed Forces: Capability Gaps .....	17
<b>2. International Situation</b>	<b>22</b>
2.1 A New SDSR? .....	22
2.2 Leaving the European Union .....	24
2.3 United Kingdom and NATO .....	26
2.4 United States and NATO.....	28
2.5 Russia .....	30

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## **I. Size and Capability of the UK's Armed Forces**

### **I.1 Overview: Strategic Defence and Security Review 2015**

The Conservative Government led by David Cameron set out its plans for the Armed Forces' future capabilities and size in the [National Security Strategy and Strategic Defence and Security Review 2015](#) (SDSR 2015) published in November 2015. The Government stated its intention to “strengthen our Armed Forces [...] so that they remain world-leading”, able to “project our power globally” and to “fight and work alongside our close allies, including the US and France, to deter or defeat our adversaries”.<sup>1</sup> It acknowledged that it had taken “tough decisions to balance the defence budget in 2010” at the time of the previous Strategic Defence and Security Review, but argued that it was “now in a position to invest in the highly deployable Armed Forces that we need to guarantee our security”.<sup>2</sup>

The SDRS 2015 set eight missions for the Armed Forces. The first four were described as “routine” missions, while the latter four would constitute the Armed Forces' contribution to the Government's response to crises:

- Defend and contribute to the security and resilience of the UK and Overseas Territories.
- Provide the nuclear deterrent.
- Contribute to improved understanding of the world through strategic intelligence and the global defence network.
- Reinforce international security and the collective capacity of our allies, partners and multilateral institutions.
- Support humanitarian assistance and disaster response, and conduct rescue missions.
- Conduct strike operations.
- Conduct operations to restore peace and stability.
- Conduct major combat operations if required, including under NATO's Article 5.<sup>3</sup>

To conduct these missions, and to “ensure that the Armed Forces are able to tackle a wider range of more sophisticated potential adversaries”, to “deploy more quickly and for longer periods” and to “make best use of new technology”, the SDRS 2015 set out a commitment to “develop a new Joint Force 2025”.<sup>4</sup>

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<sup>1</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015](#), November 2015, Cm 9161, p 9.

<sup>2</sup> *ibid*, p 13.

<sup>3</sup> *ibid*, pp 27 and 29. Article 5 enshrines the principle of collective defence, so that an attack against one member of NATO is considered an attack against them all.

<sup>4</sup> *ibid*, p 29.

The Government stated that this would build on Future Force 2020, a major restructuring of the Armed Forces set out in the previous SDSR in 2010.<sup>5</sup> The planning assumption under Joint Force 2025 is that the Armed Forces will be able to deploy an expeditionary force of around 50,000 (compared with around 30,000 planned in Future Force 2020), drawn from:

- A maritime task group centred on a Queen Elizabeth Class aircraft carrier with F-35 Lightning combat aircraft, consisting of around 10 to 25 ships and 4,000 to 10,000 personnel.
- A land division with three brigades, including a new strike force, consisting of around 30,000 to 40,000 personnel.
- An air group consisting of around 4 to 9 combat aircraft squadrons, 6 to 20 surveillance platforms, 5 to 15 transport aircraft and 4,000 to 10,000 personnel.
- A Special Forces task group.
- Joint Forces, including enablers and headquarters of around 2,000 to 6,000 personnel.<sup>6</sup>

The SDSR 2015 states that when they are not deployed at this scale, the Armed Forces will be able to undertake a large number of smaller operations simultaneously, which might include:

- A medium-scale operation, often drawing mostly on just one service, such as our current counter-ISIL mission in Iraq.
- Multiple additional operations, ranging from specialist missions such as counter-terrorism or counter-piracy, through to broader, more complex operations such as the military support to tackle Ebola in Sierra Leone or the enduring naval presence in the Gulf.
- A wide range of defence engagement activities, such as training teams and mentoring.<sup>7</sup>

In support of these capabilities, the Government made a number of commitments in the SDSR 2015 relating to defence spending, personnel and equipment, which are examined in turn in section 1.4 of this briefing. Commenting in July 2016 on the key overall role of the Armed Forces in responding to the full spectrum of threats to the UK and its interests, the Joint Committee on the National Security Strategy highlighted its concern that the Armed Forces would “not be able to fulfil the wide-ranging tasks

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<sup>5</sup> For detailed information about the SDSR 2010 and Future Force 2020, see: HM Government, [Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review](#), October 2010, Cm 7948; and House of Commons Library, [Strategic Defence and Security Review: Defence Policy and the Armed Forces](#), 2 November 2010.

<sup>6</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015](#), November 2015, Cm 9161, p 29; and Ministry of Defence, [SDSR 2015 Defence Key Facts](#), 24 November 2015, p 6.

<sup>7</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015](#), November 2015, Cm 9161, pp 29–30.

described in the SDSR 2015 with the capabilities, manpower and funding” allocated.<sup>8</sup>

Similarly, the *Financial Times* reported in September 2016 that General Sir Richard Barrons, recently retired head of the UK’s Joint Forces Command, had submitted a private memorandum to the then Secretary of State for Defence, Sir Michael Fallon, in which he contended that “capability that is foundational to all major armed forces has been withered by design”.<sup>9</sup> Sir Richard is reported to have pointed out capability shortfalls such as the deployment of Royal Navy ships and Royal Air Force (RAF) planes without adequate munitions or protections; dependence on small numbers of highly expensive pieces of military equipment which the Armed Forces cannot “afford to use fully, damage or lose”; and “dangerously squeezed” manpower, leading to an over reliance on a small number of personnel with specialist skills, such as fighter pilots.

In response to criticisms, the Government maintained that it is “confident that the strategy, and the policies and capabilities required to deliver it, are fully aligned with the available resources”.<sup>10</sup> However, on 20 July 2017, the Cabinet Office announced that the National Security Adviser, Mark Sedwill, will be leading a review of national security capabilities.<sup>11</sup> With regards to this review, in October 2017, the then Defence Secretary, Sir Michael Fallon, stated that:

In the light of the rapidly changing international situation and the intensification of the threats identified in the 2015 Strategic Defence and Security Review, the Government is conducting a national security capability review to ensure our capabilities are as effective and efficient as possible. Defence is playing a full role in this work—undertaken to look again at the specific capabilities available not just to the Ministry of Defence but across Government, to ensure that as threats intensify we continue to have the right capabilities in the right places to meet them.<sup>12</sup>

## 1.2 Defence Spending

The UK had the fifth largest defence budget worldwide in 2016, according to figures compiled by the International Institute for Strategic Studies (IISS).<sup>13</sup>

<sup>8</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 26.

<sup>9</sup> Sam Jones, [‘Britain’s ‘Withered’ Forces Not Fit to Repel All-out Attack’](#), *Financial Times* (£), 16 September 2016.

<sup>10</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015: Government Response](#), 27 October 2016, HL Paper 56 of session 2016–7, p 6.

<sup>11</sup> Cabinet Office, [‘Strategic Defence and Security Review Implementation’](#), 20 July 2017.

<sup>12</sup> House of Commons, [‘Written Question: Strategic Defence and Security Review’](#), 6 October 2017, 105935.

<sup>13</sup> International Institute for Strategic Studies, *The Military Balance 2017*, February 2017, p 19.

The UK's defence budget was equivalent to US\$52.5 billion, and the four countries with higher defence spending were: US (\$604.5 billion); China (\$145 billion); Russia (\$58.9 billion, under the NATO defence spending definition); and Saudi Arabia (\$56.9 billion). The figures were calculated using the average market exchange rates for 2016 and based on IMF data.<sup>14</sup>

The UK is one of the few NATO countries to meet NATO's guideline to spend at least 2 percent of GDP on defence. Only six of NATO's 29 members are forecast to do so in 2017: US (3.58 percent); Greece (2.32 percent); UK (2.14 percent); Estonia (2.14 percent); Romania (2.02 percent); and Poland (2.01 percent).<sup>15</sup> These figures are based on 2010 prices and exchange rates.

In the July 2015 Budget, the Government made a commitment to "meet the properly measured NATO pledge to spend 2 percent of national income on defence every year of this decade" and to raise the defence budget by 0.5 percent a year in real terms.<sup>16</sup> This was restated in the SDSR 2015 and in the 2017 Conservative Party manifesto, where the Government pledged that it would continue to meet the NATO target, which would allow it to "increase the defence budget in real terms every year of this Parliament", to deliver the commitment to increase the equipment budget by at least 1 percent in real terms, and to continue to meet the NATO target to spend 20 percent of the defence budget on researching, developing and procuring new equipment.<sup>17</sup> In addition, the SDSR 2015 announced that the Government would spend £178 billion over the next decade on defence equipment and support.<sup>18</sup> The Ministry of Defence's (MOD) *Defence Equipment Plan 2016* was published in January 2017 and sets out the budget for the delivery and support of key defence equipment.

The Spending Review and Autumn Statement 2015, published two days after the SDSR 2015, stated that the MOD's budget would be increased from £34.3 billion in 2015–16 to £39.6 billion in 2020–21.<sup>19</sup> In addition, the Government announced that it would invest £11 billion in new capabilities, innovation and the defence estate, "to ensure that the Armed Forces are able to continue to project power with greater global reach".<sup>20</sup> This funding would be made up of:

- £7.2 billion delivered through efficiency savings including military and civilian pay restraint, reductions to the civilian headcount,

<sup>14</sup> International Institute for Strategic Studies, *The Military Balance 2017*, February 2017, p 19.

<sup>15</sup> NATO, *Defence Expenditures of NATO Countries 2010–2017*, 29 June 2017, p 3.

<sup>16</sup> HM Government, *Summer Budget 2015*, 5 July 2015, HC 264 of session 2015–16, pp 26–7.

<sup>17</sup> HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*, November 2015, Cm 9161, p 27; and Conservative Party, *Conservative Party Manifesto 2017*, 18 May 2017, p 30.

<sup>18</sup> HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*, November 2015, Cm 9161, p 27

<sup>19</sup> HM Government, *Spending Review and Autumn Statement 2015*, 25 November 2015, Cm 9162, p 80.

