



House of Commons

House of Lords

Joint Committee on the  
National Security Strategy

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# Revisiting the UK's national security strategy: The National Security Capability Review and the Modernising Defence Programme

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**Fourth Report of Session 2017–19**

*Report, together with formal minutes  
relating to the report*

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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.

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## **Publications**

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The current staff of the Committee are Simon Fiander (Commons Clerk), Eva George (Lords Clerk), Ashlee Godwin (Commons Senior Committee Specialist), Carolyn Bowes (Commons Committee Assistant), Breda Twomey (Lords Committee Assistant) and Estelle Currie (Press Officer).

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# Contents

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<b>Summary</b>	<b>3</b>
<b>1 Introduction</b>	<b>4</b>
<b>2 Revisiting the UK National Security Strategy and SDSR</b>	<b>7</b>
A less favourable strategic outlook for the UK	7
Fixing UK defence	12
An unaffordable plan for defence in 2015	12
The Modernising Defence Programme: a short-term fix	14
Longer-term solutions for defence funding	18
Time for a re-set on UK national security?	20
<b>3 Optimising the national security strategy-making process</b>	<b>24</b>
Stronger direction from the centre of Government: Fusion Doctrine	24
NSC direction and oversight of the Conflict, Stability and Security Fund	27
A more agile approach to national security between SDSRs: 'posture reviews'	28
The future of five-yearly national security reviews	30
<b>Conclusions and recommendations</b>	<b>32</b>
<b>Annex 1: Timeline of the NSCR and MDP</b>	<b>37</b>
<b>Annex 2: Glossary</b>	<b>38</b>
<b>Annex 3: Joint Committee on the National Security Strategy</b>	<b>39</b>
<b>Formal minutes</b>	<b>42</b>
<b>Witnesses</b>	<b>43</b>
<b>Published written evidence</b>	<b>43</b>
<b>List of Reports from the Committee during the current Parliament</b>	<b>44</b>



## Summary

The Government has become accustomed to talking a better game than it plays on national security, despite efforts to improve how it makes and delivers strategy under the National Security Council. National security strategy-making is about making choices, and the Government must now steel itself to make the difficult choices that it has sidestepped for too long. This is essential if the 'Global Britain' concept is to be turned into a meaningful strategy backed by the necessary diplomatic and military resources.

The UK will have to chart a more nuanced course in the coming years, as the direction and influence of key countries such as the US and China change unpredictably, and following its departure from the European Union. It will also have to respond to fast-changing and increasingly complex security threats, as described in our March 2018 report on the National Security Capability Review (NSCR). This will require stronger direction from the centre of Government and a more agile approach to national security. The Fusion Doctrine and posture reviews introduced by the Government's 2018 NSCR report are therefore to be welcomed, at least in principle.

The 2015 plan for the future of defence was never affordable. It is not enough to spend 2% of GDP on defence. Yet Ministry of Defence (MoD) expenditure fell to 1.8% of GDP in 2017/18 from 2.4% in 2010/11, while overall (cross-government) defence spending under the NATO definition fell to 2.1% of GDP in 2017/18 from 2.5% in 2010/11.

The NSCR and Modernising Defence Programme (MDP) processes have shown that the funding model for defence is broken: the Treasury persists in not funding the Government's defence ambitions properly, while the MoD has repeatedly struggled to manage its budget efficiently and effectively. The defence budget is also dominated by so-called 'legacy' capabilities and lacks the flexibility to respond to changing threats and technology. In short, the MDP raised more questions than it answered, leaving the MoD in a 'holding pattern' until the next Spending Review.

The new Prime Minister must immediately set about addressing policy and budgetary decisions that have been left hanging by the NSCR and especially by the MDP.

At the same time, he should begin an honest conversation at the national level about the extent of the Government's ambition for the UK as a significant global player, the risks it is willing to take in relation to national security, and the resources it is willing to commit to these ends.

# 1 Introduction

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1. In July 2017, the Government launched the National Security Capability Review (NSCR). The review's objective was to ensure that the UK's investment in national security capabilities, as set out in the 2015 National Security Strategy and Strategic Defence and Security Review (NSS & SDSR), was "as joined-up, effective and efficient as possible, to address current national security challenges".<sup>1</sup>

2. The National Security Adviser, Sir Mark Sedwill, told us in December 2017 that the NSCR did not involve a full review of the 2015 NSS & SDSR or the National Security Risk Assessment (NSRA). He also said that the review was intended to be "fiscally neutral"—that is, no new money would be made available to departments or agencies with national security responsibilities;<sup>2</sup> instead, the purpose of the NSCR was "to see if the money that is already allocated is allocated in the right way".<sup>3</sup> The total spent across Government on national security that financial year (2016/17) was £56 billion, of which more than 60% was allocated to defence.<sup>4</sup>

3. The NSCR originally comprised 12 'strands':<sup>5</sup>

- Our National Security Doctrine;
- Defence;
- Counter-terrorism;
- Cyber;
- Serious and organised and economic crime;
- Ports and borders;
- National resilience;
- Global Britain;
- National security strategic communications;
- Economic security, prosperity and trade;
- Development; and
- Cross-government funds.<sup>6</sup>

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1 ["Strategic Defence and Security Review Implementation"](#), Cabinet Office news release, 20 July 2017

2 Sir Mark Sedwill told us in January 2019 that, although the Government had approached the NSCR this way, it was not ultimately "fiscally neutral". He said: "additional resources were found in several areas as new pressures and requirements were identified. There was an uplift for counterterrorism work ... We found a relatively small amount, certainly by the standards of defence, to beef up strategic communications capability. We reallocated money to create the National Economic Crime Centre." Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q38

3 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q4

4 Cabinet Office ([MDP0031](#))

5 The NSCR incorporated several policy areas that were already under review at the time of its launch in July 2017. These were: defence; counter-terrorism; cyber; serious and organised and economic crime; ports and borders; and national resilience. HM Government, [National Security Capability Review](#), March 2018, p. 12

6 The Committee explored separately in 2018 some of the implications of the NSCR for cyber security and cross-government funds (see paragraphs 63–66). Joint Committee on the National Security Strategy, Third Report of Session 2017–19, [Cyber Security of Critical National Infrastructure](#), HL Paper 222, HC 1708; oral evidence taken on 19 November 2018, HC (2017–19) [1483](#)

In January 2018, however, the Government announced that it was separating the ‘defence’ strand from the rest of the NSCR. It established the Modernising Defence Programme (MDP) to continue this work, with the stated intention “to deliver better military capability and value for money in a sustainable and affordable way”.<sup>7</sup> The MDP was to be completed on a longer timeline than the NSCR. It was also conducted on a different budgetary basis, in that it was not intended to be “fiscally neutral” from the outset. A total of £1.8 billion in additional funding was eventually allocated to defence for 2018/19 and 2019/20.<sup>8</sup> The Government published its report on the NSCR in March 2018 and its report on the MDP in December 2018.<sup>9</sup>

4. In January 2018, we launched a two-part inquiry into the NSCR.<sup>10</sup> Our March 2018 report, *National Security Capability Review: A changing security environment*, marked the completion of the first stage and was published just before the Government produced its own report on the NSCR. Our report concluded that there “were good reasons for [the Government] revisiting the 2015 NSS & SDSR less than two years after it was published”. These included: the prospect of a significant shift in the UK’s relationship with the EU and the advent of the Trump Administration; intensifying and diversifying threats to the UK; and a significant, structural hole in the defence budget.<sup>11</sup>

5. However, we also concluded that the decision to limit the exercise to a review of capabilities did not do justice to the changes to the wider security environment since 2015. In addition, we expressed concern about the separation of defence from the wider review. We found that this had rendered the NSCR an “uncomfortable ‘halfway house’” between a refresh of national security capabilities and a full review. It also exposed a long-term fault line in Whitehall between defence and other security-related departments and policies, which, we concluded, would remain until challenges relating to the defence budget were properly addressed. Finally, we reiterated the need for all such reviews of national security strategy and capabilities to be a joined-up process led by the Cabinet Office.<sup>12</sup> This was made more important by the growing need for cross-government responses to national security threats, such as building resilience at home and stability overseas—policy areas that our first report on the NSCR explored.<sup>13</sup>

6. In our March 2018 report we committed to return to the subject of the NSCR and MDP once both processes were complete, which we did earlier this year. While our first report explored key points the NSCR should address as well as offering some preliminary comments on the process, this follow-up report considers the substance of the NSCR and MDP reports as well as wider challenges to UK national security strategy-making. It should be read in the context of our first report on the NSCR.

7 HC Deb, 25 January 2018, col 423ff. [Commons Chamber]

8 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 15

9 HM Government, *National Security Capability Review*, March 2018; Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018

10 The terms of reference and call for evidence for the first part of our inquiry can be found on the Committee website.

11 Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, para 32

12 Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, paras 40, 48, 59

13 Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, paras 72–90

7. We would like to thank all those who submitted written evidence to both parts of our inquiry on the NSCR and MDP, and all the witnesses who gave oral evidence.<sup>14 15</sup> We also thank our Specialist Advisers, Professor Malcolm Chalmers, Professor Michael Clarke and Professor Sir Hew Strachan, for their input.<sup>16</sup>

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- 14 In March 2019, during the second part of our inquiry, we held an informal discussion with: Tom McKane (RUSI and former Director General for Strategy and Director General for Security Policy, Ministry of Defence, 2008–14); Baroness Neville-Jones (former Minister of State for Security and Counter Terrorism, 2010–11); Lord Robertson of Port Ellen (Chatham House, former Secretary General, NATO, 1999–2003, and former UK Defence Secretary, 1997–99); and Dr Kori Schake (International Institute for Strategic Studies). The note of this informal discussion is available on the [inquiry webpage](#). We also took oral evidence on the NSCR and MDP from the National Security Adviser, Sir Mark Sedwill, in December 2017 and January 2019, as part of our inquiry on the [Work of the National Security Adviser](#).
- 15 Baroness Neville-Jones attended the informal discussion held with the Committee on the NSCR and MDP in March 2019 before she was appointed as a Member of the Committee by the House of Lords on 4 July 2019.
- 16 Professor Malcolm Chalmers declared the following interests relating to this inquiry on 18 December 2017: Deputy Director-General, Royal United Services Institute. Professor Michael Clarke declared the following interests relating to this inquiry on 18 December 2017: Specialist Adviser to the House of Commons Defence Select Committee (unpaid); honorary professorship at King's College London (Department of War Studies) (unpaid); honorary professorship at University of Exeter (unpaid); member of the Chief of Defence Staff's Advisory Panel (unpaid). Professor Sir Hew Strachan declared the following interests relating to this inquiry on 18 December 2017 and 1 July 2019: Professor of International Relations at the University of St Andrews; a member of the Strategic Advisory Panel of the Chief of Defence Staff; Defence Academy Advisory Board (until 2018); external member, Armed Forces Covenant Reference Group; Comité scientifique, Laboratoire de Recherche sur la Défense, IFRI, Paris; Consultant for the Global Strategic Partnership (a consortium led by RAND Europe), commissioned by the Development, Concepts and Doctrine Centre, Ministry of Defence.

