Defence and the Integrated Review: A Testing Time

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Cover image: Soldiers from 5 Rifles on exercise in Estonia, August 2017. Courtesy of MoD/Craig Williams/OGL.

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In February 2020, RUSI published a report by one of the authors (Malcolm Chalmers) which sought to provide a foreign policy framework for the ongoing Integrated Review.¹ The purpose of this report is to discuss what such a framework might mean when applied to UK defence planning and priorities. In preparing and revising the report, the authors have been fortunate to receive detailed and insightful comments from several senior national security professionals, and we are very grateful for their assistance. The resulting judgements, however, are entirely our own.

We would also like to express our thanks to RUSI’s excellent publications and communications teams for their dedication in turning this report around so quickly and with such professionalism, despite the many other pressures imposed by the coronavirus crisis.

Executive Summary

The government’s plan to complete the Integrated Review of security, defence, development and foreign policy before July 2020 was always unrealistic.

Now that ministers and senior officials are focused on the coronavirus pandemic for the foreseeable future, the government should agree to delay the conclusion of the review until 2021. Current defence plans and programmes should be rolled forward, as part of a one-year Spending Round.

The lasting consequences of the pandemic remain highly unpredictable, but are likely to include new debates on public spending priorities in the UK and elsewhere, new geopolitical alignments between major powers, exacerbated developmental challenges in countries worst hit by the crisis and (potentially) a further strengthening of nationalist political forces.

These new trends could require a significant rethink of the resourcing of the review. For now, the most plausible scenario is that the extra £1.9 billion allocated to the Ministry of Defence (MoD) for 2020/21 will be incorporated into the Comprehensive Spending Review baseline, and that a further 0.5% real increase per annum will be added.

The review, when it comes, should be based on a doctrine of enlightened national interest. Under such an approach, the first priority for the armed forces should be the defence of the UK homeland and its immediate neighbourhood. The shape of expeditionary forces should be determined primarily through the need to work closely with NATO allies for the defence of Europe.

The review should rethink the criteria used to make decisions on whether to intervene militarily in crises overseas, learning lessons from the strategic failures in Iraq, Afghanistan and Libya.

The Joint Force 2030, which should be a major outcome of the review, should be markedly different from the current Joint Force 2025 plan. In order to create the headroom to accelerate required modernisation, the MoD will need to dis-invest in ‘sunset capabilities’.

The MoD should also optimise its ground forces (British Army and Royal Marines) for responding rapidly to hybrid and limited threats across Europe’s periphery, drawing down those forces that are designed primarily for holding a segment of NATO’s fully mobilised front line. This could allow substantial savings in personnel costs and related investments, releasing significant resources for modernisation elsewhere. It will require moving towards a different division of labour with the UK’s main NATO European Allies.
Defence and the Integrated Review: A Testing Time

THE INTEGRATED REVIEW of security, defence, development and foreign policy is set to be the fifth major review of defence policy and plans since 1990. In the Queen’s Speech made to Parliament on 19 December, the government made clear that it would be ‘the deepest review of Britain’s security, defence and foreign policy since the end of the Cold War’. In a written statement to parliament 10 weeks later, which set out terms of reference for the review, Prime Minister Boris Johnson reiterated these ambitions.

Such rhetoric is common as defence and security reviews commence. Three months after the review was first announced, this report considers what the Integrated Review should seek to achieve in defence policy and plans in order to match that ambition. The huge consequences of the coronavirus pandemic for the global economy and for the government’s spending power and financial priorities are emerging as this report was finalised. They are likely to require a wholesale rethink of both the timing and substance of the review – both delaying its conclusion until the crisis has abated and requiring a more radical restructuring of national capabilities for security and defence.

