



House of Lords

House of Commons

Joint Committee on the  
National Security Strategy

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# National Security Capability Review: A changing security environment

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**First 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

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

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

### **Committee staff**

The current staff of the Committee are Zoe Oliver-Watts (Commons Clerk), Ayesha Waller (Lords Clerk), Ashlee Godwin (Commons Committee Specialist), Georgina Hutton (Acting Committee Specialist), Alyna Poremba (Commons Committee Assistant), Sophie-Jade Taylor (Lords Committee Assistant) and Estelle Currie (Press Officer).

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## Summary

The 2015 National Security Strategy and Strategic Defence and Security Review (2015 NSS & SDSR) was intended to guide the Government's approach to the country's national security until 2020. But in July 2017, the Government launched the National Security Capability Review (NSCR) to ensure that the UK's investment in national security capabilities is "as joined-up, effective and efficient as possible, to meet current national security challenges". There is little detailed information in the public domain about the NSCR, though some was provided in response to this inquiry. This is therefore the first of two reports, with some preliminary comments on the process and key issues that the review should address.

There were good reasons for revisiting the 2015 NSS & SDSR so soon after its publication. These included: major changes to the wider security environment (including the election of the Trump Administration in the United States and the UK's decision to leave the European Union); intensifying and diversifying threats to the UK's security; and a significant, structural hole in the defence budget.

Of course, process is not as important as the content and outcomes of such reviews. But the format of the NSCR gives some cause for concern. The decision to focus on capabilities does not do justice to the changes to the wider security environment. The NSCR's 'cost-neutral' basis was also ill-advised, given the significant deficit in the defence budget and the intensifying threat picture. The Government's subsequent launch of the Modernising Defence Programme (MDP) in January, to continue the NSCR's work on defence on a different basis and timeline from the rest of the review, suggests that the NSCR has inadvertently become an uncomfortable 'halfway house' between a 'quick refresh' of national security capabilities and a full review.

The decision to separate defence from the NSCR—although due, at least in part, to the inadequacy of the defence budget in funding the Government's current ambitions for military capabilities—also risks undermining the review's purpose. It raises questions about the extent to which defence and security can be integrated in setting, funding and delivering national security strategy—an ambition of Governments for the past decade or so. The Government must confirm the future of the NSS & SDSR process, including when the next full review will be held and whether it will be run by the Cabinet Office alongside a Spending Review.

Despite our misgivings about the process so far, the NSCR does offer an opportunity to improve specific areas of cross-government security policy. The nature of today's threats mean that they require a much more closely coordinated response between Departments. We therefore welcome the Government's apparent focus on deterrence and resilience under the NSCR, and the news that the National Security Adviser has been tasked with reforming how National Security Council decisions are implemented across Government. This is also an opportunity to significantly strengthen the process of ministerial accountability.

The Committee will return to its scrutiny of the NSCR once its outcomes have been published, as this will make it possible to consider its substance in more detail.

# 1 Introduction

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1. The Joint Committee on the National Security Strategy (JCNSS) was established in the 2005–10 Parliament with the purpose of considering the National Security Strategy. It also considers two related documents: the National Security Risk Assessment, which the Government uses as a guide in creating the National Security Strategy; and the Strategic Defence and Security Review, which sets out the capabilities the Government intends to use to achieve its national security goals. As part of its remit, the JCNSS scrutinises the structures for Government decision-making on national security, particularly the role of the National Security Council (NSC) and the National Security Adviser (NSA). It also looks at cross-government funds—such as the Conflict, Stability and Security Fund, with a budget of more than £1 billion each year—and cross-government policy related to the National Security Strategy.<sup>1</sup> The Joint Committee comprises of 10 Members of the House of Lords and 12 Members of the House of Commons, eight of whom are Chairs of Commons select committees.

2. In July 2017, the Government announced that it had launched the National Security Capability Review (NSCR). The review’s objective is to ensure that the UK’s investment in national security capabilities, as set out by the 2015 National Security Strategy and Strategic Defence and Security Review (2015 NSS & SDSR), is “as joined-up, effective and efficient as possible, to address current national security challenges”.<sup>2</sup>

3. The NSCR is a cross-government review led by the NSA, Sir Mark Sedwill, and the Cabinet Office. There is little detailed information in the public domain about the scope of the NSCR. However, the NSA told us that the review is primarily focused on national security capabilities and has not involved a full review of the 2015 National Security Strategy or the National Security Risk Assessment.<sup>3</sup> The Government has also said in response to our inquiry that it comprises 12 ‘strands’:

- 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;

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1 For further information about the Committee’s work, please see the Committee’s [website](#). For our predecessor’s work on the CSSF, see Joint Committee on the National Security Strategy, Second Report of Session 2016–17, “[Conflict, Stability and Security Fund](#)”, HL Paper 105, HC 208

2 “[Strategic Defence and Security Review Implementation](#)”, Cabinet Office news release, 20 July 2017

3 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Qq4–5

- Cross-government funds.

The work for each strand has drawn upon the expertise of relevant Departments and agencies. The outcomes of these strands, with the exception of defence, will be set out in a report by the Government later this spring.<sup>4</sup> In January, the NSCR commissioned the Modernising Defence Programme (MDP), on the recommendation of the NSCR, to continue and expand upon the work done so far on defence. A report on the MDP is due in the summer.<sup>5</sup>

4. In January, we decided to launch a two-part inquiry into the NSCR. This report for the first part of the inquiry is intended to give the Committee's view as to key points the NSCR should address, and some preliminary comments on the process. The second part of our inquiry will take place after the Government has published the outcomes of the NSCR and will scrutinise the substance of that work.

5. In the first part of our inquiry, we set out to examine:

- the specific areas of national security policy that are under consideration as part of the NSCR;
- ways in which the threats to the UK's national security have changed since 2015, especially in relation to the four particular challenges identified in the 2015 NSS & SDSR:
  - i) the increasing threat posed by terrorism, extremism and instability;
  - ii) the resurgence of state-based threats and intensifying wider state competition;
  - iii) the impact of technology, especially cyber threats; and
  - iv) the erosion of the international rules-based order;
- the extent to which the 2015 NSS & SDSR has been able to respond flexibly to the evolving national security challenges facing the UK, in terms of:
  - i) the strategic analysis set out in the document; and
  - ii) the range of capabilities set out in the document, including defence;
- changes to the wider international security environment, such as the change in Administration in the United States and the UK's vote to leave the European Union;
- the extent to which the NSCR was necessitated by challenges in delivering the capabilities set out in the 2015 NSS & SDSR;
- whether the total resources allocated by, and the skills available to, the Government in relation to national security are sufficient to meet today's challenges, and are appropriately balanced across the range of capabilities set out in the 2015 NSS & SDSR; and

4 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

5 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017-19) [814](#), Qq16-17

- the extent to which it was possible to anticipate in 2015 the trajectory and pace of changes in the national security environment since the publication of the 2015 NSS & SDSR.

6. We published inquiry terms of reference and a call for evidence for the first part of our inquiry on 17 January 2018. We took oral evidence in public from four former senior Government officials: Robert Hannigan, former Director of GCHQ (2014–17); Lord Peter Ricketts, former National Security Adviser (2010–12) and UK Ambassador to France (2012–16); Sir John Sawers, former Chief of the Secret Intelligence Service (2009–14) and UK Permanent Representative at the UN (2007–09); and Sir Adam Thomson, former UK Permanent Representative at NATO (2014–16). In addition, we took oral evidence in public from two panels of policy experts and experienced practitioners in defence and security.<sup>6</sup> And in January 2017 we held a closed roundtable on the NSCR. Participants of the roundtable included our Specialist Advisers—Professor Malcolm Chalmers, Professor Michael Clarke and Professor Sir Hew Strachan—and Nigel Inkster, Senior Adviser at the International Institute of Strategic Studies (IISS), and Professor Patrick Porter, Academic Director of the Strategy and Security Institute, University of Exeter. We completed the process of taking evidence before the poisoning of Russian former intelligence officer Sergei Skripal and his daughter in Salisbury in early March, and our report may be published before the full details of what happened, and of the Government’s response, are known. However, we have made reference to this incident in our report. We are grateful to all those who have submitted oral and/or written evidence. The evidence received so far will be used to inform the second part of our inquiry. We also thank our Specialist Advisers for their input.<sup>7</sup>

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6 The witnesses on these panels were: General (Rtd.) Sir Richard Barrons; Elisabeth Braw; James de Waal; Professor Sir Lawrence Freedman; and Dr Andrew Rathmell.

7 The declarations of interests by Professor Malcolm Chalmers, Professor Michael Clarke and Professor Sir Hew Strachan are available in the Committee’s Formal Minutes 2017–19.

## 2 The National Security Capability Review process

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### Was it necessary to revisit the 2015 NSS & SDSR?

7. The Government last undertook a full review of the UK's national security strategy and capabilities in 2015, the results of which were published in the 2015 National Security Strategy and Strategic Defence and Security Review (2015 NSS & SDSR).<sup>8</sup> The next such full review of the NSS & SDSR was due to take place in 2020. But in July 2017, the Government announced another, more limited review that would focus primarily on capabilities. We heard from the NSA, Sir Mark Sedwill, and from the witnesses to our inquiry on the NSCR that there were good reasons for revisiting the 2015 NSS & SDSR within two years of its publication, in November 2015. These included:

- significant, but largely unpredicted, changes to the global security environment;
- the intensification and diversification of threats to the UK at a faster pace than anticipated;
- a structural hole in the defence budget, that was in part created by the 2015 NSS & SDSR and was exacerbated by the devaluation of sterling against the dollar and the euro since the referendum on the UK's membership of the EU.

### A changing security environment

8. Our witnesses painted a picture of an increasingly unstable and unpredictable global context. Sir John Sawers, former Chief of the Secret Intelligence Service (2009–14) and the UK's Permanent Representative at the United Nations (2007–09), listed a potential war in East Asia over North Korea, doubt over the Iran nuclear deal, and a series of terrorist attacks in the UK as “important changes in the strategic environment” since 2015.<sup>9</sup> To this, Dr Andrew Rathmell, a stabilisation expert and Director of strategic consultancy Aktis Strategy Ltd., added a worsening “trajectory of instability” in the Middle East, North Africa and sub-Saharan Africa, which is manifested in conflict, extremism and migration.<sup>10</sup> These changes are occurring against the backdrop of a fundamental shift in economic and geopolitical power away from the West, towards Asia—and towards China in particular, symbolised by its \$900-billion infrastructure campaign, the Belt and Road Initiative, announced in 2013.<sup>11 12</sup>

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8 HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015

9 Q8 [Sir John Sawers]

10 Q21 [Dr Andrew Rathmell]

11 Q15 [Sir John Sawers]; “What is China's belt and road initiative?”, *The Economist*, 15 May 2017; “The \$900bn question: What is the Belt and Road initiative?”, *The Guardian*, 12 May 2017

12 According to a study by consultancy firm McKinsey, China's Belt and Road Initiative will involve about 65% of the world's population, about one-third of the world's GDP, and about a quarter of all the goods and services traded globally. “China's One Belt, One Road: Will it reshape global trade?”, McKinsey podcast, May 2017

### *A change in US Administration*

9. Sir John Sawers told us that the factor that has changed the most since 2015 is “the expectations that countries have of the United States”.<sup>13</sup> According to Sir John, the Trump Administration’s ‘America First’ approach—with its emphasis on great power politics and weakening of traditional alliances—had already led to changes of behaviour among US allies in the Middle East and East Asia. He said that “we Europeans collectively need to look at the implications for us as well”, although he stressed that the US would remain the UK’s closest ally.<sup>14 15</sup> Professor Sir Lawrence Freedman, Professor Emeritus of War Studies at King’s College London, agreed that despite the “extraordinary depth” of the US–UK relationship, the Trump presidency had so far been “a very unstable and unsettling period” for the UK and other key US allies, not least because of the Administration’s frequent failure to speak with a single, unified voice.<sup>16</sup>

### *The UK’s departure from the European Union*

10. The NSA also told us that the UK’s vote to leave the European Union was a factor in the NSC’s decision to launch the NSCR, because it means that the UK is now working in a “different context” on foreign and security policy matters.<sup>17 18</sup> He stated that there will be “significant challenges” in negotiating continued cooperation with the EU on defence and security. But he was positive about the political will on both sides to create a “deep and special partnership”, as outlined in two papers published by the Government last September.<sup>19 20</sup>