## 2 Revisiting the UK National Security Strategy and SDSR

8. The stated purpose of the NSCR was to identify how the Government “could develop, deliver and deploy [the UK’s] considerable national security capabilities to maximum collective effect” in support of the 2015 NSS & SDSR.<sup>17</sup> The Government’s 2018 NSCR report contained some notable announcements in this regard, including the identification of two more “particular challenges” for UK national security in addition to the four identified in the 2015 NSS & SDSR. These were:

- “the ongoing growth in serious and organised crime”; and
- “diseases and natural hazards affecting the UK”.<sup>18</sup>

The NSCR report also foreshadowed the launch of two cross-government strategies (on serious and organised crime and on counter-terrorism<sup>19</sup>) as well as outlining measures relating to countering hostile state activity, strategic communications, civil contingencies and emergency planning (under the ‘national resilience’ strand), and border security.<sup>20</sup> Baroness Neville-Jones, former Minister of State for Security and Counter Terrorism (2010–11), said that these policy areas had merited attention in the NSCR and that this work should continue.<sup>21</sup>

9. However, the views we heard suggested that the NSCR and MDP reports did not do enough to address the growing challenges to UK national security.<sup>22</sup> These included changes to the wider strategic environment that undermine the cornerstones of UK national security and the “significant, structural hole” in the Ministry of Defence (MoD) budget, both of which we identified in our March 2018 report on the NSCR.<sup>23</sup>

### A less favourable strategic outlook for the UK

10. Baroness Neville-Jones said that—as with the 2015 NSS & SDSR—the NSCR’s “fundamental shortcoming” was its failure to address explicitly the changing strategic balance of power in the world. In her view, the value of the NSCR report was “limited” because “it doesn’t discuss the context in which the UK is operating”, particularly in relation to:

17 HM Government, [National Security Capability Review](#), March 2018, p. 3

18 The four “particular challenges” originally identified in the 2015 NSS & SDSR were: terrorism, extremism and instability overseas; the resurgence of state-based threats and wider inter-state competition; the impact of technology, especially cyber threats; and the erosion of the rules-based international order. HM Government, [National Security Capability Review](#), March 2018, p. 5

19 HM Government, *CONTEST: The United Kingdom’s Strategy for Countering Terrorism*, [Cm 9608](#), June 2018; HM Government, *Serious and Organised Crime Strategy*, [Cm 9718](#), November 2018

20 HM Government, [National Security Capability Review](#), March 2018

21 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

22 [Qq4–5](#); General (Rtd) Sir Richard Barrons ([NSC0001](#)); Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

23 Joint Committee on the National Security Strategy, First Report of Session 2017–19, [National Security Capability Review: A changing security environment](#), HL Paper 104, HC 756, paras 32, 34, 40

- the US;
- the consequences of Brexit for the UK's strategic positioning; and
- China.

11. Tom McKane, former Director General for Strategy, MoD, said that the decision to hold the NSCR might have been justified had it addressed the advent of the Trump presidency and Brexit. In relation to the MDP, Lord Robertson of Port Ellen—former Defence Secretary (1997–99) and NATO Secretary General (1999–2003)—thought that the lack of detail in the final report made it unclear whether these major geopolitical changes had been considered.<sup>24</sup>

12. We took extensive evidence in the first part of our inquiry last year on the implications for UK national security of the Trump Administration and the prospect of a significant shift in the UK's relationship with the EU.<sup>25</sup> Sir John Sawers—former Chief of the Secret Intelligence Service (2009–14)—told us in January 2018 that the factor that had changed the most since 2015 was “the expectations that countries have of the United States”. He said that this had already led to changes of behaviour among US allies in the Middle East and East Asia and should prompt European countries to re-think their relationships with the United States.<sup>26</sup> In March 2019, Dr Kori Schake—Deputy Director-General of the International Institute for Strategic Studies (IISS)—observed that President Trump continued to raise “first-order questions about the ‘shibboleths’ of the United States’ security policy since the Second World War”.<sup>27</sup> Lord Robertson commented that the UK must adapt to the capriciousness of President Trump's foreign policy, although he noted the Administration's positive impact on NATO member states' defence spending.<sup>28</sup> The recent episode concerning the UK's ambassador to the United States, Sir Kim Darroch, provides a stark example of the potential impact of such ‘capriciousness’.<sup>29</sup> Baroness Neville-Jones believed that

“The UK is so worried about saying anything about the Special Relationship which might undermine its importance or credibility [that it] puts an intellectual obstacle in the way of talking about the implications for the UK of [how] the world is changing.”<sup>30</sup>

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- 24 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019
- 25 Oral evidence taken on 29 January 2018, HC (2017–19) 1646; oral evidence taken on 26 February 2018, HC (2017–19) 1646; Patrick Porter (CSE0001); Mr James Rogers (CSE0009); Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, paras 9–12
- 26 Oral evidence taken on 29 January 2018, HC (2017–19) 1646, Q9 [Sir John Sawers]
- 27 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019
- 28 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019
- 29 “*Britain's man in the US says Trump is 'inept': Leaked secret cables from ambassador say the President is 'uniquely dysfunctional and his career could end in disgrace'*”, Mail on Sunday, 6 July 2019; “*Trump axed Iran deal to spite Obama: How the British ambassador called the President's actions 'diplomatic vandalism' fueled by 'personality reasons' - as revealed in more explosive cables that have sparked a free speech row while Iran tensions mount*”, Mail on Sunday, 13 July 2019; “*Britain humbled after Donald Trump pushes out its ambassador*”, The Economist, 10 July 2019; oral evidence taken before the Foreign Affairs Committee on 10 July 2019, 16 July 2019 and 18 July 2019, HC (2017–19), 2541
- 30 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

13. On the UK's relationship with the European Union, Lord Ricketts, former National Security Adviser (2010–12), told us in January 2018 that there was a “question mark” over continued defence and foreign policy cooperation with the EU.<sup>31</sup> He noted that even though these policy areas fell outside formal EU competencies, continued cooperation “is still to be pinned down in negotiation.”<sup>32</sup> Baroness Neville-Jones observed in March 2019 that the NSCR report had not dealt with the consequences of Brexit for the UK's strategic positioning in any real sense.<sup>33</sup> However, it did identify desirable areas of continued cooperation at the policy level throughout.<sup>34</sup>

14. The challenges posed by China's rise—and by the wider shift in global power to the east—have come more sharply into focus in the year since the Government published its NSCR report.<sup>35</sup> This has raised questions about how to respond in economic, diplomatic and military terms not only for the UK, but for other close allies of the United States such as Australia and Japan. For the UK, the debate over Huawei's potential involvement in its 5G telecoms infrastructure has demonstrated the difficulties facing the Government in balancing national security and economic prosperity goals, and in balancing long-established alliances (such as its intelligence-sharing relationship with Five Eyes partners) with newer partnerships.<sup>36</sup> Recent protests in Hong Kong have also raised questions for the UK about its moral obligations under the 1984 Sino-British Joint Declaration, with implications for its status as an advocate of the rules-based international system.<sup>37 38</sup>

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- 31 The UK will also have to negotiate continued cooperation on security issues covered by EU treaties, including access to EU tools such as the European Arrest Warrant, the Schengen Information System (SIS) II and the European Criminal Record Information System. Institute for Government, [‘Political declaration on the Framework on the UK-EU future relationship’](#), November 2018, accessed 1 July 2019
- 32 Oral evidence taken on 29 January 2018, HC (2017–19) [1646](#), Q10 [Lord Ricketts]
- 33 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019
- 34 The Government has also set out its goals for future cooperation in these areas in two ‘Future Partnership Papers’—one on security, law enforcement and criminal justice and the other on foreign policy, defence and development—published in September 2018. HM Government, [Security, law enforcement and criminal justice](#), September 2018; HM Government, [Foreign policy, defence and development](#), September 2018
- 35 General (Rtd.) Sir Richard Barrons—former Commander of Joint Forces Command (2013–16)—observed that “over the past 12 months the recognition that China will become the defining security factor of this century has taken greater root”. General (Rtd.) Sir Richard Barrons ([NSC0001](#))
- 36 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Qq56–57. In an interview with the *Financial Times* last July, Robert Hannigan, former Director of GCHQ (2014–17) and witness to the first part of our inquiry, said that technology poses particularly difficult questions, given that Chinese technology is now often “world-leading”. [“Why the UK has national security fears over China's Huawei”](#), *Financial Times*, 26 July 2018
- 37 [“Hong Kong protests: Foreign Secretary's statement”](#), Foreign & Commonwealth Office press release, 12 June 2019; [“China to Britain: Keep your ‘colonial’ hands off Hong Kong”](#), Reuters, 3 July 2019; [“Hong Kong crisis could not have come at a worse time for the UK”](#), *The Guardian*, 2 July 2019; [“Hong Kong exposes the UK's lack of China policy and risks of its position”](#), *The Telegraph*, 3 July 2019; Foreign Affairs Committee, Sixteenth Report of Session 2017–19, [China and the Rules-Based International System](#), HC 612, paras 78ff.
- 38 The 1984 Joint Declaration made provision for a Sino-British Joint Liaison Group, which operated until 1 January 2000. However, it also declared that Hong Kong's current social and economic systems would remain unchanged for 50 years following the handover in 1997 (to 2047), as would its existing rights, freedoms and lifestyle. Responding to an Urgent Question in the House of Commons on 2 July 2019, Sir Alan Duncan, FCO Minister of State, said: “We reject the Chinese Government's assertion that the joint declaration is an ‘historic document’, by which they mean that it is no longer valid, and that our rights and obligations under that treaty have ended. Our clear view is that the Sino-British joint declaration of 1984 obliges the Chinese Government to uphold Hong Kong's high degree of autonomy, and its rights and freedoms, and we call on the Chinese Government to do so.” [Hong Kong: The Joint Declaration](#), House of Commons Library Briefing Paper [No. 08616](#), July 2019

15. Our predecessor Committee highlighted what it described as the Government's "cognitive dissonance" on China in 2016, in its report on the *National Security Strategy and Strategic Defence and Security Review 2015*.<sup>39</sup> Two years later, the Government's NSCR and MDP reports exhibited similar tentativeness in their comparative treatment of China. The NSCR report referred positively to the UK's "global comprehensive strategic partnership with China" in the 'Global Britain' section and referred only obliquely to the "risks of miscalculation and conflict" in the South China Sea in its discussion of state-based threats.<sup>40</sup> By contrast, the MDP report contained the Government's first explicit reference to the scale and significance of China's military modernisation.<sup>41</sup> This mirrored the more sceptical tone of public statements by other parts of Government, such as the Secret Intelligence Service in relation to Huawei. In December 2018, the National Cyber Security Centre also publicly attributed a worldwide cyber espionage campaign to Chinese state-sponsored actors.<sup>42</sup> It did so in conjunction with the US and other allies.

16. Dr Schake believed that it would be more cost effective for the US, UK and other European countries to sustain a common approach to China, to cajole it into being a responsible stakeholder in the international system. She considered that the UK should share the burden with its allies by maintaining a military presence in the South China Sea.<sup>43</sup> However, Lord Robertson observed that this might not be consistent with the UK's trade goals: the UK would face a challenge if it sought to complete trade deals with China at the same time as deploying aircraft carriers to the South China Sea.<sup>44</sup>

17. In January 2019, we asked Sir Mark Sedwill, the Cabinet Secretary and National Security Adviser, about the Government's approach to China. He told us:

"Essentially, the 21st century's world economy and global security will be determined more than anything else by the rise of China, how the US and China manage their relationship and how the rest of the international system adapts.

Any change of that scale has both pluses and minuses. We try to take a calibrated approach to this. Of course we want to benefit from China's global economic potential; the last Prime Minister [David Cameron] set out the policy of a 'golden era', which was refreshed by this Prime Minister [Theresa May] when she went to China last year. But that does not mean that we shy away from dealing with some of our security concerns, including cyber espionage and so on.