Each major defence review since the end of the Cold War has had its defining themes. The 1990 Options for Change review was dominated by the end of the Soviet threat and the defence spending cuts which this allowed. The 1998 Strategic Defence Review (SDR) heralded a shift to expeditionary operations and prepared the ground for the interventions that followed. The 2010 Strategic Defence and Security Review (SDSR) was driven by the austerity measures launched in response to the 2008 financial crisis, but also by the experience of the Iraq and Afghanistan

The key theme of the 2015 SDSR was the shift towards deterrence of potential state adversaries, itself a response to Russian aggression against Ukraine the year before. 

In addition to the possible effects of the coronavirus pandemic, the 2020 review faces two novel challenges:

1. At the strategic level, there is the need to articulate a coherent, post-Brexit foreign policy against a backdrop of significant international turbulence, including more serious state-based threats, and increased uncertainty over the UK’s primary alliance relationships.
2. At the operational level, the shift towards state-based ‘grey area’ coercion, involving some combination of limited use of force and ‘sub-threshold’ cyber and information operations, requires the Ministry of Defence (MoD) to develop a new, integrated operational approach to deliver defence’s contribution to countering such threats.

In response to these challenges, defence should adjust the balance of its forward programme to invest more in capabilities for responding to ‘grey area’ threats, especially in Europe and its neighbourhood, in concert with allies but, if necessary, without the US. The MoD will also need to address the affordability challenge – the imbalance between available budget and spending plans – that has recurred every year since the SDSR in 2015.

The Foreign Policy Baseline

The Doctrine of the International Community, which Tony Blair set out in 1999 during a speech to the Chicago Economic Club, still underpins the recent narrative of foreign policy, including the frequent references in the 2015 SDSR to support for ‘the Rules-Based International System’. Yet almost every assumption underpinning this doctrine no longer applies.

The UK’s domestic economic prospects are much worse than in 1998, with the post-2008 stagnation in productivity now more than a decade long, and the combination of Brexit disruption and the impact from the coronavirus pandemic seems set to drive the economy into
a new recession. The main US-led attempts at large-scale forcible state-building have all proven to be strategic failures.  

The UK’s relationship with the US is now less reliable than at any time over the last half-century and could worsen further if Donald Trump is re-elected. Even if Joe Biden were to become president (and the results will not be known, on current plans, before the Integrated Review is complete), it would be complacent to assume that relations with the US could easily revert to where they were before.

The international security climate has also worsened. Russia has re-emerged as a serious security challenge and, largely as a result, threats to the UK homeland and its immediate neighbourhood have increased. Further afield, China’s military modernisation continues apace and the Pentagon now regards the country as its ‘pacing threat’, against which its long-term defence and national security planning is now primarily designed. Recent UK security reviews have pulled their punches on China, resulting in sharp differences between the UK and the US. The public quarrel over Huawei’s involvement in the UK’s future 5G network is just the latest example. UK defence policy and planning does not need to make the same judgement on the priority to be given to China as the US National Defense Strategy has reached. But it does need to take account of the new technologies China is incorporating in its defence capabilities, including the fact that some of these technologies are becoming available to potential UK adversaries in the European neighbourhood.

Attempts over the past four years to articulate a coherent, post-Brexit foreign policy – responding to these wider changes and to Brexit itself – have largely been unsatisfactory. For example, in his statement to the House of Commons on 3 February, Foreign Secretary Dominic Raab set out a ‘vision of a Global Britain’, designed to inform the Integrated Review as it considers how the UK ‘engages on [the] global stage’. He argued that UK foreign policy should be organised around the three pillars of: proving ‘that we are the best possible allies, partners and friends with our European neighbours’; acting as ‘an energetic champion of free and open trade’; and becoming ‘an even stronger force for good in the world’.