<sup>20</sup> *ibid.*

- and reductions in travel expenditure and professional fees.
- £2 billion delivered through the reprioritisation of existing funding.
- £2.1 billion from the Joint Security Fund, announced in the July 2015 Budget.<sup>21</sup>

Doubts have been expressed about the ability of the MOD to find the planned efficiency savings. For example, in April 2017, the House of Commons Public Accounts Committee stated “that the Ministry of Defence’s (the Department’s) Equipment Plan is at greater risk of becoming unaffordable than at any time since its inception in 2012”.<sup>22</sup> The Committee argued that the affordability of the programme was now “heavily reliant on a highly ambitious, but still under-developed, programme of efficiency savings from within the Plan and the wider Defence budget”.<sup>23</sup> Moreover, the Committee also noted that the plan was vulnerable to cost growth for a number of reasons. First, there were “uncertainties and over-optimism” around the costs of new projects. The Committee argued that the MOD’s current costing practice did not adequately take account of the uncertainties associated with the costs of projects at an early stage. Second, the Committee suggested that there were continued problems with cost control on some long-standing projects, such as the Astute submarine programme and the Type 26 Global Combat Ship. Third, the Committee noted that the recent fall in the pound against the US dollar may increase the cost of equipment purchased in US dollars as the Plan contains expenditure of 28.8 billion in US dollars over the next ten years.<sup>24</sup> As of April 2017, the pound had fallen to more than 30 cents below the exchange rate used by the Department in its original estimates. If the pound remained at this level, the Committee stated that this could increase the cost of the plan by approximately £5 billion.<sup>25</sup>

The Joint Committee on the National Security Strategy also assessed that the MOD might “struggle” to make the expected efficiency savings over the next five years, and that the “ambitious” savings target presented a “significant risk” to the delivery of the defence capabilities set out in the SDSR 2015.<sup>26</sup> In particular, the Joint Committee was concerned that increased public sector employee costs (the ending of contracting out from employers’ National Insurance contributions which took effect from 1 April

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<sup>21</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2 Percent Pledge: Government Response](#), 30 June 2016, HC 465 of session 2016–17, p 11. The Joint Security Fund was announced in the July 2015 Budget, to provide funding of £1.5 billion a year for security-related activities (HM Treasury, ‘[Chancellor George Osborne’s Summer Budget 2015 Speech](#)’, 8 July 2015). The Ministry of Defence, the intelligence services and the Foreign and Commonwealth Office can bid for funding.

<sup>22</sup> House of Commons Public Accounts Committee, [The Defence Equipment Plan](#), 25 April 2017, HC 957 of session 2016–17, p 3.

<sup>23</sup> *ibid.*

<sup>24</sup> *ibid.*, pp 5–6.

<sup>25</sup> *ibid.*

<sup>26</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 25.



2016 and the additional employers' superannuation contributions announced in the March 2016 Budget) would add more than 1 percent to the MOD's 2019–20 budget, which would offset the planned increases to the defence budget. In response, the Government stated that the efficiency savings target was "intentionally challenging", and that a "robust governance process" was in place for tracking and monitoring efficiency delivery across the MOD to ensure that any "emerging risks to successful delivery" were addressed.<sup>27</sup>

More recently, commentators have reported that the defence budget is facing significant pressures. In March 2017, the Defence Editor at the *Times*, Deborah Haynes, stated that the "Armed Forces face a £10 billion funding shortfall amid escalating costs for new ships and jets" over ten years.<sup>28</sup> Ms Haynes also reported that the "navy alone faces a shortfall in its annual budget of at least £500 million".<sup>29</sup> She argued that there were a number of challenges to the defence budget, which included:

- Rising costs for the replacement of the UK's Trident fleet (originally projected to cost £41 billion over two decades).
- An extra £3 billion over ten years needed to support defence equipment.
- A £3 billion exposure over ten years in foreign exchange fluctuations caused by the drop in the value of the pound.
- The need to hit the efficiency savings target of £9.8 billion by 2026.<sup>30</sup>

However, other commentators have argued that the hole in the defence budget is much larger. Roland Sonnenberg, a senior partner at PwC, suggested that the figure is approaching £30 billion and was driven by the cost of new defence equipment.<sup>31</sup>

In June 2017, the Permanent Secretary at the MOD, Stephen Lovegrove, launched a new reform programme which included devoting expert resources to efficiency savings worth £20 billion over the next 10 years.<sup>32</sup> The following month, the Cabinet Office announced that it would begin a "review of national security capabilities, in support of the ongoing implementation" of the NSS and SDSR, which will be led by the National Security Adviser, Mark Sedwill.<sup>33</sup>

<sup>27</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 6.

<sup>28</sup> Deborah Haynes, [Forces Face Shortfall of £10bn as Costs Soar](#), *Times* (£), 31 March 2017.

<sup>29</sup> *ibid.*

<sup>30</sup> *ibid.*

<sup>31</sup> Deborah Haynes, [Troops Facing Cuts to Plug £30 billion Hole in Defence Budget, Says Expert](#), *Times*, 21 August 2017.

<sup>32</sup> Robert Buck, [Stephen Lovegrove: The Challenges Facing the Ministry of Defence](#), Institute for Government, 26 June 2017.

<sup>33</sup> Cabinet Office, [Strategic Defence and Security Review Implementation](#), 20 July 2017.

The Government stated that the national security capability review will:

[I]nclude examination of the policy and plans which support implementation of the national security strategy, and help to ensure that the UK's investment in national security capabilities is as joined-up, effective and efficient as possible, to address current national security challenges. The review will also be informed by work which has already been commissioned in response to recent national security-related incidents.<sup>34</sup>

Richard Reeve, Director of the Sustainable Security Programme at the Oxford Research Group, contended that the purpose of the review was to make the “SDSR plan conform to the realities of Brexit Britain”.<sup>35</sup> However, Mr Reeve observed that as the operation of the review is “essentially secret”, nobody really knows what the review is considering. Press reports have suggested that the MOD is considering a number of cost cutting measures. These include taking out of service two specialist landing ships—HMS Albion and Bulwark—and reducing the size of the Royal Marines by 1,000.<sup>36</sup> In addition, the BBC has reported that the MOD may slow down the orders of the F-35 fighters and the Army could reduce its number of helicopters.<sup>37</sup> The BBC's Defence Correspondent, Mark Urban, described Mark Sedwill's review as a “review by stealth” and suggested that the proposed cuts to the Royal Navy were put forward as part of this review. However, the MOD has dismissed these reports as “pure speculation” and stated that no decisions had been made.<sup>38</sup>

In October 2017, the Commons held a Westminster Hall debate on defence capability in which a number of concerns about the national security capability review and potential cuts to the Armed Forces were raised. The Parliamentary Under Secretary of State for Defence, Tobias Ellwood, stated that no decisions had been made yet and that any decisions were “quite some distance off”.<sup>39</sup> Mr Ellwood argued that the capability review was required because there had been changes to the international situation since SDSR 2015:

On the national security capability review, we need to step back and remind ourselves that the SDSR 2015 was the blueprint for our security—for meeting terrorism, the growth of terrorism and extremism, state-based aggression and cyber, and responding to those who undermine the rules of international order—but there have been changes. We have had five terrorist attacks in this country, a resurgent Russia, the activities of North Korea and cyber-attacks on our health

<sup>34</sup> Cabinet Office, [‘Strategic Defence and Security Review Implementation’](#), 20 July 2017.

<sup>35</sup> Richard Reeve, [‘Capabilities Review: Squaring Naval Ambitions, Priorities and Resources’](#), Oxford Research Group, 20 October 2017.

<sup>36</sup> Mark Urban, [‘Royal Navy Could Lose ‘Fight on Beaches’ Ships in Planned Cuts’](#), BBC News, 5 October 2017.

<sup>37</sup> *ibid.*

<sup>38</sup> *ibid.*

<sup>39</sup> [HC Hansard, 19 October 2017, col 420WH.](#)

service, on companies and on Parliament itself. That is why the capability review is required. As I said, there has been much speculation, but the details will come through in the new year. I am sure that Parliament will be involved in the usual manner, including through the Select Committee.<sup>40</sup>

The review will be Cabinet-led and have 12 strands, of which the defence aspect is simply one part. It is important, however, to recognise that any armed forces must adapt to and evolve with the times. We need to understand what the right balance of scale, readiness and reach is, and what our enablers to provide that support are. Where do we place those assets, not only so they are ready to be used but as a deterrent?<sup>41</sup>

On 14 November 2017, Lord Craig of Radley (Crossbench) asked an oral question related to comments made by the Commander of United Forces in Europe, Lt-Gen Ben Hodges, that potential cuts to the Armed Forces may mean that the UK was unable to maintain its international commitments. In response, the Deputy Chief Whip, the Earl of Courtown, stated that the “UK Armed Forces are fulfilling all their international commitments”.<sup>42</sup> He added that the national security capability review was being conducted to “make sure that the UK’s investment in national security capability is as joined-up, effective and efficient as possible”.<sup>43</sup> While he acknowledged that “all budgets are under some pressure or other”, Earl Courtown argued that “any speculation about the measures the Government will take through the NSCR [National Security Capability Review] is exactly that—speculation”.<sup>44</sup> Further, on the same day, the House of Commons Defence Committee held an evidence session on the National Security Capability Review.<sup>45</sup>

### 1.3 NATO’s 2 Percent Target

A number of concerns have been raised about how the 2 percent spending target is measured and about whether the proposed level of defence spending is sufficient to ensure the future capabilities of the Armed Forces. By way of background, the House of Commons Library has calculated that:

- The MOD’s budget (total DEL) was £35.2 billion in 2016/17.
- In 2016/17 total UK defence expenditure under NATO’s definition was £42.2 billion; this is the highest level of expenditure in real terms since 2011/12.
- The return to NATO includes elements of the Government’s Cyber Security spending, parts of the Conflict Stability and

<sup>40</sup> [HC Hansard, 19 October 2017, cols 419–20WH](#).

<sup>41</sup> *ibid.*

<sup>42</sup> [HL Hansard, 14 November 2017, col 1935](#).

<sup>43</sup> *ibid.*

<sup>44</sup> *ibid.*

<sup>45</sup> House of Commons Defence Committee, [‘National Security Capability Review Examined’](#), 14 November 2017.

Security Fund (CSSF) relating to Peacekeeping, war pensions and pension payments to retired MOD civil servants. Defence spending under NATO's definition can differ from national definitions.