39 Our predecessor Committee's July 2016 report recommended: "In producing the next NSS & SDR, the Cabinet Office should 'game' hypothetical scenarios where the UK's relationships with key allies and partners are called into conflict. That process would help to establish which aspects of the UK's key relationships are the most important." Joint Committee on the National Security Strategy, First Report of Session 2016–17, *National Security Strategy and Strategic Defence and Security Review 2015*, HL Paper 18, HC 153, paras 47–48

40 HM Government, *National Security Capability Review*, March 2018, pp. 6, 33

41 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 12

42 "*Alex Younger: MI6 chief questions China's role in UK tech sector*", BBC News, 3 December 2018; "*UK and allies reveal global scale of Chinese cyber campaign*", National Cyber Security Centre press release, 20 December 2018

43 In February 2019, the then Defence Secretary, Gavin Williamson MP, announced that the first operational deployment of the UK's aircraft carrier, the HMS *Queen Elizabeth*, would include the Asia-Pacific. Ministry of Defence, '*Defence in Global Britain*', speech at the Royal United Services Institute (RUSI), London, 11 February 2019, accessed 24 June 2019

44 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

We want a mature and strong enough relationship with China that we can deal with the difficult issues as well as talking about issues of mutual benefit. We are still developing that, but it is the objective.”<sup>45</sup>

18. We appreciate that, for diplomatic reasons, it is not possible to address such sensitive policy issues in fine detail in a public document. Indeed, the Government also produced a classified version of the NSCR report—something our predecessor Committee called for in its 2016 report on the 2015 NSS & SDSR.<sup>46</sup>

19. Nevertheless, we remain unconvinced that the Government is having the honest conversations it needs to have, even behind closed doors. Managing the UK's relationship with China in the long term will involve a combination of cooperation, competition and hedging between the two; the balance between these elements will need continual adjustment to ensure coherence across a range of policy areas. The UK's relationship with China therefore offers a salient test case for the Government's new 'Fusion Doctrine' (see paragraphs 56–63). However, the Foreign Affairs Committee concluded in April 2019 that the Government does not yet have a strategy for China. It also criticised the Government's “unwillingness to face the reality of China's strategic direction”.<sup>47</sup> Baroness Neville-Jones noted that any such discussions are also not reflected in the Government's security documents. She said these documents need to “talk about the real world”.<sup>48</sup>

20. **The cornerstones of UK national security are being undermined in four ways:**

- **the growing strains on the UK's relationship with the United States;**
- **the continuing uncertainty about the UK's future security, defence and foreign policy relationship with its EU partners in the aftermath of the EU referendum;**
- **uncertainty about the UK's position on China—specifically, whether it should follow the United States' lead in regarding China as a strategic competitor, which needs to be contained militarily and diplomatically, or continue its policy of engagement with wider international support; and**
- **the relative shift of power away from the West and its impact on the UK's ability to protect its security and wider interests through the international system, including by promoting liberal political values.**

**If the Government is to convince others—at home and abroad—that it is positioning the UK for a more positive and self-assured role in the world after its departure from the European Union, then it needs to be more honest about how it proposes to address these challenges.**

45 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q51

46 Oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) [818](#), Q152; Joint Committee on the National Security Strategy, First Report of Session 2016–17, *National Security Strategy and Strategic Defence and Security Review 2015*, HL Paper 18, HC 153, paras 7–8

47 Foreign Affairs Committee, Sixteenth Report of Session 2017–19, *China and the Rules-Based International System*, HC 612, paras 125ff. Lord Houghton also told us that, as Chief of the Defence Staff between 2013 and 2016, he was “party to individual decisions about doing individual things [in relation to China and the South China Sea] but not putting that on a sustained, strategic basis.” [Q12](#)

48 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

## Fixing UK defence

### *An unaffordable plan for defence in 2015*

#### Box 1: 2015 defence spending commitments

- Spend at least 2% of GDP on defence, thereby meeting the NATO target;
- Increase defence spending by 0.5% in real terms each year—increasing from £36.6 billion in 2017/18 to £39.6 billion in 2020/21;
- Spend £178 billion over the following decade on equipment and equipment support (under the 2017–27 Equipment Plan) in support of Joint Force 2025;
- Deliver £9.2 billion in savings, including £7.4 billion in ‘efficiencies’.

Source: HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, paras 4.33–4.34, 7.6; HM Treasury, *Spending Review and Autumn Statement 2015*, Cm 9162, November 2015, para 1.72; National Audit Office, [A Short Guide to the Ministry of Defence](#) (September 2017), p. 10

21. In 2016, our predecessor Committee questioned the affordability of the future defence capabilities set out by the 2015 NSS & SDSR and especially of its plans for the intended structure of the armed forces in 2025, known as Joint Force 2025 (JF2025).<sup>49</sup> The Committee was concerned despite the Government’s commitment to increased spending on defence (see Box 1).<sup>50</sup> In our March 2018 report, we concluded that

“the 2015 NSS & SDSR [had] perpetuated a longstanding failure to match ambition with capabilities and funding, relying instead on unrealistic promises of efficiencies and reduced contingency funding.”

The result was what we described as a “significant, structural hole” in the defence budget.<sup>51</sup>

22. This conclusion was supported by successive National Audit Office (NAO) reports on the defence Equipment Plan (the 10-year programme that underpins the delivery of equipment and equipment support). Its reports for 2017 and 2018 identified a potential “affordability gap” of several billion pounds—within budgets of £179 billion and £186 billion, respectively—over the following decade should all financial risks materialise and

49 ‘Defence capability’ covers all areas of the MoD’s output, including personnel and training, but the most readily visible aspect of defence capability is the Equipment Programme, which absorbs approximately 45% of the MoD’s total cash budget (on 2017/18 figures). National Audit Office, [Ministry of Defence: Departmental Overview](#), October 2018, p. 6

50 Joint Committee on the National Security Strategy, First Report of Session 2016–17, [National Security Strategy and Strategic Defence and Security Review 2015](#), HL Paper 18, HC 153, paras 71–72

51 Joint Committee on the National Security Strategy, First Report of Session 2017–19, [National Security Capability Review: A changing security environment](#), HL Paper 104, HC 756, paras 32, 34

should the MoD fail to mitigate them.<sup>52</sup> NAO audits have also highlighted the MoD's frequent inability to demonstrate progress towards the efficiency targets that are essential to the affordability of JF2025.<sup>53</sup>

23. In 2018, the Government announced an extra £1.8 billion in defence funding for 2018/19 and 2019/20.<sup>54</sup> We asked General (Rtd.) Lord Houghton of Richmond—who was the Chief of the Defence Staff (CDS) in 2015, when the last full review of national security was held—whether the Government had anticipated such a gap in defence funding when it published the 2015 NSS & SDSR. He told us that

“by the end of the [review] process ... we were gusting towards a collective self-delusion that the defence programme was affordable.

... it is quite difficult to recall the remarkable optimism and hubris of 2015. You had a David Cameron Government who were returned with a surprising majority. Brexit was not ahead of us. We had gone a long way towards balancing the nation's finances. There was a sense of huge optimism about government and the country, and dare I say that some of that optimism spilled into the thought that the economy would be on the up and that 2% of that economy would be more money, so you could take a certain amount of risk in the affordability of the forward programme.”

He continued:

“Even so, many of us were saying that we could not guarantee that some of this would be affordable. From my own perspective, there was a mismatch between what went on the list and what the available money was, so the alchemy of efficiency was conjured up ...

It was known at the time that efficiencies were being put into the affordability of the programme that were based on absolutely no underpinning facts about how they were to be realised.”<sup>55</sup>

Commenting on the additional funding allocated to defence in 2018, Lord Houghton said:

52 Figures for the 2017 Equipment Plan suggested a gap of at least £4.9 billion, and possibly up to £20.8 billion, between expected costs and the budget (a total of £179 billion over the following ten years). Figures for the 2018 Equipment Plan suggested a likely gap of £7.0 billion, and possibly up to £14.8 billion, between expected costs and the budget (a total of £186 billion over the following ten years). National Audit Office, Session 2017–19, *The Equipment Plan 2017 to 2027*, HC 717, 31 January 2018, p. 4; National Audit Office, Session 2017–19, *The Equipment Plan 2018 to 2028*, HC 1621, 5 November 2018, pp. 6–7

53 For example, the 2015 NSS & SDSR set a target of reducing the number of civilian personnel working for the MoD by 30% by 2020. According to the NAO, meeting this target would have translated into savings of £310 million. However, the MoD achieved only a 2% reduction in civilian personnel between July 2015 and October 2018. The target was ultimately scrapped. National Audit Office, Session 2017–19, *Ministry of Defence: Reforming the civilian workforce*, HC 1925, March 2019, Summary, para 7; “UK MoD drops target to cut civilian staff”, Jane's Defence Weekly, 7 March 2019, accessed 11 March 2019. Nevertheless, the MDP report stated the MoD's belief that it “can achieve over the next decade the very demanding efficiency targets we were set in 2015”. Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 17

54 HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, February 2018, HC 808; HC Deb, 29 October 2018, [col 657](#) [Commons Chamber]

55 [Q3](#)

“In many respects, the £1.8 billion of new money was not money for new things; it was the element of the risk materialising ... we should not have been that surprised that that amount of money was needed in that timeframe.”<sup>56</sup>

**24. The long-term plan for defence set by the Government in 2015 was never affordable. It relied instead on the “alchemy” of unidentified efficiencies and on a misplaced optimism about the financial risks involved. Some of those risks are now materialising, at a cost to the Government of £1.8 billion so far. This is unlikely to be the final price of what we were advised was the “collective self-delusion” that prevailed in 2015.**

### *The Modernising Defence Programme: a short-term fix*

25. The MDP was established in January 2018 as a separate process to the NSCR, with the stated purpose of:

“modernis[ing] defence to deliver better military capability and value for money in a sustainable and affordable way.”<sup>57</sup>

The MDP was conducted on a different timeline and on a different basis from the NSCR, in that it was never intended to be “fiscally neutral”.<sup>58</sup>

26. The MoD told the Defence Committee in January 2019 that the MDP had “served its purpose” and would “help to keep us on track to deliver the right UK Defence for the coming decades.”<sup>59</sup> Framed under three headline objectives—to “mobilise”, “modernise” and “transform” UK defence—the MDP report outlined initiatives to improve both the MoD’s business practices, including on equipment procurement, and its ability to harness rapid technological change and innovation to maintain the UK’s “competitive edge over adversaries”.<sup>60</sup> The report also set out additional investments in key capabilities where there was deemed to be an immediate need, such as protecting the nuclear deterrent against “growing threats” and building cyber capabilities,<sup>61</sup> which the then Defence Secretary elaborated on in a speech two months later.<sup>62</sup> The MDP report stated that this investment in capabilities and policy approaches, supported by the additional £1.8 billion in funding secured from the Treasury in March and October 2018, had “made Defence stronger”. It also acknowledged that there was “more work to be done as we move towards next year’s [2019] Spending Review.”<sup>63</sup>

56 [Q3](#)

57 HC Deb, 25 January 2018, [col 423ff](#). [Commons Chamber]

58 The MDP process involved four workstreams: examining how the MoD is organised and operates; identifying further efficiencies and ways to be more productive; improving MoD commercial and industrial practices; and reviewing current and planned defence capabilities. HC Deb, 25 January 2018, [col 423ff](#). [Commons Chamber]

59 Ministry of Defence ([MDP0032](#))

60 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 15

61 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 15

62 In a speech at RUSI in February, Gavin Williamson MP set out capability investments including: investments to “counter growing threats to the security of our nuclear deterrent” (£600 million); Typhoon’s next-generation radar (£60 million); improvements to anti-submarine warfare capabilities (£33 million); “a very significant additional investment” in cyber capabilities. Ministry of Defence, ‘[Defence in Global Britain](#)’, speech at RUSI, London, 11 February 2019, accessed 24 June 2019

63 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 5

27. The experts we heard from were largely negative about the MDP's outcomes, with many citing the report's lack of detail about how the MoD would deliver them.<sup>64</sup> Dr Kori Schake was perhaps the least negative, noting that the MDP had laid down "markers for what the UK ought to be able to do", although the failure to set a budgetary cap for the process had limited its utility.<sup>65</sup> Tom McKane found that the lack of detail in the MDP report made it "difficult ... to be confident" that its outcomes were deliverable or sufficient to meet the future needs of UK defence.<sup>66</sup> Lord Houghton described the MDP as "underwhelming", saying that it "just reproduced stuff which good departments should be doing anyway".<sup>67</sup> Baroness Neville-Jones said that the MDP report had not done justice to its separation from the NSCR.<sup>68</sup>

### *Matching defence capabilities with threats and challenges*

28. The NSCR concluded that the defence strategy set out in 2015 and JF2025 remained the right "baseline" for UK military capabilities in 2025, and it was on this basis that the MDP was conducted.<sup>69</sup> However, some witnesses questioned this conclusion, especially in view of the more advanced weaponry and technologies being adopted by countries such as Russia and China,<sup>70</sup> as well as the growing prevalence of conflict below the threshold of 'war'.