Such broad principles do not provide sufficient guidance for those charged with determining how to prioritise the use of scarce national resources. If the UK wants to prosper in a difficult

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9. There are signs that some advisers to a future Democratic administration would take a more nuanced approach to China. See, for example, M Taylor Fravel et al., ‘China is not an Enemy’, *Washington Post*, 3 July 2019.


world, it now needs to become more focused in its approach to pursuing national interests, more able to change approach when circumstances require, and more transactional in its relationships with other states. Cooperation in pursuit of mutual advantage will remain key, and such an advantage should be embedded in multilateral agreements where this is achievable. But such agreement will not always be possible, and the UK needs to be prepared to protect its interests through working with smaller groups of like-minded states.

There will always be a vital role for values in foreign policy, as well as circumstances where UK action – including military assistance and, in some cases, deployments – can make a material difference in preventing crises escalating, saving lives and helping to maintain stability in troubled regions of the world. We are not arguing for this role to be diluted. However, in these harder times, we do argue that the main driver for the UK’s foreign and security policy should be the promotion of its own economic and security interests. In sum, to coin a phrase, the UK should adopt a doctrine of enlightened national interest as the key foundation of a new foreign policy.\textsuperscript{12}

**Homeland First**

Under such a doctrine, the first priority for the armed forces should be the defence of the UK homeland and its immediate neighbourhood. This is a responsibility which citizens expect to be fulfilled by their own government, with the support of NATO allies, and for which the UK’s allies expect it to provide the lead. Yet it is a task that is becoming more difficult. At the time of Blair’s Chicago speech in 1999, the requirement to use military forces in defence of the UK itself had greatly diminished. The Soviet threat had gone, the 1998 Good Friday Agreement had removed the need to devote a large share of army resources to Northern Ireland operations, and the jihadist terrorist threat to the UK had not yet appeared.

Today, by contrast, concerns over homeland security are multiplying in relation to both state- and non-state-based actors. In addition to jihadist threats (most recently fuelled by the Islamic State), far-right terrorism is a growing concern for the security services, as are threats from serious and organised crime. The development of Russian capabilities (military and non-military) is exposing a range of further vulnerabilities in homeland defence. These include more aggressive espionage operations, emerging threats to satellite systems on which the UK’s military and national prosperity depend, unrelenting attempts at cyber penetration into UK systems, new missile systems that increase the risk to key UK-based assets, and probing of the underwater cables that are key to the country’s international connectivity.

As a consequence, defence priorities over the coming decade need to include robust air defence of the UK (and the Republic of Ireland), strengthened coastal defences against limited incursions, protection of infrastructure (defence and civil) against both virtual and physical attack, and maintaining the ability to provide adequate support to the civil power in national emergencies. At the time of writing, coronavirus pandemic contingency planning is factoring in a major contribution by the armed forces to maintaining essential services and supplies, supporting the police and other emergency services. The extent to which the armed forces are used for such purposes will rightly have an important bearing on planning for comparable emergencies in the future. Much can also be learnt from the experience of other north European countries in using the armed forces to contribute to societal resilience against a range of threats, from both state and non-state actors.13

The homeland defence task also includes both the ability to maintain the independent submarine-based nuclear force (based in Faslane) and the protection of its ability to operate undetected in the North Atlantic. Given the increasing anti-submarine warfare (ASW) capabilities that Russia is now developing, more of the Royal Navy’s attention will need to be devoted close to home than at any time since the end of the Cold War.

The primary importance of homeland defence also means that the shape of the UK’s expeditionary forces – defined as those able to deploy outside the UK, along with associated enablers and logistics – should be determined primarily by the need to work closely with allies in the region of greatest interest to UK security, namely Europe and its immediate neighbourhood. While NATO will play the central role in providing collective security arrangements for this purpose, the UK also has an interest in strengthening complementary mechanisms that can provide practical capabilities for this purpose, notably the Combined Joint Expeditionary Force (CJEF) with France and the UK-led Joint Expeditionary Force (JEF) with Denmark, Finland, Estonia, Latvia, Lithuania, the Netherlands, Norway and Sweden.14

The UK’s expeditionary forces can also be drawn upon in part in response to crises outside the European neighbourhood (for example in the Middle East or Indo-Pacific), when it is in the UK’s interest to do so. In such circumstances, however, the UK should operate on the assumption that it would only deploy forces on significant operations in these regions in a supporting role

13. This is one of the central themes of RUSI’s Modern Deterrence programme. See Elisabeth Braw, ‘From Schools to Total Defence Exercises’, RUSI Newsbrief (Vol. 39, No. 10, 15 November 2020).
to the US, and then only with a small part of the UK’s available force. The UK’s expeditionary capabilities should be optimised for their contribution to NATO forces for the defence of Europe.

