

Extracts from a submission for the Strategic Defence and Security Review by Oliver Covile MP. Mr Colvile is MP for Plymouth Sutton and Devonport and chairs the Royal Marines group within the All Party Parliamentary Group for the Armed Forces.

The Strategic Defence and Security Review is being conducted in the context of a much wider public expenditure review. Public expenditure needs to fall as a proportion of national income to stabilise the public finances and to reduce the crowding out effects that public spending has on private sector economic activity.

Nevertheless, this paper argues for establishing the priority given to defence spending within public spending and national income as a whole.

The previous Labour Government's Green Paper (February 2010) assumed that defence should be planned within the current level of spending or less. I believe that this assumption needs to be explicitly abandoned by the Coalition Government. Defence of the Realm and its interests are a fundamental duty of any Government and a core belief amongst Conservatives.

**Defence spending within overall public spending and national income**

While it was right to reduce defence spending as a share of GDP after the end of the Cold War from around 5 per cent of GDP, the peace dividend sought in the early 1990s was too great.

The Options for Change White Paper went too far in reducing defence spending in relation to the international risks UK has to recognise and prepare to meet in terms of properly funded defence capabilities.

Having reduced the share of GDP devoted to defence to less than 3 per cent, defence spending after 1997 was subject to a further squeeze that pushed it slightly below 2.5 per cent of GDP in the mid 2000s, despite increased spending resulting from extensive overseas operations.

In my judgement this is an unrealistic basis for defence and foreign policy planning. Historically it is a very low level indeed, apparently lower than the previously lowest recorded proportion of national income spent on defence in 1930 when it was 2.6 per cent.

Not only has defence spending fallen as a share of national income but also as a proportion of total government expenditure. The ONS study in 2009 on public sector output productivity between 1997 and 2007 among other things exemplifies how public expenditure priorities have been changed.

The weight given to defence within General Government Expenditure by sector weight, fell from 15.1 per cent to 11 per cent. What this shows is that during a period when there was increased international risk and with more than two major protracted operations in Afghanistan and Iraq, at a time when public spending was rising rapidly, the priority given to defence was reduced.

In my judgment this priority need to be reversed. It is not a question of affordability but priority within public spending.

The proportion of public expenditure devoted to defence should return to a position that is at least comparable to that in 1997. I believe that the ratio of GDP spent on defence should return to a more realistic level closer to 3 per cent of GDP.

The principle issue about the level of defence spending is not one of affordability, but rather one of deciding political priorities.

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**Britain's international role**

Over the next three decades, the UK will need to continue to maintain a major role in international affairs.

The world economy will be more integrated. There will continue to be a significant and accelerating shift in income, wealth and power from the West to the East, increasing competition for natural resources and risks that arise from fragile and failing states.

These things will have a direct impact on UK interests and the welfare of our citizens.

I do not believe that a diminished international role is an acceptable option for the UK. Britain possesses assets and strengths that provide it with the opportunity to influence the international environment in ways that are helpful to advancing our national interests.

The defence review needs to be based on a

realistic assessment of the UK's unavoidable need to continue to play a major role in international affairs. It needs an effective defence capability to support that role.

Part of that defence capability will be explicitly 'offensive' and 'defensive' in the traditional manner and part of it should be logistical infrastructure for a wider application of 'soft' power such as humanitarian relief. This will assist our diplomatic role and help build good relations with some of the emerging economies.

The immediate priority given to the deployment in Afghanistan should not distort judgements about the long term role of the army in relation to that of the Royal Navy, Royal Air Force and amphibious and special forces.

**Nuclear deterrent**

The UK should maintain an operationally independent strategic nuclear deterrent that is effective and credible. Whilst I am open minded about how that deterrent may be maintained in the future, life extension of the present Trident system so that its service life is comparable with the USA followed by replacement with another submarine-borne system to ensure continuous at-sea deterrence is an effective option.

Whether the estimated cost of £15 billion to £20 billion is scored within the defence budget or out of it, given the period of service involved, modernisation of the nuclear deterrent is something that a country, with a GDP this year of more than of £1400 billion where public spending will amount to £697 billion, should be able to afford.

**UK role in NATO**

The UK should continue to have NATO and its framework of collective security and our relationship with the United States within NATO as the basis for our defence.

The UK's contribution to NATO, however, should reflect our geography, maritime history and our trade and other relationships throughout the world. Within that context, the obvious UK contribution to NATO should be that of sea and airpower supplemented by amphibious and Special Forces.

The naval role should explicitly equip the UK to undertake naval policing responsibilities such as dealing with piracy, drug trafficking and international environmental responsibilities such as the conservation of fish stocks.

In addition the Royal Navy should be equipped to offer effective international assistance to countries and communities experiencing the consequences of natural and other disasters where they need assistance from the international community as part of an explicit deployment of soft power as an arm of foreign and defence policy.

The implication of this judgement about the UK's role in NATO is that the Royal Navy should be larger, equipped with greater transport, escort and logistical capabilities, and that the two proposed carriers should be built.

The Royal Air Force should be maintained to provide effective airpower with multi-purpose aircraft in sufficient numbers to protect the homeland and participate state on state warfare. In addition the Royal Air Force should be equipped with much greater heavy lifting and cargo moving capacity.

**Wider Intelligence computer defence related issues**

The SDSR needs to be conducted in the context of the wider defence capability of the intelligence services, electronic listening capabilities and computer and other cyber and IT defence security issues.

These were highlighted by the extraordinary computer hacking episode in Estonia in 2007. Proper provision has to be made in the defence and related Home and Foreign Office budgets for these developing cyber matters.

