

By a special correspondent

The scheduled 2023 target for the replacement of the UK's nuclear deterrent could not be guaranteed by the civil servants and military personnel managing the project, MPs have heard. Taking evidence on the National Audit Office's report "Ministry of Defence: The United Kingdom's Future Nuclear Deterrent Capability", the Public Accounts Committee heard from witnesses from the Ministry of Defence, including:

Sir Bill Jeffrey KCB, Permanent Under Secretary of State  
Dr Paul Hollinshead OBE, Director Strategic Requirement  
Guy Lester, Director General Equipment  
Rear Admiral ADH Mathews CB, Director General Submarines

Conservative MP and Committee Chair Edward Leigh highlighted that the Trident system, which had been in constant operation since 1968, is due to end its service in 2023. In response to the suggestion that there was tight deadline for the replacement programme, Sir Bill Jeffrey acknowledged the deadline and the potential risk in it slipping, but argued there remains scope to extend the current life of the Trident-carrying Vanguard submarines. Next, Mr Leigh questioned the nature of British cooperation with the US and whether a change in political leadership could undermine the project, prompting Sir Bill to cite significant progress on the development of the D5 missiles and the strong support of President Bush for cooperation without properly addressing the question.

Pressing the MOD over the management of the project, Mr Leigh questioned the practical extent of Guy Lester's control of the programme, as a part-time employee and the third holder of his post in 18 months, and voiced concerns over who would be accountable in the event of the project being over budget. Sir Bill responded to this by expressing his regrets about the level of staff turnover, and by attempting to reassure the committee both that Mr Lester had an ample supporting staff and a network of effective contacts and that the delivery of the project would be efficient and cost-effective.

Edward Leigh continued by questioning the project's budget, asking why no accurate figures had yet been produced and what account had been taken of how currency exchange fluctuations would effect future cooperation. Sir Bill responded to this by indicating that the costing would be refined by autumn 2009, along with problems associated with dealing with a monopolistic supplier, reiterating his belief that the project would be delivered to good standards of cost-effectiveness.

Labour's Nigel Griffiths then questioned the six week delay in the project schedule and asked if this was comparable to the 3-year 7-month delay suffered by the Astute class project. Sir Bill admitted that the delay with the Astute class project was regrettable but contended that lessons had been learned for the current project, though Mr Griffiths expressed scepticism in the light of significant delays to other projects, notably 7-year delay to the Nimrod replacement scheme. Sir Bill argued that a more direct 'hands-on' approach to design and implementation distinguished the Trident project and from other military hardware initiatives, and reiterated the 'joined up approach' to the project after Mr Griffiths pressed him on the consequences to the UK in the event of the US adopting a technological breakthrough part-way through the life-cycle of the Vanguard class. Rear Admiral Mathews reinforced Sir Bill's comments but conceded that there would be some degree of flexibility in the working arrangements.

The impact of currency fluctuation on any of the joint arrangements with the USA was then pressed by Mr Griffiths, with Guy Lester accepting that some difficulties could be caused by this but stating that such factors had been anticipated in the formative stages of the project.

Conservative David Curry indicated his belief that "the motto above the MOD door should be what can go wrong should go wrong" and questioned the witnesses' apparent belief that the opposite was true in this case, especially given the dependence of the project upon US cooperation. Sir Bill replied that

he could not accept such an assertion when many MOD projects in the past had run smoothly and highlighted the cost benefits of cooperation with the US. Noting that Sir Bill would retire before the project was completed, Mr Curry asked the witness what he would identify to his successor as being the biggest risk to the project and whether he anticipated any delay with the Vanguard aspect. Sir Bill responded to this question by acknowledging the risks associated with the project but asserting them to be manageable, adding that staff were working very hard to contain them. However, Mr Curry cited the difference in lifespan between the British and American submarines - as well as diverging economic preferences in the current economic climate - as problems which jeopardise the project, leading Sir Bill to express his faith in the current assurances. When asked about build numbers, he also indicated a preference for four vessels based on the level of expected maintenance work.

Moving on, Labour's Keith Hill questioned what progress had been made on decisions related to the missile chambers and who was responsible for these decisions. Guy Lester responded that he hoped to see a final decision next year in cooperation with the US and that the British team included a scrutineer and representatives from the FCO, the Treasury and the Cabinet Office. After Mr Hill followed up by asking if the team effectively worked by consensus, Mr Lester explained that there was not always the need for common views and that he took decisions on the project's timescale and acted to 'unblock problems'. Asked about the project metrics and why there had been a delay in developing them, Mr Lester offered the achievement of milestones and projected costs. Dr Hollinshead added that there had always been an organic growth and development of the project and that it was important that frameworks were only in place at appropriate times.