The UK and NATO Burden-Sharing

Tensions within NATO over transatlantic burden-sharing are far from new. But they have reached new heights in the past three years as President Trump has demanded that Europeans should contribute a larger share of the Alliance’s collective defence capabilities and redress the imbalance in transatlantic defence spending. They are now doing so, primarily in response to Russia’s aggression in Ukraine and elsewhere, but also as a result of US pressure. Between 2014 and 2019, every one of NATO’s member states (excluding Iceland) increased defence spending in real terms, with European members of the Alliance increasing their real spending level by an impressive 18.5%.15

Successive defence reviews have placed NATO at the heart of UK defence policy and planning, and that seems very unlikely to change as a result of the Integrated Review. The challenge for policymakers will be to identify (along with allies) how best to strengthen the capabilities of European members of NATO to deter and act in circumstances (especially in response to grey-area and limited incursions) in which the US believes that its national interests are not sufficiently engaged to justify its own military involvement. It will then need to decide where the UK’s armed forces are best able to contribute selectively and distinctively to these capabilities; and the areas where they might have a reduced role – others could lead on these or they may be lower national priorities based on their likelihood and potential impact on the UK. This will be a delicate balance to achieve.

It implies that, in the short term, the UK should maintain its leadership of NATO’s enhanced forward presence in Estonia. It should also continue to contribute to Baltic security in other ways, for example through air patrols and improving NATO reinforcement capabilities. But it should resist calls to make a larger contribution to capabilities for long-notice deployments to the Alliance’s eastern frontier.

Instead, it is in the UK’s interests to encourage Germany to take the biggest role (among the larger European states) in filling any gap that might be left in NATO’s front line should the US decide to draw down its forward presence in Europe, and/or decide to refrain from taking a major role in a future ‘grey area’ crisis. The German defence budget has been growing more rapidly – by 25% in real terms between 2014 and 2019 – than those of the UK or France, and already exceeds that of the latter.16 However, it has no nuclear weapons and a relatively small maritime force, and it deploys fewer forces on operations abroad than either France or the UK.

In practical terms, it would make sense for the UK to optimise its ground forces (British Army and Royal Marines) for responding rapidly against a wide range of hybrid and limited threats across Europe’s periphery, while drawing down those forces that are designed primarily for holding a segment of NATO’s fully mobilised front line. This could allow substantial savings in personnel costs and related investments in mobility, infrastructure and training. Importantly, most of these savings could be available within 3–4 years. Provided that the total MoD budget rises in real terms, this should release significant resources for modernisation across defence (including in top-end army capabilities).

This reorientation would need careful handling with allies. Despite the emphasis placed on new technology by its Allied Command Transformation, and the targets set by NATO’s Readiness Initiative, the Alliance’s main force goals are still dominated by traditional measures of military power.\(^\text{17}\) It will be especially important for the UK to make the case for modernisation with its allies in the US, Germany, France, Poland and the JEF countries. But it would be worth it. The UK’s continuing commitment to the 2% target – and its good track record on modernising its forces – can help to create the space for a mature conversation about the need for sustainable burden-sharing between European allies, as well as between Europe and the US. This will be even more important if key European countries, acting in concert, are expected to take more of a leading role in responding to crises in their own neighbourhood.