29. For example, Lord Robertson criticised the MDP report's limited discussion of information warfare and asymmetric warfare—which he attributed in part to a general preoccupation with "platforms rather than ... thinking and ideas".<sup>71</sup> Lord Houghton referred to the tendency to invest in "shiny countable things" at the expense of other important elements of military capability, such as the "brain and nervous system" of military capability (command and control, communications, computers, intelligence, surveillance and reconnaissance—C4ISR). He suggested that the Government should invest more in the "clever bit" of military capability ("the sensors, the technology and weapons effects") instead of "exotic platforms".<sup>72</sup>

30. General (Rtd.) Sir Richard Barrons—former Commander, Joint Forces Command (2013–16)—went further, calling for a "wholesale conceptual refresh" of UK defence that drew on the various technologies under rapid development in "the civil sector". Sir

64 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019; General (Rtd) Sir Richard Barrons (NSC0001)

65 Dr Schake argued that the MoD should have been tasked with identifying precisely how it would spend both more and less money. Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

66 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

67 [Q5](#)

68 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

69 HM Government, *National Security Capability Review*, March 2018, p. 14; oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q10

70 For example, the current Chief of the Defence Staff, General Sir Nick Carter, described Russia's "eye-watering capabilities" in a January 2018 speech at RUSI. He concluded: "Our challenge now is to leap forward to what we need, given the threats ... described". Since then, Russia has announced new capabilities including a hypersonic nuclear-capable missile and underwater drones. Speech by General Sir Nick Carter, 'Dynamic Security Threats and the British Army', RUSI, London, 22 January 2018, transcript available at: <https://rusi.org/event/dynamic-security-threats-and-british-army>, accessed 24 June 2019

71 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

72 [Qq8, 11](#)

Richard identified improved C4ISR, the development of a mix of manned, unmanned and autonomous forces, and the creation of a 'Single Synthetic Environment' (a virtual environment in which all three branches of the armed forces can train together) as important in achieving "significant comparative operational advantage" over competitors.<sup>73</sup> Lord Houghton similarly favoured "a step change" in defence but cautioned that it was important to maintain a balance between investment in manpower, hard-power capability and those capabilities needed for the wider "defence of the nation" in areas such as cyber security.<sup>74 75</sup>

31. We asked Sir Mark Sedwill why the MDP report had not contained more significant announcements on capabilities, given the terms on which the MDP had been separated from the NSCR. He said:

"The MDP probably did include capability decisions; they were about modernisation and mobilisation in the immediate future, and they set out a perspective for the future. But the big decisions have to be accompanied by resource choices, and that needs a spending review."

When we pressed Sir Mark on whether this meant that discussions on defence were "in suspension" until the Spending Review had established the MoD's future budget, he said:

"sufficient additional resources were found for the MoD for the short term, for 2018–19 and 2019–20, but those are not strategic decisions for the future."<sup>76</sup>

32. Sir Richard Barrons suggested that this short-term increase in funding would not even be enough to close the gap between the cost of the defence programme and the budget, which he estimated was now £2.5 billion each year.<sup>77</sup> Ben Barry, Senior Fellow for Land Warfare at IISS, also wrote that "a significant increase in funding" would be required to respond to the "perfect storm" now facing UK defence, which combined "unaffordable equipment and estate plans, new equipment projects at risk and increasing under-manning". He concluded that "The MDP as announced does not make solving these very difficult challenges any easier."<sup>78</sup>

73 Sir Richard Barrons listed data processing, improved processing power, connectivity, machine learning, materials science, bio-science, robotics, gaming and autonomy as examples of such technological progress. General (Rtd) Sir Richard Barrons ([NSC0001](#))

74 Lord Houghton welcomed the references in the MDP report to the armed forces' role in responding to cyber-based threats but added that "this is something that we should be quietly accelerating towards". [Q8](#)

75 We note that the MDP announced a new Strategic Net Assessment Unit and a Defence Policy Board of external experts, with a view to improving MoD decision-making. We will monitor the Department's progress in establishing and then integrating the work of these two bodies into its wider activity. Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 17

76 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q57

77 During the first part of our inquiry last year, Sir Richard told us that this gap was £1.5 billion each year. In written evidence submitted to the second part of our inquiry, he said this gap appeared to be increasing "as equipment acquisition risk accrues, additional costs appear in the nuclear programme, and forecast efficiencies prove—predictably—elusive." Oral evidence taken on 28 February 2018, HC (2017–19) [756](#), Q25; General (Rtd) Sir Richard Barrons ([NSC0001](#))

78 '[Extra money for UK military innovation, but hard choices put off](#)', IISS, 21 December 2018, accessed 24 June 2019

## *Harnessing new technology and wider innovation*

33. The MDP report stated that

“investing more effort in identifying and pursuing opportunities for innovation and the rapid and effective exploitation of novel ideas and technologies ... is crucial to maintaining our military edge, ensuring future relevance and the ability to operate alongside allies and partners.”<sup>79</sup>

It announced a number of initiatives to improve the ability of UK defence to harness new technology and wider innovation. These included:

- a £500 million Transformation Fund, to ensure investment in “the latest cutting edge capability”;
- ‘Spearhead’ innovation programmes, with a total budget of £24 million, to “exploit cutting-edge technologies at speed” through user experimentation and a higher risk appetite for failure;<sup>80</sup> and
- an increase in the Defence Innovation Fund (dedicated to encouraging cultural change in the MoD) from £20 million in 2018/19 to £50 million in 2019/20.<sup>81</sup>

34. Lord Houghton welcomed these initiatives, saying that insufficient money is spent on innovation, especially on the “true outliers of tech”.<sup>82</sup> Tom McKane expressed concern, however, that the £500 million budget for the Transformation Fund would not be enough to pay for the Littoral Strike Ships and “swarms of drones” envisaged by the then Defence Secretary in a February 2019 speech.<sup>83</sup> According to the MoD, the Transformation Fund is expected to fund more capabilities besides these.<sup>84</sup> Furthermore, the MoD has so far allocated only £160 million to the Fund’s budget; it intends to bid for the remaining £340 million during the next Spending Review.<sup>85</sup>

**35. Today’s hi-tech and hybrid threats in areas such as cyberspace and information warfare do not obviate the need for soldiers, sailors, airmen and conventional equipment. These remain essential for deterring more traditional threats. The UK’s**

79 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 22

80 According to the MDP report, examples of ‘Spearhead’ programmes include: exploring how better to combat sub-surface threats to submarines, using autonomous systems, networked sensors, artificial intelligence and machine learning; improving command and control in the Land Environment; using a new ‘Defence Information Range’ to test how artificial intelligence and machine learning can enhance decision-making, understanding and situational awareness; and combining novel software and hardware to improve the UK’s ability to analyse data, distribute information, and task intelligence, surveillance and reconnaissance assets. Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, p. 22

81 Ministry of Defence, *Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme*, December 2018, pp. 10, 22; Ministry of Defence, ‘Defence in Global Britain’, speech at RUSI, London, 11 February 2019, accessed 24 June 2019

82 [Q9](#)

83 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019; Ministry of Defence, ‘Defence in Global Britain’, speech at RUSI, London, 11 February 2019, accessed 24 June 2019

84 The Transformation Fund will also be used to fund “pioneering robotic fighting and logistic vehicles” and the rapid development of battlefield software applications (to support decision-making, for example). Ministry of Defence, ‘Defence in Global Britain’, speech at RUSI, London, 11 February 2019, accessed 24 June 2019; “£30m boost to fast-track battlefield apps”, Ministry of Defence press release, 11 March 2019

85 Ministry of Defence ([MDP0032](#))

armed forces must have the capacity and balance of capability to respond to both types of threat, and to protect conventional equipment from newer threats such as cyber-attack.

36. The Modernising Defence Programme was undertaken in the context of significant challenges to UK defence. Having set high expectations at its launch, the MDP provided only a short-term fix for the capability and funding gaps that had emerged since 2015, and ultimately raised more questions than it answered. This has left the Ministry of Defence in a 'holding pattern' until the next Spending Review.

37. While we welcome the recognition in the MDP report that UK defence must be able to harness new technology and innovation more effectively, the initiatives it sets out are only the first steps towards a wider change in culture that is urgently needed. This includes the ability to identify disruptive technological change and its implications for the application of military force, as well as the willingness to adapt defence programmes accordingly and often at speed.

### *Longer-term solutions for defence funding*

38. The Chief of the Defence Staff, General Sir Nicholas Carter, has described the additional funding allocated to defence in 2018 as a "welcome platform, which means that we do not have to do anything destructive to ourselves" before longer-term decisions on capabilities can be made during the next Spending Review.<sup>86</sup> However, the NSCR and MDP processes have highlighted three fundamental problems with the UK's approach to defence funding that require longer-term solutions.

39. The first is that the Government persistently fails to provide enough money to fund its ambitions for defence capabilities. We concluded in our first report on the NSCR that the result was a "significant, structural hole" in the defence budget; we also noted the strong arguments for spending more than 2% of national income (GDP) on defence.<sup>87</sup> According to a July 2019 report by the Defence Committee, MoD expenditure had fallen from 2.4% of GDP in 2010/11 to 1.8% in 2017/18, while overall (cross-government) defence expenditure under the NATO definition had fallen from 2.5% of GDP in 2010/11 to 2.1% in 2017/18 (a proportionate decrease of 16.0%).<sup>88</sup> Those arguing for a minimum of 3% of GDP to be spent on defence have included the Defence Committee and most recently the Parliamentary Under Secretary of State at the MoD, Tobias Ellwood MP.<sup>89</sup> The Defence Committee's report on the MDP, published in June 2018, also noted that

"Throughout the Cold War years of the 1980s, we spent between 4.3% and 5.1% of GDP on Defence; and even in 1995–96 we were still spending fully 3% on keeping our country safe."<sup>90</sup>

86 Oral evidence taken before the Defence Committee on 4 December 2018, HC (2017–19) 1562, Q11

87 Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, para 34

88 Defence Committee, Twentieth Special Report of 2017–19, *Shifting the Goalposts? Defence Expenditure and the 2% Pledge: An Update*, HC 2527, para 2

89 Defence Committee, Eighth Report of Session 2017–19, *Indispensable allies: US, NATO and UK Defence relations*, HC 387, para 85; "The new prime minister must spend 3% of GDP on defence", *The Times*, 4 June 2019

90 Defence Committee, Seventh Report of Session 2017–19, *Beyond 2 per cent: A preliminary report on the Modernising Defence Programme*, HC 818, para 101

40. Secondly, the MoD is not efficient enough in how it spends the money it has. The MDP report concluded that the Department must “improve markedly” the way it operates.<sup>91</sup> This is the case even accounting for the cost overruns and inflation that Lord Houghton pointed out were inevitable features of complex projects involving “exquisite technology”.<sup>92</sup> The Public Accounts Committee reported in February 2019 that the MoD persistently “delays the difficult decisions needed to make the Equipment Plan ... affordable”, leading the Committee Chair to describe the Department as a “repeat offender” in terms of “poor financial planning”.<sup>93</sup>

41. A third problem is that the defence budget is heavily over-committed—primarily to so-called ‘legacy’ capabilities—which leaves little opportunity for an agile response to changing threats and technology.<sup>94</sup> Dr Schake cautioned that it was too simplistic to assume that the UK could trade off spending on conventional capabilities for spending on countering hybrid warfare, as adversaries would simply shift the focus of their efforts accordingly.<sup>95</sup> However, Lord Houghton told us that the combination of the nuclear deterrent, two aircraft carriers and F35 fighter jets “massively unbalances” the defence budget. He called for a nimbler defence budget that enables the MoD “to flex money quickly to buy new resources”, observing that the MoD could roll over funding to the next financial year in the event of underspend “only in very extreme circumstances”. This, he said, had led to a ‘use it or lose it’ culture within the MoD: “You have to spend what you have or the Treasury will take it off you”.<sup>96</sup>

**42. As we said in our March 2018 report, strong arguments have been advanced that it is not enough to spend 2% of GDP on defence, in light of both the scale and range of threats to the UK and the costs involved in keeping pace with rapid technological change. Yet a recent Defence Committee report found that Ministry of Defence expenditure fell from 2.4% of GDP in 2010/11 to 1.8% in 2017/18, while overall (cross-government) defence spending under the NATO definition fell from 2.5% of GDP in 2010/11 to 2.1% in 2017/18.**

**43. But spending more on defence is only part of the answer. The NSCR and MDP processes have shown that the funding model for UK defence is broken: the Treasury persists in not funding the Government’s ambitions for defence properly, while the Ministry of Defence has repeatedly struggled to manage its budget efficiently and**

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91 The MDP report states: “We must become a more agile organisation, capable of continuous and timely adaptation, unencumbered by unwieldy process and structures. We are already implementing important changes to how MOD is organised and operates. We have strengthened MOD’s Head Office so that it exercises a stronger grip over the wider Department, and we are accelerating transformation of the Defence Equipment and Support organisation.” Ministry of Defence, [Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme](#), December 2018, pp. 16–17

92 [Q5](#)

93 Public Accounts Committee, Seventy-seventh Report of Session 2017–19, [Defence Equipment Plan 2018–28](#), HC 1519, Summary; [“Ministry of Defence must act now on unaffordable equipment plan”](#), Public Accounts Committee press release, 1 February 2019, accessed 24 June 2019

94 The MDP report acknowledged the need to “create financial headroom for modernisation and to sustain strategic advantage in a fast-changing world by using modern business practices”. Ministry of Defence, [Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme](#), December 2018, pp. 4–5

95 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

96 [Qq6, 10](#)

effectively. The current programme budget is heavily over-committed and dominated by so-called 'legacy' capabilities, leaving little opportunity for an effective response by the MoD to changing threats and technology.

