



House of Lords  
House of Commons  
Joint Committee on the  
National Security Strategy

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**National Security  
Capability Review:  
A changing security  
environment:  
Government Response  
to the Committee's  
First Report of Session  
2017–19**

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**First Special Report of Session 2017–19**

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## The Joint Committee on the National Security Strategy

The Joint Committee on the National Security Strategy is appointed by the House of Lords and the House of Commons to consider the National Security Strategy.

### Current membership

#### House of Lords

[Lord Brennan](#) (*Labour*)

[Lord Campbell of Pittenweem](#) (*Liberal Democrat*)

[Lord Hamilton of Epsom](#) (*Conservative*)

[Lord Harris of Haringey](#) (*Labour*)

[Baroness Healy of Primrose Hill](#) (*Labour*)

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[Baroness Lane-Fox of Soho](#) (*Crossbench*)

[Lord Powell of Bayswater](#) (*Crossbench*)

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#### House of Commons

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[Tom Tugendhat MP](#) (*Conservative, Tonbridge and Malling*)

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[Theresa Villiers MP](#) (*Conservative, Chipping Barnet*)

### Powers

The Committee has the power to require the submission of written evidence and documents, to examine witnesses, to meet at any time (except when Parliament is prorogued or dissolved), to adjourn from place to place within the United Kingdom, to appoint specialist advisers, and to make Reports to both Houses. The Lords Committee has power to agree with the Commons in the appointment of a Chairman.

### Publications

The Reports of the Committee are published by Order of both Houses. All publications of the Committee are on the Internet at [www.parliament.uk/jcnss](http://www.parliament.uk/jcnss).

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### **Committee staff**

The current staff of the Committee are Simon Fiander (Commons Clerk), Matthew Smith (Lords Clerk), Ashlee Godwin (Commons Committee Specialist), Georgina Hutton (Acting Commons Committee Specialist), Matthew Chappell (Commons Committee Assistant), Breda Twomey (Lords Committee Assistant) and Estelle Currie (Press Officer).

### **Contacts**

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# First Special Report

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The Committee published its First Report of Session 2017–19, *National Security Capability Review: A changing security environment* (HL Paper 104, HC 756) on 23 March 2018. The Government’s response was received on 18 July 2018 and is appended to this report.

## Appendix: Government Response

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The Government was grateful to the Joint Committee on the National Security Strategy (JCNSS) for its first report of this session, examining the *National Security Capability Review: A changing security environment*.

The Committee draws a number of conclusions and makes several recommendations on the National Security Capability Review process.

### The National Security Capability Review process

**1. There were good reasons for revisiting the 2015 National Security Strategy and Strategic Defence and Security Review less than two years after it was published. These included: major changes to the wider security environment, including the prospect of a significant shift in the UK’s relationship with the EU and the election of the Trump Administration; intensifying and diversifying threats to the UK; and a significant, structural hole in the defence budget. The flaws in the 2015 NSS & SDSR, which have in part necessitated the National Security Capability Review, demonstrate the importance of a robust and coherent process in setting national security strategy.** (Paragraph 32)

We agree with the Committee that there were good reasons to review our national security capabilities at this point. The NSC commissioned the NSCR because the security challenges we face have become more complex, intertwined and dangerous since 2015 as the world has become more uncertain and volatile. We do not accept that the SDSR 15 process was flawed. The Prime Minister is clear in her foreword to the NSCR that the framework of the National Security Strategy and the Strategic Defence and Security Review 2015 (“SDSR 15”) remain right. Our annual reports on SDSR implementation published in December 2016 and March 2018 (as part of the NSCR public document) show good progress has been made in implementing the commitments made in SDSR 15. The NSCR was conducted in support of SDSR 2015, to ensure that our full range of capabilities are deployed as effectively and efficiently as possible in the implementation of SDSR 15.