**The China Question**

The UK and its allies will need to push back strongly when China threatens their interests, whether through predatory economic practices, attempts to achieve dominance in technologies important to national security or actions that undermine the political autonomy of friendly and allied states. Yet these threats need to be addressed in a way that also leaves space for continuing political, economic and technical cooperation in those areas where common interests are more important than competition over the share of the pie. This requirement for deepened cooperation between the major powers is perhaps clearest in relation to climate change mitigation. But it also extends to a wide range of other international public goods, from regulation of potentially dangerous new civil technologies to global public health.

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Western policy needs a course correction in relation to China, and the UK (along with others) should give particular priority to reducing the excesses of national security vulnerability that have resulted from unfettered globalisation, and insisting on a level playing field for international trade and market access. But it remains in UK interests to resist US pressure to view all relations with China as part of a zero-sum competition for dominance. Rather, it should work with others, including in Europe, for a more transactional approach to China based on the need for hard bargaining in pursuit of national interests, but also a recognition for the potential for agreements that can provide mutual benefits.

There are severe limits to what the UK can do alone. But its ability to shape international discussions is helped by the fact that medium powers – such as the UK – are relatively more influential than at any time in recent history. International borders remain remarkably stable and opportunities for international trade mean that countries do not seek economic self-sufficiency. Size matters less, as a result, than in past periods dominated by great power warfare and imperial conquest. Nuclear weapons have ensured that no rational leader of a major state can harbour illusions of total victory. And nuclear deterrence is only one of many factors that help explain the absence of major war over the last seven decades and continue to make it unlikely (though not impossible).

Given this wider context, most states do not believe that they should have to choose sides in a new struggle for world domination between the US (with the world’s most powerful military) and China (on track to be the world’s biggest economy). For all the rhetoric, military spending in most major powers remains low as a percentage of GDP. This is not a world in the grip of a 1930s-style arms race. Rather, it is one where the partial return to multipolar jostling coexists with strong levels of economic and societal interdependence, and in which most competition plays out through grey-area coercion, subversion and espionage. One of the big challenges for the coming period, especially for the US and China, will be to keep it that way when the risks of mutually destructive behaviour are growing. To the extent that it can, the UK should reject US pressure to make containment of China its central security project for the 2020s. It should argue instead for a more calibrated and transactional approach, accepting that relations with China will remain both conflictual and cooperative for the indefinite future.

Criteria for Intervention

During the period between its withdrawal from East of Suez in the early 1970s and the end of the Cold War in 1991, the UK’s only significant military operations were independent and in defence of national territory – the ongoing operations against the IRA in defence of the UK’s territorial integrity, and the 1982 Falklands War. There were many armed conflicts throughout Asia, the Middle East and Africa during this period. However, the UK (like the US after its withdrawal from Vietnam in 1975) refrained from any large-scale military involvement in any of them. Instead the UK, like the US, focused its attention on maintaining a robust balance of forces against the Soviet Union – in the UK’s case, mainly through NATO.
The last three decades, in stark contrast, have seen the UK involved in several serious military conflicts. The first wave of these discretionary interventions, in the Western Balkans, was seen as largely successful, creating the political climate for the 1998 SDR, which in turn set the policy ambition for the armed forces to become a ‘force for good’, albeit made affordable through the unrealistic operational approach of ‘first-in, first-out’ (the notion that highly capable UK forces would take on the fighting at the start of crises then leave the subsequent stabilisation phase to less-capable allies). The subsequent policy response to the 9/11 attacks, set out in the 2002 New Chapter to the SDR, reinforced this focus on intervention.18

Partly as a result of this policy framework – accepted by the leadership of both major parties – the two decades that followed saw the armed forces involved in a series of sustained military operations, most notably in Afghanistan and Iraq. Although some smaller interventions (for example in Bosnia and Sierra Leone) can be judged as being successful, along with the 1991 expulsion of Iraq from Kuwait, the overall ‘scorecard’ has been deeply unimpressive.19 Both the US-led attempts at large-scale forcible state-building, to which the UK contributed, in Iraq and Afghanistan have been clear strategic failures, despite the enormous fiscal and human costs that have been involved.