11. Other witnesses struck a more cautious tone, however. Sir Adam Thomson, former UK Permanent Representative at NATO (2014–16), thought that there is currently “too much pride on either side” to make the necessary compromises, at least in the short term.<sup>21</sup> This also highlights the possibility of long-lasting ‘ill-will’ following the UK’s negotiations with the EU, with implications for the ease of collaboration in future. Lord Ricketts, former National Security Adviser (2010–12), distinguished between areas that must be negotiated between the UK and the EU because they are currently covered by EU treaties—such as the European Arrest Warrant—and defence and foreign policy cooperation that is currently outside formal EU competences. Nevertheless, he said that there is still a “question mark” over these because “All that is still to be pinned down in

13 Q9 [Sir John Sawers]

14 Q9 [Sir John Sawers]

15 The extent to which, and how, the Trump Administration’s foreign policy approach differs from predecessors’ is a matter of debate. In written evidence, Professor Patrick Porter and Dr David Blagden agree that Trump’s Administration threatens to increase international disorder. But they argue that it does so not because the new president represents “a departure from American primacy, but an aggressive reassertion of it.” As such, they conclude that “The problem he poses is not of abandonment. Rather, it is the problem of overstretch”. Patrick Porter ([CSE0001](#)) para 1.1

16 Q37

17 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q5

18 The National Security Council is a Cabinet Committee chaired by the Prime Minister and attended by: the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office; Chancellor of the Exchequer; Home Secretary; Foreign Secretary; Defence Secretary; Secretary of State for Business, Energy and Industrial Strategy; Secretary of State for International Development; and the Attorney General. See “[List of Cabinet Committees and their members as at 1 February 2018](#)”, GOV.UK, accessed 12 March 2018

19 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Qq24–26

20 Department for Exiting the European Union (DEEU), “[Foreign policy, defence and development: a future partnership paper](#)”, 12 September 2017; DEEU, “[Security, law enforcement and criminal justice: a future partnership paper](#)”, 18 September 2017

21 Q10 [Sir Adam Thomson]

negotiation.”<sup>22</sup> Sir John Sawers and Robert Hannigan, former Director of GCHQ (2014–17), both expressed strong concern that the EU’s more stringent rules on data-sharing with third (non-EU) parties may hinder the intelligence-sharing that currently occurs outside EU structures.<sup>23</sup>

12. Sir John commented that the change in the United States’ approach to global leadership and the UK’s withdrawal from the EU “creates a combined effect and can add to the complications for us as the UK”.<sup>24</sup> In a subsequent interview with *Prospect* magazine, he concluded that: “One thing I don’t think we can accept is Britain adrift. A Britain without a major strategic anchor in the western world.”<sup>25</sup>

### ***Intensifying and diversifying threats***

13. Providing oral evidence in December, the NSA told us that the “evolving threat picture” was one reason why the NSC commissioned the NSCR.<sup>26</sup> The 2015 NSS & SDSR had previously identified four particular challenges to UK national security:

- the increasing threat posed by terrorism, extremism and instability;
- the impact of technology, especially cyber threats; and wider technological change;
- the erosion of the rules-based international order, making it harder to build consensus and tackle global threats; and
- the resurgence of state-based threats; and intensifying wider state competition.<sup>27</sup>

Our witnesses agreed that these challenges remain the right priorities for the Government,<sup>28</sup> painting a picture of intensifying and diversifying threats that reflects the changes to the wider security environment.<sup>29</sup>

14. James de Waal, Senior Fellow in International Security at Chatham House, said:

One of the real measures of whether this exercise [the NSCR] is a success will be if there is a clear set of priorities. It is important that you are clear why you have chosen those priorities so that if those things change you can say, “Maybe we need to change our priorities”, but I think that is the key thing.<sup>30</sup>

22 Q10 [Lord Ricketts]

23 Q10 [Sir John Sawers and Robert Hannigan]

24 Q9 [Sir John Sawers]

25 [“Former MI6 Head John Sawers: Brexit could pose long-term problems for British security”](#), *Prospect*, 14 February 2018

26 Oral evidence taken on 18 December 2017, HC (2017–19) 625, Q4

27 HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, para 3.3

28 Q4 [Robert Hannigan]; Q8 [Sir Adam Thomson]

29 Qq13–22, 27, 29; Aerospace, Defence, Security and Space (CSE0010) para 1.5; Professor Paul Rogers (CSE0008); Mr James Rogers (CSE0009); British American Security Information Council (CSE0007); United Nations Association – UK (CSE0006); Manchester Metropolitan University (CSE0005); Saferworld (CSE0011); Protection Approaches (CSE0017)

30 Q35 [James de Waal]

The NSA told us in December that of the four particular challenges set out by the 2015 NSS & SDSR, he would focus on Russia and the terrorist threat because “They have probably become troublesome more quickly and broadly than was anticipated” in 2015.<sup>31</sup> When we asked the NSA how the UK should prioritise these two threats, he said:

Russia and a strategic threat of that kind from a nuclear state has a significant strategic effect for us, but given the capabilities that we and our allies have, it is unlikely that that threat will manifest itself except in the ways that we are already seeing—essentially below the level of military conflict. However, we face an acute threat that is killing British citizens both at home and overseas from terrorists. I do not think that one can say that one is more than the other. They are different and we need to address both.<sup>32</sup>

Sir Mark was speaking before the poisoning of Russian former intelligence officer Sergei Skripal in March 2018. This incident suggests that the four particular challenges set out in the 2015 NSS & SDSR are not clearly distinct.

### *Terrorism and extremism*

15. The five terrorist attacks in the UK in 2017 were symptomatic of what the Director-General of MI5, Andrew Parker, called “a dramatic upshift in the threat” in 2017.<sup>33 34</sup> One factor of concern is the return of terrorist fighters from Syria and Iraq following the territorial defeat of ISIL.<sup>35</sup> But we heard that the greater issue is the increasing sophistication of efforts to radicalise UK citizens via the internet. Past experience suggests that the terrorist threat will become more diffuse, with lone wolf attacks becoming more likely. Although a crude approach, such attacks are more difficult to prevent. Robert Hannigan drew a direct link between counter-terrorism at home and overseas, saying that “as [ISIL] has been destroyed on the ground, the online caliphate has become more and more important to it.”<sup>36</sup> The NSA told us that the Government understands what the trends are—for instance, the changing demographic of those under scrutiny by security agencies; faster radicalisation; and the use of everyday items such as vehicles and knives to conduct attacks.<sup>37</sup> According to Sir Mark, the new counter-terrorism strategy—drawn up under the NSCR—will seek to address these trends, building on the findings of the

31 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q6

32 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q22

33 “UK facing most severe terror threat ever, warns MI5 chief”, The Guardian, 17 October 2017

34 These were: the Westminster attack, March 2017; the Manchester attack, May 2017; the London Bridge attack, June 2017; the Finsbury Park attack, June 2017; and the Parsons Green attack, September 2017. This “upshift” is also reflected in the latest statistics released by the Home Office, in March 2018, which reveal a 58% increase in the number of terrorism-related arrests in 2017 compared with the previous year. Home Office, “[Statistical News Release: Operation of police powers under the Terrorism Act 2000 and subsequent legislation: Arrests, outcomes, and stop and search, Great Britain, quarterly update to 31 December 2017](#)”, 8 March 2018

35 Q16 [Sir John Sawers]; “[Beyond the Caliphate: Foreign Fighters and the Threat of Returnees](#)”, The Soufan Center, October 2017, p. 13

36 Q16 [Robert Hannigan]. Mr Hannigan added that it will be important for the Government to predict more accurately the next iteration of Sunni extremism in the Middle East, with both the UK and the US having failed to foresee the rise of ISIL.

37 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Qq15, 16 and 18

operational reviews conducted in response to the 2017 terrorist attacks.<sup>38 39</sup> But the NSA said that it is “harder” to understand why these trends have evolved as they have, “and that is probably a matter as much for academic research as for our own analysis.”<sup>40</sup>

### *Impact of technology, especially cyber threats*

16. Although the 2015 NSS & SDSR makes reference to wider, potentially disruptive technological change in areas such as big data and robotics, in this inquiry we focused on cyber threats to the UK.<sup>41</sup> Robert Hannigan told us that “Cyber is a good example of where we saw the threat coming” but nevertheless, “it is escalating at an extraordinary rate”, with the volume and sophistication of attacks continuing to increase.<sup>42 43</sup> He expressed concern that states have been prepared to take greater risks in cyberspace, despite the “danger of miscalculation” and of unpredictable “collateral damage”, given that most cyber weapons remain untested.<sup>44</sup> Mr Hannigan concluded that “You cannot do cybersecurity behind the wire any more. [...] The obvious way to tackle something that threatens the entire economy is to co-opt the whole economy and the whole of society to make this better.”<sup>45</sup>

17. This echoed the view expressed by the NSA, who commented that the cyber threat cuts across the national security and public safety agenda.<sup>46</sup> Sir Mark Sedwill also sought to reassure the Committee that the Government is “conscious of the threat” to the UK’s critical national infrastructure (CNI)—including the physical infrastructure such as undersea cables—and is working with CNI operators to address it.<sup>47 48</sup>

38 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Qq15, 16 and 18

39 Before the 2017 general election, the Government had been on the verge of publishing an updated version of the UK’s counter-terrorism strategy, CONTEST, which had been delayed from December 2016. That version was never published, overtaken by events during and immediately after the election. In mid-June, following the London Bridge attack, the Prime Minister announced a review of the UK’s counter-terrorism strategy, which was later incorporated into the NSCR. Under this strand of the NSCR, the Government has been preparing a third version of CONTEST, drawing on the operational reviews completed after the 2017 attacks. The NSA told us it will draw in particular on the December 2017 report by David Anderson QC, the former independent reviewer of terrorism legislation, who had been tasked with independently assessing the Government’s internal operational reviews. Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Qq5, 16

40 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q16

41 HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, [Cm 9161](#), November 2015, paras 3.28–3.30

42 Qq8, 17 [Robert Hannigan]

43 In its written evidence, the British American Security Information Council draws attention to other emerging technologies, such as autonomous vehicles and artificial intelligence, that may have implications for risk assessment and the speed of decision-making processes. British American Security Information Council ([CSE0007](#)) para 2.5

44 Q17. Mr Hannigan drew the Committee’s attention to the NotPetya ransomware attack of June 2017 as an example of a major attack whose global impact was unintentional.

45 Q17

46 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q11

47 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q13. A recent Policy Exchange report by Rishi Sunak MP highlighted the vulnerabilities to undersea cables, which carry 97% of the world’s communications and financial transactions totalling approximately \$10 trillion every day. “[Undersea Cables: Indispensable, insecure](#)”, Policy Exchange, December 2017

48 Concerns of this nature led the Committee to launch its inquiry ‘Cyber Security: Critical National Infrastructure’ in December 2017. The terms of reference are available on the Committee’s [website](#).

### *International rules-based order*

18. Arguably, international laws and norms are increasingly being tested—as demonstrated, for example, by: North Korea’s pursuit of nuclear weapons; the use of chemical weapons in Syria; ethnic cleansing in Burma; territorial disputes in the South China Sea; and the United States’ recent announcement of increased trade tariffs on steel and aluminium, under the ‘national security’ opt-out of World Trade Organization rules.<sup>49</sup> Sir John Sawers told us that it has become more difficult for the international community to have “collective debate and discussion”, which is reflected in the declining weight of multilateral organisations such as the United Nations Security Council, International Monetary Fund and World Bank.<sup>50</sup> He noted two principal factors in this change:

- “the rebalancing of the international system” to accommodate powers such as China, “which do not have what we would recognise as liberal democracies”;
- the acceleration of the US away from multilateralism under President Trump (see paragraph 9).<sup>51</sup>

19. In written evidence to the inquiry, Professor Patrick Porter and Dr David Blagden, of the Strategy and Security Institute, University of Exeter, describe this situation as the “return of competitive multipolarity”.<sup>52</sup> According to Sir John, the fact that “many decisions are going to be taken between Washington and Beijing and Washington and Moscow” will make it even more difficult for medium-sized powers such as the UK, France and Germany to “assert our influence, views and values in the world”, and to exert influence on issues such as free trade, good governance and human rights.<sup>53</sup> To this might be added decisions taken between Beijing and Moscow.