**2. There are growing pressures across the national security budget, including in relation to the Foreign and Commonwealth Office, cyber security and the security and intelligence agencies. The defence budget is also now under extreme strain.** (Paragraph 33)

**3. In relation to defence, the 2015 NSS & SDSR perpetuated a longstanding failure to match ambition with capabilities and funding, relying instead on unrealistic promises of efficiencies and reduced contingency funding. It has been strongly argued that spending 2% of GDP on defence is not sufficient to meet today’s threats, or to meet the Government’s current ambitions for defence capabilities. But spending more on defence is only part of the answer. An honest conversation is needed about what is affordable, how the armed forces should best be structured to meet future threats, and**

**how they might be enabled to take better advantage of technological innovation. This should also include how UK capabilities are designed to fit with and supplement those of our allies. The Government must get a grip on these issues.** (Paragraph 34)

The Government takes funding for national security seriously. The 2015 Spending Review delivered real terms growth for defence, the intelligence agencies, counter-terrorism, and cyber. We remain committed to growing defence spending by at least 0.5% above inflation each year, with the Defence budget rising by £2.5bn over the next two years, to almost £40bn by 2020/2021. We have also committed to increasing counter-terrorism spending by 30% and growing the SIA budget by 18% in real terms. We also remain committed to The National Cyber Security Strategy 2016–2021, which is supported by £1.9billion of transformational investment. In addition, on 22 March, the Foreign Secretary announced additional non-ODA funding of £90m over two years to expand the diplomatic overseas network.

The NSCR makes clear that the Modernising Defence Programme (MDP) is building on the firm foundations of the SDSR and being informed by work undertaken as part of the NSCR. The aim of the MDP is to modernise and strengthen our Armed Forces against the threats that we face, and to put Defence on an enduringly affordable footing. Good progress has been made. We have confirmed that the key design principles of Joint Force 2025 remain right and established the blueprint for a programme of transformative reform which will deliver significant benefits for Defence. Further work will now focus on unlocking that potential to modernise UK defence and our armed forces. The UK's commitment to NATO – and our global ambition – remains unchanged. We will continue to play a leading role as a top tier military power: meeting our commitment to spend 2% of GDP on Defence; maintaining a full spectrum of military capabilities; and able to operate alongside the US and other allies and partners.

**4. While the Committee accepts that the decision to hold a further review of national security capabilities only two years after the 2015 NSS & SDSR was justified in this instance, we are concerned that the Government might use frequent, more limited reviews as a substitute for the strategically-informed decisions needed to put defence and security on a sustainable footing.** (Paragraph 35)

The NSCR was conducted in support of SDSR 2015, to ensure that our full range of capabilities are deployed as effectively and efficiently as possible in the implementation of the 2015 National Security Strategy and SDSR. The Government has not announced when the next NSS and SDSR will take place and, at present, has no plans for any further review of our National Security capabilities. We are focussed on ensuring that those commitments we have made in SDSR 15 and the NSCR are implemented effectively. However, as the NSA outlined to the Committee in December, if there is a significant shift in context or other significant shift, the Government may decide to conduct either another exercise of limited scope, or a full NSS and SDSR.

**5. The decision to limit the current exercise to a review of capabilities does not do justice to the changes to the wider security environment. Moreover, we are concerned that the Government's focus on capabilities in the National Security Capability Review runs the risk of the 'tail wagging the dog', with decisions on capabilities driving strategy and policy without due and deliberate consideration. When the Government reports the outcomes of the NSCR and Modernising Defence Programme, it must**

**set out precisely what changes, if any, have been made to the 2015 National Security Strategy and related policy. It should also highlight and explain any changes to the 89 commitments made in the 2015 National Security Strategy and Strategic Defence and Security Review. (Paragraph 40)**

The NSCR was focused on capabilities that are critical to our national security, where we judged that they could benefit from review to support implementation of the SDSR. We are clear in the NSCR report that SDSR commitments and policies are unchanged. The NSCR describes upfront how we see the national security context having developed since SDSR 15 and goes on to identify how we will develop, deliver and deploy our considerable national security capabilities to maximum collective effect.

**6. Although it is necessary to inject some fiscal discipline into such processes, the decision to hold a cost-neutral review of national security capabilities was ill-advised given the significant deficit in the defence budget and the intensifying threat picture. Until the Modernising Defence Programme was announced, this approach left the Government facing an unwelcome choice between making significant cuts to defence capabilities, to other security capabilities, or to both, to stay within budget. (Paragraph 44)**

We were clear from the outset that the NSCR was not a full SDSR linked to a Spending Review. Spending Review 2015 budgets remain the basis of the government's spending plans and the NSCR looked at whether we were making the most effective and efficient use of those resources. As set out above, the aim of the MDP – commissioned from the NSCR – is both to modernise and strengthen our Armed Forces against the threats that we face, and to put Defence on an enduringly affordable footing.