- The defence expenditure in 2016/17 (as measured under the NATO definition) is the equivalent of 2.2 percent of GDP. Defence expenditure as a percentage of GDP has fallen from just over 3 percent in the early 1990s to just over the current 2 percent.<sup>46</sup>

In April 2016, the House of Commons Defence Committee noted that the Government had achieved its commitment to spend 2 percent of GDP on defence in part by revising the criteria used to calculate the UK defence budget that is reported to NATO, so that it now included expenditure that had not previously been included, such as pensions.<sup>47</sup> Under the previous accounting methodology, the predicted spend for 2015/16 would have been equivalent to 1.97 percent of GDP, according to calculations by the Royal United Services Institute (RUSI).<sup>48</sup> While the Defence Committee accepted that the revised methodology conformed to NATO guidelines, it suggested that the Government had “shifted the goalposts” in comparison with previous years.<sup>49</sup> It also expressed concerns that the revision included one-off items of expenditure that could not be counted towards meeting the 2 percent target in future years.<sup>50</sup>

Because the NATO threshold for defence spending is expressed as a proportion of GDP, it has been argued that fluctuations in GDP create uncertainties about the level of future defence spending. For example, after the UK's referendum on EU membership in June 2016, the Joint Committee on the National Security Strategy argued that if the economy was to contract, the defence budget might be “reduced in real terms”, which would “impact on the ambition and capabilities” set out in the SDSR 2015.<sup>51</sup>

Questions have also been raised as to whether a defence expenditure of 2 percent of GDP is sufficient to maintain the UK's full-spectrum defence capabilities. The House of Commons Defence Committee concluded in April 2016 that NATO's 2 percent minimum figure had “value as a political statement in reinforcing the UK's commitment to defence both domestically and internationally”, but that “achieving a pre-determined threshold for defence expenditure does not automatically deliver the ability to protect ourselves or our allies against the varied threats to NATO and UK defence

<sup>46</sup> House of Commons Library, [Defence Expenditure \(UK\): Social Indicators Page](#), 16 August 2017.

<sup>47</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge](#), 12 April 2016, HC 494 of session 2015–16, p 5.

<sup>48</sup> *ibid.*

<sup>49</sup> *ibid.*, p 3.

<sup>50</sup> *ibid.*, p 14.

<sup>51</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 24.

and security”.<sup>52</sup> This was especially important given that, in the Committee’s view, the world today is “at its most dangerous and unstable since the end of the Cold War”.<sup>53</sup>

Responding to the Defence Committee’s report in June 2016, the Government restated its commitment to defence spending, pointing out that the UK had the second largest defence budget in NATO, the largest in the European Union, and the fifth largest in the world, and was one of the only countries to meet the NATO 2 percent guideline.<sup>54</sup> The Government argued that with defence spending set to increase by £5 billion by 2020/21, it was giving “a clear demonstration that defence remains a national priority”, despite it being “a time of pressure on public spending”.<sup>55</sup> The commitment to spend 2 percent of GDP on defence “came after a thorough examination of the threats and risks”, after which the Government had “decided on an appropriate level of funding”. It said this would be reviewed after five years alongside a new risk assessment and a new National Security Strategy/Strategic Defence and Security Review.<sup>56</sup>

At the Conservative Party conference in October 2017, the then Defence Secretary, Sir Michael Fallon, argued that UK spending on defence should increase above 2 percent of GDP.<sup>57</sup> He argued that “intensifying” threats from terrorism, Russian aggression, North Korea and cyber-attacks meant that the UK should increase defence spending beyond the NATO target.<sup>58</sup>

Despite meeting NATO’s 2 percent of GDP target, some commentators have warned against further cuts to the UK’s Armed Forces. The US General and Commander of the US Army in Europe, Lt-Gen Ben Hodges, argued in November 2017 that if the UK “can’t maintain and sustain the level of commitments it’s fulfilling right now, then I think it risks kind of going into a different sort of category”.<sup>59</sup> He suggested that if the UK’s Armed Forces were reduced in size, it could jeopardise the UK’s status as a key US ally and a leading member of NATO.<sup>60</sup>

#### 1.4 Personnel

With regard to personnel, the SDSR 2015 made headline commitments to slightly increase the overall size of the regular Armed Forces, by maintaining

<sup>52</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge](#), 12 April 2016, HC 494 of session 2015–16, p 23.

<sup>53</sup> *ibid.*

<sup>54</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge: Government Response](#), 30 June 2016, HC 465 of session 2016–17, p 13.

<sup>55</sup> *ibid.*, p 14.

<sup>56</sup> *ibid.*

<sup>57</sup> BBC News, [‘UK Defence Spending Should Increase Above 2% of GDP—Michael Fallon’](#), 3 October 2017.

<sup>58</sup> *ibid.*

<sup>59</sup> Jonathan Beale, [‘General Ben Hodges Warns Britain Over Armed Forces Cuts’](#), BBC News, 8 November 2017.

<sup>60</sup> *ibid.*

an Army of 82,000 and increasing the Royal Navy and Royal Air Force (RAF) by 400 and 300 respectively.<sup>61</sup> Plans to increase the Reserves to 35,000 would continue under the SDSR 2015.<sup>62</sup> It was announced that the number of civilians employed by the MOD would be reduced by almost 30 percent, to 41,000, by 2020–21.<sup>63</sup>

The previous SDSR in 2010 had planned on the basis of an Army of 95,000 by 2015 and 94,000 by 2020.<sup>64</sup> In July 2012, Philip Hammond, the then Defence Secretary, announced a major restructuring of the Army, known as ‘Army 2020’, based on a future Army strength of 82,000 regular forces and 30,000 Reserves, to be achieved by 2020.<sup>65</sup> The Conservative Party manifesto for the 2015 general election contained a commitment to “maintain the size of the regular armed services and not reduce the Army to below 82,000”.<sup>66</sup>

Table I shows the size of the:

- military full-time trained strength of the three armed services;
- the volunteer Reserves trained strength; and
- the civilian workforce.

It shows the size of the Armed Forces as at 1 October 2015 (around the time of the publication of SDSR and shows the most recent personnel figures for the Armed Forces and civilian workforce (1 September 2017 and 1 October 2017 respectively). It also shows the personnel targets to be achieved by 2020, as set out in the SDSR 2015.

The personnel figures show that in most areas the Armed Forces are below the number of full-time and reserve military personnel specified in the SDSR 2015. Concerns have been raised about recruitment to the Armed Forces. A report by the former Armed Forces Minister, Mark Francois (Conservative MP for Raleigh and Wickford), published in July 2017, observed that a number of factors had made recruitment into the Armed Forces more difficult such as record employment and an aging population.<sup>67</sup> He noted that in the year to April 2017, “12,950 people joined the UK’s regular Armed Forces but in the same period 14,970 left”.<sup>68</sup> He added that:

A combination of lower retention than expected and failure to achieve recruiting targets means this under manning is worsening and indeed

<sup>61</sup> Ministry of Defence, [SDSR 2015 Defence Factsheets](#), November 2015, p 7.

<sup>62</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015](#), November 2015, Cm 9161, p 33.

<sup>63</sup> *ibid*; and House of Commons, [‘Written Question: Ministry of Defence: Staff’](#), 21 March 2017, 68709.

<sup>64</sup> HM Government, [Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review](#), October 2010, Cm 7948, p 32.

<sup>65</sup> House of Commons Library, [Army 2020](#), 26 July 2012.

<sup>66</sup> Conservative Party, [The Conservative Party Manifesto 2015](#), April 2015, p 77.

<sup>67</sup> Mark Francois, [Filling the Ranks](#), July 2017, p 2.

<sup>68</sup> *ibid*.

has been for some time. The Royal Navy and the RAF are now running at around 10 percent short of their annual recruitment target, whilst for the Army the shortfall is over 30 percent. Constant pressure on recruiting budgets has only compounded the difficulty.<sup>69</sup>

The most recent government statistics report that in the past twelve months (1 September 2016 to 31 August 2017) 14,990 people left the UK regular armed forces while 12,750 joined. For the reserve forces, over the same period, 6,260 people joined against 4,940 who left.<sup>70</sup>

**Table 1: Size of Regular Armed Forces, Reserve Forces and Civilian Workforce**

Service		01-Oct-15	Latest Figure <sup>(a)</sup>	2020 Target	Latest Figure as % of 2020 Target
<b>Military Full-Time Trained Strength</b>	Royal Navy/ Royal Marines	29,710	29,424	30,450	96.6
	Army	80,430	77,680	82,000	94.7
	Royal Air Force	31,250	30,616	31,750	96.4
	Total full time trained strength <sup>(b)</sup>	141,390	137,720	144,200	95.5
<b>Volunteer Reserves Trained Strength</b>	Maritime Reserve	2,190	2,666	3,100	86.0
	Army Reserve <sup>(c)</sup>	22,040	27,007	30,100	89.7
	RAF Reserves	1,740	2,303	1,860	123.8
	Total Reserves <sup>(c)</sup>	25,970	31,976	35,060	91.2
<b>Civilian</b>		56,860	57,050	41,000	139.1

Notes:

All figures rounded to the nearest ten.

<sup>(a)</sup> The latest figures for military full-time trained strength and volunteer reserves trained strength are as of 1 September 2017. The latest figures for the civilian workforce are as of 1 October 2017.

<sup>(b)</sup> Trained Strength comprises military personnel who have completed Phase 1 and 2 training for Royal Navy/Royal Marines, the Army (prior to 1 October 2016) and the Royal Air Force. Following the change in definition of trained strength for the Army, from 1 October 2016, trained strength for the Army comprises of personnel who have completed Phase 1 training.

<sup>(c)</sup> Trained Strength comprises military personnel who have completed Phase 1 and 2 training for Maritime Reserve, the Army Reserve (prior to 1 October 2016) and the Royal Air Force Reserves. Following the change in definition of trained strength from 1 October 2016 trained strength for the Army Reserve comprises of personnel who have completed

<sup>69</sup> Mark Francois, [Filling the Ranks](#), July 2017, p 2.

<sup>70</sup> Ministry of Defence, [Monthly Service Personnel Statistics](#), 1 September 2017, p 1.

Phase I training. Therefore the figures for October 2015 and the latest figures are not calculated on the same basis.