20. Lord Ricketts stated that the UK must “help the system to adapt” to these new realities, to ensure that “we do not face a world that is much more about spheres of influence with dominant countries trying to control their regions”. This would only be possible, he said, by “getting out there and participating in all the debates that are going on, being more present in Asia than we have been in recent decades.”<sup>54</sup> There was agreement among those former diplomats providing oral evidence that this would only be possible if the Foreign and Commonwealth Office (FCO) is given more resources—a view which could be thought to reflect their former affiliations, but which has also been cited as a significant issue in recent reports by the Foreign Affairs Committee, for instance.<sup>55</sup>

### *State-based threats*

21. The threats posed to the UK and its interests by other states have evolved rapidly since 2010, when the National Security Strategy stated that “we face no major state threat

49 See, for example: “North Korea’s nuclear programme: How advanced is it?”, *BBC News*, 10 August 2017; “Syrian government forces used chemical weapons more than two dozen times: U.N.”, *Reuters*, 6 September 2017; “UK says Rohingya crisis ‘looks like ethnic cleansing’”, *CNN*, 13 November 2017; “Beijing rejects tribunal’s ruling in South China Sea case”, *The Guardian*, 12 July 2016; “Trump’s tariffs head for a legal minefield”, *Reuters*, 16 March 2018

50 Q15 [Sir John Sawers]

51 Qq3, 15 [Sir John Sawers]

52 Patrick Porter (CSE0001) para 8.1

53 Q15 [Sir John Sawers]

54 Q15 [Lord Ricketts]

55 Foreign Affairs Committee, Second Report of Session 2017–19, “The future of UK diplomacy in Europe”, HC 514; Foreign Affairs Committee, Sixth Report of Session 2017–19, “Global Britain”, HC 780

at present and no existential threat to our security, freedom or prosperity”.<sup>56</sup> In 2015, the NSS & SDSR cited Russian behaviour as a threat to the UK, but referred only to a military response, in the context of NATO’s efforts to deter Russian aggression in Europe.<sup>57</sup> Just two years later, in November 2017, Prime Minister Theresa May MP used her Mansion House speech to set out the multiple and significant ways in which Russia’s actions are threatening the international order “on which we all depend”. These include:

- the illegal annexation of Crimea;
- the fomenting of unrest in eastern Ukraine;
- the repeated violation of European airspace;
- a sustained campaign of cyber espionage and disruption, including meddling in elections and the hacking of the Danish Ministry of Defence and the Bundestag, “among many others”;
- the weaponisation of information, planting fake stories and images to “sow discord” and undermine institutions in the West.<sup>58</sup>

Although the Prime Minister did not refer explicitly to Russian activity targeting the UK, the Director of the National Cyber Security Centre reportedly said in November that Russian hackers had targeted the UK’s energy network, telecoms and the media in the previous year.<sup>59</sup> There is also some evidence to suggest that Russian-directed bots and trolls on Twitter sought to influence the outcome and immediate aftermath of the UK referendum on its EU membership.<sup>60</sup> And to this should now be added the poisoning in March of a Russian former intelligence officer, Sergei Skripal, and his daughter in Salisbury, using a military-grade nerve agent developed in Russia. The Prime Minister stated on 14 March that there was “no alternative conclusion other than that the Russian state was culpable” for this act, which amounted to “the unlawful use of force”.<sup>61</sup>

22. Asked whether the UK had underestimated the threat from Russia, Lord Ricketts said that the UK had developed a “clearer-eyed view” of the Russian threat than many of its European partners following the death of Russian former spy Alexander Litvinenko in 2006.<sup>62</sup> But both he and Robert Hannigan agreed that the UK, along with other Western states, had been surprised by Russia’s recent more “aggressive intent” and willingness to take significant risks, despite the likelihood of attribution—as demonstrated by its annexation of Crimea in 2014 and use of social media to achieve influence in Western democracies.<sup>63 64</sup>

56 HM Government, *A Strong Britain in an Age of Uncertainty: The National Security Strategy*, Cm 7953, paras 1.11–1.12

57 HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, paras 3.19–3.22

58 “PM speech to the Lord Mayor’s Banquet 2017”, GOV.UK, delivered on 13 November 2017

59 “Russian hackers have targeted Britain’s energy companies, cyber security chief says”, *The Telegraph*, 15 November 2017; “Russians hacked energy companies on election day, GCHQ claims”, *The Telegraph*, 18 July 2017

60 “Russia used Twitter bots and trolls ‘to disrupt’ Brexit vote”, *The Times*, 15 November 2017

61 HC Deb, 14 March 2018, c855

62 Q19 [Lord Ricketts]

63 Q19 [Robert Hannigan, Lord Ricketts]

64 Providing oral evidence to the Defence Committee in February, the Defence Secretary also said that the “world got caught napping” in relation to state-based threats. Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) 814, Q7

23. Nevertheless, Sir Adam Thomson warned against “slipping into both the dynamics and the rhetoric and institutionalisation of a second Cold War”.<sup>65</sup> Sir John Sawers also sought to put the Russian threat into context. He pointed to Russia’s limitations as an international power—saying “They are not 10 feet tall”—and attributed Russia’s advances in Ukraine, at least in part, to the Obama Administration’s mishandling of the situation.<sup>66</sup> Notably, Sir John, Sir Adam and Lord Ricketts agreed with the Government that ‘engage but beware’ is the best approach to dealing with Russia, on the basis that it is a major player in the new security order, and that engagement is also essential for “having tough conversations”.<sup>67</sup> Such an approach may to some extent have been overtaken by events. In response to the poisoning of Sergei Skripal, the Prime Minister listed a series of measures intended to send a “clear message” to Russia. These included: the expulsion of 23 Russian diplomats who have been identified as “undeclared intelligence officers”; the suspension of all high-level bilateral contacts between the UK and Russia; and plans to consider new laws to harden the UK’s defences against all forms of hostile state activity.<sup>68</sup>

24. Sir Adam Thomson also said that there are risks involved in focusing too much on Russia “as the top state-based threat”, to the exclusion of the full consideration of other threats.<sup>69</sup> For example, he noted in relation to NATO and the UK’s armed forces that the “pendulum [...] may be swinging too far [from expeditionary warfare] to deal with a Russia-type threat rather than other kinds of threat”.<sup>70</sup> Indeed, witnesses pointed to other state-based threats to the UK, including: North Korea’s nuclear and cyber capabilities; the instability in the Middle East caused in part by the rivalry between Saudi Arabia and Iran; and China’s strategic ambitions in the South China Sea.<sup>71 72</sup> Lord Ricketts commented that all these were addressed in some way by the 2015 NSS & SDSR, but “With hindsight, the documents could no doubt have given more prominence to the specific threats.” In particular, he noted that:

[...] the national security risks posed by certain of China’s policies do not figure in the documents [...] To be fair to the drafters, the evidence of assertive Chinese behaviour in the South China Sea, and scale of their military build-up, has probably become clearer in the last 2 years. However, this point illustrates one of the perennial weaknesses of National Security Strategies. Inevitably, with hindsight, they tend to underestimate the speed at which threats and risks can develop.<sup>73</sup>

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65 Q19 [Sir Adam Thomson]

66 Q20 [Sir John Sawers]

67 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q23; Q19 [Lord Ricketts, Sir Adam Thomson]; Q20 [Sir John Sawers]

68 HC Deb, 14 March 2018, [c855](#)

69 Q5 [Sir Adam Thomson]

70 Q19 [Sir Adam Thomson]

71 Lord Peter Ricketts ([CSE0015](#)) para 2; Robert Hannigan ([CSE0014](#)) para 2; Q27 [General Sir Richard Barrons]

72 James Rogers, Director of the Global Britain programme at the Henry Jackson Society, says in written evidence that “China’s rapid and sizeable military modernisation programmes—allied to the expansion of its geopolitical footprint with the construction of ports, railways, roads and even artificial islands [...]—have undermined the security system in East and South-East Asia”. Mr James Rogers ([CSE0009](#)) para 1.4.2.

73 Lord Peter Ricketts ([CSE0015](#)) para 2

### ***A structural hole in the defence budget***

25. The Government has committed to meeting the NATO target of spending at least 2% of GDP on defence,<sup>74</sup> and has guaranteed a 0.5% real-terms increase in the defence budget each year until financial year (FY) 2020/21. As a result, the current defence budget of £36 billion a year is set to rise to £39.6 billion by FY2020/21.<sup>75</sup> But we have heard that defence is now in a “parlous state”.<sup>76</sup> General (Rtd.) Sir Richard Barrons, former Commander, Joint Forces Command, told us that an additional £1.5 billion a year is needed just to fund the force structure and capabilities set out in the 2015 NSS & SDSR, known as Joint Force 2025 (JF2025).<sup>77 78</sup> According to a January 2018 report by the National Audit Office, there is a gap of at least £4.9 billion, and possibly up to £20.8 billion, between commitments made in the Ministry of Defence (MOD) Equipment Plan and planned funding over the next decade.<sup>79</sup>

26. From both our evidence and other sources, we understand that the principal reasons for this budget deficit include:

- more commitments made on equipment under the 2015 NSS & SDSR than the MOD could afford from the 5% real-terms increase in funding allocated under the 2015 Spending Review;<sup>80</sup>
- unrealistic assumptions about efficiency savings, including £9.2 billion agreed to by the MOD under the 2015 NSS & SDSR;<sup>81 82</sup>

74 According to NATO figures, the UK spent at least 2.18% of GDP on defence in 2016 and 2.14% in 2017. On current plans and GDP projects, this is due to grow to 2.16% in 2018 and 2019, and 2.18% in 2020. NATO, [“Defence Expenditure of NATO Countries \(2010–2017\)”](#), Table 6b; Malcolm Chalmers, [“Decision Time: The National Security Capability Review 2017–2018 and Defence”](#), *RUSI Whitehall Report 1-18* (February 2018), p. 19. Using a different methodology, the International Institute for Strategic Studies (IISS) recently reported that the UK fell below the 2% target for defence expenditure in 2017. [“UK missed 2% defence spending target, report claims”](#), *Financial Times*, 13 February 2018. Our predecessor Committee, and the previous Defence Committee, also concluded that the Government continued to meet the 2% target only by changing its accounting practices to include new items of spending, albeit within guidelines set by NATO. 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, July 2016, para 68; Defence Committee, Second Report of Session 2015–16, [“Shifting the goalposts? Defence expenditure and the 2% pledge”](#), HC 494, April 2016, para 11

75 National Audit Office, [“A Short Guide to the Ministry of Defence”](#), September 2017

76 Q25

77 Q25

78 Our predecessor Committee, in its 2016 report on the 2015 NSS & SDSR, expressed concern that the armed forces “will not be able to fulfil the wide-ranging tasks described in the NSS & SDSR 2015 by 2025 with the capabilities, manpower and funding set out in the same document.” 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, July 2016, para 72

79 National Audit Office, “The Equipment Plan 2017 to 2027”, Session 2017–19, [HC 717](#), 31 January 2018, p. 4

80 [“Decision Time: The National Security Capability Review 2017–2018 and Defence”](#), *RUSI Whitehall Report 1-18* (February 2018), p. 1

81 Q2 [Sir John Sawers]; National Audit Office, [“A Short Guide to the Ministry of Defence”](#), September 2017, p. 10

82 Speaking at the Royal United Services Institute (RUSI) in March, the Permanent Under Secretary of the Ministry of Defence, Stephen Lovegrove, said: “At least four different efficiency programmes have been adopted by the department in the last eight years and the dangers of double counting and confusion are apparent on a daily basis.” [“Saving plans at UK defence ministry ‘cause daily confusion’](#)”, *Financial Times*, 5 March 2018

- the devaluation of sterling against the dollar and the euro since the referendum on the UK's membership of the EU;<sup>83</sup>
- the increasing costs of hi-tech equipment;<sup>84</sup>
- the reduction of contingency funding within the Equipment Plan.<sup>85 86</sup>