44. *We recommend that, as well as increasing the overall defence budget, the Treasury help the MoD move away from its 'use it or lose it' mentality towards a more agile approach to planning and procurement. This would enable the MoD to take better advantage of rapid technological change. At the least, some of the MoD's budget should be ring-fenced for the identification and adoption of cutting-edge technologies with potential military application. It should also be possible to roll over this 'transformation' funding from one financial year to the next in the event of underspend. The National Security Council should oversee a joint process between the MoD and the Treasury to determine the size of this ring-fenced budget. £500 million should be the minimum for such a Transformation Fund.*

### Time for a re-set on UK national security?

45. The evidence we have taken throughout our two-part inquiry on the NSCR and MDP suggests that there are difficult and pressing questions for the Government to answer in relation to UK national security. The "optimism" of 2015—as described to us by Lord Houghton (paragraph 23)—has given way to a sense that "Without clear political leadership being brought to bear now ... The UK will be riding its strategic luck in a much more challenging and uncertain world."<sup>97</sup>

46. The first set of questions relates to the UK's strategic positioning. Sir John Sawers said in February 2018 that it would not be acceptable for the UK to be left "adrift ... without a strategic anchor in the western world."<sup>98</sup> Lord Robertson told us in March 2019 that while it was a "natural ambition" for the UK to have a global role, there was confusion about what that role might be. A wider debate was therefore needed, in his view, especially in the face of today's complex security challenges and uncertainty relating to Brexit.<sup>99</sup> Dr Kori Schake thought it essential that the UK maintained a "global perspective" for the sake of its continued security and prosperity but said:

"It seems odd that the Government has gone this long without filling in what they mean by 'global Britain'."<sup>100</sup>

This echoes the conclusions of the Foreign Affairs Committee in its March 2018 report on *Global Britain*:

"The time is right to take stock of the UK's role in the world. 'Global Britain' arose in response to the 2016 vote to leave the EU, but wider and longer-term changes in the international system and global balance of power pose more

97 [Q3](#); General (Rtd) Sir Richard Barrons ([NSC0001](#))

98 Providing oral evidence in January 2018, Sir John Sawers said that the advent of the Trump presidency and the UK's decision to leave the EU had created "a combined effect and can add to the complications for us as the UK". Oral evidence taken on 29 January 2018, HC (2017–19) [1646](#), Q9 [Sir John Sawers]; "[Former MI6 Head John Sawers: Brexit could pose long-term problems for British security](#)", Prospect, 14 February 2018

99 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

100 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

fundamental questions about the UK's strategic position and orientation. ... For Global Britain to be more than a worthy aspiration, the slogan must be backed by substance.”<sup>101</sup>

47. Our witnesses stressed the importance of being realistic about the role that the UK can afford to play, and in which parts of the world. On defence, Dr Schake warned that the “ yawning chasm ” between the former Defence Secretary's ambition for the UK's armed forces in the South China Sea and current defence resources would “ invite attempts to test the UK's willingness to achieve [that ambition] ”.<sup>102</sup> Lord Houghton perceived an “ incoherence ” in the Government's willingness to invest heavily in those top military assets that would enable the UK to support US operations in the South China Sea—such as aircraft carriers—only to then be “ parochial about their employment ”.<sup>103</sup>

48. We asked Lord Houghton whether the focus of the three branches of the armed forces on different theatres risks strategic incoherence within UK defence, with the Royal Navy seemingly developing a global role centred on the Asia-Pacific, and the Army and Royal Air Force primarily deployed in support of NATO missions in Europe.<sup>104</sup> He told us that

“The fact may be that the best tool in the box to project that sort of capability to the Far East is the Navy, while the Army is better exercising in Oman. You dynamically task your assets to cover off your strategy.”<sup>105</sup>

49. On foreign policy, Lord Robertson questioned whether the UK would still have the capacity to play a global role without access to those levers available to it as a member of the EU. He said that it would not make sense to “ drop regions ” at a time when the UK may have to carve out new trading relationships. Nevertheless, he observed:

“We will need a major diplomatic effort at a time when the FCO has had its budget dramatically cut over a number of years.”<sup>106</sup>

50. The NSCR report made a commitment to “ strengthen our overseas network ”.<sup>107</sup> In October 2018, the Foreign Secretary, Jeremy Hunt MP, announced an increase in the FCO's network by 1,000 staff over the following two years. The FCO has also now begun the process of opening 12 new Posts in Africa, the Caribbean and the Pacific.<sup>108</sup>

101 Foreign Affairs Committee, Sixth Report of Session 2017–19, *Global Britain*, HC 780, paras 26–27

102 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

103 [Q12](#)

104 Naval capabilities featured heavily in the then Defence Secretary's February 2019 speech at RUSI on the role of defence in 'Global Britain'. In addition to the headline deployment of HMS *Queen Elizabeth* to the Asia-Pacific, the Defence Secretary announced the intention to base Littoral Strike Groups east and west of the Suez Canal. The First Sea Lord, Admiral Sir Philip Jones, confirmed the Navy's “ expanding maritime horizons ” in a March 2019 speech at IISS, alongside his Indian counterpart. He said: “ Our fleet's increased global presence I believe is set to stay; I know we have to find different ways of enabling the fleet to deliver on that, but I believe it is hugely welcomed by our partners in those regions where we are now beginning to reassert our presence, and establish it more regularly ”. Ministry of Defence, ‘ *Defence in Global Britain* ’, speech at RUSI, London, 11 February 2019, accessed 24 June 2019; ‘ *Maritime Strategy and its contribution to the Indo-Pacific and the Global Commons* ’, speech by Admiral Sir Philip Jones, Chief of the Naval Staff, at IISS, 14 March 2019, accessed 1 July 2019

105 [Q13](#)

106 Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019

107 HM Government, *National Security Capability Review*, March 2018, p. 30

108 Foreign & Commonwealth Office, ‘ *An Invisible Chain: speech by the Foreign Secretary* ’, speech at Policy Exchange, London, 31 October 2018, accessed 28 June 2019

However, a recent report by the British Foreign Policy Group (BFPG) demonstrated the extent to which the FCO's capacity has been hollowed out over the past four decades.<sup>109</sup> It pointed out that 450 of the 1,000 new positions had already been announced by Mr Hunt's predecessor as Foreign Secretary and that the FCO's core (discretionary) budget for diplomacy was set to drop below 0.1% of GDP for the first time in 2018/19.<sup>110</sup> The BFPG accused the Government of "favouring a foreign policy built around resources instead of fitting resources around foreign policy priorities."<sup>111</sup> It is difficult to disagree with this assessment.

**51. It is time for the Government to go back to first principles on the national security strategy. The UK will have to chart a more nuanced course in the coming years as the direction and influence of key countries such as the US and China change unpredictably, and following its departure from the European Union. It will also have to respond to fast-changing and increasingly complex security threats, as described in our March 2018 report on the NSCR.**

**52. Yet the Government has become accustomed to talking a better game than it plays on national security, despite efforts to improve how it makes and delivers strategy since the National Security Council was established. The 'Global Britain' concept is meaningless against the current background of reduced diplomatic spending and under-powered defence. If the Government wants to turn 'Global Britain' into a meaningful strategy, it must re-build the UK's hard power while reinvesting in and unifying the various instruments of soft power, including aid and diplomacy. This will require a combination of increased funding and rebalancing funding between defence, diplomacy and aid. National security strategy-making is about making choices, and the Government must now steel itself to make the difficult choices that it has sidestepped for too long.**

**53. *We recommend that the Government, under the new Prime Minister, immediately set about addressing policy and budgetary decisions that have been left hanging by the National Security Capability Review and especially by the Modernising Defence Programme—with its implicit requirement for greater defence expenditure. The next Spending Review would provide the best opportunity to do so. The Government should describe in its response to this report what action it is taking to ensure that the Spending Review is based on thorough consideration of the issues raised.***

**54. *At the same time, the Government should begin an honest conversation at the national level about the extent of its ambition for the UK as a significant global player, the risks it is willing to take in relation to national security, and the resources it is willing to commit to these ends. In 2009–10, the then Government produced a Green Paper that facilitated such a discussion. A similar Cabinet Office-led exercise in advance of the***

109 According to the BFPG report: since the UK joined the European Economic Community in 1973, core diplomatic spending has fallen from 0.5% to 0.1% of public-sector current expenditure; the FCO's administration and programme budget was cut by 17.2% in 2014/15 alone and has yet to return to its pre 2014/15 level, despite additional funding for preparations for Brexit; and the UK's overseas network was reduced by 270 staff between 2012 and 2017. The recent announcement by the Foreign Secretary of 1,000 additional FCO staff will only take the number of UK diplomats posted overseas back to its 2012/13 level. *"Running Out of Credit: The Decline of the Foreign Office and the Case for Sustained Funding"*, British Foreign Policy Group, June 2019, pp. 5, 7, 10, 26

110 *"Running Out of Credit: The Decline of the Foreign Office and the Case for Sustained Funding"*, British Foreign Policy Group, June 2019, pp. 5–6, 10, 26

111 *"Running Out of Credit: The Decline of the Foreign Office and the Case for Sustained Funding"*, British Foreign Policy Group, June 2019, p. 28

*next National Security Strategy and Strategic Defence and Security Review would leave the UK better prepared than it was in 2015 to deliver on its national interests in the face of unpredictable strategic change and evolving threats. This next full review should take place alongside a Spending Review.*

### 3 Optimising the national security strategy-making process

55. When the Government launched the NSCR in July 2017, it acknowledged that threats to UK national security had intensified and diversified more quickly than had been anticipated in 2015.<sup>112</sup> In January 2019, Sir Mark Sedwill described the “ambiguity and complexity” of these threats as “one of the big challenges in the 21st century”.<sup>113</sup> In the second part of our inquiry, we explored the key initiatives outlined in the NSCR report that are intended to equip the Government to meet this challenge.

#### Stronger direction from the centre of Government: Fusion Doctrine

56. The Government’s NSCR report introduced a “new national security doctrine”, called the ‘Fusion Doctrine’, to improve national security strategy-making and delivery.<sup>114</sup> According to Sir Mark, the cross-government structures and processes created under the Fusion Doctrine (see Box 2) were designed to establish national security as a “whole-of-government effort” that went beyond the ‘traditional’ national security departments and agencies, and to move away from a “federated system” of policy delivery towards genuine “teamwork”.<sup>115</sup> According to the NSCR report, this new approach will better enable the Government to use the full range of “security, economic and influence capabilities” available to the UK to achieve its three strategic priorities of ‘protecting our people’, ‘projecting our influence’ and ‘promoting our prosperity’.<sup>116</sup>

57. Sir Mark told us that the March 2018 Salisbury attack was an example of how the Fusion Doctrine can be used to strengthen the Government’s response to particularly complex threats,<sup>117</sup> such as ‘hybrid warfare’—that is, the tailored and coordinated use by adversaries of a range of conventional and unconventional tools to achieve a state of “perpetual competition and confrontation” that falls below the threshold of ‘war’.<sup>118</sup> Referring to the way in which the investigation into the Skripal poisoning—“an act of state aggression”—had combined intelligence, law enforcement and counter-terrorism techniques, Sir Mark explained:

112 *“Strategic Defence and Security Review Implementation”*, Cabinet Office news release, 20 July 2017; Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, paras 13ff.

113 Oral evidence taken on 28 January 2019, HC (2017–19) 625, Q44

114 HM Government, *National Security Capability Review*, March 2018, p. 3; oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) 818, Q223

115 Oral evidence taken on 28 January 2019, HC (2017–19) 625, Q36; oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) 818, Qq225, 230

116 HM Government, *National Security Capability Review*, March 2018, p. 3. These national security objectives were set in the 2015 NSS & SDSR. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, pp. 11–12

117 Oral evidence taken on 28 January 2019, HC (2017–19) 625, Q46; oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) 818, Q222

118 Oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) 818, Q163; General (Rtd) Sir Richard Barrons (NSC0001). In written evidence to the Defence Committee’s inquiry on the UK’s response to hybrid threats, the MoD stated: “A hybrid approach is usually intended to achieve a state’s aims using methods which avoid reaching conventional conflict. The term ‘hybrid warfare’ typically refers to the combination of means during international or non-international armed conflict.” It added: “Examples of the methods which states may use include: propaganda and disinformation; cyber; direct and indirect political pressure; economic coercion; energy coercion; supporting separatist or other political movements; military pressure; and irregular warfare via special forces or proxies (such as organised crime or guerrilla groups). Activities will be tailored to a specific context; there is not a ‘one-size-fits-all’ approach.” Ministry of Defence (HYB0007) paras 4–5

“we need to be very thoughtful about capabilities that can be deployed against a range of threats, and have the agility to do so, particularly as we move into the cyber era. This is an important part of our work.”<sup>119</sup>

## Box 2: Overview of the Fusion Doctrine

The Fusion Doctrine is intended to improve the ability of the National Security Council (NSC) to make national security strategy and then implement its decisions across Government. Following the NSCR, a new set of cross-government structures and processes were created to support this goal.