On the issue of problems to date, Mr Hill asked how effective the Programme Support Team had proved to be. Dr Hollinshead replied that they had already conducted a third review of the project and that the outcome of this had been of use.

In terms of decision making timescales, Liberal Democrat Paul Burstow asked why so many aspects of the project were made at the latest possible stages, such as why the decision on the actual number of submarines required was being left until 2014. In response, the witnesses together asserted that this was a beneficial approach that allowed maximum flexibility. Mr Burstow then posed the question of why the full interdependence of the project strands was not yet clear, prompting Sir Bill to answer that it was currently under review and that the Programme Support Team was making good progress on this. Asked when data would be available to allow more accurate budgetary control and what the fiscal impact on the project would be, Sir Bill then reiterated that more accurate figures would be available from autumn 2009, and indicated that certain aspects of the project had been provided with a VAT exemption.

Labour's Ian Davidson asked if costs could be brought before the House of Commons prior to the 2009 summer recess for scrutiny by MPs, which Sir Bill suggested was a matter for the Minister to decide. When Mr Davidson then suggested that Guy Lester was a 'fall guy' for the project and questioned whether his current part-time role would grow, Mr Lester again outlined his role and stressed that he had the services of substantial staff.

Mr Davidson continued by suggesting that the UK is "beholden" to the United States and questioned what the potential impact if the US were to extend its timetable, in light of the longer life span of their existing submarines. When pressed on this point, Sir Bill rejected the term "beholden" offering "strong mutual dependence" as an alternative. He also asserted that there were no signs of a US timetable extension, citing the existing "high quality cooperation".

Rear Admiral Mathews then stressed that the exchange of letters between President Bush and former Prime Minister Tony Blair was

comparable to a bilateral treaty. He further asserted that cooperation with the US and technology transfer with Britain was 'a well rehearsed procedure' that had seen many successful examples over the last 50 years.

Labour's Austin Mitchell questioned why there was a need to retain a submarine building capacity in Britain and if this was an example of 'cold war thinking'. Sir Bill responded to this by stating his view that whilst aspects of defence spending should not be at any price, the approach to defence capability should be 'careful and sure'. Pressing his point, Mr Mitchell asserted that this was a 'useless sector' that was nothing but a drain of the defence budget as well as diverting skills from other industries, to which Rear Admiral Mathews replied that he was happy with the current situation and he could think of no pressing opportunity cost of maintaining the capacity. Mr Mitchell then suggested that the British submarine-building sector served merely to deprive other sectors of skilled workers, and also asserted that it would be a simpler process for the UK to simply purchase submarines from the USA.

Sir Bill responded to this by stating that his priority was defence capability as opposed to industrial preference, whilst Edward Leigh also advocated a belief that the UK should be independent of the US in many respects of its defence capability.

Previous delays with other defence projects were highlighted by Labour MP Alan Williams as he outlined his experience on the Public Accounts Committee. He also asserted that he saw a number of pitfalls in the Trident replacement project such as an incomplete design scheme at the anticipated start of construction. In response, Sir Bill indicated that lessons had been learnt from previous projects and that there was a greater focus on realistic aims as well as the effective management of stakeholders. Rear Admiral Mathews added that there was no need for a complete design during initial stages of construction as the design aspects to be added later could run concurrently with construction. He also stressed that this approach was also cost effective.

Moving on, Mr Williams questioned importance of the size of the missile chamber, leading Rear Admiral Mathews to reply that he did not consider it to be of great importance to the current stage and that a decision would be reached in conjunction with the US by autumn 2009.

Alan Williams at this stage asked the witnesses if they could "guarantee no disaster" with the project, in response to which Sir Bill replied that 'we cannot guarantee anything'. However, he insisted that he would manage the risks as best as he could whilst acknowledging that he could not guarantee there would be no disasters. Mr Williams stated that this was a rather equivocal answer, but Sir Bill stressed that whilst there were risks involved he was "optimistic and confident" for project success.

The Chair then highlighted his own concern regarding commencing construction prior to confirming the size of the missiles chambers. He also questioned whether the timescale was realistic and the strength of UK bargaining power with the US.