

Nick Watts reports on the implications of the appointment to be Secretary of State for Defence of Rt Hon Michael Fallon MP, first elected to Parliament 30 years ago, as a "safe pair of hands" to take the Ministry of Defence forward. Junior Defence Minister Anna Soubry MP has been promoted to Minister of State, restoring the "status quo ante" in terms of the Ministry's perceived importance. Reserves advocate Julian Brazier MP has been appointed as Parliamentary Under Secretary of State.

It's official: the Ministry of Defence is out of 'Special Measures'. With the re-shuffling of Michael Fallon to replace Phillip Hammond, David Cameron is, amongst other things, rehabilitating the MOD. The problem child which Liam Fox inherited in 2010 with many internal problems has been restored to full health, administratively and politically. But the journey was not without its hiccups along the way.

The 2010 SDSR coincided with a severe bout of austerity and the 'leaking' of a letter from Fox during the SDSR process warning of dire consequences if the defence budget was cut too severely. Once this minor matter was dealt with, Fox instituted a defence reform process which was his legacy to Phillip Hammond. The Adam Werrity episode saw the departure of Fox and the arrival of Hammond, who was seen as a steady hand. Hammond dutifully oversaw the defence reform process and ensured that the MOD remained out of the headlines. He did this by a combination of prudent management and by instituting an omerta on the Department which forbade anybody in MOD to speak to anybody outside the Department about anything.

Just this last Monday, at Farnborough the government was able to announce additional equipment for MOD, to be paid for by efficiency savings; normally this money would be 'clawed back' by the Treasury. To give Hammond credit, he has embedded the discipline of fiscal prudence into the MOD. Service Chiefs are now budget holders. They are responsible for their budgets; equipment personnel and training. Top management both Service Chiefs and civil servants understand budgets as much as they do capability and systems.

Michael Fallon's job, politically, will be to ensure that the MOD stays out of the headlines. He has less than a year to manage this. The 2015 SDSR will be a matter for the next parliament and whoever is the incumbent then. The mechanics of the drawdown from Afghanistan will keep him and his team busy. There will also be other matters relating to the vexed F-35B programme which will need managing, as well as the lingering question of what to do with Bernard Gray at DE& S. Now that the 'Go Co' plan has been dropped in favour of a 'DE & S plus' model, Gray's position must be open to question. Expect to see an advert for the job anon.

Also leaving the MoD is Dr Andrew Murrison MP, a reserve Surgeon Lt Cdr who served in Gulf War 1 and who will now serve in Northern Ireland from where Andrew Robtahn a former defence minister, departs for the back benches.

The re-shuffle has also seen the promotion of Anna Soubry to Minister of State rank and the arrival of Julian Brazier MP, who has been highly praised for his advocacy on behalf of the Reserves: A good 'tail end' team to see out the innings.