A principal component is the National Security Strategy and Implementation Group (NSSIG) established for each of the NSC's key national security priorities.

Each NSSIG is chaired by a 'Senior Responsible Official' (SRO) at Director-General level. These SROs are drawn from relevant departments and agencies across Government and, according to Sir Mark Sedwill, are “personally accountable” to the NSC. Their role involves developing options for the NSC and “coordinating [across Government] in support of collective decision-making.”

There are currently 16 NSSIGs. However, there are only 14 SROs in total, as two of the SROs are each responsible for two NSC priority areas.

According to the NSCR report, the Fusion Doctrine represents an attempt to embed the lessons of the Report of the Iraq Inquiry (the Chilcot report).

Source: HM Government, *National Security Capability Review*, March 2018, pp. 3, 9–11; oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q36; oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) [818](#); National Security Adviser ([NSA0003](#)); PQ [HL11333](#) [on Gulf National Security Implementation Group], 6 November 2018

58. We asked Sir Mark why he thought the Fusion Doctrine would have more impact than previous attempts to improve cross-government working, such as ‘joined-up Government’ and the ‘Comprehensive Approach’.<sup>120</sup> He told us that there had been a tendency for those efforts to “end up as the lowest common denominator” in seeking “common agreement” between departments. On the Fusion Doctrine, he explained:

“It is strategy-led, and there are three elements to it: strategy-led design of policy and planning; cross-government mechanisms to implement, including senior officials at the three-star level leading cross-government teams to implement the decisions of the National Security Council; and a link between that and capability, through the annual posture reviews and the five-yearly cycle of SDSRs. Those are still developing; it has been in place for only about a year.”<sup>121</sup>

59. Our witnesses’ responses to the ‘Fusion Doctrine’ concept were mixed. Dr Kori Schake of IISS described the NSCR’s work on cross-government integration as useful, saying that it had already led to better policy. However, General (Rtd.) Sir Richard Barrons suggested that there was insufficient detail on how the Government would deliver on its intention

119 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q46. This objective of being able to deploy the most effective tool for the task regardless of its departmental ‘owner’ is further reflected in the Government’s emphasis in the NSCR report on making better use of “threat-agnostic capabilities”. HM Government, *National Security Capability Review*, March 2018, p. 12

120 “So what is joined-up government?”, BBC News, 23 November 1998; Defence Committee, Seventh Report of 2009–10, *The Comprehensive Approach: the point of war is not just to win the peace but make a better peace*, HC 224

121 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q34

to engage systematically with the private sector, allies and partners—for example, on countering hybrid threats and building resilience.<sup>122</sup> Our report on the *Cyber Security of the UK's Critical National Infrastructure*, published in November 2018, emphasised the importance of close collaboration between the Government and the private sector on UK national security. We consequently called for the Government to take a firmer and more proactive approach in its dealings with UK operators of essential services, most of which are privately owned.<sup>123</sup>

60. We also note that the Government's decision in January 2018 to separate the 'defence' strand from the NSCR went against the fundamental principle of the Fusion Doctrine. Although we concluded in our March 2018 report that this had been necessary in that instance due to "the challenges posed by the hole in the defence budget", we expressed concern 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."<sup>124</sup>

61. **The Fusion Doctrine was one of the stand-out announcements of the National Security Capability Review. We welcome this attempt to strengthen the National Security Council's authority across Government—both in pursuing its strategic priorities and in responding flexibly to national security threats. However, it is unclear how, under the Fusion Doctrine, the Government is engaging with the private sector and the UK's allies and partners, all of whom are central to our national security.**

62. We also remain concerned that efforts to integrate the assessment and use of defence and security capabilities across Government will continue to be hindered by the fundamental challenges facing UK defence. It is no solution to 'fuse' reviews of security with reviews of defence, as the NSCR attempted to do, if every extra pound spent on the one comes at the expense of the other.

63. *We recommend that the Government publish the list of National Security Strategy and Implementation Groups, the 'home' department of the Senior Responsible Official for each NSC policy priority, and the frequency with which each NSSIG meets. In its response to this report, the Government should also set out:*

- *how it is engaging systematically with the private sector and the UK's allies and partners on each NSC policy priority; and*

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122 HM Government, *National Security Capability Review*, March 2018, p. 10; General (Rtd) Sir Richard Barrons (NSC0001); Joint Committee on the National Security Strategy, *Note of informal discussion, 18 March 2019*, accessed 24 June 2019. In written evidence submitted to our inquiry on the cyber security of the UK's critical national infrastructure, University of Oxford researcher Jamie Collier cited one estimate, from 2011, suggesting that as much as 80% of UK critical national infrastructure was in private ownership. Jamie Collier (CNI0006) para 2

123 Joint Committee on the National Security Strategy, Third Report of Session 2017–19, *Cyber Security of the UK's Critical National Infrastructure*, HL Paper 222, HC 1708

124 Joint Committee on the National Security Strategy, First Report of Session 2017–19, *National Security Capability Review: A changing security environment*, HL Paper 104, HC 756, para 59

- *what role SROs and NSSIGs are likely to play in future reviews of the National Security Strategy and Strategic Defence and Security Review and in the interim posture reviews.*

### ***NSC direction and oversight of the Conflict, Stability and Security Fund***

#### **Box 3: Overview of the Conflict, Stability and Security Fund**

The Conflict, Stability and Security Fund (CSSF) was established in April 2015. It replaced the Conflict Pool as a “new, more strategic approach to [the UK’s] work in conflict-affected states”. It was intended to deliver a whole-of-government approach to conflict prevention, stabilisation and crisis response in countries and regions of strategic importance to the UK.

The annual budget for the CSSF in 2017/18 stood at £1.18 billion and will rise to more than £1.3 billion each year by the end of the Spending Review period (2019/20). As with the Conflict Pool, the CSSF combines Official Development Assistance (ODA) with non-ODA funding, enabling a wider range of responses to conflict and instability overseas. In 2017/18, 47% of the total budget was ODA and 53% non-ODA.

Twelve departments are currently in receipt of CSSF funding. The Foreign and Commonwealth Office, Ministry of Defence and Department for International Development were the three top recipients of CSSF funding in 2017/18.

Source: [HCWS392](#) [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015; oral evidence taken on 19 November 2018, HC (2017–19) [1483](#), Q9; HM Government, [Conflict, Stability and Security Fund: Annual Report 2017/18](#), July 2018, pp. 3, 25

64. In its February 2017 report, our predecessor Committee criticised the lack of ministerial oversight over the Conflict, Stability and Security Fund (CSSF)—a cross-government structure that pre-dated the Fusion Doctrine.<sup>125</sup> At that time, the National Security Council (NSC) engaged systematically with the CSSF only twice a year: to agree the country, regional and thematic strategies that guide the use of CSSF funding and the delivery of CSSF programmes; and to allocate funding to those regions and themes. Our predecessor considered that

“Reliance on collective ministerial responsibility for cross-government funds involving multiple Government Departments and agencies inevitably runs the risk that nobody takes responsibility ... This has important implications in relation to the CSSF, which funds activity in environments where the risks of human rights abuses, corruption, harm to personnel, reputational damage and project failure are particularly high”.<sup>126</sup>

125 Joint Committee on the National Security Strategy, Second Report of Session 2016–17, [Conflict, Stability and Security Fund](#), HL Paper 105, HC 208

126 Joint Committee on the National Security Strategy, Second Report of Session 2016–17, [Conflict, Stability and Security Fund](#), HL Paper 105, HC 208, paras 71ff. For example, since we took evidence from the Government in November 2018, we have been in correspondence with the Chancellor of the Duchy of Lancaster about CSSF-funded support to Pakistan’s justice system through the Rule of Law programme. We have asked the Government about alleged human rights abuses by Pakistan’s Anti-Terrorism Courts and the use of Overseas Security and Justice Assistance (OSJA) assessments to identify and mitigate potential risks. This correspondence is available on the Committee’s [Conflict, Stability and Security Fund inquiry webpage](#); see also Joint Committee on the National Security Strategy, [Correspondence from the Chair to Rt Hon David Lidington MP](#), 30 April 2019

65. The NSCR report announced a new sub-committee of the National Security Council, chaired by the Minister for the Cabinet Office, to improve the “strategic direction” of the CSSF and the Prosperity Fund.<sup>127</sup> The NSC sub-committee is expected to meet “around quarterly, depending on need”.<sup>128</sup> The SRO for the CSSF and Deputy National Security Adviser, Dr Christian Turner, said that his priorities included improving the Fund’s governance—ensuring “proper political direction”—and making sure that CSSF activity “is properly aligned with the strategic intent” of the NSC.<sup>129</sup> Dr Turner also explained the role of the Fusion Doctrine in deconflicting the work of the CSSF with that of other departments and agencies:

“In the past, when we started out on the old Conflict Pool, there was a danger that the pot sat in a bit of a bubble and was done by one part of government and did not have read-across. Under the fusion doctrine and the structures we are trying to put in place, it is critical that I am sure, and can assure the Minister, that an intervention we would be making through CSSF funding is completely synchronised with other activities”.<sup>130</sup>

66. **The value of the Conflict, Stability and Security Fund comes from the way in which it brings together multiple departments and agencies—as well as both Official Development Assistance and non-ODA funding—to deliver programmes which provide significant national security benefits but might ordinarily be beyond the remit and/or risk appetite of individual departments. The Committee recognises the value of this approach. However, it is precisely this combination of complexity and greater risk that necessitates strong direction from the centre of Government, and especially proactive ministerial oversight. We will therefore monitor the work of the new National Security Council sub-committee closely as part of our ongoing scrutiny of the CSSF.**

67. *We recommend that the Government share the agenda for the NSC sub-committee on cross-government funds with us, in confidence and on a regular basis, as it does for the NSC and its other sub-committees.*

## A more agile approach to national security between SDSRs: ‘posture reviews’

68. The NSCR report introduced the concept of the ‘annual posture review’:

“The NSC will take stock each year of the UK’s positioning on national security in terms of resilience, threats and opportunities to take decisions about strategic prioritisation. The annual posture review will also inform departmental business plans and the government’s annual report to Parliament on SDSR implementation.”<sup>131</sup>

127 HM Government, *National Security Capability Review*, March 2018, p. 44

128 Rt Hon David Lidington CBE MP, Chancellor of the Duchy of Lancaster, Cabinet Office ([SSF0008](#))

129 Oral evidence taken on 19 November 2018, HC (2017–19) [1483](#), Q11 [Dr Christian Turner]. A third priority given by Dr Turner was improving the transparency of the CSSF, building on the publication of Annual Reports for the Fund and more detailed programme information, such as summaries and annual reviews. Our predecessor Committee had previously called for these measures in its February 2017 report. Joint Committee on the National Security Strategy, Second Report of Session 2016–17, *Conflict, Stability and Security Fund*, HL Paper 105, HC 208, paras 80–81

130 Oral evidence taken on 19 November 2018, HC (2017–19) [1483](#), Q7 [Dr Christian Turner]

131 HM Government, *National Security Capability Review*, March 2018, p. 11

Providing oral evidence in January 2019, Sir Mark Sedwill explained that while SDRs would continue to be used to make major decisions about capabilities, the annual posture review provides an opportunity to identify:

“how the existing capability set can be deployed in order to meet the national security priorities, and, if there are some capabilities that are oversubscribed and some that are under-subscribed, whether there can be re-prioritisation, although in effect you will be aware that with that kind of cycle there is a fairly fixed supply.”