27. This situation, combined with the intensification of threats faced by the UK, has prompted calls for more money for defence by current and former Ministers and senior military personnel, parliamentarians and policy analysts alike.<sup>87</sup> During the Defence Estimates Debate in February, Defence Minister the Rt Hon Tobias Ellwood MP said that “Two per cent [of GDP] is just not enough”.<sup>88</sup> Notably, in January the former Secretary of State for Defence, the Rt Hon Sir Michael Fallon MP, called for 2.5% of GDP to be spent on defence.<sup>89</sup> Since publishing its 2016 report on the subject, the Defence Committee has repeatedly called for a return to the 3% of GDP level which had been maintained until the mid-1990s.<sup>90</sup> James Rogers, Director of the Global Britain Programme at the Henry Jackson Society think tank, also suggests spending 3% of GDP on defence as a “starting point” if the UK's armed forces are to play a global role once the UK has left the EU. Anything less, he says, will leave the UK capable only of regional defence or with a disjointed military “lacking either the mass or superiority to dissuade, deter and ultimately defeat a growing number of opponents.”<sup>91 92</sup>

28. We also heard during our inquiry that concerns about defence spending go beyond how much money is spent, to what it is being spent on. The NSA told us in December that the force structure set out under the 2015 NSS & SDSR, JF2025, “is a very impressive set of military capabilities that will be available to this country in the mid-2020s, and that remains our target capability baseline.”<sup>93</sup>

29. But there are questions relating to whether this force structure will equip the UK to meet current and likely future threats in Europe and beyond. Professor Paul Rogers, of Bradford University, states in his written evidence that the emphasis on a “limited but

83 Q2 [Sir John Sawers]. According to Professor Malcolm Chalmers, the equipment approved under the 2015 NSS & SDSR included £18.6 billion in dollars and £2.6 billion in euros, amounting to 12% of total ten-year equipment spending. [“Decision Time: The National Security Capability Review 2017–2018 and Defence”](#), *RUSI Whitehall Report 1-18* (February 2018), p. 11; National Audit Office, “The Equipment Plan 2017 to 2027”, Session 2017–19, [HC 717](#), 31 January 2018, p. 17

84 Q7 [Robert Hannigan]

85 This has reduced the ability of the MOD to absorb unanticipated programme costs, including those due to the devaluation of sterling, or to respond to the changing environment through additional procurement.

86 Public Accounts Committee, Fifty-sixth Report of 2016–17, [“The Defence Equipment Plan”](#), HC 957, April 2017, para 13; Oxford Research Group ([CSE0003](#)) para 3.1

87 For example, see HC Deb, 26 February 2018, [c567](#); [“In full: interview with General Sir Gordon Messenger, vice-chief of the defence staff”](#), *The Times*, 1 March 2018; [“UK military credibility ‘at risk’ over cuts”](#), *BBC News*, 12 March 2018

88 HC Deb, 26 February 2018, [c624](#)

89 [“Britain should spend 2.5 per cent of GDP on defence if it wants to play its proper part in the world”](#), *The Telegraph*, 24 January 2018

90 Defence Committee, Second Report of Session 2015–16, [“Shifting the goalposts? Defence expenditure and the 2% pledge”](#), HC 494

91 Mr James Rogers ([CSE0009](#)) paras 2.2–2.4

92 This view was supported by Professor Patrick Porter and Dr David Blagden of Exeter University, who state in their written evidence that: “While there will continue to be political pressure for the UK to assert a Global Britain posture, maintaining a presence in breadth can only come at the expense of presence in depth”. Patrick Porter ([CSE0001](#)) para 5.2

93 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q10

very expensive [aircraft] carrier-based global expeditionary capability and a strategic nuclear force” is “irrelevant” to irregular warfare, such as that experienced in Iraq and Afghanistan.<sup>94</sup> Meanwhile, Oxford Research Group says that the emphasis evident in JF2025 on projecting power ‘out of area’ leaves the UK poorly positioned to meet threats closer to home in Europe.<sup>95</sup>

30. Furthermore, current and retired military personnel have also stated that the UK’s armed forces would struggle against peer military forces, such as those of Russia and China.<sup>96</sup> General Sir Richard Barrons told us that advances in technology have rendered the UK’s post-Cold War approach to defence, and that of its NATO allies, “outmoded”.<sup>97</sup> He cited the Queen Elizabeth aircraft carriers as an example of a ‘legacy’ capability outstripped by advances in missile technology in the two decades since they were commissioned.<sup>98</sup> He concluded that the UK should look to digital-age technology to “underpin the profound transformation of our military capability”, restoring its competitive edge at a more affordable price.<sup>99</sup> However, taking better advantage of technological progress would require more flexible procurement processes on the part of the MOD and possibly even a different way of measuring military ‘power’.<sup>100</sup> There is clearly a need to maintain as much flexibility in military capabilities as possible, to avoid becoming focused solely on either state-based threats or counter-insurgency, especially as such threats invariably arise with no warning.

31. Of course, in relation to defence and deterrence in Europe especially, the UK’s military capabilities should be seen within the context of its allies’ capabilities, too.<sup>101</sup> Providing oral evidence in December, the NSA described the UK’s alliances as a “strength”. He said that “we need to ensure that we integrate and interoperate our capabilities as best we can” within NATO—something which NATO’s modernisation programme is intended to address.<sup>102</sup> General Sir Richard Barrons also told us that cooperation within NATO is essential as it seeks to renew itself, and especially in developing capabilities such as ballistic missile defence, cyber defence and air defence against conventional cruise missiles.<sup>103</sup>

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94 Professor Paul Rogers (CSE0008) para 3.3

95 Oxford Research Group (CSE0003) para 1.3

96 For example, in a speech to the defence think tank, RUSI, in January, the Chief of the General Staff, General Sir Nick Carter, set out the range of improvements needed to NATO military capabilities and the UK’s armed forces to match Russia’s “eye-watering capabilities”. He concluded: “Our challenge now is to leap forward to what we need, given the threats [...] described”. Speech given by General Sir Nick Carter, “Dynamic Security Threats and the British Army”, Royal United Services Institute, London, 22 January 2018, transcript available at: <https://rusi.org/event/dynamic-security-threats-and-british-army>, accessed 18 February 2018

97 Q25

98 Q25

99 Q25

100 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) 814, Q11; speech by Stephen Lovegrove, Permanent Under Secretary at the MOD, at the Royal United Services Institute, London, 5 March 2018. A transcript is available at: <https://rusi.org/event/stephen-lovegrove-managing-uk-ministry-defence>, accessed 9 March 2018. Mr Lovegrove was citing a recent report by Professor Malcolm Chalmers: “Decision Time: The National Security Capability Review 2017–2018 and Defence”, *RUSI Whitehall Report 1-18* (February 2018), p. 10

101 The 2015 NSS & SDSR states: “While our Armed Forces can and will whenever necessary deploy on their own, we would normally expect them to deploy with allies such as the US and France; through NATO; or as part of a broader coalition.” HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, para 4.39

102 Oral evidence taken on 18 December 2017, HC (2017–19) 625, Q8

103 Q26

### *Was it necessary to revisit the 2015 NSS & SDSR?*

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

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

34. In relation to defence, the 2015 NSS & SDSR perpetuated a longstanding failure to match ambition with capabilities and funding, relying instead on unrealistic promises of efficiencies and reduced contingency funding. It has been strongly argued that spending 2% of GDP on defence is not sufficient to meet today's threats, or to meet the Government's current ambitions for defence capabilities. But spending more on defence is only part of the answer. An honest conversation is needed about what is affordable, how the armed forces should best be structured to meet future threats, and how they might be enabled to take better advantage of technological innovation. This should also include how UK capabilities are designed to fit with and supplement those of our allies. The Government must get a grip on these issues.

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

### **Is the National Security Capability Review the right format?**

#### *Reviewing capabilities only*

36. Providing oral evidence to the Committee in December, the NSA described the NSCR as a "quick refresh" of national security capabilities. He said that the NSC had chosen to pursue this limited exercise primarily on the basis of the preliminary work conducted during the election period, which had concluded that "broadly speaking, the structure and conclusions of the 2015 NSS & SDSR were [still] correct". As such, it was intended that the NSCR would focus on those areas of capabilities where a "course correction" was required. But Sir Mark also said:

[...] there will be some changes to the first part—the strategy part—of the document when the process is concluded [...] We are looking at a mixture—it is not purely capability—across strategy, policy and capability.<sup>104</sup>

In addition, the NSA told us that a review of the National Security Risk Assessment, which underpins the National Security Strategy and the subsequent choice of capabilities, has not formed part of the NSCR process. Instead, a “full refresh” of the risk assessment will be conducted separately this year.<sup>105</sup>

37. There was some disagreement among our witnesses about whether this was the right approach, in light of the changes to the security environment.<sup>106</sup> Lord Ricketts said:

Both the change of President of the US and Brexit are very major changes in the strategic landscape within which British national security policy is being made, and neither, for perfectly understandable reasons, really figured in the 2015 SDSR. It seems to me odd that we should continue our grand strategy as set in 2015 through to beyond 2017–18 without pausing to decide how that affects Britain’s role in the world.

Britain leaving the European Union is an enormous change in the way Britain will deal with the world from now on. That seems to me to be enough of an argument at least to have another look at the national security risk assessment.<sup>107</sup>

38. Sir John Sawers added that the acceleration towards “great power politics” under President Trump had also called into question one of the “core elements” of the 2015 NSS & SDSR “more than we would have liked”: the emphasis on the international rules-based order and multilateralism. He said that “These are important factors that need to be worked into our own approach”.<sup>108</sup> Providing a military perspective, General Sir Richard Barrons told us that the NSCR offers an opportunity “to stop and think” about “new forms of harm that we have to deal with in the grey space and in cyberspace”. But he did not think this would happen under the NSCR given its parameters and “the way in which politics are conditioning it.”<sup>109</sup>

39. In contrast, Sir Adam Thomson thought that “a smaller exercise in 2017 was a reasonable call” only two years after the last full review, so long as it is only the *pace* of threats that is changing, rather than the Government’s priorities contained within the National Security Strategy.<sup>110</sup>

**40. The decision to limit the current exercise to a review of capabilities does not do justice to the changes to the wider security environment. Moreover, we are concerned that the Government’s focus on capabilities in the National Security Capability Review runs the risk of the ‘tail wagging the dog’, with decisions on capabilities driving strategy and policy without due and deliberate consideration. *When the Government reports the outcomes of the NSCR and Modernising Defence Programme, it must set out precisely what changes, if any, have been made to the 2015 National Security Strategy and related policy. It should also highlight and explain any changes to the 89 commitments made in the 2015 National Security Strategy and Strategic Defence and Security Review.***

105 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q5

106 Q1; Q2 [Sir John Sawers]; Q3 [Sir John Sawers]

107 Qq1, 3 [Lord Ricketts]

108 Q3 [Sir John Sawers]

109 Q31 [General Sir Richard Barrons]

110 Q2 [Sir Adam Thomson]

### *A cost-neutral review*

41. The NSA told us that the scope of the NSCR was also limited by the Government's decision not to hold a full Spending Review immediately after the 2017 general election.<sup>111</sup> As a result, when the NSCR was launched in the summer of 2017, it was intended to be “fiscally neutral”—that is, conducted within the approximately £56 billion spent on national security each year in total.<sup>112 113</sup> The NSA told us in December that while he had the freedom to advise the NSC that more funding was required for national security, he did not expect the NSCR to come to this conclusion.<sup>114</sup> Instead, he said, “there is a great deal that one can do to allocate resources within a pool that size to ensure that they are being allocated correctly and that the prioritisation is correct.”<sup>115</sup> He also noted that, under the settlement provided by the 2015 Spending Review, the total amount of money spent on national security will grow by 2020.<sup>116</sup>

42. Lord Ricketts and Sir Adam Thomson differed on the wisdom of holding a “fiscally neutral” review. Lord Ricketts called this decision “odd”, although he later said that “Strategic reviews have to be informed by the amount of money that is roughly available, otherwise you are in a void”.<sup>117</sup> And he highlighted the difficulty of altering departmental budgets outside a formal Spending Review because Ministers would protect them “fiercely”.<sup>118</sup> But Sir Adam said that in principle, it makes “perfectly good sense to look at a set of national security capabilities without doing a full spending review”. He continued:

There is no perfect way of coming up with the size and shape of a pie. However, you can choose to decide that your pie is of a certain size and focus quite meaningfully on what the ingredients are and how you are going to mix them together.<sup>119</sup>

43. However, the Government's decision in January to commission the MDP suggests that the limited approach taken in the NSCR was unable to accommodate what Sir Adam called the “very big spending challenges” in defence (see paragraphs 25–31).<sup>120</sup> The Defence Secretary, the Rt Hon Gavin Williamson MP, has publicly said that the MDP will not be “fiscally neutral”.<sup>121</sup> He also repeatedly referred to the NSCR as a “straitjacket”—in relation to its timeline and budgetary constraints—when he appeared before the Defence

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

112 The National Security Adviser provided oral evidence to the Committee in December 2017, *before* the NSC decided to establish the Modernising Defence Programme in January 2018. The MDP will not be “fiscally neutral”, making it possible that more funding will be allocated to the MOD as a result of this process.