(Source: Ministry of Defence, [SDSR 2015 Defence Key Facts](#), 24 November 2015, p 8; Ministry of Defence, [‘UK Armed Forces Monthly Service Personnel Statistics: September 2017’](#), 12 October 2017, Tables I, 2a, 2b and 2c; and Ministry of Defence, [Quarterly Civilian Personnel Report \(QCPR\) 1 October 2017](#), 1 October 2017, p 1)

Doubts have been expressed as to whether the level of manpower set out in the SDSR 2015 will provide sufficient capability. Witnesses giving evidence to the Defence Committee were “not [...] convinced that keeping to the status quo” in terms of proposed force size and training “would ensure that the full potential of new equipment could be maximised”.<sup>71</sup> The House of Commons Defence Committee argued it was “imperative that training and personnel numbers do not suffer to the point where they render us in possession of a so-called Hollow Force: ‘exquisite’ equipment that cannot be maximised to its full potential”.<sup>72</sup>

Similarly, the Joint Committee on the National Security Strategy argued that the proposed force structure included “a low level of ‘spare capacity’ to provide flexibility and resilience in unexpected emergencies”, and that “it has proved difficult in practice to maintain a Reserve force of sufficient numbers trained to required levels”.<sup>73</sup> The Joint Committee concluded that despite the targets set out in the SDSR 2015, the “manpower fielded by the UK Armed Forces is inadequate bearing in mind the range, complexity and potential concurrency of tasks expected of them”.<sup>74</sup> The Joint Committee also took the view that “the current establishment will not facilitate the effective use of the state-of-the-art equipment to be purchased as a result of the NSS and the SDSR 2015”.

With regard to force size, the Government stated that “initial findings” of the Army’s modernisation agenda suggested that “an integrated Army of 112,000 personnel [Regular forces plus Reserves] is sufficient to deliver the Army’s contribution to Joint Force 2025”.<sup>75</sup> The size of the Royal Navy set out in the SDSR 2015 represented an uplift of 1,600 compared to the SDSR 2010; the Government argued that this uplift and “an ongoing process of internal reprioritisation and efficiency” would give the Navy “sufficient manpower to crew both aircraft carriers and Successor submarines”. The Government said that the increase of RAF Regular trained strength to 31,750 would go “some way to providing the manpower required to meet the new and extended capabilities agreed in the SDSR 2015”, but the RAF

<sup>71</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge](#), 12 April 2016, HC 494 of session 2015–16, p 29.

<sup>72</sup> *ibid*, p 31.

<sup>73</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 22.

<sup>74</sup> *ibid*, p 23.

<sup>75</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge: Government Response](#), 30 June 2016, HC 465 of session 2016–17, p 15.



would need to “identify further reductions and rebalancing” to achieve commitments.<sup>76</sup> Overall, the Government argued that:

The Armed Forces are structured and trained to deliver their specified defence missions. The growth of the Royal Navy and Royal Air Force in the SDSR 2015 reflects new assumptions about the range, complexity and potential concurrency of tasks within the future operating environment. As new equipment is brought into service, a whole force approach to Defence that looks to deliver the skills we need across Regular, Reserve and civilian personnel and contractors will ensure we continue to evolve to meet our changing outputs. In developing new capabilities we will exploit the opportunities provided by new technologies and developments in integration to reduce our reliance on scarce specialist skills.<sup>77</sup>

With regard to the civilian headcount, the Joint Committee on the National Security Strategy pointed out that the 30 percent reduction set out in the SDSR 2015 came on top of a 30 percent cut in MOD civilian personnel already made since 2010.<sup>78</sup> The Joint Committee found it “questionable whether this scale of efficiencies can be made without reducing the MOD’s capacity to formulate and delivery policy”, and concluded there was a “risk” that the planned reduction “could undermine the Ministry’s ability to deliver the NSS and the SDSR 2015”.<sup>79</sup> In August 2017, the *Telegraph* reported that the plan to reduce the number of civil servants had stalled over the past two years.<sup>80</sup> The number of civilian staff in the MOD at 1 October 2017 was 57,050 (an increase of 630—1.1 percent—compared with 1 October 2016).<sup>81</sup>

## 1.5 Equipment

The SDSR 2015 made a number of commitments relating to equipment for the Armed Forces, including the following:

### ***Air Command***

- An additional two Typhoon squadrons, increasing the number of squadrons to seven. This will be delivered through enhanced productivity by extending the life of some earlier Typhoon aircraft and maintaining a larger number of pilots. The [SDSR 2015] also announced investment in Typhoon’s capabilities,

<sup>76</sup> House of Commons Defence Committee, [Shifting the Goalposts? Defence Expenditure and the 2% Pledge: Government Response](#), 30 June 2016, HC 465 of session 2016–17, p 16.

<sup>77</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015: Government Response](#), 27 October 2016, HL Paper 56 of session 2016–17, p 5.

<sup>78</sup> *ibid*, p 23.

<sup>79</sup> *ibid*.

<sup>80</sup> Ben Farmer, ‘[MoD Fails to Cut Civilians to Help Fill ‘£30bn’ Defence Black Hole](#)’, *Telegraph* (£), 21 August 2017.

<sup>81</sup> Ministry of Defence, [Quarterly Civilian Personnel Report \(QCPR\)](#), 1 October 2017.

- including ground attack, a new radar and a 10-year life extension.
- An increase in the number of F-35 Lightning aircraft available for deployment from the new Queen Elizabeth class aircraft carriers in the early 2020s, from 15 to 24.
- Nine new Boeing P-8 Poseidon aircraft will be purchased to fill a capability gap left by the decommissioning of Nimrod MRA4 maritime patrol aircraft in the 2010 [SDSR].
- More than 20 new Protector armed remotely piloted aircraft will be procured—more than double the number of the Reaper aircraft that they replace.
- The Royal Air Force’s Intelligence Surveillance and Reconnaissance platforms—Rivet Joint, Sentinel, Shadow and E-3D Sentry—will be equipped with enhanced capabilities, additional crews and be extended in service from 2018 to beyond 2020.

### ***Joint Forces Command***

- The Special Forces equipment budget will receive an additional £2 billion.
- Sustained investment in satellite communications and new cyber and space capabilities.

### ***Land Command (Army)***

- Two new Strike brigades of up to 5,000 personnel will be established, based on the Ajax (previously Scout) armoured vehicle.
- The Apache attack and Chinook support helicopters will be upgraded.
- Warrior armoured fighting vehicles will be upgraded, and the life of the Challenger 2 tanks extended.

### ***Navy Command***

- The [SDSR 2015] confirms that two new Queen Elizabeth class aircraft carriers will enter service from 2018. One of these will be enhanced to support an amphibious capability.
- Three new logistics ships will be procured to support the fleet, in addition to two further Offshore Patrol Vessels.
- The [SDSR 2015] also announced the Department [MOD] would build eight of the new Type 26 Global Combat Ships (which are replacing the current Type 23 frigates), rather than the 13 originally planned, and instead develop and build a new class of lighter general purpose frigate [...].

### **Strategic Programmes**

- The Government reiterated its commitment to the UK's Continuous At Sea Nuclear Deterrent. The four current Vanguard submarines [often colloquially referred to as 'Trident'] will be replaced under the Successor programme [...].<sup>82</sup>

The Government reported on progress on equipment acquisition and development as of December 2016 in its first annual report on the SDSR 2015:

- In April 2016, 77 Brigade reached its initial operating capability [...]. Also in April 2016 the MOD confirmed that it would acquire more than 20 Protector Unmanned Aerial Vehicles (UAVs) through a contract with the United States.
- In July 2016 we signed the contract to purchase nine P8 Maritime Patrol Aircraft and an agreement with the US Government to buy 50 new Apache attack helicopters, with delivery expected to start in 2019 and 2020 respectively [...].
- In August 2016, we announced the purchase of a third ultra-lightweight Zephyr UAV, in addition to the two announced in February [...].
- The Army is working to deliver a modernised war-fighting division, including two new Strike Brigades, supported by delivery of the new Ajax armoured vehicles.
- In December 2016, the third and last of the RAF's new Rivet Joint aircraft is scheduled to be delivered, extending our airborne intelligence gathering capability.
- In spring 2017, the first of our new aircraft carriers, HMS Queen Elizabeth, will start sea trials; in summer 2017, steel-cutting will begin for the first of the Royal Navy's next generation Type 26 frigates; and the MOD will soon sign a contract for two additional Offshore Patrol Vehicles, to be delivered in 2019.<sup>83</sup>

The Government also reported that following a vote in the House of Commons in July 2016 in favour of maintaining the continuous at sea nuclear deterrence, the MOD had signed the delivery phase one contract in September 2016, initiating the construction of HMS Dreadnought, the first 'Successor' submarine.<sup>84</sup>

<sup>82</sup> National Audit Office, [Impact of the Strategic Defence and Security Review on the Equipment Plan](#), 14 June 2016, HC 319 of session 2016–17, pp 13–14. For more detailed analysis of the background relating to the Maritime Patrol Aircraft, combat aircraft and the Navy's surface fleet, see: House of Commons Library, [The 2015 Strategic Defence and Security Review](#), 22 January 2016, section 5.11.

<sup>83</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015—First Annual Report 2016](#), 7 December 2016, p 11.

<sup>84</sup> *ibid*, p 13. For further background information about replacing the nuclear deterrent, see: House of Commons Library, [Replacing the UK's 'Trident' Nuclear Deterrent](#), 11 July 2016.

## 1.6 Affordability of the Defence Equipment Plan

Analysing the impact of the Government's *Defence Equipment Plan*, the National Audit Office (NAO) observed in January 2017, that the "cost of the 2016 to 2026 Plan has risen by 7 percent since the previous year to £178 billion".<sup>85</sup> This figure comprises £82 billion for equipment and procurement, £91 billion of support costs and a contingency of £5 billion.<sup>86</sup> The SDSR 2015 had added £24.4 billion of new commitments, such as the procurement of a new mechanised infantry vehicle and the Poseidon maritime patrol aircraft.<sup>87</sup> Most of these commitments will be funded through the existing equipment plan. However, the NAO argued that because the MOD had "allocated all headroom previously set aside in the Plan" there was little flexibility to accommodate additional capability requirements.<sup>88</sup> The £9.5 billion of headroom from the 2015 equipment plan and £1.2 billion that would have been used as headroom in the 2016 equipment plan were used to meet the new commitments.<sup>89</sup>

The NAO also raised the issue of savings, noting that the MOD needed to generate £5.8 billion in new savings to meet its new commitments.<sup>90</sup> This means that any new capability requirements will need to be funded through the reprioritisation of funds or from the wider defence budget. In its assessment, the NAO argued that the "affordability of the Plan also depends on the realisation of £7.1 billion of brought forward savings already assumed in the Plan".<sup>91</sup> As at 2016 the MOD estimated that it had only achieved £4.6 billion of this target.<sup>92</sup> The NAO also reiterated concerns that the fall in the value of the pound following the EU referendum could have a negative impact on the defence budget, by making procurement denominated in US dollars more expensive.<sup>93</sup> Overall, the NAO argued that:

The affordability of the Plan is now at greater risk than at any time since reporting was introduced in 2012 and the Department faces the risk that in future it may have to return to a situation where affordability of the portfolio is maintained by delaying or reducing the scope of projects.<sup>94</sup>

## 1.7 UK Armed Forces: Capability Gaps

The Joint Committee on the National Security Strategy has raised concerns about the possibility of capability gaps in Joint Force 2025 because of the

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<sup>85</sup> National Audit Office, [The Equipment Plan 2016 to 2026](#), 27 January 2017, p 6.