In response to this experience, the 2010 SDSR set out more selective criteria for the use of the armed forces in discretionary interventions, but this did not prevent UK involvement in the 2011 intervention in Libya, the consequences of which constitute yet another strategic disaster. The 2015 review was silent on the question of intervention criteria. In a 2017 speech in Philadelphia, Theresa May decided to draw a line under the UK becoming involved in such interventions in future, but without producing a fuller policy statement endorsed by the national security bureaucracy.20

It is important to break the spell still cast by the 1999 Doctrine of the International Community if a genuinely new foreign policy is to be developed. The Integrated Review should therefore tackle this issue head-on, starting with an honest examination of the lessons that need to be learnt from the failure of recent interventions. The track record of recent discretionary state-building interventions has been so poor, and so consistent, that it no longer makes sense to use the possibility of future such operations (such as those in Basra and Helmand for the UK) as planning assumptions for force design. The further assumption should be made that, even if the UK feels obliged for reasons of Alliance solidarity to make some contribution to a mission, it should ensure that any burden-sharing arrangements do not impose a disproportionate burden on the UK compared with other European states. This strand should be informed by

the UK’s generally positive experience of defence capacity building and contributing to UN peacekeeping missions.

A New Operational Approach

State-based threats to the UK’s national security are manifesting in new ways, including through the use of non-military methods, and are now more significant than at any time since the end of the Cold War. Russian military and security doctrine has become more openly aggressive in recent years, and its forces have benefited from the significant programme of modernisation that has been under way since their poor performance in the 2008 Georgian conflict. We have seen the results in Ukraine, Syria and elsewhere. China’s defence strategy and capabilities are also developing, as it seeks to take advantage of the perceived limitations of Western military and economic power.

The most important outcome of the 2017 National Security Capabilities Review (NSCR) was the Fusion Doctrine – designed to knit together all the levers of national power to tackle the wider and more difficult range of threats the country is now facing. This approach is vital, given the enhanced role that non-defence assets (including those held by the Foreign and Commonwealth Office, the security and intelligence agencies, Department for International Development and the Home Office) have in a national response. This was tested to good effect by the Skripal poisonings, when the Cabinet Office used this doctrine to guide a strong, sophisticated and effective cross-Whitehall response.21

In relation to defence specifically, there have been several attempts over the past five years to define how the UK’s armed forces should fight in future against adversaries who are employing ‘hybrid’ or ‘sub-threshold’ approaches in the ‘grey area’ of warfare. A range of concepts for such operations have been proposed by the MoD: ‘Warfare in the Information Age’, ‘Multi-Domain Operations’ and ‘Information Advantage’ among them.

The 2018 Modernising Defence Programme (MDP) set out how the MoD envisaged defence contributing to the Fusion Doctrine, at home and overseas, supporting and enabling other government departments, the police and border force, and the intelligence agencies. Work is now underway to further develop this approach and consolidate these ideas that into a new, integrated, future operational concept for the armed forces. This work will need to clarify how defence’s hard power capabilities contribute to the campaigning approach the government will need to take to complex, hybrid security challenges. Defence’s enhanced role in strengthening national resilience should be a key feature. Deterrence – preventing conflict through demonstrating that an adversary cannot gain from aggression – should remain a key feature of this new concept, but with increased emphasis on the new domains of warfare (particularly

cyber and space). The new concept should inform the reorientation of the armed forces towards capabilities relevant to the likely operational environment of the next decade.

Mobilise, Modernise and Transform

In line with this emerging integrated operating concept, the MDP proposed measures to ‘Mobilise, Modernise and Transform’ the MoD and the armed forces. Its ambitions were limited, however, by the political and fiscal circumstances of the time. It was also criticised for not establishing clear priorities within, and between, the first two objectives, which inevitably compete for limited additional resources.