**Franco-British defence co-operation**

It is obviously important for the UK and France to work closely together where practicable. We are very close neighbours. We are also members of NATO and countries that have worldwide interests and connections which are a legacy of empire as well as the ties that arise from the close alliance that formed in the first half of the 20th century until Suez. The defence relationship between France and Britain will always be unusual and will reflect our shared history and military endeavours in the 20th

century.

Yet making increased joint procurement or joint operational deployment of our forces a cornerstone of our defence planning would not be realistic.

Successive Defence Secretaries from the time of Michael Portillo have announced ambitious plans for joint Franco-British working and they have come to very little. French defence has a different strategic and tactical cast of mind from that of Britain.

This is illustrated by its reluctance to deploy forces with the United States outside the NATO framework and by the fact that France spends less - around one fifth less per capita - on defence than the UK.

France has a long tradition of dirigiste industrial policy that can be traced back to the Grand Siècle and the time of Colbert. In the context of modern defence procurement, this tradition often appears to offer plausible synergies with the UK's big and complex defence procurement objectives. In practice, attempts to harness these synergies have never achieved their objectives.

Instead of achieving potential economies of scale the worst defects of France's dirigiste tradition appear to have been magnified. Too often projects are over specified, changed, complicated, delayed and made more expensive.

It is no accident that some of the most enthusiastic advocates of Franco-British and joint European procurement are defence contracting companies.

This is partly because UK defence contractors have difficulty in penetrating France's largely closed defence procurement market. The UK defence budget, however, should not be distorted and made more expensive as part of a wider armaments trade policy which would principally be in the interest of defence contractors rather than the taxpayer or the defence interests of the UK.

**Approach to defence procurement**

The UK needs the defence equipment necessary to maintain an international maritime, amphibious and home defence capability. Given the constraints of competing public expenditure priorities and the pressures arising out of technological innovation the UK should use the least expensive purchase option, if necessary buying off the shelf in the international market place rather than maintaining an expensive domestic defence industrial policy, except where operational sovereignty makes premium prices unavoidable.

The UK cannot, as a matter of practicality, rely on some kind of national defence self-sufficiency or autarky and should accept the logic of comparative advantage and the division of labour.

**Reserves and large scale defence intervention**

Consideration should be given to the respective roles of the army's professional and reserve forces.

To use money more effectively it may be sensible to use the professional forces for expeditionary deployments and use the reserves to maintain the Cold War legacy capabilities such the Large Scale Defence Intervention capabilities e.g. the heavy artillery and tanks that remain in Germany. There are plenty of parallels with the U.S. National Guard.

**Plymouth's role in the Strategic Defence and Security Review**

This Strategic Defence and Security Review provide the Coalition Government with a real opportunity to end uncertainty over the future of Devonport's dockyard and Naval Base.

As a local Member of Parliament I recognise that Plymouth's main challenges are that it is a low wage and low skilled economy.

The Royal Navy has historically provided a significant amount of work and ensured there is a highly skilled work force; but with a decreasing Navy there is real concern that there may not be enough work for all three dockyards.

As one of Britain's oldest naval ports and dockyards, over 25,000 people in Plymouth's travel to work area depend on the defence industry for their livelihoods. The Devonport Dockyard and Naval base is the corner stone of this industry on the Peninsula.

**The Devonport dockyard's role**

In the 1990s, the then Conservative Government decided to grant Devonport dockyard a nuclear licence to refuel the

Trafalgar and Vanguard nuclear submarines, at Rosyth's expense. It is estimated that it has cost the Government over £1bn to provide this facility.

This nuclear license provides Devonport with a real stake in the ground; it is the only Dockyard that has the facilities to continue the nuclear submarine refuelling programme, decommission these nuclear submarines when they get to the end of their life, but also refit the surface ships.

In opposition, the Conservative Party consistently committed itself to retaining three dockyards and naval bases. Indeed during the General Election and since, the Prime Minister warned that the Government should not put "all of its eggs in one basket".

This commitment has been made even more important as the minority Scottish National Party Executive should it successfully win a referendum to create an independent Scotland - is committed to creating a nuclear free Scotland.

If this were to become a reality after the Coalition Government had decided to close Plymouth's Dockyard, Britain could be left without the facilities needed to accommodate and sustain the nuclear deterrent.

To ensure that Devonport Dockyard has a viable future I believe that the SDSR should confirm Devonport as the only UK dockyard that can undertake:

- all the Royal Navy's deep sea maintenance;
- nuclear refuelling work of the Vanguard and Trafalgar class submarines;
- refitting of these submarines;
- surface ship refitting work;
- refitting and potential refuelling of the new Astute submarines; and
- decommissioning of the Trafalgar and Vanguard submarines - should there be no environment and health & safety issues.

I would also urge the Government to press ahead with the building of two aircraft carriers - which have already been designed, contracts in excess of £1.25 billion let and construction commenced. The quantity and type of embarked aircraft however might well be addressed.

**Devonport naval base's role**

I would urge the Ministry of Defence to:

- retain Flag Officer Sea Training in Plymouth;
- confirm the previous Labour Government's decision to make Plymouth the home of the amphibious ships and the Royal Marines;
- review the previous Government's decision to transfer the port-basing of the frigates to Portsmouth and the submarines to Faslayne; and
- give a clear explanation as to why the aircraft carriers can't be port based in Plymouth.

**Plymouth's naval estate post SDSR**

Once the Ministry of Defence has identified the needs for the future of Devonport's naval base and dockyard, I would urge Ministers to work with Plymouth City Council in developing a Master Plan for the excess land.

The Government should also provide a dowry to decontaminate the land and should consider using the surplus land to set up an International Crisis centre so that the UK can improve its ability to react to events such as the recent Pakistan floods and the 2004 Tsunami.

Finally Ministers should address the impact that potential loss of up to 25,000 jobs will have on the Plymouth economy were it to be decided to downsize the dockyard and naval base.