113 This overall figure conflated the £36 billion defence budget with all other sums allocated to different dimensions of security. This raised the possibility of reductions in, or deletion of, military capabilities deemed necessary only two years previously, to meet increased security threats which would not normally be borne by the defence budget.

114 The NSA said: “If we concluded that the total set of capabilities, optimised across that £56 billion, was insufficient to meet the threats, of course we would say that to Ministers. That is not a conclusion I expect to reach, but of course I always have the freedom to give Ministers candid advice.” We found this response surprising in the light of the widely leaked expectation of major cuts in defence capabilities to fund greater efforts to counter the new and intensified threats that led to the NSCR in the first place. Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q10

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

116 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q10

117 Qq3, 6 [Lord Ricketts]

118 Q10 [Lord Ricketts]

119 Q2 [Sir Adam Thomson]

120 Q2 [Sir Adam Thomson]; National Audit Office, “The Equipment Plan 2017 to 2027”, Session 2017–19, [HC 717](#), 31 January 2018, p. 4

121 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Q11

Committee in February. He said that there was “a danger” that the “wrong decisions would be made” had the defence strand remained within the NSCR—and that these decisions would not be easily or quickly reversed if they involved cutting capability.<sup>122</sup> On the other hand, Sir John Sawers observed that “you would not want to fill that hole in the defence budget by robbing from intelligence, development or diplomacy”.<sup>123</sup> The decision to establish the MDP means that the Government no longer faces this particular choice.

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

### *From ‘quick refresh’ to ‘halfway house’*

45. Despite being described as a “quick refresh” of national security capabilities by the NSA, the NSCR and MDP processes are now on track to last at least a year in total.<sup>124 125</sup> This timetable is longer than the two previous, full reviews of national security strategy and capabilities. The 2010 review ran for five months before its publication in November 2010, although the Green Paper process which laid the foundation lasted for seven months and there was a further three-month exercise in 2011. And the 2015 NSS & SDSR process lasted six months, with preparation taking six months before the 2015 election.<sup>126</sup> If the extended duration of the NSCR were the result of a more sustained and thoughtful process it would be welcome, but it appears that the opposite may have been the case. According to Professor Malcolm Chalmers, of the defence think tank RUSI, there is a cost to this delay to the NSCR and MDP, undermining the UK’s reputation and influence as a reliable security actor, with allies and potential adversaries alike.<sup>127</sup>

46. The announcement of the MDP also means that a major strand of the NSCR—defence—has expanded significantly beyond the original scope. As well as defence capabilities, the MDP will also consider improvements to the MOD’s internal processes, covering:

- the MOD’s organisation and operation;
- further efficiencies and ways to be more productive; and
- the MOD’s performance on commercial and industrial issues.<sup>128</sup>

122 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Qq4, 11, 13–14

123 Q2 [Sir John Sawers]

124 Preparation for the review was also undertaken over the election period, during which the 2015 National Security Strategy was assessed against changes to the security environment and threats since 2015. Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q4

125 Notably, when the Defence Secretary appeared before the Defence Committee in February, he committed only to reporting the “direction of travel” for the MDP in July this year, although he previously announced his intention to publish the entire review before summer recess in July. Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Q11; HC Deb, 25 January 2018, [c426](#)

126 [“Decision Time: The National Security Capability Review 2017–2018 and Defence”](#), *RUSI Whitehall Report 1-18* (February 2018), p. 4

127 [“Decision Time: The National Security Capability Review 2017–2018 and Defence”](#), *RUSI Whitehall Report 1-18* (February 2018), p. 14

128 HC Deb, 25 January 2018, [c424](#)

The MDP will run on a different timeline to the rest of the NSCR and will be led by the MOD, rather than the Cabinet Office. The suggestion that it will not be “fiscally neutral” also opens up the possibility that more funding will be made available for defence but not for the other 11 strands of the NSCR.<sup>129</sup>

47. The MOD also recently announced a public consultation on the MDP—another point of divergence from the NSCR, the consultation for which was limited to academia, industry and the NGO sector, according to the NSA.<sup>130</sup> Our predecessor Committee, in its 2014 report published in the lead-up to the 2015 NSS & SDSR, concluded that it should be a more thorough process than in 2010. It suggested that preparation for the 2015 NSS & SDSR should be conducted over a longer timeframe, allowing for a wider debate involving not only experts and parliamentarians, but also the general public.<sup>131</sup> The Government also said it would consult specifically with our predecessor Committee in preparation for the 2015 NSS & SDSR.<sup>132</sup> It did not ultimately consult with the public or our predecessor Committee. In addition, while our predecessor Committee welcomed the Government’s increased engagement with external experts during the 2015 process, it concluded that such engagement must be “more than a tick-box exercise”.<sup>133</sup>

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

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

### Separating defence from security capabilities: a backwards step?

50. Since the publication of the first National Security Strategy in 2008, successive Governments have sought to integrate defence and security capabilities more coherently in making and delivering national security policy.<sup>134</sup> It was primarily for this reason that the NSC was established in 2010, while the 2010 national security review considered defence and security capabilities together for the first time ever, a practice that was continued in 2015.<sup>135</sup> The NSC’s decision to establish the MDP, and to publish it at a significantly

129 The Government has said nothing to suggest that the rest of the NSCR will no longer be “fiscally neutral”.

130 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

131 Joint Committee on the National Security Strategy, First Report of Session 2013–14, [“The work of the Joint Committee on the National Security Strategy in 2013–14”](#), HL Paper 169, HC 1257, para 48

132 Joint Committee on the National Security Strategy, First Report of Session 2014–15, [“The next National Security Strategy”](#), HL Paper 114, HC 749, para 23

133 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, para 6

134 Q2 [Robert Hannigan]

135 HM Government, *Security Britain in an Age of Uncertainty: The Strategic Defence and Security Review*, [Cm 7948](#), October 2015; HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, [Cm 9161](#), November 2015

later date than the NSCR, marks a departure from this trend towards integration, raising questions for the current review of capabilities and for the future approach to national security policy-making.

### ***The current challenge: maintaining the coherence of the NSCR and MDP***

51. Some of our witnesses thought that the particular circumstances justified the decision to separate defence from the rest of the NSCR. Sir Adam Thomson took the view that more time was needed to deal with the spending challenges facing defence, while Professor Sir Lawrence Freedman said that “the mismatch between commitments and resources” for defence had to be addressed “at some point”.<sup>136</sup> This did not, he added, have to be “bound up with everything else when you do.”<sup>137</sup> General Sir Richard Barrons told us he hoped that the NSC’s decision to establish the MDP reflected a “desire” to take more time to address the “broken” nature of defence, rather than an attempt to delay or avoid difficult decisions.<sup>138</sup>

52. In addition, Lord Ricketts concluded that “the politics” surrounding defence capabilities were the reason for this decision, given that it was made at a late stage in the NSCR process. He told us that he does not understand “how you can set priorities and make choices across the spectrum if you are doing it in two separate boxes”.<sup>139</sup> <sup>140</sup> Robert Hannigan also questioned the extent to which defence can be separated cleanly from the other strands in the NSCR. He gave cyber as an example of one of the other strands in the NSCR that “cuts right across public safety, security, intelligence, through to defence”. And he stated that “it is quite hard to see how you break it up.”<sup>141</sup>

53. Lord Ricketts expressed his hope that the “NSC will continue to look at the entire picture [...] so that the different inputs that it will get from the different stages of the review can be meshed together into a strategy that makes good sense.” He added:

[...] it is more important than ever to have that joining-up, co-ordinating function of the NSC, given the political pressures that have already been evident in this conversation, for different amounts of funding for different parts of the national security spectrum.<sup>142</sup>

54. In correspondence with the NSA following the announcement of the MDP, we asked whether the defence elements can be separated cleanly from the NSCR, and what role the NSC will have in the ongoing review of defence capabilities.<sup>143</sup> In his response, the NSA did not address these questions directly; instead, he said that the MDP will “build on the detailed work of the NSCR” and that the “National Security Secretariat would be involved throughout”.<sup>144</sup>

136 Q2 [Sir Adam Thomson]; Q38 [Professor Sir Lawrence Freedman]

137 Q38 [Professor Sir Lawrence Freedman]

138 Q24 [General Sir Richard Barrons]

139 Qq1–2 [Lord Ricketts]

140 In written evidence submitted to the Committee before the NSC decided to separate defence from the rest of the NSCR, Campaign Against Arms Trade said that: “The Cabinet Office lead on the NSCR was welcome, indicating that perhaps, at last, there was an understanding within Government that ‘security’ was not the same as ‘defence’ and that security is a cross-departmental matter.” Campaign Against Arms Trade ([CSE0004](#)) para 2

141 Q2 [Robert Hannigan]

142 Q7 [Lord Ricketts]

143 [Letter of 31 January 2018](#), from the Chair of the Joint Committee on the National Security Strategy to Sir Mark Sedwill, National Security Adviser, on the NSCR and MDP

144 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

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

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

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

### **Looking ahead: implications for an integrated approach to national security**

56. Joined-up thinking is essential in meeting today’s security challenges—whether, for example, that is tackling terrorism in the UK by countering those seeking to inspire attacks from overseas, or deterring conflict through a combination of diplomacy and military power. However, the NSC’s decision to establish the MDP also raises more fundamental questions about the Government’s ability to bring defence and security together in setting, funding and delivering national security strategy.

57. Providing oral evidence to the Committee, former National Security Adviser Lord Ricketts called the move a “backwards step” that went against efforts over the previous 10–15 years to “ensure a really joined-up approach across government to crisis management and conflict”<sup>145</sup>—a view similar to those expressed by Robert Hannigan and the international affairs think tank Oxford Research Group.<sup>146</sup> By contrast, James de Waal, Senior Fellow in International Security at Chatham House and former MOD official, told us that he was “sanguine” about the decision to split the reviews as, in his experience, previous reviews had not been fully integrated and, in any case, defence had always dominated those processes.<sup>147</sup> Our predecessor Committee, in its 2013 report, expressed concern that in 2012 the MOD had apparently made significant decisions about the size of the Army and the size and purpose of the Reserves without guidance from the NSC, and without the NSC’s consideration of the wider implications for the national security strategy.<sup>148 149</sup> Five years later, the recent decision to separate defence from the NSCR suggests that although a fully integrated approach to national security directed by the NSC is a laudable ambition, it is still work in progress.

145 Q1

146 Q2 [Robert Hannigan]; Oxford Research Group ([CSE0003](#)) para 1.1

147 Q38 [James de Waal]

148 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, para 11

149 On Army 2020, see HC Deb, 5 July 2012, [c1085](#); on Future Reserves 2020, see Ministry of Defence, “Future Reserves 2020: Delivering the Nation’s Security Together”, [Cm 8475](#), November 2012

58. We also note the strong views recently expressed by the Defence Secretary that the MOD, rather than the Cabinet Office, should take the lead on reviews concerning defence. Providing oral evidence to the Defence Committee in February, the Rt Hon Gavin Williamson MP said:

This is quite an important point, which is easy to ignore: since 2010, we have not had a defence review or a programme like this that has actually been led by the Ministry of Defence. It has been something that has been led by the Cabinet Office. When we are talking about defence, it is very important for that to be led by Defence. That is something that was really important for me when we were discussing doing this—that this [the MDP] is a Defence-led programme.<sup>150</sup>

In late January, we raised this issue with the NSA in a letter sent by the Committee Chair.<sup>151</sup> His response did not address this question.<sup>152</sup>

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

## How does the NSCR fit into the five-yearly reviews of national security?

60. Since 2010 there has been the expectation that a new National Security Strategy and Strategic Defence and Security Review would be published every five years,<sup>153</sup> coinciding with cross-government Spending Reviews. The Fixed-term Parliaments Act 2011 subsequently put parliamentary elections on the same timetable as the NSS, SDSR and Spending Review. As such, it was expected that the next NSS & SDSR would be published in 2020. But the general election of 2017 has left these processes out of sync, raising questions about when the next NSS & SDSR, and the next Spending Review, will be held. The decision in 2017 to hold a review of national security capabilities, but not the underlying strategy, within two years of the previous full NSS & SDSR process has added to this uncertainty.