Sir Mark also confirmed that the Government had already started to conduct its first such review.<sup>132</sup>

69. The idea of holding regular, smaller ‘posture reviews’ was generally well received by the experts we heard from.<sup>133</sup> Lord Houghton, for example, said:

“The simple fact is that if you live on a dynamic planet ... the second and vital part of [strategy-making] is that it [the strategy] is managed in order to maintain coherence while all sorts of other things are changing: demography, economics and the nature of the threat.

... there ought to be better machinery to carry out [interim reviews like] the national security capability review and the modernising defence programme as part of the natural routine business of maintaining strategic coherence without it coming out as a headline and surprise.”<sup>134</sup>

He added that this should be a central task of the NSC, which he criticised for operating primarily in “present-tense crisis mode”, at least during his tenure as CDS between 2013 and 2016.<sup>135</sup> Baroness Neville-Jones was similarly positive about the potential of interim reviews for keeping the UK’s national security posture up-to-date, though perhaps limiting their frequency to every two years. Tom McKane also warned against holding such reviews too frequently, which would reduce the time in which to implement their results.<sup>136</sup>

**70. The national security landscape is changing more quickly than the current cycle of five-yearly reviews of UK national security can accommodate, suggesting that a form of interim review is needed. The way in which the National Security Capability Review and then the Modernising Defence Programme unfolded in 2017 and 2018 demonstrated the importance of a more deliberate, considered process. Such reviews of national security should be led, as far as possible, by policy need rather than politics.**

132 Oral evidence taken on 28 January 2019, HC (2017–19) 625, Q39

133 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

134 [Q2](#)

135 [Q15](#) Lord Houghton’s view of the workings of the NSC in 2013–16 echoes the findings of our predecessor Committee in 2013. In a February 2013 report, a predecessor to the current JCNSS raised concern that the NSC had not “maintained its strategic focus since completing the NSS and SDR in 2010”, instead discussing “operational matters and short-term imperatives”. It added: “we are not yet convinced that the existence of the NSC is making the contribution that it should: enabling Government to work as a co-ordinated whole.” Joint Committee on the National Security Strategy, Second Report of Session 2012–13, [The work of the Joint Committee on the National Security Strategy in 2012](#), HL Paper 115, HC 984

136 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

71. We therefore welcome the Government's intention to hold regular, limited 'posture reviews' in between the publication of the National Security Strategy every five years, although we caution against holding them too frequently. This formalised approach would allow the Government incrementally to adjust the UK's course and capabilities. It would have the advantage of providing:

- an established mechanism for regularly assessing the UK's capabilities against threats;
- a periodic reality check for Ministers;
- a process by which defence policy can be continually kept in line with foreign and wider security policy; and
- routine opportunities for the National Security Council to ensure that relevant departments and agencies are living within their means, and to adjust budgets according to changing need.

This dynamic review of national security should be a key function of the National Security Council.

72. *We recommend that when the Government publishes its first posture review, it should set out: how it was conducted; by whom (including which Ministers were involved and at what stage); whether it was "fiscally neutral"; and how it relates to the National Security Risk Assessment (which is also conducted on a regular basis between the five-yearly reviews of national security). In addition, the Government should weigh up the benefits of conducting this first posture review against the costs to departments, with a view to making a more informed decision about when to hold the next one.*

73. *The Government should use these posture reviews to establish a regular dialogue with our Committee on national security threats and wider challenges, on the understanding that some of this discussion will need to take place in private. A good first step would be for the Government to share the 2018 National Security Risk Assessment with us, in confidence, so that we can better understand its current assessment and prioritisation of risk.*

## The future of five-yearly national security reviews

74. As we stated in our March 2018 report on the NSCR, the expectation has developed since 2010 that a new National Security Strategy and Strategic Defence and Security Review would be published every five years, coinciding with cross-government Spending Reviews and the start of a new Parliament. Providing oral evidence to the Defence Committee, Sir Mark Sedwill said that this sequencing was desirable because it allows the Government to look first at the strategic context ("opportunities, challenges and threats") and at the capabilities needed to deal with that strategic context before national security funding priorities were pitched against other priorities from across Government.<sup>137</sup> Our

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137 Oral evidence taken before the Defence Committee on 1 May 2018, HC (2017–19) [818](#), Q151

predecessor Committee also argued that the five-yearly review of national security should first involve determining what is needed before budgets are considered<sup>138</sup>—an ideal for which the Government should strive even if it is not always possible to achieve it.

75. The 2017 general election has put these processes out of sync.<sup>139</sup> Sir Mark told us in January 2019 that Ministers had not then decided when to hold the next full review of national security,<sup>140</sup> even though the current NSS & SDSR is due to expire in 2020. Tom McKane suggested that with the NSCR and MDP having been completed only recently, 2020 would in any case be too soon to conduct the next full review.<sup>141</sup> The timing and terms of the next Spending Review are also not yet clear;<sup>142</sup> and the forthcoming change of Prime Minister adds a further layer of uncertainty about the future of the five-yearly review of national security.

**76. If security and defence reviews are held with no Spending Review in sight, the likely result will be a rupture in the Fusion Doctrine, such as that which happened when the Modernising Defence Programme was divorced from the National Security Capability Review.**

**77. *The new Government should set out in its response to this report when it intends to hold the next full review of UK national security, and how in the longer term it intends to reconcile the divergent timelines of the NSS & SDSR, the Spending Review and the start of a new Parliament.***

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138 Joint Committee on the National Security Strategy, First Report of Session 2010–12, [First Review of the National Security Strategy 2010](#), HL Paper 265, HC 1384, para 6; Joint Committee on the National Security Strategy, First Report of Session 2014–15, [The next National Security Strategy](#), HL Paper 114, HC 749, para 25. Lord Robertson told us that the 1998 Strategic Defence Review had begun in this way, with the Government agreeing a ‘foreign policy baseline’ before building capabilities from a clean sheet. However, he noted that the then Government had been fortunate in that it had not faced a major external challenge during the review period. Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

139 Joint Committee on the National Security Strategy, First Report of Session 2017–19, [National Security Capability Review: A changing security environment](#), HL Paper 104, HC 756, para 60

140 Oral evidence taken on 28 January 2019, HC (2017–19) [625](#), Q38. See also Joint Committee on the National Security Strategy, First Special Report of Session 2017–19, [National Security Capability Review: A changing security environment: Government Response to the Committee’s First Report of Session 2017–19](#), HL Paper 197, HC 1646, para 4

141 Joint Committee on the National Security Strategy, [Note of informal discussion, 18 March 2019](#), accessed 24 June 2019

142 The Chancellor announced in March 2019 the intention to hold a three-year Spending Review by the autumn, but this was dependent on the UK agreeing an exit deal with the EU. [“Spring Statement 2019: what you need to know”](#), HM Treasury press release, 13 March 2019

## Conclusions and recommendations

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### A less favourable strategic outlook for the UK

1. The cornerstones of UK national security are being undermined in four ways:
  - the growing strains on the UK's relationship with the United States;
  - the continuing uncertainty about the UK's future security, defence and foreign policy relationship with its EU partners in the aftermath of the EU referendum;
  - uncertainty about the UK's position on China—specifically, whether it should follow the United States' lead in regarding China as a strategic competitor, which needs to be contained militarily and diplomatically, or continue its policy of engagement with wider international support; and
  - the relative shift of power away from the West and its impact on the UK's ability to protect its security and wider interests through the international system, including by promoting liberal political values.

If the Government is to convince others—at home and abroad—that it is positioning the UK for a more positive and self-assured role in the world after its departure from the European Union, then it needs to be more honest about how it proposes to address these challenges. (Paragraph 20)

### Fixing UK defence

2. The long-term plan for defence set by the Government in 2015 was never affordable. It relied instead on the “alchemy” of unidentified efficiencies and on a misplaced optimism about the financial risks involved. Some of those risks are now materialising, at a cost to the Government of £1.8 billion so far. This is unlikely to be the final price of what we were advised was the “collective self-delusion” that prevailed in 2015. (Paragraph 24)
3. Today's hi-tech and hybrid threats in areas such as cyberspace and information warfare do not obviate the need for soldiers, sailors, airmen and conventional equipment. These remain essential for deterring more traditional threats. The UK's armed forces must have the capacity and balance of capability to respond to both types of threat, and to protect conventional equipment from newer threats such as cyber-attack. (Paragraph 35)
4. The Modernising Defence Programme was undertaken in the context of significant challenges to UK defence. Having set high expectations at its launch, the MDP provided only a short-term fix for the capability and funding gaps that had emerged since 2015, and ultimately raised more questions than it answered. This has left the Ministry of Defence in a ‘holding pattern’ until the next Spending Review. (Paragraph 36)

5. While we welcome the recognition in the MDP report that UK defence must be able to harness new technology and innovation more effectively, the initiatives it sets out are only the first steps towards a wider change in culture that is urgently needed. This includes the ability to identify disruptive technological change and its implications for the application of military force, as well as the willingness to adapt defence programmes accordingly and often at speed. (Paragraph 37)
6. As we said in our March 2018 report, strong arguments have been advanced that it is not enough to spend 2% of GDP on defence, in light of both the scale and range of threats to the UK and the costs involved in keeping pace with rapid technological change. Yet a recent Defence Committee report found that Ministry of Defence expenditure fell from 2.4% of GDP in 2010/11 to 1.8% in 2017/18, while overall (cross-government) defence spending under the NATO definition fell from 2.5% of GDP in 2010/11 to 2.1% in 2017/18. (Paragraph 42)
7. But spending more on defence is only part of the answer. The NSCR and MDP processes have shown that the funding model for UK defence is broken: the Treasury persists in not funding the Government's ambitions for defence properly, while the Ministry of Defence has repeatedly struggled to manage its budget efficiently and effectively. The current programme budget is heavily over-committed and dominated by so-called 'legacy' capabilities, leaving little opportunity for an effective response by the MoD to changing threats and technology. (Paragraph 43)
8. *We recommend that, as well as increasing the overall defence budget, the Treasury help the MoD move away from its 'use it or lose it' mentality towards a more agile approach to planning and procurement. This would enable the MoD to take better advantage of rapid technological change. At the least, some of the MoD's budget should be ring-fenced for the identification and adoption of cutting-edge technologies with potential military application. It should also be possible to roll over this 'transformation' funding from one financial year to the next in the event of underspend. The National Security Council should oversee a joint process between the MoD and the Treasury to determine the size of this ring-fenced budget. £500 million should be the minimum for such a Transformation Fund.* (Paragraph 44)

### Time for a re-set on UK national security?

9. It is time for the Government to go back to first principles on the national security strategy. The UK will have to chart a more nuanced course in the coming years as the direction and influence of key countries such as the US and China change unpredictably, and following its departure from the European Union. It will also have to respond to fast-changing and increasingly complex security threats, as described in our March 2018 report on the NSCR. (Paragraph 51)
10. Yet the Government has become accustomed to talking a better game than it plays on national security, despite efforts to improve how it makes and delivers strategy since the National Security Council was established. The 'Global Britain' concept is meaningless against the current background of reduced diplomatic spending and under-powered defence. If the Government wants to turn 'Global Britain' into a meaningful strategy, it must re-build the UK's hard power while reinvesting in and unifying the various instruments of soft power, including aid and diplomacy. This

will require a combination of increased funding and rebalancing funding between defence, diplomacy and aid. National security strategy-making is about making choices, and the Government must now steel itself to make the difficult choices that it has sidestepped for too long. (Paragraph 52)

11. *We recommend that the Government, under the new Prime Minister, immediately set about addressing policy and budgetary decisions that have been left hanging by the National Security Capability Review and especially by the Modernising Defence Programme—with its implicit requirement for greater defence expenditure. The next Spending Review would provide the best opportunity to do so. The Government should describe in its response to this report what action it is taking to ensure that the Spending Review is based on thorough consideration of the issues raised.* (Paragraph 53)
12. *At the same time, the Government should begin an honest conversation at the national level about the extent of its ambition for the UK as a significant global player, the risks it is willing to take in relation to national security, and the resources it is willing to commit to these ends. In 2009–10, the then Government produced a Green Paper that facilitated such a discussion. A similar Cabinet Office-led exercise in advance of the next National Security Strategy and Strategic Defence and Security Review would leave the UK better prepared than it was in 2015 to deliver on its national interests in the face of unpredictable strategic change and evolving threats. This next full review should take place alongside a Spending Review.* (Paragraph 54)