<sup>86</sup> *ibid.*

<sup>87</sup> *ibid.*

<sup>88</sup> *ibid.*

<sup>89</sup> *ibid.*

<sup>90</sup> *ibid.*

<sup>91</sup> *ibid.*, p 8.

<sup>92</sup> *ibid.*

<sup>93</sup> *ibid.*, p 9.

<sup>94</sup> *ibid.*

lead time that will be required to develop the new capabilities.<sup>95</sup> It doubted, for example, that the new maritime task group centred on two new aircraft carriers and F-35 Lightning aircraft would be fully operational and effective by 2025. The Joint Committee therefore suggested it was “questionable” whether Joint Force 2025 would meet the national security challenges faced by the UK, and concluded that the UK could “remain exposed in the short term”.<sup>96</sup>

One particular area where concerns about potential capability gaps have been highlighted is in relation to the Royal Navy’s surface fleet.<sup>97</sup> The SDSR 2015 changed previous plans to replace the Royal Navy’s existing 13 Type 23 frigates with Type 26 frigates on a one-for-one basis.<sup>98</sup> Instead, there would be eight new Type 26 frigates and initially five of a new class of General Purpose Frigates (GPFF). In a report published in November 2016, the House of Commons Defence Committee expressed its “conviction” that the current number of frigates and destroyers (19 in total) and personnel “inadequately reflects the potential threats and vulnerabilities facing the UK and its interests overseas”.<sup>99</sup> It suggested that the SDSR 2015’s commitment to build “at least” five General Purpose Frigates “implicitly acknowledged the need to increase this woefully inadequate total” from the current “dangerous and [...] historic low”.<sup>100</sup>

Given that the assessment and demonstration phases of the Type 26 programme have already been extended by a total of more than two years, and that the programme “appears to be under severe financial pressure”, the Defence Committee highlighted a risk that the Type 26 frigates would not be ready in time to replace the retiring Type 23 class.

Having heard concerns from witnesses about a potential downgrading of capabilities of the General Purpose Frigate (Type 31e) the Defence Committee also warned that it must “provide the Royal Navy with the capabilities it requires” and not become “a less capable ship which is there merely to meet the Government’s commitment to 19 frigates and destroyers, and possibly to be suitable for export”.<sup>101</sup>

The potential withdrawal of the Royal Navy’s amphibious assault ships, HMS Albion and Bulwark, and the decommissioning in 2018 of the landing platform helicopter vessel HMS Ocean has raised concerns about the future of the UK’s amphibious capability. Writing for *Jane’s Navy International*,

<sup>95</sup> Joint Committee on the National Security Strategy, [National Security Strategy and Strategic Defence and Security Review 2015](#), 10 July 2016, HL Paper 18 of session 2016–17, p 21.

<sup>96</sup> *ibid*, p 22.

<sup>97</sup> This issue is explored at greater length in: House of Commons Library, [The Royal Navy’s New Frigates and the National Shipbuilding Strategy: December 2016 Update](#), 14 December 2016.

<sup>98</sup> HM Government, [National Security Strategy and Strategic Defence and Security Review 2015](#), November 2015, Cm 9161, p 31.

<sup>99</sup> House of Commons Defence Committee, [Restoring the Fleet: Naval Procurement and the National Shipbuilding Strategy](#), 21 November 2016, HC 221 of session 2016–17, p 7.

<sup>100</sup> *ibid*, p 29.

<sup>101</sup> *ibid*, pp 21–3 and 29.

Dr Lee Willett, argued that withdrawing these vessels, while saving money and providing more crew for the new aircraft carriers, potentially undermines NATO's requirement for an amphibious capability.<sup>102</sup>

The Government undertook in the SDSR 2015 to publish a national shipbuilding strategy in 2016 to "lay the foundations for a modern and efficient sector capable of meeting the country's future defence and security needs", with the acquisition of the Type 26s a central part of the strategy.<sup>103</sup> In November 2016, Sir John Parker published an independent report commissioned by the Government to inform the National Shipbuilding Strategy.<sup>104</sup> Sir John concluded that:

The current situation is that fewer (more expensive) ships than planned are ordered too late. Old ships are retained in service well beyond their sell by date with all the attendant high costs of so doing. This 'vicious cycle' is depleting the RN [Royal Navy] fleet and unnecessarily costing the taxpayer. It needs to be broken [...]<sup>105</sup>

He made 34 recommendations for a "sea change" in the way the Government procures ships for the Royal Navy. The Government accepted Sir John recommendations in its *National Shipbuilding Strategy*, which was published on 6 January 2017.<sup>106</sup> The Strategy set out a "two fold vision" for shipbuilding:

- A Royal Navy with more ships, which are modern and are capable of being incrementally modernised and improved, are exportable and can work with allies. Defence shows agility, pace and grip in how we plan for, procure, and operate these ships.
- A shipbuilding enterprise that, encouraged by a clearer grip by Defence, and with greater certainty about the Royal Navy's procurement plans, has the confidence to invest for the long term in its people and its assets to raise productivity and innovation and improve its competitiveness in the domestic and overseas markets. In this way, the sector can become more resilient to the peaks and troughs of Royal Navy business, bringing more sustained growth and prosperity to the regions in which those businesses are based.<sup>107</sup>

<sup>102</sup> Dr Lee Willett, '[UK Withdrawing Amphibious Ships Would Challenge Ability to Meet Key NATO Requirements](#)', *Jane's Navy International*, 18 October 2017.

<sup>103</sup> HM Government, '[National Security Strategy and Strategic Defence and Security Review 2015](#)', November 2015, Cm 9161, p 76.

<sup>104</sup> Sir John Parker, '[An Independent Report to Inform the UK National Shipbuilding Strategy](#)', November 2016.

<sup>105</sup> Sir John Parker, '[Letter to the Secretary of State for Defence and the Chief Secretary to the Treasury on Summary of Recommendations and Findings from my Independent Report to Inform the National Shipbuilding Strategy](#)', 3 November 2016.

<sup>106</sup> Ministry of Defence, '[National Shipbuilding Strategy](#)', 6 September 2017.

<sup>107</sup> *ibid*, p 6.

Under the *National Shipbuilding Strategy*, the MOD stated that it was developing a “30 year Royal Navy shipbuilding Master Plan” which will “document the number and type of ships we will invest in over the next 30 years”.<sup>108</sup> The strategy stated that the key procurements in the next five years were for the Type 26, Type 31e and Fleet Solid Support ships (which provide logistical support for other ships). It proposed that the eight Type 23 Anti-Submarine Warfare Frigates will be replaced on a one-for-one basis with the Type 26 and that five Type 31e ships will first come into service by 2023, and will be delivered in intervals of twelve months.<sup>109</sup> The Government stated that the Type 31e “will be designed to meet the needs of the Royal Navy and with the export market in mind from the beginning”.<sup>110</sup> Regarding Fleet Solid Support ships, the strategy stated that they will be “subject to an international competition which is due to complete by early 2020”.<sup>111</sup>

In June 2017, the HMS Queen Elizabeth—the first of the UK’s two new aircraft carriers—left Rosyth for sea trials.<sup>112</sup> The second aircraft carrier—the HMS Prince of Wales—is due to begin sea trials in 2019.<sup>113</sup> The Government aims to achieve carrier strike capability—where it can deploy a carrier and jets, with a new radar system (known as Crowsnest)—by 2020.<sup>114</sup> In a March 2017 report, the NAO outlined some of the challenges facing this objective and stated that the MOD had entered a high-risk phase of the project. The NAO noted that a number of technical issues with the HMS Queen Elizabeth had yet to be resolved and that the next three years (2017 to 2020) will be critical to establishing the carrier strike capability:

The Department must bring together the carriers, Lightning II jets, and Crowsnest with trained crews and supporting infrastructure, logistics, communications and surveillance. It needs to test and operate all these elements together in preparation for deploying Carrier Strike in 2021.<sup>115</sup>

Concerns have also been raised about the high rates of equipment cannibalisation in the Royal Navy. This is where replacement parts are stripped from the rest of the fleet. In a November 2017 report, the NAO found that equipment cannibalisation of spare parts had increased by 49 percent over the past five years.<sup>116</sup> Between April 2012 and March 2017, there were 3,230 instances of ship and submarine cannibalisation. In 2016–17

<sup>108</sup> Ministry of Defence, [National Shipbuilding Strategy](#), 6 September 2017, p 21.

<sup>109</sup> *ibid*, pp 21–24.

<sup>110</sup> Ministry of Defence, ‘[Ambitious Future for Naval Shipbuilding in the UK](#)’, 6 September 2017.

<sup>111</sup> Ministry of Defence, [National Shipbuilding Strategy](#), 6 September 2017, p 21.

<sup>112</sup> BBC News, ‘[HMS Queen Elizabeth Sets Sail from Rosyth for Sea Trials](#)’, 27 June 2017.

<sup>113</sup> BBC News, ‘[Second Aircraft Carrier HMS Prince of Wales Named by Duchess of Rothesay](#)’, 8 September 2017.

<sup>114</sup> National Audit Office, [Delivering Carrier Strike](#), 16 March 2017, p 5.

<sup>115</sup> *ibid*, p 6.