**7. The National Security Capability Review was commissioned as a “quick refresh” of capabilities but nine months since it began—and with defence now being considered separately and over a longer timeframe—it is apparent that the NSCR has inadvertently become an uncomfortable ‘halfway house’ between a refresh and a full review. (Paragraph 48)**

The NSCR was a significant piece of work, conducted in support of the 2015 SDSR, at a time when the national security context and the major challenges facing us are evolving faster than expected. As set out above, we were clear from the outset that this was not a full SDSR linked to a Spending Review and, as the NSA said in his evidence to the Committee, unlike the SDSR, the NSC did not commission a public report at the outset.

**8. The process is not as important as the content and the outcome of such reviews. However, the nation's security capabilities are too important to be allowed to evolve without clear thought and direction. There are costs to such confusion, including to the UK's reputation as a reliable security actor. Even if the NSCR and MDP ultimately prove effective in terms of their conclusions, it appears that the process has been far from smooth, and there will be lessons for Ministers and officials alike, especially if the next full NSS & SDSR is to avoid perpetuating the flaws of the 2015 exercise. (Paragraph 49)**

Once the NSC had commissioned the NSCR, clear plans and processes were put in place for delivery, which the NSA outlined in his letter to you of 9 February. We ensured we engaged with key international allies and partners, keeping them informed of our

thinking and seeking their views and this is also integral to the MDP. We will of course look at whether there are lessons we can draw from both the 2015 SDSR and the NSCR process when it comes to conducting the next NSS and SDSR.

**9. Defence is only one part of the UK’s wider national security strategy and it should be considered firmly within this context. As such, the Government’s decision to separate the defence strand from the rest of the National Security Capability Review runs the risk of undermining the purpose and coherence of the wider review. However, it is at least in part a consequence of the argument that the defence budget cannot fund the range of military capabilities prescribed by the 2015 NSS & SDSR. *The Government should use its report on the National Security Capability Review to:***

- (a) *provide reassurance that the Cabinet Office will remain closely involved in the Modernising Defence Programme;*
- (b) *set out in detail the steps it is taking to ensure coherence between the NSCR and the MDP—for example, in relation to domestic security, cyber and modern deterrence.*

*It should also use its later report on the MDP to show how it was moulded by the NSCR, by directly demonstrating the links between the two processes and their findings.* (Paragraph 55)

The NSCR makes clear that the MDP is building on the firm foundations of the SDSR and is being informed by work undertaken as part of the NSCR.

**10. We understand that the challenges posed by the hole in the defence budget—and the inability of the MOD to address these on the timetable set for the National Security Capability Review—made it necessary on this occasion to separate defence from the wider review. Nevertheless, we are concerned that such financial constraints are distorting the UK’s national security. We are further concerned that this short-term political fix once again exposes a long-term fault line in Whitehall between defence and other security-related Departments and policies, which leaves the Government unable to bring them together coherently in setting and delivering its national security strategy. This will likely remain the case until the inadequate level of the defence budget is resolved. We reiterate our view that all such reviews of national security strategy and capabilities should be a joined-up process led by the Cabinet Office.** (Paragraph 59)

We agree that reviews of national security strategy and capabilities should be joined up. In the case of the NSCR, as set out above, we were clear however that this was not a full SDSR. Nonetheless, it did include a strand of work on Defence, as a result of which the NSC commissioned the Modernising Defence Programme.

**11. Since 2010, reviews of the UK’s national security strategy and capabilities have been held alongside Spending Reviews at the start of a new Parliament. The 2017 general election has thrown this regular, five-year pattern into doubt. The decision to commission the National Security Capability Review two years after the 2015 NSS & SDSR has only added to this uncertainty. Without knowing when the next NSS & SDSR and Spending Review will be held, it will be impossible for us, and for others,**

to assess the outcomes of the NSCR and MDP within their intended context. It is also unclear to what extent these outcomes will be provisional, pending the next Spending Review and the completion of negotiations with the EU. (Paragraph 63)