#### Stronger direction from the centre of Government: Fusion Doctrine

13. The Fusion Doctrine was one of the stand-out announcements of the National Security Capability Review. We welcome this attempt to strengthen the National Security Council's authority across Government—both in pursuing its strategic priorities and in responding flexibly to national security threats. However, it is unclear how, under the Fusion Doctrine, the Government is engaging with the private sector and the UK's allies and partners, all of whom are central to our national security. (Paragraph 61)
14. We also remain concerned that efforts to integrate the assessment and use of defence and security capabilities across Government will continue to be hindered by the fundamental challenges facing UK defence. It is no solution to 'fuse' reviews of security with reviews of defence, as the NSCR attempted to do, if every extra pound spent on the one comes at the expense of the other. (Paragraph 62)
15. *We recommend that the Government publish the list of National Security Strategy and Implementation Groups, the 'home' department of the Senior Responsible Official for each NSC policy priority, and the frequency with which each NSSIG meets. In its response to this report, the Government should also set out:*
  - *how it is engaging systematically with the private sector and the UK's allies and partners on each NSC policy priority; and*
  - *what role SROs and NSSIGs are likely to play in future reviews of the National Security Strategy and Strategic Defence and Security Review and in the interim posture reviews.* (Paragraph 63)

16. The value of the Conflict, Stability and Security Fund comes from the way in which it brings together multiple departments and agencies—as well as both Official Development Assistance and non-ODA funding—to deliver programmes which provide significant national security benefits but might ordinarily be beyond the remit and/or risk appetite of individual departments. The Committee recognises the value of this approach. However, it is precisely this combination of complexity and greater risk that necessitates strong direction from the centre of Government, and especially proactive ministerial oversight. We will therefore monitor the work of the new National Security Council sub-committee closely as part of our ongoing scrutiny of the CSSF. (Paragraph 66)
17. *We recommend that the Government share the agenda for the NSC sub-committee on cross-government funds with us, in confidence and on a regular basis, as it does for the NSC and its other sub-committees.* (Paragraph 67)

### A more agile approach to national security between SDSRs: 'posture reviews'

18. The national security landscape is changing more quickly than the current cycle of five-yearly reviews of UK national security can accommodate, suggesting that a form of interim review is needed. The way in which the National Security Capability Review and then the Modernising Defence Programme unfolded in 2017 and 2018 demonstrated the importance of a more deliberate, considered process. Such reviews of national security should be led, as far as possible, by policy need rather than politics. (Paragraph 70)
19. We therefore welcome the Government's intention to hold regular, limited 'posture reviews' in between the publication of the National Security Strategy every five years, although we caution against holding them too frequently. This formalised approach would allow the Government incrementally to adjust the UK's course and capabilities. It would have the advantage of providing:
- an established mechanism for regularly assessing the UK's capabilities against threats;
  - a periodic reality check for Ministers;
  - a process by which defence policy can be continually kept in line with foreign and wider security policy; and
  - routine opportunities for the National Security Council to ensure that relevant departments and agencies are living within their means, and to adjust budgets according to changing need.

This dynamic review of national security should be a key function of the National Security Council. (Paragraph 71)

20. *We recommend that when the Government publishes its first posture review, it should set out: how it was conducted; by whom (including which Ministers were involved and at what stage); whether it was "fiscally neutral"; and how it relates to the National Security Risk Assessment (which is also conducted on a regular basis between the*

*five-yearly reviews of national security). In addition, the Government should weigh up the benefits of conducting this first posture review against the costs to departments, with a view to making a more informed decision about when to hold the next one. (Paragraph 72)*

21. *The Government should use these posture reviews to establish a regular dialogue with our Committee on national security threats and wider challenges, on the understanding that some of this discussion will need to take place in private. A good first step would be for the Government to share the 2018 National Security Risk Assessment with us, in confidence, so that we can better understand its current assessment and prioritisation of risk. (Paragraph 73)*

### The future of five-yearly national security reviews

22. *If security and defence reviews are held with no Spending Review in sight, the likely result will be a rupture in the Fusion Doctrine, such as that which happened when the Modernising Defence Programme was divorced from the National Security Capability Review. (Paragraph 76)*
23. *The new Government should set out in its response to this report when it intends to hold the next full review of UK national security, and how in the longer term it intends to reconcile the divergent timelines of the NSS & SDSR, the Spending Review and the start of a new Parliament. (Paragraph 77)*

## Annex 1: Timeline of the NSCR and MDP

Month	Event
April 2017	<p>Mark Sedwill assumes his role as National Security Adviser and agrees with the Prime Minister a “quick refresh of the 2015 strategy and SDSR”.</p> <p>(Oral evidence taken on 18 December 2017, HC (2017–19) <a href="#">625</a>, Q4)</p>
April–June 2017	<p>Work reviewing the 2015 National Security Strategy “morphs” into preparation for the incoming Government when the general election is called.</p> <p>(Oral evidence taken on 18 December 2017, HC (2017–19) <a href="#">625</a>, Q4)</p>
July 2017	<p>The Government announces the National Security Capability Review, which has been commissioned by the National Security Council (NSC).</p> <p>(<i>“Strategic Defence and Security Review Implementation”</i>, Cabinet Office news release, 20 July 2017)</p>
January 2018	<p>The Government announces that the NSC has commissioned the Modernising Defence Programme, which will build on the work of the NSCR and will use the 2015 NSS &amp; SDSR/Joint Force 2025 as its starting point.</p> <p>(HC Deb, 25 January 2018, <a href="#">col 423ff</a>. [Commons Chamber])</p>
March 2018	<p>The JCNSS publishes its first report on the NSCR.</p> <p>(JCNSS, First Report of Session 2017–19, <i>National Security Capability Review: A changing security environment</i>, HL Paper 104, HC 756)</p>
March 2018	<p>The Government publishes its report on the NSCR.</p> <p>(HM Government, <i>National Security Capability Review</i>, March 2018)</p>
March 2018	<p>The Chancellor announces an additional £800 million for the MoD.</p> <p>(<i>“£800 million agreed for defence”</i>, Ministry of Defence press release, 29 March 2018)</p>
July 2018	<p>The Defence Secretary announces the “headline conclusions” of the “first phase” of the MDP in a written statement to the House of Commons.</p> <p>(HC Deb, 19 July 2018, <a href="#">col 28WS</a> [Commons written ministerial statement])</p>
October 2018	<p>The Chancellor announces in the Budget that the MoD will be allocated an additional £200 million for 2018/19 and a further £800 million for 2019/20.</p> <p>(HM Treasury, “Budget 2018”, HC <a href="#">1629</a>, October 2018)</p>
December 2018	<p>The Government publishes its report on the MDP.</p> <p>(Ministry of Defence, <i>Mobilising, Modernising and Transforming Defence: A report on the Modernising Defence Programme</i>, December 2018)</p>

## Annex 2: Glossary

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BFPG—British Foreign Policy Group

C4ISR—command, control, communications, computers, intelligence, surveillance and reconnaissance

CDS—Chief of the Defence Staff

FCO—Foreign & Commonwealth Office

GDP—gross domestic product

IIS—International Institute for Strategic Studies

JF2025—Joint Force 2025

MoD—Ministry of Defence

MDP—Modernising Defence Programme

NAO—National Audit Office

NSC—National Security Council

NSCR—National Security Capability Review

NSRA—National Security Risk Assessment

NSS & SDSR—National Security Strategy and Strategic Defence and Security Review

NSSIG—National Security Strategy and Implementation Group

RUSI—Royal United Services Institute for Defence and Security Studies

SRO—Senior Responsible Official

## Annex 3: Joint Committee on the National Security Strategy

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The Members of the Joint Committee which conducted the inquiry were

- Margaret Beckett MP (Chair)
- Lord Brennan
- Lord Campbell of Pittenweem
- Yvette Cooper MP
- James Gray MP
- Mr Dominic Grieve MP
- Lord Hamilton of Epsom [until 1 July 2019]
- Lord Harris of Haringey
- Baroness Healy of Primrose Hill
- Baroness Henig
- Baroness Hodgson of Abinger [from 1 July 2019]
- Dan Jarvis MP
- Lord King of Bridgwater
- Baroness Lane-Fox of Soho
- Dr Julian Lewis MP
- Angus Brendan MacNeil MP
- Robert Neill MP
- Baroness Neville-Jones [from 4 July 2019]
- Lord Powell of Bayswater
- Rachel Reeves MP
- Lord Trimble [until 1 July 2019]
- Tom Tugendhat MP
- Stephen Twigg MP
- Theresa Villiers MP

## **Declarations of interests (Lords)<sup>143</sup>**

The following interests, relevant to this inquiry, were declared:

### **Lord Brennan**

*Member, Advisory Board of Assured Enterprises Inc, an American IT security company based in Virginia, USA*

### **Lord Campbell of Pittenweem**

*No relevant interests declared*

### **Lord Hamilton of Epsom** [until 1 July 2019]

*No relevant interests declared*

### **Lord Harris of Haringey**

*Non-executive Director, Cyber Security Challenge UK Ltd*

*UK Co-ordinator, Electric Infrastructure Security Council*

*Chair, Independent Reference Group, National Crime Agency*

### **Baroness Healy of Primrose Hill**

*No relevant interests declared*

### **Baroness Henig**

*No relevant interests declared*

### **Baroness Hodgson of Abinger** [from 1 July 2019]

*Chair of advisers of Gender Action for Peace and Security (GAPS)*

*Co-chair of APPG on Women, Peace and Security*

*Member of steering board of Preventing Sexual Violence in Conflict Initiative (PSVI)*

*Patron of Afghan Connection*

*Trustee of the Chalker Foundation*

*Honorary Colonel of Outreach Group, 77th Brigade*

*Coordinator of Afghan Women's Support Forum*

### **Lord King of Bridgwater**

*No relevant interests declared*

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143 The declarations of interests by the Commons Members are available in the Committee's [Formal Minutes 2017–19](#).

**Baroness Lane-Fox of Soho**

*No relevant interests declared*

**Baroness Neville-Jones** [from 4 July 2019]

*Adviser to Ridge Global LLC, Washington DC (cyber security consultants)*

**Lord Powell of Bayswater**

*Adviser, BAE Systems*

*Adviser, Rolls Royce*

*Adviser, Thales (UK)*

**Lord Trimble** [until 1 July 2019]

*No relevant interests declared*

A full list of Committee Members' interests can be found in the Register of Lords' Interests: <https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests/> and in the House of Commons Register of Members' Financial Interests: <http://www.publications.parliament.uk/pa/cm/cmregmem/contents.htm>

# Formal minutes

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**Monday 15 July 2019**

Members present:

Margaret Beckett MP, in the Chair

Lord Brennan	Baroness Hodgson of Abinger
Lord Campbell of Pittenweem	Lord King of Bridgwater
James Gray MP	Dr Julian Lewis MP
Lord Harris of Haringey	Baroness Neville-Jones
Baroness Healy of Primrose Hill	Lord Powell of Bayswater

Draft Report, *Revisiting the UK's national security strategy: The National Security Capability Review and the Modernising Defence Programme*, proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be considered, paragraph by paragraph.

Paragraphs 1 to 77 agreed to.

Annexes agreed to.

Summary agreed to.

*Resolved*, That the Report be the Fourth Report of the Committee.

*Resolved*, That the Chair make the Report to the House of Commons and that the Report be made to the House of Lords.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of House of Commons Standing Order No. 134.

[Adjourned to 9 September at 4.00pm]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

**Monday 13 May 2019**

**General Lord Houghton of Richmond**, former Chief of the Defence Staff

[Q1–16](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

NSC numbers are generated by the evidence processing system and so may not be complete.

1 General (Rtd) Sir Richard Barrons ([NSC0001](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

First Report	National Security Capability Review: A changing security environment	HL Paper 104 HC 759
Second Report	Cyber Security Skills and the UK's Critical National Infrastructure	HL Paper 172 HC 706
Third Report	Cyber Security of the UK's Critical National Infrastructure	HL Paper 222 HC 1708
First Special Report	National Security Capability Review: A changing security environment: Government Response to the Committee's First Report of Session 2017–19	HL Paper 197 HC 1646
Second Special Report	Cyber Security Skills and the UK's Critical National Infrastructure: Government Response to the Committee's Second Report of Session 2017–19	HL Paper 198 HC 1658
Third Special Report	Cyber Security of the UK's Critical National Infrastructure: Government Response to the Committee's Third Report of Session 2017–2019	HL Paper 304 HC 2003