<sup>116</sup> National Audit Office, [Investigation into Equipment Cannibalisation in the Royal Navy](#), 1 November 2017, p 3.

there were 795 instances of cannibalisation which equated to “66 instances a month compared with 30 a month in 2005”.<sup>117</sup> The NAO observed that the increase in the cannibalisation of parts had come “at a time when funding for spares had reduced across all the Armed Forces” and that with the reduction in the size of the fleet, there was limited alternative equipment to deploy.<sup>118</sup> Moreover, the NAO observed that cannibalisation can cause a number of problems, such as programme delays; potential damage to parts through removal, transportation and installation; and testing can cause disruption to routine maintenance. In addition, a lack of spare parts had been identified as having a detrimental impact on morale.<sup>119</sup>

In its assessment of the Government’s plans to create a warfighting division of 40,000 troops, as set out in the SDSR, the House of Commons Defence Committee suggested there were issues with the recruitment and retention of soldiers:

The delivery of a warfighting division relies on the recruitment and retention of both 82,000 Regulars and 30,000 Reservists. However, despite the fact that the size of the Regular Army has been set at an historic low, the MoD has yet to recruit to even that low total. In addition, its ability to achieve the target of 30,000 trained Reservists by March 2019 has been met with scepticism, most notably from the independent UK Reserve Forces External Scrutiny Team. If the MOD fails to address its problems with recruitment and retention, the capability and credibility of the warfighting division will be undermined.<sup>120</sup>

The Committee added that a “fully-manned and fully-equipped warfighting division is central to the credibility of the Army”.<sup>121</sup> While this was a work in progress at present, the Committee argued that there were “clear risks to its affordability and delivery”.<sup>122</sup> The Committee recommended that the MOD must “set out a timetable with full cost implications for its delivery so that proper scrutiny of progress can take place”.<sup>123</sup>

Witnesses during the inquiry raised a number of challenges to the warfighting division. The Army’s think tank, the Centre for Historical Analysis and Conflict Research, argued that the warfighting division would be created in the context of:

- Reductions in the Regular forces and the requirement for the use

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<sup>117</sup> National Audit Office, [Investigation into Equipment Cannibalisation in the Royal Navy](#), 1 November 2017, p 6.

<sup>118</sup> *ibid*, p 5.

<sup>119</sup> *ibid*, p 8.

<sup>120</sup> House of Commons Defence Committee, [SDSR 2015 and the Army](#), 29 April 2017, HC 108 of session 2016–17, p 3.

<sup>121</sup> *ibid*, p 4.

<sup>122</sup> *ibid*.

<sup>123</sup> *ibid*.



- of Reserves to provide additional manpower;
- Gaps in air-defence capability;
- The changing character of warfare, including cyber, electronic warfare, and information operations; and
- Gaps in interoperability within UK Armed Forces and with allies.<sup>124</sup>

With regards to the air defence of the warfighting division, witnesses raised the capabilities of Russian air power as a particular challenge to the UK. The then Secretary of State, Sir Michael Fallon, acknowledged that there were capability gaps that needed to be addressed.<sup>125</sup> Although air defence is a tri-service responsibility, with the RAF leading on ground-based air defence, the Deputy Chief of the Defence Staff (Military Capability)—Lieutenant General Mark Poffley—observed that the MOD was planning to improve its ground-based air defences. He noted that there were plans to replace the Rapiers missile system with the Future Local Area Air Defence System (FLAADS) and future planning rounds would consider the acquisition of a High Velocity Missile to provide point defence.<sup>126</sup> The Committee concluded that addressing the air defence vulnerability should be “given the highest priority”.<sup>127</sup> In its response to the Committee’s report, the Government observed that the Army will continue to provide air defence in concert with the RAF and allies “against a sophisticated state threat”.<sup>128</sup>

With regard to the training requirements of the warfighting division, the Committee welcomed the “Army’s reassessment of its training requirements to meet the threat of a challenge by a peer adversary” but remained “concerned that the MOD is unable to provide data on the costs and spending trends of training investment”.<sup>129</sup> Further, the Committee raised concerns about the ability of the MOD to “regenerate a war-fighting division or reconstitute a great force in the face of significant strategic challenges”.<sup>130</sup> In response, the Government stated that the Army was conducting “detailed analysis” of how to generate forces to deploy in large numbers.<sup>131</sup>

## 2. International Situation

### 2.1 A New SDSR?

Since the Government set out its vision for the Armed Forces’ future capabilities in the SDSR 2015, there have been a number of events which

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<sup>124</sup> House of Commons Defence Committee, [SDSR 2015 and the Army](#), 29 April 2017, HC 108 of session 2016–17, p 13.

<sup>125</sup> *ibid.*, pp 15–16.

<sup>126</sup> *ibid.*, p 16.

<sup>127</sup> *ibid.*

<sup>128</sup> House of Commons Defence Committee, [SDSR 2015 and the Army: Government Response](#), 15 September 2017, HC 311 of session 2016–17, p 2.

<sup>129</sup> *ibid.*, p 3.

<sup>130</sup> *ibid.*, 24.

<sup>131</sup> *ibid.*, p 4.

could be argued to herald a change to the strategic context for defence, such as the vote in the referendum in June 2016 in favour of the UK leaving the EU; the election in November 2016 of Donald Trump as President of the United States; and increasing signs of Russia asserting itself militarily.

A number of commentators have proposed that the UK's strategic priorities and resources should be reviewed again in light of the changing international situation. For instance, writing in the run up to the UK's 2017 general election, Professor Malcolm Chalmers of RUSI, noted that the commitments in the 2015 SDSR "exceeded the limited resources that were made available for their fulfilment".<sup>132</sup> He argued that "until the medium-term fiscal impact of Brexit has been clarified, plans for defence spending are unlikely to change" and that a mini-review of defence commitments was possible in 2017.<sup>133</sup> Professor Chalmers argued that the Government will seek to keep defence spending stable until it is ready to hold a new Spending Review, which "suggests that the next full-scale SDSR could start in late 2018 or 2019".<sup>134</sup> A new, post-Brexit SDSR, Professor Chalmers suggested, would allow the Government to contemplate three wider strategic considerations:

- First, an SDSR should address the balance between capability requirements related specifically to UK national security and requirements in the form of contributions, military and developmental, to wider alliance efforts to address shared problems.
- Second, a new SDSR would need to ask whether or not there should be a Pivot to Europe—a reallocation of resources towards the UK's immediate European neighbourhood.
- Third, a new SDSR would provide an opportunity to review the case for, and against, a more global approach to foreign and security policy in the light of the exit deal.<sup>135</sup>

Regarding review of national security capabilities, Tim Ripley of *Jane's Defence Weekly*, suggested that this development was unprecedented:

For such a high level re-examination to be launched less than two years into the five year-long defence review period is unprecedented. Until the review concludes, there will be a degree of uncertainty about the direction that UK defence will take.<sup>136</sup>

Mr Ripley added that the "Cabinet Office announcement gave little by way of explanation as to why the Government had decided to launch its latest examination of its defence and security policy" but suggested that the recent political turbulence in the UK is making the Government analyse its defence

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<sup>132</sup> Malcolm Chalmers, [Still International By Design? Towards a Post-Brexit SDSR](#), Royal United Services Institute, May 2017, p 1.

<sup>133</sup> *ibid.*

<sup>134</sup> *ibid.*

<sup>135</sup> *ibid.*, pp 4–5.

<sup>136</sup> Tim Ripley, '[UK Defence: Heading for Brexit](#)', *Jane's Defence Weekly*, 30 August 2017.

priorities.<sup>137</sup>

The following sections outline some of the possible implications of the EU referendum, the election of Donald Trump as US President, and tensions with Russia in the context of military capabilities.

## 2.2 Leaving the European Union

Under the Common Security and Defence Policy (CSDP), EU member states have developed institutional structures for the management of military operations, but they contribute military assets to operations on a case-by-case basis, rather than the EU having its own military assets.<sup>138</sup> It has been the UK's longstanding position that "the EU should act militarily only where NATO cannot or chooses not to act, or where it can add particular value".<sup>139</sup> The UK has therefore sought to ensure that EU defence capabilities and structures complement rather than duplicate those of NATO.

Given that the EU's collective military capability depends on contributions from member states, it has been argued that the main defence impact of leaving the EU would be on the capability of the EU, rather than that of the UK. The House of Commons Library has suggested that:

In terms of military power and projection, therefore, the UK's withdrawal is more likely to place the EU at a disadvantage, with fewer assets and capabilities at its disposal. This is particularly true of certain strategic assets such as tactical airlift and intelligence, surveillance and reconnaissance assets. From the UK's standpoint, its ability to project military power would be largely unaffected, and any military shortfalls could be compensated for through bilateral arrangements with countries such as France and Germany.<sup>140</sup>

On 12 September 2017, the Government published its foreign policy, defence and development future partnership paper.<sup>141</sup> The paper stated that after the UK leaves the European Union, it will continue to play a major role in providing for European security and defence.<sup>142</sup> It added that the UK and EU faced a number of shared foreign and security threats, with the EU's 2016 global strategy and UK's 2015 SDSR identifying a number of similar threats and priorities. These included tackling terrorism and extremism; deterring state-based threats; and strengthening a rules-based international

<sup>137</sup> Tim Ripley, '[UK Defence: Heading for Brexit](#)', *Jane's Defence Weekly*, 30 August 2017.

<sup>138</sup> For more detailed background on the UK's participation in CSDP and prospects for continued cooperation post-Brexit, see: House of Lords Library, '[Leaving the European Union: Foreign and Security Policy Cooperation](#)', 13 October 2016.

<sup>139</sup> HM Government, '[Review of the Balance of Competences between the United Kingdom and the European Union: Foreign Policy](#)', 22 July 2013, p 65.

<sup>140</sup> House of Commons Library, '[Brexit: Impact Across Policy Areas](#)', 26 August 2016, p 169.

<sup>141</sup> Department for Exiting the European Union, '[Foreign Policy, Defence and Development: A Future Partnership Paper](#)', 12 September 2017.