150 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Q13

151 [Letter of 31 January 2018](#), from the Chair of the Joint Committee on the National Security Strategy to Sir Mark Sedwill, National Security Adviser, on the NSCR and MDP

152 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

153 HM Government, *A Strong Britain in an Age of Uncertainty: The National Security Strategy*, [Cm 7953](#), p. 7

61. The Secretary of State for Defence has recently said that he expects the five-year cycle of national security reviews to “continue to stand”, although he does not envisage “going into a full SDSR straightaway within a year” of the conclusion of the MDP.<sup>154</sup> But this will only be achievable if:

- i) the MDP is completed, in its entirety, in July 2018 as intended; and
- ii) preparation for the 2020 NSS & SDSR starts in autumn 2019, only a year before the final report is due. This would follow the same timetable as in 2015, which was four months shorter than the 2010 process.

62. Two other factors may influence the timing of the next NSS & SDSR:

- i) the timing of the next Spending Review. Under the 2015 Spending Review, the budgets for the FCO, Department for International Development (DFID) and Home Office were only set up to FY2019/20.<sup>155</sup> This raises the possibility that the next Spending Review will be held in 2019;<sup>156</sup> and
- ii) the outcomes of negotiations with the EU in relation to defence and foreign policy cooperation, and a potential security treaty. The wider economic consequences of Brexit will also have consequences for spending on defence and security, and may also prompt the Government to hold a Spending Review.

Either of these factors could render the NSCR’s findings out-of-date by late 2019.<sup>157</sup>

**63. Since 2010, reviews of the UK’s national security strategy and capabilities have been held alongside Spending Reviews at the start of a new Parliament. The 2017 general election has thrown this regular, five-year pattern into doubt. The decision to commission the National Security Capability Review two years after the 2015 NSS & SDSR has only added to this uncertainty. Without knowing when the next NSS & SDSR and Spending Review will be held, it will be impossible for us, and for others, to assess the outcomes of the NSCR and MDP within their intended context. It is also unclear to what extent these outcomes will be provisional, pending the next Spending Review and the completion of negotiations with the EU.**

**64. *When the Government publishes its report on the National Security Capability Review, it must clarify what the current review means for the expectation that an NSS & SDSR will be held every five years, alongside a Spending Review. Specifically, the Government should set out:***

- ***when it intends to hold the next full NSS & SDSR process, and when the preparation for this review will begin;***

154 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Qq30–31; HC Deb, 25 January 2018, [c426](#)

155 [“Spending Matters: Defence and Security Budgets after the 2015 Spending Review”](#), RUSI Briefing Paper, May 2016

156 The NSA told us the Government has not yet decided when it will hold the next Spending Review. Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q4

157 See paragraphs 10–12 for further discussion in relation to the UK’s departure from the EU. Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q26; Qq9–10

- *whether the next NSS & SDSR will take place alongside a Spending Review, as has been the practice since 2010;*
- *whether the next full review of national security strategy and capabilities will consider defence and security as part of an integrated process; and*
- *whether the Cabinet Office will lead the next NSS & SDSR.*

## Political oversight and parliamentary scrutiny of the NSCR

65. We expected that Ministers and the NSC would have a clear role in commissioning and providing political leadership to the NSCR. However, Oxford Research Group told us that “Further steps should be taken to clarify the political (i.e. ministerial) ownership and control of the process”.<sup>158</sup> Sir Mark Sedwill provided some insight on ministerial oversight when he told us that he and the Prime Minister had an “initial discussion” about the “quick refresh of the 2015 strategy and SDSR” in April 2017. He continued:

Essentially, that morphed into preparatory work during the election campaign for incoming Governments, because, of course, we need to be able to present the incoming Government with a range of options on how they might proceed. So we presented that to the [NSC] after the election, and as a result of that discussion the council commissioned the capability review, which in effect is a refresh of the 2015 SDSR.<sup>159</sup>

However, the persistent uncertainty for the first six months about whether, when and how the outcomes of the review would be reported is an indication that the NSCR has lacked a strong sense of direction and political leadership.

66. Providing oral evidence to the Defence Committee, the Defence Secretary said that the decision to commission the MDP was made between certain Ministers in December 2017:

When the Prime Minister, the Chancellor and I met before Christmas to discuss the way forward with the national security capability review and the idea of the Modernising Defence programme, what was clear, and agreed by all three of us, was that we cannot make changes to our capability until we have had the opportunity to conclude the Modernising Defence programme. That was something that all three of us were absolutely clear and insistent on.<sup>160</sup>

In contrast, Sir Mark Sedwill described the decision as one made by the NSC in January 2018.<sup>161</sup> This raises concerns about the extent to which the NSC is providing the cross-government forum for making collective decisions about the NSCR, rather than acting as a rubber-stamping body for decisions already made. The JCNSS has for several years been provided with the agendas of NSC meetings on a confidential basis, in order to facilitate

158 Oxford Research Group ([CSE0003](#)) para 1.1

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

160 Oral evidence taken before the Defence Committee on 21 February 2018, HC (2017–19) [814](#), Q23

161 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

parliamentary scrutiny. These agendas do not provide a full picture of the NSC meetings, but our examination of the topics of the NSC agendas over the last year have not reassured us on this front.

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

### ***Facilitating parliamentary scrutiny***

68. There was no statement to the House of Commons on the announcement of the NSCR. Instead, it was launched in a press release on 20 July 2017, on the day the House rose for its summer recess. The press release contained few details of the purpose, scope and timeline of the review, instead using what one witness described as “only the vaguest terms”,<sup>162</sup> stating that:

The national security capability review will include examination of the policy and plans which support implementation of the national security strategy, and help to ensure that the UK’s investment in national security capabilities is as joined-up, effective and efficient as possible, to address current national security challenges. The review will also be informed by work which has already been commissioned in response to recent national security-related incidents.<sup>163</sup>

The Committee therefore considered it a priority when it was re-formed to scrutinise the work of the NSCR. We found there were few details in the public domain, and a great reliance on leaks and press reports to establish the progress made under the NSCR.

69. In December 2017, Sir Mark Sedwill made himself available to provide oral evidence and provided an account of the threats, environment and background to the inquiry. This was most welcome, as was the release of the 12 ‘strands’ of the NSCR, in response to our request for more information. However, these strands were defined in very general terms (such as ‘Global Britain’). The Government did not submit formal written evidence to the inquiry, instead providing a letter from the NSA in February 2018 that did not fully address either the terms of reference of the inquiry, or specific questions that we had put to him in writing.<sup>164</sup>

70. The only statement that has been made to the House on this issue was on the announcement of the MDP, in January 2018.<sup>165</sup> This was over six months after the NSCR began, and was in response to pressure from MPs after the announcement had initially

162 Oxford Research Group ([CSE0003](#)) para 2.1

163 “[Strategic Defence and Security Review Implementation](#)”, Cabinet Office news release, 20 July 2017

164 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))

165 HC Deb, 25 January 2018, [c424](#)

been made to defence media representatives.<sup>166</sup> When we asked the Government to commit to providing the Committee with any announcements relating to the NSCR as soon as they were made, the Government declined to do so. This has reinforced the perception of “opacity” of the process,<sup>167</sup> which was at odds with the open and engaging approach by the NSA when he appeared before us in December.

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

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166 [“Gavin Williamson wins new defence review and five months to make case for military funding”](#), *The Telegraph*, 23 January 2018; [“Defence cuts are SHELVED as May’s National Security Council orders a new spending review while setting up a unit to counter Russian black ops and fake news”](#), *Daily Mail*, 23 January 2018

167 Oxford Research Group ([CSE0003](#)) para 1.1

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

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72. Despite the limited scope of the National Security Capability Review, we heard that it does offer a further opportunity to improve coordination between Departments.<sup>168</sup> The National Security Council was set up in 2010 specifically to improve the coordination of a ‘whole-of-government’ approach to national security, and to implement cross-government policies in response to threats to the UK. But the NSA, Sir Mark Sedwill, told us that the Government can still “do a great deal to achieve a greater impact with the inputs we have available to us, particularly if we pull them together and use them in a coherent way.”<sup>169</sup> During our inquiry, we heard about three policy areas where it is argued that a joined-up approach across the Government is essential in countering new and changing threats effectively.

#### **Stabilisation**

73. Experiences in Afghanistan, Iraq, Libya and Syria have fed debate about whether, when and how the UK should intervene overseas in response to instability, violence and conflict. Key questions in this debate include:

- whether the UK should only address direct threats to its security, rather than seeking to address the instability overseas from which such threats often emerge—for example, focusing on countering acts of terrorism in the UK, rather than directly tackling groups such as ISIL that may have inspired such acts;<sup>170</sup>
- whether the UK has a responsibility to intervene overseas, through military means if necessary, if civilians are at risk of harm—for example, in the Syrian civil war;<sup>171</sup>
- whether the UK risks doing more harm than good through intervention, especially (but not only) in relation to military intervention—for example, the collapse of the Libyan state following the military intervention led by the UK and France in 2011;<sup>172 173</sup> and

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168 Q40 [Professor Sir Lawrence Freedman]

169 Oral evidence taken on 18 December 2017, HC (2017–19) 625, Q27

170 “From Iraq to Libya and Syria: The wars that come back to haunt us”, *The Independent*, 18 April 2015

171 Jo Cox MP, Tom Tugendhat MP and Alison McGovern MP, *The Cost of Doing Nothing: the price of inaction in the face of mass atrocities* (London: Policy Exchange, 2017)

172 Professor Paul Rogers (CSE0008) paras 2.2–2.6

173 In written evidence, Campaign Against Arms Trade states that “A major component to the UK’s security policy should be a commitment not to make a situation worse. Overseas military interventions, as seen in Iraq, Afghanistan, Libya and Syria, have caused devastation and instability with dire consequences for people living in those areas and, to a lesser extent, the world more generally.” Campaign Against Arms Trade (CSE0004) para 7

- whether the UK should focus its efforts on the causes of instability, to prevent threats to UK territory, citizens and interests from materialising, rather than seeking short-term, and often military-led, responses to threats to the UK after they have materialised.<sup>174</sup>

74. The 2015 NSS & SDSR makes clear the Government’s view that “Instability, conflict and state failure overseas pose an increasingly direct threat to the UK. [...] It is firmly in our national security interests to tackle the causes and to mitigate the effects of conflict.” It states that the Government will use all tools available to it—diplomatic, development, military and law enforcement—to tackle conflict and build stability overseas. And it makes two commitments in relation to this policy area:

- to spend 50% of DFID’s budget in fragile states and regions; and
- to increase funding for the Conflict, Stability and Security Fund (CSSF), a cross-government fund that “uses Official Development Assistance (ODA) and non-ODA funding to deliver and support security, defence, peacekeeping, peacebuilding and stability activity” in regions and countries identified as a priority by the NSC.<sup>175 176</sup>

75. However, Rethinking Security—a network of organisations and academics—states in written evidence to this inquiry that the 2015 NSS & SDSR gives “insufficient attention” to the underlying drivers of insecurity, despite these twin commitments.<sup>177</sup> Conciliation Resources and International Alert also argue that the 2015 NSS & SDSR “struggles to translate the importance of these issues into clear guidance and activities.”<sup>178</sup> Perhaps most strikingly, Dr Andrew Rathmell told us he questions whether building structural stability, conflict prevention and conflict management are still a priority for the Government, despite what he argues has been a relatively positive track record in contributing to the stabilisation of countries such as Iraq, Afghanistan and Somalia in the past few years.<sup>179 180</sup>

76. Stabilisation is not one of the 12 principal strands of the NSCR, although it will likely be addressed in relation to the CSSF under the ‘Cross-Government Funds’ strand.