12. *When the Government publishes its report on the National Security Capability Review, it must clarify what the current review means for the expectation that an NSS & SDSR will be held every five years, alongside a Spending Review. Specifically, the Government should set out: when it intends to hold the next full NSS & SDSR process, and when the preparation for this review will begin; whether the next NSS & SDSR will take place alongside a Spending Review, as has been the practice since 2010; whether the next full review of national security strategy and capabilities will consider defence and security as part of an integrated process; and whether the Cabinet Office will lead the next NSS & SDSR.* (Paragraph 64)

The NSCR report is clear that the NSCR is nested within SDSR implementation. New commitments within the NSCR are now being taken forward, funded through reprioritisation of existing budgets. The Government has not yet taken a decision on when the next NSS and SDSR will take place but we would expect it to be led by the Cabinet Office, as for the 2010 and 2015 SDSRs, and the NSCR.

13. *We consider there to be insufficient parliamentary oversight of the work of the National Security Adviser, and the Ministers to whom he reports—in marked contrast to the scrutiny which Parliament can and does give to departmental officials and Ministers. The Government should provide the Committee with evidence of the NSC's oversight of the National Security Capability Review and the Modernising Defence Programme, including by providing details and papers of relevant NSC meetings, in confidence.* (Paragraph 67)

The NSCR, and other work led by the NSA, has clear oversight from both the NSC and Parliament. The NSA reports directly to the Prime Minister on national security issues and is accountable to her. The Prime Minister is, in turn, accountable to Parliament. The JCNSS plays a valuable role in scrutinising the work of the NSA, just as the Liaison committee scrutinises the Prime Minister. Other Committees will scrutinise other departments but would not get access to Cabinet Committee minutes. NSC is a Cabinet Committee, and like all Cabinet Committees the minutes of those discussions are confidential. Cabinet Committees are run on the basis of collective responsibility and, as set out in the Cabinet Manual, sharing details of NSC discussions would compromise the ability for Ministers to have full and frank conversations, which in turn would jeopardise the principal of collective responsibility. As the Committee is aware, the NSC considered the NSCR in January of this year, having taken the decision in July last year to commission the work. The NSA kept the PM regularly updated throughout the process and other NSC members were also briefed. The MDP reports to the Defence Secretary, Chancellor of the Exchequer and the Prime Minister who are all NSC members.

14. *While some details of the National Security Capability Review may be confidential, it is not clear to us why the process of the review has been shrouded in such secrecy, and this has added to concerns and frustration about it. The Government should commit to making any announcements about the NSCR to Parliament and the Committee before they are made public or, at the very least, at the same time.* (Paragraph 71)

As the NSA set out in his letter to the Committee of 9 February, the NSC commissioned the NSCR following the 2017 election and initially asked for work towards a classified report. We did, however, announce that the work was taking place and, as the NSA set out, engagement was undertaken with external experts and stakeholders. We ensured that the Committee had advance sight of the foreword to the public NSCR report the day before publication and the NSA spoke to the Chair on the day of publication.

### **Improving cross-government responses to national security challenges**

**15. The National Security Capability Review is an opportunity for the Government to demonstrate that tackling instability overseas remains a priority. The Government should at least consider limited options for improving its current approach. These include implementing DFID’s up-to- date policy guidance on stabilisation across Government, and ensuring that money spent in fragile states more directly targets the causes of conflict and instability.** (Paragraph 79)

We committed in the NSCR that DFID will focus on ensuring that its programmes are targeted more acutely on the underlying drivers of fragility, conflict and instability. The Secretary of State for International Development reiterated this in her 12 April speech when she said that: “DFID is already committed to ensure the 50% of our budget that is spent each year in fragile states genuinely tackles the underlying drivers of instability. We will focus on building long- term stability, addressing the causes as well as the consequences of conflict.”

We agree with the Committee on the importance of stabilisation and, as part of implementing the Fusion Doctrine, a SRO has been appointed for HMG’s approach to conflict and stabilisation across priority countries. The SRO regularly brings together the relevant departments across Whitehall to collectively consider and advise the NSC how to strengthen HMG’s response to UK national security challenges arising from instability overseas; to apply the lessons from the Chilcot Report and ensure an approach to conflict, stabilisation and building stability that represents HMG’s best practice and; to apply the Fusion Doctrine to determine better ways of harnessing UK security, economic, development and diplomatic capabilities to deliver UK national interests in conflict and stabilisation priority countries.