<sup>142</sup> *ibid*, p 2.

order.<sup>143</sup> Overall, the paper argued that the UK's future partnership with the EU should be:

[D]eeper than any current third country partnership and that reflects our shared interests, values and the importance of a strong and prosperous Europe. This future partnership should be unprecedented in its breadth, taking in cooperation on foreign policy, defence and security, and development, and in the degree of engagement that we envisage.<sup>144</sup>

The paper argued that the UK and the EU should have “regular close consultations on foreign and security policy issues, with the option to agree joint positions on foreign policy issues”.<sup>145</sup> Further, the paper identified a number of areas in which the UK could cooperate with the EU. These included countering terrorism and extremism around the globe; working together with European defence and security industries (including further collaboration with the European Defence Agency); and broad collaboration to tackle cyber security threats.<sup>146</sup>

In addition, the Government suggested that the UK could continue to contribute to CSDP missions and operations but argued that the “level of UK involvement in the planning process should be reflective of the UK's contribution”.<sup>147</sup> Non-EU member states have been present in almost all CSDP missions and operations since the first EU Police Mission in Bosnia-Herzegovina in 2003, although they have contributed with differing levels of involvement.<sup>148</sup> Non-EU member states can be invited by member states to participate in EU Battlegroups.<sup>149</sup>

However, under current arrangements, troop contributions from non-EU member states are sought after plans have been established, meaning that non-member states lack influence over the mandate or objectives of a mission, and the UK would no longer be able to take command roles or contribute military headquarters.<sup>150</sup> Sophia Besch, from the Centre for European Reform think tank, has suggested that while the EU “wants to retain access to British capabilities and expertise for its operations and missions”, there would be political issues to navigate when setting up arrangements for doing so. This would include the negotiation of a third-country association agreement. Third-country participation is managed through so-called Framework Participation Agreements. However, third

<sup>143</sup> Department for Exiting the European Union, [Foreign Policy, Defence and Development: A Future Partnership Paper](#), 12 September 2017, p 4.

<sup>144</sup> *ibid*, p 18.

<sup>145</sup> *ibid*.

<sup>146</sup> *ibid*.

<sup>147</sup> *ibid*, p 19.

<sup>148</sup> Thierry Tardy, [CSDP: Getting Third States on Board](#), European Union Institute for Security Studies, March 2014.

<sup>149</sup> European External Action Service, [EU Battlegroups](#), 5 October 2017, p 2.

<sup>150</sup> Hilkje Distra, [UK and EU Foreign Policy Cooperation After Brexit](#), *RUSI Newsbrief*, 5 September 2016.

countries are only involved in the planning of operations at a late stage and Ms Besch argued that this arrangement may not be acceptable to the UK.<sup>151</sup>

In November 2017, 23 EU member states signed a joint notification on the Permanent Structured Cooperation (PESCO).<sup>152</sup> According to the Council of the European Union, this agreement will “allow those member states willing and able to jointly develop defence capabilities, invest in shared projects, or enhance the operational readiness and contribution of their armed forces”.<sup>153</sup> The UK, Republic of Ireland, Malta, Portugal and Denmark did not sign. The BBC’s Defence Correspondent, Jonathan Marcus, reported that the agreement “takes formal defence co-operation in the European Union to a new level”.<sup>154</sup> He added that the agreement was about:

This is about increased investment in defence and developing common military capabilities. There is no “European army”, in the same sense that there is actually no “NATO army”, it simply means that national military capabilities that exercise together can be brought under a single command at a time of crisis.

Indeed deploying troops “into harm’s way” is the ultimate exercise of national sovereignty and it is likely to remain jealously guarded. And better military capabilities for EU nations should clearly mean better capabilities for NATO too.<sup>155</sup>

Nick Witney, a former British civil servant and the first chief executive of the European Defence Agency, has argued that since EU defence cooperation “has always been, and will continue to be, something undertaken on an entirely voluntary basis, by each member state, to the extent it chooses, as a sovereign nation”, no ‘leave’ principles would be “compromised” by continuing defence cooperation with European partners after the UK’s withdrawal from the EU.<sup>156</sup> In his view, “some sort of privileged partnership between the UK and EU looks like a reasonable goal”, but the difficulties of defining it, embodying it in treaty change, and its relatively lower priority compared to “untangling” economic and migration issues, would mean that such a partnership might not be achieved “for many years”.

### 2.3 United Kingdom and NATO

The former Defence Secretary, Sir Michael Fallon, has described NATO as

<sup>151</sup> Sophia Besch, [EU Defence, Brexit and Trump](#), Centre for European Reform, 14 December 2016, p 8.

<sup>152</sup> Council of the European Union, [‘Defence Cooperation: 23 Member States Sign Joint Notification on the Permanent Structured Cooperation \(PESCO\)’](#), 13 November 2017.

<sup>153</sup> *ibid.*

<sup>154</sup> BBC News, [‘European Union Gives Impetus to Joint Defence Plan’](#), 13 November 2017.

<sup>155</sup> *ibid.*

<sup>156</sup> Nick Witney, [‘Brexit and Defence: Time to Dust Off the ‘Letter of Intent?’](#), European Council on Foreign Relations, 14 July 2016.

the “bedrock” on which “our defence of the United Kingdom rests”.<sup>157</sup> In its future partnership paper on foreign policy, defence and development, the Government reiterated the importance of NATO, stating that it “remains the cornerstone of our defence”.<sup>158</sup> With regards to the UK’s future relationship with the European Union, the Government has proposed that the “UK will continue to champion and drive forward greater cooperation between the EU and NATO” while avoiding any duplication.<sup>159</sup>

UK forces are deployed as part of a number of NATO missions. At the NATO Warsaw Summit in 2016, NATO members agreed to enhance NATO’s military presence in the eastern part of the alliance.<sup>160</sup> Four multinational battalion-sized battlegroups have been deployed in Estonia, Latvia, Lithuania and Poland on a rotational basis.<sup>161</sup> They are currently led by the United Kingdom, Canada, Germany and the United States respectively.<sup>162</sup> The UK-led battlegroup in Estonia comprises 800 British and 200 French troops, and the first British troops started arriving in March 2017.<sup>163</sup> Moreover, 150 troops have been deployed to Poland as part of the US-led battlegroup.<sup>164</sup> In January 2017, the UK took command of the land component of NATO’s Response Force (NRF), which includes the Very High Readiness Joint Task Force (VJTF).<sup>165</sup> The VJTF was agreed at the 2014 NATO Wales Summit and comprises a multinational brigade of approximately 5,000 troops.<sup>166</sup> Currently, the UK has deployed 3,000 British troops to the VJTF. In addition, in October 2016, the UK announced that it would commit RAF Typhoon jets to NATO’s Southern Air Policing Mission and these were deployed in May 2017.<sup>167</sup> In June this year, at a NATO meeting of Defence Ministers, the then Defence Secretary, Sir Michael Fallon, announced a package of new UK contributions to NATO. These included:

- The Royal Navy will take the lead of half of NATO’s maritime forces for a year.
- Offensive cyber support to NATO operations.
- Increased UK support for advising the Afghan Government, and its defence and security forces.

<sup>157</sup> [HC Hansard, 27 June 2016, col 2.](#)

<sup>158</sup> Department for Exiting the European Union, [Foreign Policy, Defence and Development: A Future Partnership Paper](#), 12 September 2017, p 2.

<sup>159</sup> *ibid*, p 19.

<sup>160</sup> NATO, [‘Boosting NATO’s Presence in the East and Southeast’](#), 11 August 2017.

<sup>161</sup> *ibid*.

<sup>162</sup> *ibid*.

<sup>163</sup> NATO, [NATO’s Enhanced Forward Presence](#), May 2017; and BBC News, [‘UK Troops in Estonia to Deter “Russian Aggression”](#)’, 18 March 2017.

<sup>164</sup> Ministry of Defence, [‘UK Personnel Arrive in Poland and Estonia’](#), 5 April 2017.

<sup>165</sup> Ministry of Defence, [‘UK Steps Up to Take Command of NATO Task Force’](#), 11 January 2017.

<sup>166</sup> *ibid*.

<sup>167</sup> Ministry of Defence, [‘UK Steps Up Measures to Reassure European Allies’](#), 26 October 2016.

- Strengthened cooperation on Maritime Patrol Aircraft.<sup>168</sup>

A number of commentators have considered the implications of leaving the European Union on the UK's NATO membership. Professor Malcolm Chalmers at RUSI observed that the UK's "influence on European security will remain considerable, given its position as NATO's most capable, and willing, European power".<sup>169</sup> However, he suggested that the UK would need to work hard to retain its influence and ensure that its "policy inputs are not an afterthought to the results of US/EU dialogue".<sup>170</sup> Professor Chalmers observed that there had been suggestions that the assignment of the position of Deputy Supreme Allied Commander (DSACEUR) to the UK may end and be transferred to an EU member. This position is responsible for ensuring NATO assets are available for EU missions organised under the 'Berlin Plus' arrangements. Professor Chalmers suggested that any changes in this area would probably have a limited affect, but do demonstrate that "the UK's role and influence within NATO cannot be entirely ring-fenced from the consequences of Brexit".<sup>171</sup>

## 2.4 United States and NATO

The election of Donald Trump as President has raised question marks over the United States' ongoing commitment to the NATO alliance. During the election campaign, Mr Trump described NATO as "obsolete" and suggested that if he won, the US might have to "let NATO go" or give other members an ultimatum to increase their defence spending or leave the alliance.<sup>172</sup> In another interview, Mr Trump indicated that he would only be prepared to provide military support to an ally under attack if they had made a sufficient contribution to the costs.<sup>173</sup> This would deviate from the principle of collective defence enshrined in Article 5 of NATO's founding treaty that an attack against one NATO member is considered as an attack against them all.<sup>174</sup>

At the NATO Heads of State and Government summit in Brussels on 25 May 2017, Mr Trump reiterated his criticism that NATO members were not spending enough on defence and did not make an explicit commitment to honour Article 5.<sup>175</sup> However, at a press conference with the Romanian President, Klaus Iohannis, in June 2017, Mr Trump said that he would

<sup>168</sup> Ministry of Defence, '[Defence Secretary Steps Up UK Commitments to NATO](#)', 29 June 2017.

<sup>169</sup> Royal United Services Institute, '[UK Foreign and Security Policy After Brexit](#)', January 2017, p 1.

<sup>170</sup> *ibid*, p 1.

<sup>171</sup> *ibid*, p 6.

<sup>172</sup> Demetri Sevastopulo and Geoff Dyer, '[Trump Brands NATO "Obsolete" Ahead of Tough Wisconsin Primary](#)', *Financial Times* (£), 3 April 2016.

<sup>173</sup> '[Transcript: Donald Trump on NATO, Turkey's Coup Attempt and the World](#)', *New York Times*, 21 July 2016.