174 In written evidence to this inquiry, peacebuilding organisations Saferworld, Conciliation Resources, International Alert and Rethinking Security, as well as Professor Paul Rogers of Bradford University, argue that the UK should focus more on addressing the underlying drivers of conflict and instability. They point to the link between instability overseas—driven by grievances over poor governance, corruption, lack of opportunity and so on—and the security challenges facing the UK, such as terrorism, extremism and disorderly mass migration. Rethinking Security (CSE0002) paras 1, 4.2, 5.1, 5.3, 5.4; Professor Paul Rogers (CSE0008) para 5.2; Saferworld (CSE0011) paras 15, 26; Conciliation Resources and International Alert (CSE0012) paras 4, 5, 10

175 “Conflict, Stability and Security Fund: an overview”, GOV.UK, accessed 12 March 2018. The Annual Report for the CSSF in FY2016/17 states that CSSF funding was used to support activity in the following areas: protecting the UK and Overseas Territories; combating extremism and terrorism; countering serious and organised crime; crisis response and resilience; building influence with allies and partners; strengthening the rules-based order and international institutions; tackling conflict and building stability overseas. See HM Government, “Conflict, Stability and Security Fund: Annual Report 2016/17”, July 2017, p. 4

176 Our predecessor Committee undertook an inquiry into, and published a report on, the CSSF. Joint Committee on the National Security Strategy, Second Report of Session 2016–17, “Conflict, Stability and Security Fund”, HL Paper 105, HC 208

177 The 2015 NSS & SDSR announced the Government’s intention to deliver an “even more ambitious approach” to tackling conflict and instability overseas, which it states is “firmly in our national interests”. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161, November 2015, paras 5.116–5.118

178 Conciliation Resources and International Alert (CSE0012) para 7

179 Qq21–22 [Dr Andrew Rathmell]

180 Aktis Strategy Ltd. is a CSSF Framework Supplier.

It may also be addressed by the MDP in relation to defence engagement (the deployment of military teams to provide mentoring and training to partners overseas). Providing oral evidence to the Committee, Dr Rathmell said that if the NSCR were to go beyond “tactical tweaking”—that is, small realignments in budgets and resources—it would need to take account of the ways in which the level of stability has “worsened” over the past few years in regions of importance to the UK—specifically, the Middle East, North Africa and sub-Saharan Africa.<sup>181</sup> Dr Rathmell said that these include:

- increasing instability due to growing competition both between states and between non-state groups, such as Hezbollah and ISIL;
- disengagement on the part of the US and EU;
- the greater involvement in these regions of states such as Russia and China that do not share the UK’s definition of ‘stability’.<sup>182</sup>

77. Dr Rathmell also said that ideally, the NSCR would take a longer-term view of stability and other issues such as migration. However, he concluded that there is currently a contradiction between “the fairly small capabilities that the UK has been building” and its desire to have a “fundamental ability to address these issues”.<sup>183</sup> General Sir Richard Barrons agreed that migration is a policy area that needs “a more sophisticated response”, which uses all the levers available to the Government and is addressed in coordination with allies. But he added: “I do not think we have grasped that.”<sup>184</sup>

78. The NSC’s decision to limit the scope of the NSCR means it is unlikely to address such fundamental issues. Nevertheless, Dr Rathmell identified two smaller actions that would improve the Government’s wider approach to stabilisation:

- a) ensuring that the 50% of DFID’s budget spent in fragile and conflict-affected states more directly targets the causes of conflict and instability;<sup>185</sup>
- b) incorporating new thinking on stabilisation by adopting DFID’s internal guidance, the Building Stability Framework (written in 2016), across Government—a suggestion also made by Saferworld, Conciliation Resources and International Alert in their written evidence.<sup>186 187</sup>

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

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181 Q21 [Dr Andrew Rathmell]

182 Q21 [Dr Andrew Rathmell]

183 Q22 [Dr Andrew Rathmell]

184 Q22 [General Sir Richard Barrons]

185 Q22 [Dr Andrew Rathmell]

186 Q21 [Dr Andrew Rathmell]; Saferworld ([CSE0011](#)) para 15; Conciliation Resources and International Alert ([CSE0012](#)) para 14

187 This would replace the widely regarded but now outdated cross-government Building Stability Overseas Strategy, which was published by DFID, the FCO and MOD in 2011.

### *Modern deterrence*

80. The NSA told us in December that ‘modern deterrence’ is under consideration as part of the NSCR, presumably under the ‘Our National Security Doctrine’ strand. He described modern deterrence as “being able to deploy a range of different capabilities that exploit our adversaries’ vulnerabilities, not necessarily to respond in an area where they have sought to exploit ours.” Referring to Sun Tzu, he added: “you fight on the ground of your choosing, if you can, rather than the opponent’s.”<sup>188</sup>

81. We asked our witnesses what a policy of ‘modern deterrence’ should cover, and how this might differ from the well-established concept of deterrence associated with the Cold War. Lord Ricketts explained in supplementary written evidence that he understands “the term to apply to the whole spectrum of deterrence and the need to keep deterrence policy up-to-date in the light of changes in the threats to our national security.” Specifically, he thought this would cover:

- nuclear deterrence, given the emergence of a “new nuclear power” in North Korea and a “near-nuclear power” in Iran;
- deterrence by conventional forces, such as the forward deployment of NATO (and UK) armed forces in Eastern Europe to deter potential Russian aggression; and
- deterrence of unconventional threats—in particular “aggressive cyber attacks which could undermine our national security”.

He noted that the policy of deterrence would need to be “elaborated in consultation with the US and other NATO allies”.<sup>189</sup>

82. Robert Hannigan said that in his view, the term ‘modern deterrence’ is not “particularly useful”. In supplementary evidence he wrote: “deterrence is deterrence, whatever the domain. Logic suggests that one should work out what needs deterring before defining the capabilities necessary”. Nevertheless, he expected cyber deterrence to be prioritised under the NSCR, given that the other aspects of deterrence policy are “well-rehearsed”.<sup>190</sup> Providing oral evidence, General Sir Richard Barrons told us that modern deterrence is “not rocket science”. However, he also warned that “At the minute, we tend to fixate on little bits of that [full-spectrum deterrence policy], which is never going to be good enough.”<sup>191</sup>

### *Deterring unconventional threats*

83. We also asked our witnesses whether there are practical differences between deterring military and nuclear threats and deterring threats in the ‘grey area’ between peace and war—for example, a deniable cyber attack on critical national infrastructure or attempts to undermine trust in democracy and institutions using ‘fake news’. Sir Richard said that “we struggle to play in that space” where states such as Russia try to “keep us on our heels”. He explained:

188 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q20

189 Lord Peter Ricketts ([CSE0015](#)) para 1

190 Robert Hannigan ([CSE0014](#)) para 1

191 Q29 [General Sir Richard Barrons]

[...] we are quite good at calling this out, but we seem not to have worked out what we are then going to do in applying sanctions, deterring it or rebutting it, or doing it back. I know that democracies struggle with this more than monolithic states do, but it is absolutely a feature of our time ...<sup>192</sup>

84. Robert Hannigan explained that the “UK system”, including parliamentary committees and the Electoral Commission, had been slow to respond to the fact that the internet and digitalisation enables states such as Russia to undermine the UK’s institutions more cheaply and at larger scale than in the past—a view also expressed in written evidence submitted by Manchester Metropolitan University.<sup>193</sup> However, more importantly, he also said that “it is not really clear whose job it is to look at social media subversion or the sowing of distrust” in the UK. He observed that “MI5 has the job of countering subversion in its most extreme form” but “Unless it is a crime, it is quite difficult to know who in our system is responsible”.<sup>194</sup>

85. It seems likely that the new National Security Communications Unit—announced by the Government in January as one of the first outcomes of the NSCR—is intended to address this apparent gap in policy ownership within the Government. Making the announcement, a spokesman for No. 10 said that the unit, which will build on existing capabilities, is intended to tackle disinformation and “competing narratives” spread by “state actors and others”. He added that it would “more systematically deter our adversaries”.<sup>195</sup> However, the Government has yet to provide detailed information about this new unit.<sup>196</sup>

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

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

192 Q29 [General Sir Richard Barrons]

193 Manchester Metropolitan University ([CSE0005](#)) para 2.4

194 Q20 [Robert Hannigan]

195 [“Defence cuts are SHELVED as May’s National Security Council orders a new spending review while setting up a unit to counter Russian black ops and fake news”](#), *Daily Mail*, 23 January 2018

196 See, for example, [“Theresa May’s ‘fake news unit’ has itself been branded ‘fake news’”](#), *Daily Mirror*, 30 January 2018

### ***Building national resilience***

87. The importance of improving the resilience of the UK’s infrastructure, institutions and population has been demonstrated by a series of events since the publication of the 2015 NSS & SDSR. These have included: several terror attacks in the UK; a global cyber attack that affected large parts of the National Health Service for days; attempts to undermine the national elections of the US and France; and the use of a military-grade nerve agent to poison a Russian former intelligence officer on UK soil.<sup>197</sup> Providing oral evidence in December, the NSA acknowledged the importance of strengthening resilience to cyber attack and propaganda, for example. But he also said that “we should also have considerable confidence in our resilience against those threats”, as so far, “They have not really worked”.<sup>198</sup> In contrast, General Sir Richard Barrons was far less positive in his assessment, and warned that the UK remains acutely vulnerable because:

- its infrastructure is complex and runs without much contingency;
- an attack on the UK’s critical national infrastructure could achieve the same as an “invasion at scale” in bringing the country “to a halt”;
- the population is not sufficiently aware of the types and scale of threats facing the UK.<sup>199</sup>

88. We heard that the UK could look to other countries such as Norway and Denmark for lessons in how to build resilience across society. Elisabeth Braw, non-resident Senior Fellow at the Atlantic Council, told us that these countries’ experiences suggest that the population should not be treated as a “fragile flower”. Instead, she described it as a largely untapped “resource” that can be mobilised in support of the armed forces and law enforcement agencies, in guarding sports events, critical infrastructure and military installations, for instance.<sup>200</sup> Although a direct comparison with Denmark and Norway is not possible, as they have systems of selective conscription, the UK does already have professionally trained groups such as special constables and military reservists who can be called upon to perform such tasks. Ms Braw suggested that a “core of empowered citizens” in this mould also acts as a deterrent to potential attackers, by making it harder for them to achieve their objectives.<sup>201</sup> In its written evidence, UNA-UK, a charity dedicated to building support for the United Nations, looks beyond professionally-trained volunteer groups to the potential role of the public at large, stating that “an informed and engaged public” is a “security asset”.<sup>202</sup>

89. Elisabeth Braw also highlighted the importance of regular crisis management exercises that involve the Government, businesses and society. She said that Scandinavian countries hold such exercises regularly to test responses to mass-casualty events—for example, attacks on critical national infrastructure—and are “a way of cheaply and effectively plugging the gaps” in resilience. However, we are concerned by Ms Braw’s

197 Our predecessor Committee, in its July 2016 report, observed that the “unprecedented emphasis” on domestic resilience within the 2015 NSS & SDSR was not translated into specific actions. 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 11, 13

198 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q22

199 Q32 [General Sir Richard Barrons]

200 Qq29–31 [Elisabeth Braw]

201 Qq30–32 [Elisabeth Braw]

202 United Nations Association – UK ([CSE0006](#)) para 9

statement that “the highest-ranking officials [in the UK] have been reluctant to have crisis management exercises in the way it is done as a matter of course in Denmark, simply because it would be embarrassing for gaps to be discovered.”<sup>203</sup>

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

## Improving cross-government policy implementation and accountability

91. All the former senior officials who gave evidence to our inquiry were positive about the role of the NSC in coordinating the Government’s response to intensifying national security threats, agreeing that it was an advance on previous practice.<sup>204</sup> However, providing oral evidence to the Committee in December, the NSA spoke of the constant challenge of *implementing* the NSC’s decisions on national security policy, especially as this might involve “half a dozen departments or more”.<sup>205</sup> James de Waal also questioned what “more joint funding, more joint organisations and reorganisation of Whitehall structures to deal with hybrid threats” means for “accountability and funding, which are still based on Ministers and departments and service level agreements with the Treasury”.<sup>206 207</sup>

92. Our predecessor Committee repeatedly raised concerns about how cross-government policy is implemented in practice during its inquiries into the 2015 NSS & SDSR, the CSSF and cyber security.<sup>208</sup> Specifically, it questioned which Ministers and officials were responsible for cross-government policy in these areas (and therefore who should be held accountable), which Department had oversight of the relevant cross-government budgets, and what this meant for parliamentary scrutiny of these policy areas. As our predecessor Committee stated in relation to the CSSF, unless there is a single, and clearly identified, owner of cross-government policy, “There is the danger that collective responsibility will degenerate into no responsibility.”<sup>209</sup>

