

by Tony Purton

The last two defence committee hearings of 2006 nicely illustrate the dynamics of UK defence procurement or how the politico/industrial tail tries to wag the MoD defence procurement dog!

On 12 December the committee examined MoD's chief of defence procurement Sir Peter Spencer and deputy chief of defence staff Lt Gen Andrew Figgures on the army's requirement for armoured vehicles the Future Rapid Effects System (FRES).

Under the guise of concern for our armed forces presently engaged in Afghanistan and Iraq, the committee demanded to know why the FRES project was taking so long to get going. Why were contracts not being placed NOW? The industry was ready to supply NOW; the army needed the equipment NOW; but the MoD seemed to be dragging its feet - again.

Lt Gen Figgures repeated the explanation contained in the MoD's memorandum in front of the Committee, that the immediate needs for the protection of our armed forces in Afghanistan and Iraq were being met by UOR off-the-shelf purchases of the best armoured personnel carriers available today and by upgrading some existing equipment. FRES, on the other hand, is a long-term requirement to create a medium weight family of wheeled and tracked armoured vehicles capable of being air-lifted to areas of conflict using existing and planned air transport assets, giving the UK a significant military advantage in operating capability, minimising logistic support and training requirements. Although some of the currently available vehicles might meet a significant proportion of the FRES requirement in the area of personnel protection, none had the necessary growth potential to meet the long-term FRES requirement, which would require significant development of emerging technologies in the £10bn investment planned for FRES. Despite this explanation, the committee continued to demand the firm in-service date for FRES.

More than a year previously, on 25 October 2005, defence procurement minister Lord Drayson, supported by Sir Peter Spencer, had explained to the committee in relation to the Future Carrier (CVF) project that as a matter of policy the planned in-service date for new equipment would not be announced until the project main gate decision had been made. This change of policy had been made because knowledge of MoD's planned in-service dates led to unwelcome pressure from the armed services, industry and politicians to launch new major projects to meet the planned in-service date. In his 2004 'Stock-take' exercise Sir Peter had identified this pressure to be the main cause of projects being launched before the risk factors of time, cost and performance had been properly addressed, which had led to the virtual 'black hole' in defence procurement revealed in the NAO's MPR 2003 report. Lord Drayson had also explained at that time that the main gate decision on CVF would not be made until the MoD had confidence in the project timescale, performance and cost. The CVF main gate decision is still awaited.

Nevertheless, on 12 December 2006 the committee pressed Sir Peter Spencer to confirm the planned in-service date for FRES which, it claimed, had been firmly announced to the committee by army chief of staff General Jackson in January 2005 as 2010. Sir Peter declined, saying that as a matter of policy the in-service date would not be announced until project main gate, and that the project main gate decision would not be taken until the MoD had confidence in the project timescale, performance and cost. He was then vociferously attacked by committee member Kevin Jones MP, who exhibits an unhealthy dislike and mistrust of 'civil servants'; which Sir Peter is not but in Jones's eyes appears to be. He accused Sir Peter of disgraceful behaviour and contempt of Parliament for not answering the committee's question. Sir Peter maintained his position under increasingly vicious attack from Mr Jones, and finally agreed to ask his minister Lord Drayson whether the current in-service planning date for FRES could be released in confidence to the committee.

On 19th

December when Lord Drayson appeared before the committee to discuss the progress of the defence industrial strategy (DIS), Kevin Jones pressed him to reveal the planned in-service date for FRES that his chief of defence procurement had so coyly defended a week previously. Lord Drayson politely reminded Mr Jones that, as he had explained to the committee over a year ago, the MoD had decided as a matter of policy not to reveal in-service planning dates until the project's main gate approval. Mr Jones thanked Lord Drayson for his honesty in explaining MoD's policy on in-service dates which, he said, was "very unusual for MoD" ♦ quite forgetting that a week before he had accused Sir Peter Spencer of disgraceful behaviour for giving the committee exactly the same explanation. But then Lord Drayson is a politician, and of the same party as Kevin Jones; not an 'apparent' civil servant!

Even after all the explanation by expert witnesses on 12 December, committee member John Smith MP ended the session by caustically asking whether the project title for FRES was not a misnomer ♦ clearly challenging the word RAPID. Sir Peter once again patiently explained that the project was for a FUTURE family of medium armoured vehicles that would allow RAPID deployment of military assets which at present could only be sent by sea and over land. Current vehicles and current vehicle technology simply do not meet that requirement today.

Although Sir Peter Spencer handled himself very well under intense pressure on 12 December he did volunteer one answer to the committee that, although satisfying the questioner, nevertheless undermines his position as chief of defence procurement. Asked by John Smith MP whether FRES would have export potential, Sir Peter acknowledged that it would have very significant export potential. This highlights a further dynamic of UK defence procurement ♦ unless we 'buy British', Britain will not have anything to sell and our defence industry apparently cannot survive on national defence orders alone. The recent suppression of Scotland Yard's corruption enquiry associated with the sale of Tornado to Saudi Arabia in the 1980s, so that we can sell Typhoon to the same country on similar terms, serves to underline this dynamic. It seems, therefore, that the politico/industrial tail will continue to wag the UK defence procurement dog however hard the MoD and the armed forces try to be masters of their own domain.

If we want to maintain our national defence industry MoD will have to give it work to perform, whether that work makes best use of our defence budget or not, or involves selling highly advanced weapons to potential enemies at the expense of the military advantage they give to our own forces. A national defence industrial strategy and an efficient and effective defence procurement system to meet our purely national military needs are as far apart today as they ever were in the past.

Is the DIS destined to go the way of all previous attempts to square this circle? [see my Memorandum in evidence to the HCDC; 6th Report 2003/4 Defence Procurement Vol II, Ev 128]

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