

Trevor Taylor is Professorial Research Fellow in Defence Management at the Royal United Services Institute in London (RUSI). In this guise he oversees RUSI's work on defence, industry and society. He recently spoke to Nick Watts about some of the defence acquisition questions which will need to be considered during and after the forthcoming Strategic Defence and Security Review (SDSR).

Taylor points out that the Government has signalled no appetite for reduced international political ambition in the 2015 SDSR. He doesn't expect to see a major change in the amount of funding committed to defence. Ministers have signalled that the MOD will be expected to contribute towards the UK's economic growth (via exports); if the economy grows, then the 2% GDP spend on defence will be worth more.

Taylor is unclear to what extent a defence review will release resources in terms of efficiencies in the way defence is managed. We are still in the era of implementing the Levene reforms, so I don't anticipate any major changes in the management area, so that leaves us with personnel and some major equipment issues. The most obvious of these is the MPA (Maritime Patrol Aircraft), perhaps also the Army's ambitions for Apache. An initial order for operational F.35 Lightnings also cannot be ignored. It will be interesting to see how ministers deal with these.

The MOD's forward Equipment Programme (EP) was published during the last parliament. The Government feels that it is affordable. The aircraft carrier costs are largely settled. Taylor notes that the costs of the Type 26 are not yet finalised. Since it was conceived the Type 26 has become more sophisticated, and the UK is looking for partners. The costs of the Type 26 are still a matter for debate. Taylor notes that it has apparently not yet gone through Main Gate approval.

The UK is hoping that the Type 26 might secure export customers. Who might the likely partners be? Taylor notes that currently there is some exploration with Germany and Australia. Collaboration on ships seems to be extraordinarily difficult; the main issue will be costs. The more sophisticated it is, the more difficult it will be to export. There may be a less sophisticated version for export. Most countries that want to buy [Type 26] have their own ship building capacity, so it would possibly be a design export, with some co-operation on the content [systems and sensors]. Defence exports are expected to receive further attention in the SDSR.

Turning to the MPA replacement, Taylor notes that in the E P there is uncommitted money in the ISTAR aircraft area. He wonders whether it is enough to pay for an MPA. To buy a P 8 it could be a stretch financially. The previous administration bought a lot of equipment off the shelf without a competition. There may be people in the MOD who feel that the UK should buy the P8 on the same basis. If they opt for a competitive strategy, then it will take longer. Taylor explains: analysing the different bids is not going to be a quick exercise, because the various contractors have already made clear that they have got very different solutions to whatever requirement might be specified.

The MOD has been using the description of a Multi-Mission Aircraft (MMA) to fill the maritime surveillance role. Taylor observes that any kind of airborne radar that can look at the sea can also look at land. There are differing types of surveillance activity that will be needed; from submarines to smugglers and refugees. The MOD doesn't always need the high end kit that can detect submarines, to be able to do the other roles. Taylor adds that another key question will be whether the aircraft will be expected to carry weapons.

Concerning the acquisition of this aircraft Taylor explains. In the event of a competition, the MOD will have to put out a requirement and the types of solution the manufacturers will offer will vary. It's not going to be an easy matter for MOD to reach a decision. Politics is relevant as it will be quite a big contract. He adds if MOD chooses the competitive route it must be

demonstrably fair, because there is no guarantee that the losers will not appeal.

An area of defence acquisition which has been beset with problems has been multi-national projects, such as Typhoon and the A 400M Atlas transport aircraft. Taylor points out that there are only three ways to acquire equipment. Each has risks and disadvantages.

- You can do it yourself, which is costly and technically risky. The collaborative route poses further challenges. Or you can buy off the shelf.

Taylor points out that this last method means that a country becomes dependent on the supply chain from overseas.

Taylor observes that around the world more countries want to be able to make and develop their own equipment because of the strategic autonomy they get from doing so. This could trigger a move back towards more collaborative projects, but Taylor notes it will need an appetite.

- One area of collaborative success since 2005 has been the Complex Weapon guided missile area. The company concerned [MBDA] have delivered on time and within budget.
- But Taylor notes more widely the government has been reluctant to take much risk; technological, managerial or financial. They have opted to buy US systems. This appears to be a by-product of pressure on the budget and a measure of disillusion that collaborative projects can ever work well.

Looking at international competition in defence sales, Taylor sees some opportunities for the UK and its European partners.

- The problem with US technology is the ITAR limitations (International Traffic in Arms Regulations) that the US places on its kit. In the defence world if something is offered as ITAR free that helps sales.
- How US export controls evolve remains to be seen.
- The US military wants to get access to commercial technology; but the commercial sector wants to avoid this because of the restrictions this may impose on their own sales. This may lead to the US easing some of its export controls.

Does Taylor believe that Britain's purchase of the F 35 Joint Strike Fighter (JSF) is a good thing?

- The US needed a replacement to the F 16; which was widely sold around the world especially in Europe. Whether the F 35 is the ideal replacement the jury is still out. The F 35 B (VSTOL) which the UK is buying is limited in its stealth mode to the amount of weapons it can carry.
- Taylor believes that the UK is likely to use the F 35B in conjunction with Typhoon, which can carry a better weapons load.

Taylor observes that a trend to watch is the increasing amount of electronic content in modern systems.

- There is more electronic content, driven primarily by the commercial world. When we look at R and D spending, we estimate that only between 5 - 10% of R and D spending in the world is funded by defence for defence, leaving 90 - 95% is funded by the commercial sector.

Taylor highlights the challenge that this development poses for future systems.

- This presents defence with a series of questions; how do they keep track of what is going on in the commercial sector. You could miss useful opportunities. Second; how do they think and work so as to be able to catch the utility for military applications. Thirdly how can they persuade commercial companies to release their technology to the defence sector?
- The other side of this is that this technology is also available to other entities and countries which, when adapted, can provide unpleasant problems.

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