203 Q32 [Elisabeth Braw]

204 Qq12–13

205 Oral evidence taken on 18 December 2017, HC (2017–19) [625](#), Q2

206 Q40 [James de Waal]

207 There were three cross-government funds relevant to security before the NSCR began: the Conflict, Stability and Security Fund (CSSF); the Prosperity Fund; and the Empowerment Fund. These funds were the subject of the Cross-Government Funds strand of the NSCR. There are also a number of joint units working on national security issues. For example, the 2015 NSS & SDSR established six new units. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, [Cm 9161](#), November 2015, para 7.17

208 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; Joint Committee on the National Security Strategy, Second Report of Session 2016–17, “[Conflict, Stability and Security Fund](#)”, HL Paper 105, HC 208; oral evidence taken on 6 March 2017, HC (2016–17) [153](#)

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

93. The NSA told us in December that the implementation of cross-government national security policy is now under review, in a separate process from the NSCR. He said that:

[...] the Prime Minister was particularly concerned that we had a rigorous implementation process in place so that the [NSC's] decisions were then driven through government. [...] Essentially, we need to bring that concept [of joined-up government] alive in the national security area and ensure that each department and individual area is clear about what is expected of it and what the ministerial direction and guidance means.<sup>210</sup>

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

# Conclusions and recommendations

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## The National Security Capability Review process

1. There were good reasons for revisiting the 2015 National Security Strategy and Strategic Defence and Security Review less than two years after it was published. These included: major changes to the wider security environment, including the prospect of a significant shift in the UK's relationship with the EU and the election of the Trump Administration; intensifying and diversifying threats to the UK; and a significant, structural hole in the defence budget. The flaws in the 2015 NSS & SDSR, which have in part necessitated the National Security Capability Review, demonstrate the importance of a robust and coherent process in setting national security strategy. (Paragraph 32)
2. There are growing pressures across the national security budget, including in relation to the Foreign and Commonwealth Office, cyber security and the security and intelligence agencies. The defence budget is also now under extreme strain. (Paragraph 33)
3. In relation to defence, the 2015 NSS & SDSR perpetuated a longstanding failure to match ambition with capabilities and funding, relying instead on unrealistic promises of efficiencies and reduced contingency funding. It has been strongly argued that spending 2% of GDP on defence is not sufficient to meet today's threats, or to meet the Government's current ambitions for defence capabilities. But spending more on defence is only part of the answer. An honest conversation is needed about what is affordable, how the armed forces should best be structured to meet future threats, and how they might be enabled to take better advantage of technological innovation. This should also include how UK capabilities are designed to fit with and supplement those of our allies. The Government must get a grip on these issues. (Paragraph 34)
4. While the Committee accepts that the decision to hold a further review of national security capabilities only two years after the 2015 NSS & SDSR was justified in this instance, we are concerned that the Government might use frequent, more limited reviews as a substitute for the strategically-informed decisions needed to put defence and security on a sustainable footing. (Paragraph 35)
5. The decision to limit the current exercise to a review of capabilities does not do justice to the changes to the wider security environment. Moreover, we are concerned that the Government's focus on capabilities in the National Security Capability Review runs the risk of the 'tail wagging the dog', with decisions on capabilities driving strategy and policy without due and deliberate consideration. *When the Government reports the outcomes of the NSCR and Modernising Defence Programme, it must set out precisely what changes, if any, have been made to the 2015 National Security Strategy and related policy. It should also highlight and explain any changes to the 89 commitments made in the 2015 National Security Strategy and Strategic Defence and Security Review.* (Paragraph 40)

6. Although it is necessary to inject some fiscal discipline into such processes, the decision to hold a cost-neutral review of national security capabilities was ill-advised given the significant deficit in the defence budget and the intensifying threat picture. Until the Modernising Defence Programme was announced, this approach left the Government facing an unwelcome choice between making significant cuts to defence capabilities, to other security capabilities, or to both, to stay within budget. (Paragraph 44)
7. The National Security Capability Review was commissioned as a “quick refresh” of capabilities but nine months since it began—and with defence now being considered separately and over a longer timeframe—it is apparent that the NSCR has inadvertently become an uncomfortable ‘halfway house’ between a refresh and a full review. (Paragraph 48)
8. The process is not as important as the content and the outcome of such reviews. However, the nation’s security capabilities are too important to be allowed to evolve without clear thought and direction. There are costs to such confusion, including to the UK’s reputation as a reliable security actor. Even if the NSCR and MDP ultimately prove effective in terms of their conclusions, it appears that the process has been far from smooth, and there will be lessons for Ministers and officials alike, especially if the next full NSS & SDSR is to avoid perpetuating the flaws of the 2015 exercise. (Paragraph 49)
9. Defence is only one part of the UK’s wider national security strategy and it should be considered firmly within this context. As such, the Government’s decision to separate the defence strand from the rest of the National Security Capability Review runs the risk of undermining the purpose and coherence of the wider review. However, it is at least in part a consequence of the argument that the defence budget cannot fund the range of military capabilities prescribed by the 2015 NSS & SDSR. *The Government should use its report on the National Security Capability Review to:*
  - a) *provide reassurance that the Cabinet Office will remain closely involved in the Modernising Defence Programme; and*
  - b) *set out in detail the steps it is taking to ensure coherence between the NSCR and the MDP—for example, in relation to domestic security, cyber and modern deterrence.*

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

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

defence budget is resolved. We reiterate our view that all such reviews of national security strategy and capabilities should be a joined-up process led by the Cabinet Office. (Paragraph 59)

11. Since 2010, reviews of the UK's national security strategy and capabilities have been held alongside Spending Reviews at the start of a new Parliament. The 2017 general election has thrown this regular, five-year pattern into doubt. The decision to commission the National Security Capability Review two years after the 2015 NSS & SDSR has only added to this uncertainty. Without knowing when the next NSS & SDSR and Spending Review will be held, it will be impossible for us, and for others, to assess the outcomes of the NSCR and MDP within their intended context. It is also unclear to what extent these outcomes will be provisional, pending the next Spending Review and the completion of negotiations with the EU. (Paragraph 63)
12. *When the Government publishes its report on the National Security Capability Review, it must clarify what the current review means for the expectation that an NSS & SDSR will be held every five years, alongside a Spending Review. Specifically, the Government should set out:*
  - *when it intends to hold the next full NSS & SDSR process, and when the preparation for this review will begin;*
  - *whether the next NSS & SDSR will take place alongside a Spending Review, as has been the practice since 2010;*
  - *whether the next full review of national security strategy and capabilities will consider defence and security as part of an integrated process; and*
  - *whether the Cabinet Office will lead the next NSS & SDSR.* (Paragraph 64)
13. We consider there to be insufficient parliamentary oversight of the work of the National Security Adviser, and the Ministers to whom he reports—in marked contrast to the scrutiny which Parliament can and does give to departmental officials and Ministers. *The Government should provide the Committee with evidence of the NSC's oversight of the National Security Capability Review and the Modernising Defence Programme, including by providing details and papers of relevant NSC meetings, in confidence.* (Paragraph 67)
14. While some details of the National Security Capability Review may be confidential, it is not clear to us why the process of the review has been shrouded in such secrecy, and this has added to concerns and frustration about it. *The Government should commit to making any announcements about the NSCR to Parliament and the Committee before they are made public or, at the very least, at the same time.* (Paragraph 71)

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

15. The National Security Capability Review is an opportunity for the Government to demonstrate that tackling instability overseas remains a priority. The Government should at least consider limited options for improving its current approach. These

include implementing DFID’s up-to-date policy guidance on stabilisation across Government, and ensuring that money spent in fragile states more directly targets the causes of conflict and instability. (Paragraph 79)

16. We expect the National Security Capability Review to outline an updated policy of deterrence that covers the full range of threats to the UK—from nuclear and military threats, to unconventional threats such as cyber attacks and subversion. This should include any new tools available to the Government under the policy of modern deterrence, and how it plans to utilise them. *In updating its policy on deterrence, the Government should focus on how it can deter threats that fall short of an act of war, but which are nevertheless damaging to the health of the UK’s political system, economy and society. It should also provide more detail about the new National Security Communications Unit when it publishes the NSCR. This includes information about:*
  - *what this new unit will do;*
  - *how many staff it will have and from which Departments they will be drawn;*
  - *to whom the new unit will report;*
  - *the size of its budget; and*
  - *how its success will be measured.* (Paragraph 86)
17. We welcome the Government’s apparent focus on building national resilience as part of the National Security Capability Review. The Government must do all it can to inform the British public about the threats we face as a country, and to empower them to contribute to the Government’s response when appropriate. *The Government should set out its plans to develop community and societal resilience to the range of threats that may arise. It should also set out in its response to this report its plans for future crisis management exercises, as well as information about the types of scenarios being tested and the participants involved.* (Paragraph 90)
18. The nature of today’s security threats mean that they require a much more closely coordinated response by Departments to be effective. We therefore welcome the news that the National Security Adviser has been tasked with reforming how National Security Council decisions are implemented across the Government. We look forward to seeing his proposals for improving the implementation of cross-government national security policy, and for ensuring a strong line of accountability within Government, and of ministerial accountability in particular. (Paragraph 94)

# Formal minutes

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**Monday 19 March 2018**

Members present:

Margaret Beckett, in the Chair

Lord Campbell of Pittenweem	Baroness Lane-Fox of Soho
Lord Hamilton of Epsom	Dr Julian Lewis
Lord Harris of Haringey	Lord Trimble
Baroness Healy of Primrose Hill	Tom Tugendhat
Baroness Henig	Theresa Villiers
Lord King of Bridgwater	

Draft Report, *National Security Capability Review: A changing security environment*, proposed by the Chair, brought up and considered.

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

Paragraphs 1 to 94 agreed to.

Summary agreed to.

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

*Ordered*, 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 the House of Commons Standing Order No. 134.

[Adjourned till Monday 23 April 2018 at 4pm]

## 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 29 January 2018

*Question number*

**Robert Hannigan CMG**, Director GCHQ (2014–17); **Lord Ricketts GCMG GCVO**, National Security Adviser (2010–12), and United Kingdom Ambassador to France (2012–16); **Sir John Sawers GCMG**, Chief of the Secret Intelligence Service (2009–14), and Permanent Representative of the United Kingdom to the United Nations (2007–09); **Sir Adam Thomson KCMG**, United Kingdom Permanent Representative to NATO (2014–16)

[Q1–20](#)

### Monday 26 February 2018

**General Sir Richard Barrons**, Former Commander Joint Forces Command; **Ms Elisabeth Braw**, Non-resident Senior Fellow, Atlantic Council; **Dr Andrew Rathmell**, Visiting Professor, University of Exeter Strategy & Security Institute, and Managing Director, Aktis Strategy Ltd

[Q21–33](#)

**Mr James de Waal**, Senior Fellow, International Security, Chatham House; **Professor Sir Lawrence Freedman**, Emeritus Professor of War Studies, King's College London

[Q34–40](#)

## 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.

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

- 1 Aerospace, Defence, Security & Space ([CSE0010](#))
- 2 British American Security Information Council ([CSE0007](#))
- 3 Campaign Against Arms Trade ([CSE0004](#))
- 4 Conciliation Resources and International Alert ([CSE0012](#))
- 5 Lord Peter Ricketts ([CSE0015](#))
- 6 Manchester Metropolitan University ([CSE0005](#))
- 7 Mr James Rogers ([CSE0009](#))
- 8 Oxford Research Group ([CSE0003](#))
- 9 Patrick Porter ([CSE0001](#))
- 10 Professor Paul Rogers ([CSE0008](#))
- 11 Protection Approaches ([CSE0017](#))
- 12 Rethinking Security ([CSE0002](#))
- 13 Robert Hannigan ([CSE0014](#))
- 14 Saferworld ([CSE0011](#))
- 15 Sir John Sawers ([CSE0016](#))
- 16 Sir Mark Sedwill, National Security Adviser ([CSE0018](#))
- 17 UKCloud Ltd ([CSE0013](#))
- 18 United Nations Association - UK ([CSE0006](#))