**16. We expect the National Security Capability Review to outline an updated policy of deterrence that covers the full range of threats to the UK—from nuclear and military threats, to unconventional threats such as cyber attacks and subversion. This should include any new tools available to the Government under the policy of modern deterrence, and how it plans to utilise them. *In updating its policy on deterrence, the Government should focus on how it can deter threats that fall short of an act of war, but which are nevertheless damaging to the health of the UK’s political system, economy and society. It should also provide more detail about the new National Security Communications Unit when it publishes the NSCR. This includes information about:***

- *what this new unit will do;*
- *how many staff it will have and from which Departments they will be drawn;*
- *to whom the new unit will report;*
- *the size of its budget;*
- *and how its success will be measured.* (Paragraph 86)

The NSCR makes clear that deterrence remains at the heart of the UK's national security policy and that our approach to deterrence has become more comprehensive as the world has become more uncertain and volatile. The Fusion doctrine strengthens our approach to modern deterrence. Again, as the NSCR sets out, Cyber defence, offensive cyber capabilities and powers to recover criminal assets are just some of the capabilities enhanced as a result of SDSR15.

We have committed in the NSCR to significantly expanding the National Security Communications Team, building on our existing capabilities, giving senior officials for NSC priorities access to a broad cross-government group of communications professionals who can work centrally or alongside them to achieve communications objectives as an integrated part of the government's approach to national security. The report sets out that the team will continue to be staffed by the Government Communication Service, the professional body for people working in communication roles across government. The team will work on National Security priorities where communications can support delivery of the desired outcome, in line with the Fusion doctrine.

**17. We welcome the Government's apparent focus on building national resilience as part of the National Security Capability Review. The Government must do all it can to inform the British public about the threats we face as a country, and to empower them to contribute to the Government's response when appropriate. *The Government should set out its plans to develop community and societal resilience to the range of threats that may arise. It should also set out in its response to this report its plans for future crisis management exercises, as well as information about the types of scenarios being tested and the participants involved.*** (Paragraph 90)

Strengthening the UK's resilience is a key priority for the Government. Our approach is to build capability to respond to and recover from the consequences of events, regardless of whether they are caused by accidents, natural hazards or man-made threats. The National Risk Register (2017) outlines the types of emergencies that might occur, what the Government and partners are doing to mitigate them, and how individuals, families or small businesses can help to protect themselves.

Our ability to respond is founded on the duties set out in The Civil Contingencies Act 2004, which obliges local responders to assess the risks in their area, to warn and inform members of the public about the risks they face, and provide information to support public resilience, for example, through the publication of community risk registers. The Civil Contingencies Secretariat supports Local Resilience Forums to develop strategic locally relevant approaches to supporting community resilience through the publication of guidance such as the Community Resilience Framework for Practitioners.

A key part of enhancing our collective resilience is by undertaking training and exercising. The Government aims to ensure all organisations are as prepared as possible for all types of emergencies. Integral to that is the practising and validating of emergency plans and capabilities. Training staff who are involved in emergency planning and response is fundamental to an organisation's ability to handle any type of emergency. The Central Government Emergency Response Training (CGERT) programme is designed to equip people with the knowledge, skills and behaviours necessary for their role in crisis management at the national strategic level. Furthermore, the Cabinet Office Emergency Planning College offers training and exercising to support local and national resilience

capabilities relevant to all types of emergency. This is in addition to the wide range of exercises and related activities undertaken by Government departments and local responders.

**18. The nature of today's security threats mean that they require a much more closely coordinated response by Departments to be effective. We therefore welcome the news that the National Security Adviser has been tasked with reforming how National Security Council decisions are implemented across the Government. We look forward to seeing his proposals for improving the implementation of cross-government national security policy, and for ensuring a strong line of accountability within Government, and of ministerial accountability in particular. (Paragraph 94)**

The Fusion Doctrine, set out in the NSCR, strengthens our collective approach to national security, building on the creation of the NSC eight years ago. As the NSA said at his recent appearance before the House of Commons Defence Committee, creating strategy and implementation groups, putting a Senior Responsible Officer (SRO) in charge of each of those, and making those SROs personally accountable in the way accounting officers are to the NSC are all aspects of implementing the Fusion Doctrine which help maximise the effectiveness of NSC decision making in a complex cross-Government delivery environment.