<sup>174</sup> NATO, '[Collective Defence—Article 5](#)', 22 March 2016.

<sup>175</sup> BBC News, '[Donald Trump Tells NATO Allies to Pay up at Brussels Talks](#)', 25 May 2017.

commit the US to Article 5.<sup>176</sup>

The UK Government has continued to emphasise the role of NATO and the UK's special relationship with the US following Mr Trump's victory. At a press conference with Mr Trump at the White House in January 2017, the Prime Minister, Theresa May, reiterated the "the strength and importance of the special relationship that exists between our two countries".<sup>177</sup> With regards to NATO, Mrs May said that:

On defence and security co-operation, we're united in our recognition of NATO as the bulwark of our collective defence, and today, we've reaffirmed our unshakeable commitment to this alliance.<sup>178</sup>

She added that Mr Trump had confirmed that he was one hundred percent behind NATO and that she would continue to encourage European leaders to meet the NATO 2 percent guideline.<sup>179</sup>

Professor Malcolm Chalmers, Deputy Director of RUSI, has sounded a note of caution in relation to defence prospects under a Trump presidency.<sup>180</sup> He believed that Mr Trump's "repeated questioning of the value of America's military alliances" and his "evident sympathy for Russian President Vladimir Putin's actions in Ukraine and Syria" should not be assumed to be "passing fancies".

In this light, Professor Chalmers suggested that the UK Government should try and reduce its dependence on US military capabilities; reverse its scepticism towards European defence cooperation; and pursue bilateral defence cooperation with European countries, especially France and Germany.<sup>181</sup> Professor Chalmers argued that enhancing cooperation in this area could help create an institutional back-up in case Mr Trump vetoed any NATO action.<sup>182</sup> In a subsequent briefing on the potential impact of leaving the European Union on UK foreign and security policy, Professor Chalmers argued that the UK's bilateral relationship with the US was likely to survive Brexit (but not its role as a 'bridge' between the US and Europe).<sup>183</sup> However, he cautioned against turning to the US in case the UK finds itself isolated in Europe:

A degree of caution may also have to be exercised to maintain the

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<sup>176</sup> Peter Baker, '[Trump Commits the United States to Defending NATO Nations](#)', *New York Times*, 9 June 2017.

<sup>177</sup> Prime Minister's Office, '[PM Press Conference with US President Trump](#)', 27 January 2017.

<sup>178</sup> *ibid.*

<sup>179</sup> *ibid.*

<sup>180</sup> Professor Malcolm Chalmers, '[Preparing British Defences for a Trumpian World](#)', Royal United Services Institute, 11 November 2016.

<sup>181</sup> *ibid.*

<sup>182</sup> *ibid.*

<sup>183</sup> Professor Malcolm Chalmers, '[UK Foreign and Security Policy After Brexit](#)', Royal United Services Institute, January 2017, p 6.



UK's freedom of action in relation to future US military campaigns. The prospect of diplomatic isolation in Europe could tempt a future government to place greater emphasis on the need to stand 'shoulder to shoulder' with the US in a future military conflict. Yet successive experiences during the past decades, most clearly in the decision to invade Iraq in 2003, have reinforced the need for caution. A Trump presidency could further increase the desirability of maintaining strategy autonomy.<sup>184</sup>

## 2.5 Russia

In a foreign policy speech at the City of London Lord Mayor's Banquet, in November 2017, the Prime Minister, Theresa May, accused the Russian Government of interfering in elections and cyber espionage, and of threatening the international order.<sup>185</sup> Mrs May said that:

Russia's illegal annexation of Crimea was the first time since the Second World War that one sovereign nation has forcibly taken territory from another in Europe. Since then, Russia has fomented conflict in the Donbas, repeatedly violated the national airspace of several European countries, and mounted a sustained campaign of cyber espionage and disruption. This has included meddling in elections, and hacking the Danish Ministry of Defence and the Bundestag, among many others.

It is seeking to weaponise information. Deploying its state-run media organisations to plant fake stories and photo-shopped images in an attempt to sow discord in the West and undermine our institutions.<sup>186</sup>

Mrs May warned Russia that "we know what you are doing" and that "you will not succeed". She suggested that Russia underestimated the resilience of Western democracies and stated that "we will take the necessary actions to counter Russian activity".<sup>187</sup> However, Mrs May stated that the UK did not want a return to the Cold War and that "whilst we must beware, we also want to engage".<sup>188</sup>

In response, the BBC reported that a number of senior Russian politicians had dismissed Mrs May's comments.<sup>189</sup> For example, Leonid Slutsky—the chairman of the foreign affairs committee in the lower house of the Russian

<sup>184</sup> Professor Malcolm Chalmers, [UK Foreign and Security Policy After Brexit](#), Royal United Services Institute, January 2017, p 8.

<sup>185</sup> BBC News, [Theresa May Accuses Vladimir Putin of Election Meddling](#), 14 November 2017.

<sup>186</sup> Prime Minister's Office, [Prime Minister's Speech to the Lord Mayor's Banquet 2017](#), 13 November 2017.

<sup>187</sup> *ibid.*

<sup>188</sup> *ibid.*

<sup>189</sup> BBC News, [Russian Politicians Dismiss Theresa May 'Election Meddling' Criticism](#), 14 November 2017.

Parliament—argued that Russia was not trying to bring back the Cold War and that “I completely disagree with the statement that Russia is allegedly trying to undermine the international system of rules”.<sup>190</sup>

Concerns have also been raised about the capabilities of the UK and NATO to respond to further actions by Russia in Eastern Europe following its military actions in Crimea and the Ukraine and instances of what the House of Commons Defence Committee has termed “threatening behaviour” towards NATO members, such as flying military aircraft close to British NATO airspace.<sup>191</sup> For example, it was reported in August 2016 that a leaked report produced in March 2016 under the direction of General Sir Nick Carter, the Chief of the General Staff, stated that:

In the unlikely event of a direct confrontation between NATO and RUS [Russia], we must acknowledge that RUS currently has a significant capability edge over UK force elements [...]

Due to the fact that some of our high end military capabilities have been eroded since 2003, we must find ways to ‘fight smarter’ at the tactical level, acknowledging that some adversaries may be armed with weapons that are superior to our own.<sup>192</sup>

According to another leaked internal MOD briefing seen by the *Telegraph* in November 2016, British military intelligence raised “doubts over the UK’s ability to combat the threat posed by the Kremlin’s new Armata tank” and “questioned why the Government had no plans for a rival tank for at least 20 years”.<sup>193</sup> More recently, in October 2017, Sir Richard Barrons, the retired head of the Joint Forces Command, argued that the defence budget should be increased to protect the UK mainland from potential attacks from China or Russia.<sup>194</sup> In September 2016, Sir Richard had also warned that the UK and its NATO allies had “no effective plan for defending Europe from a Russian attack because of splits in the alliance”.<sup>195</sup> He said that while Russia could “deploy tens of thousands of troops into NATO territory within 48 hours, backed by warplanes and ships”, it would take NATO “months” to do the same.

As part of its inquiry on SDSR and the Army, the House of Commons Defence Committee questioned the then Defence Secretary, Sir Michael

<sup>190</sup> BBC News, [‘Russian Politicians Dismiss Theresa May ‘Election Meddling’ Criticism’](#), 14 November 2017.

<sup>191</sup> House of Commons Defence Committee, [Russia: Implications for UK Defence and Security](#), 28 June 2016, HC 107 of session 2016–17, p 5.

<sup>192</sup> Barney Henderson and Press Association, [‘Russia Can Outgun British Troops, Leaked Report Suggests’](#), *Telegraph* (£), 9 August 2016.

<sup>193</sup> Robert Mendick, Ben Farmer and Roland Oliphant, [‘UK Military Intelligence Issues Warning Over Russian Supertank Threat’](#), *Telegraph* (£), 6 November 2016.

<sup>194</sup> Jack Maidment, [‘UK Must Boost Defence Budget to Protect ‘Homeland’ Against Russian Attack, Former Military Chief Warns’](#), *Telegraph*, 24 October 2017.

<sup>195</sup> Deborah Haynes, [‘NATO Has No Plan if Russia Invades, Warns Ex-General’](#), *Times* (£), 19 September 2016.

Fallon, in November 2016 about what armed forces capabilities would be available in the event of an East-West confrontation in Europe.<sup>196</sup> Sir Michael maintained that the SDSR in 2015 had already evaluated the “multiple”, “concurrent” and “complex” threats to the UK, including the threat of a serious confrontation in Europe and that “nothing much” had changed in the nature of those threats since December 2015.<sup>197</sup> He maintained that the SDSR 2015 contained contingency plans to deal with any developments such as an East-West confrontation, for example the ability to fight at an increased divisional level.<sup>198</sup> He argued that the UK was able to make a commitment to defending the borders of NATO—for example, deploying a battalion of about 800 personnel to Estonia as part of an enhanced forward presence—because “we have strength in reserve”.<sup>199</sup> He said that forward deployment functioned as “an earlier tripwire so the force there does not have to wait for tension to escalate”, and that this would act as “deterrence, to make it clear to any potential aggressor that NATO is ready to respond”. Sir Michael disagreed with a suggestion made in a book written by Sir Richard Shirreff, former Deputy Supreme Allied Commander of NATO, and mentioned by a member of the Defence Committee, that war with Russia was “likely next year”, although he agreed that there had been “much greater Russian aggression this year”.<sup>200</sup>

Julian Lewis, the chair of the House of Commons Defence Committee, made the point that in recent years, the focus had moved from the threat of state-on-state war to asymmetrical warfare and wars of choice. He argued that “with the lessening of goodwill—to put it mildly—between Russia and NATO countries”, the world had returned to “a more traditional scenario”.<sup>201</sup> In response, Sir Michael Fallon asserted that the SDSR was “very clear that we regard state-based threats as on a level with non-state actors now”, and the Government was aware of the need to make sure that the equipment programme was “adjusted” to deal with all types of threat.<sup>202</sup>

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<sup>196</sup> House of Commons Defence Committee, [Oral Evidence: The SDSR and the Army: HC 108](#), 1 November 2016, Q229.

<sup>197</sup> *ibid.*, Q227.

<sup>198</sup> *ibid.*, Q229.

<sup>199</sup> *ibid.*, Q233.

<sup>200</sup> *ibid.*, Q234.

<sup>201</sup> *ibid.*, Q257.

<sup>202</sup> *ibid.*