Under this framework, priorities for conventional force modernisation – over and above those currently in the plan – should include improving cyber security capabilities (offensive and defensive) relevant for national security, space capabilities and organisation, making select forces (including special forces) more mobile, more robust and more lethal, maintaining an ASW edge in the North Atlantic through to 2030, and enhancing carrier capability (defensive and offensive). New capabilities will be required to respond to more capable conventional ballistic and cruise missiles being deployed by potential adversaries. More is required for defence research in order to maintain a technological edge in selected areas, promote UK innovation and economic opportunities, and slow the trend towards greater dependence on US-provided equipment and support. Artificial intelligence, machine learning, human–machine teaming, automation, robotics and other new technologies all have the potential to accelerate these efforts and improve the readiness and availability of forces.

In order to be able to invest more in modernisation, the commitment to mobilise will need to be more selective, focusing on the priority requirements set out above. This is essentially a choice between capabilities for now and capabilities for the future. In the review, the MoD should also consider how it can dis-invest and begin to phase out ‘sunset capabilities’ (older platforms with limited utility in relation to their costs, and areas in which duplication remains), in order to accelerate modernisation and the fielding of ‘sunrise’ capabilities. Two of the four main post-Cold War reviews (the 1998 SDR and the 2015 SDR) were too cautious in taking such steps, which will be necessary to create the financial headroom to deliver the quicker modernisation that is now required.

Yet the primary source of savings will need to come from some recalibration of the central 2015 planning assumption of ‘a highly capable expeditionary force of around 50,000’, to be available by 2025. That ‘headmark’ was widely welcomed at the conclusion of that review, as a corrective to the diminished ambition of the 2010 SDSR, in which a brigade-level stabilisation operation was central to force planning, and the ‘best effort’ planning assumption was a one-off

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intervention involving up to 30,000 personnel. Rather than revisiting this headline number, however, the debates during the Integrated Review should be about the speed at which a force of this size would need to be generated and deployed, and thus which operations and activities should become ‘force driving’ to inform judgements about the size and shape of a putative Joint Force 2030.

The Joint Force 2025 construct that was the key defence outcome of the 2015 SDSR is the product of a succession of major and minor reviews during the past 20 years, and of significant recapitalisation.\textsuperscript{23} The modernisation and adaptation of that force, required to deliver the foreign policy doctrine and new operational approach recommended above, will need some significant changes to these plans.

2015 SDSR’s commitments to ‘a maritime task group, centred on a Queen Elizabeth class aircraft carrier with F-35 aircraft’ will remain the backbone of the Royal Navy’s plan.\textsuperscript{24} This has been a major strategic investment programme which will mean that UK carrier-strike capabilities are second only to those of the US in the decade ahead. The effectiveness of the carrier group would be enhanced by the addition of unmanned systems with which the navy is experimenting. The ‘Special Forces task group’ should be maintained in full. The commitment in the same document to ‘an air group of combat, transport and surveillance aircraft’ should be re-calibrated by rationalising air transport capabilities and helicopters and by making more extensive use of unmanned platforms for ISR (intelligence, surveillance and reconnaissance) tasks. But a more radical review will be needed in relation to the land component.

There remains a strong case for the UK to be able to plan, generate, command and deploy a division-sized land force as part of NATO’s collective capability for the defence of Europe. Within this overall aim, three variables should be examined as part of the review: first, the speed at which it is thought to be necessary, or possible, to deploy a UK-only division of three brigades, and thus how many resources are needed to maintain the readiness of the UK’s third brigade; second, how far it is assumed that operations at that scale would likely be multinational, thus allowing a US or European brigade to complete such a force; and third, how reserve forces could contribute to a longer-notice, large-scale deployment.

This would be consistent with the wider thrust of this report – that the UK should prioritise being able to operate in short-notice, limited-scale crises along with other allies, but without the US if necessary. Ordering reductions in armour, artillery and infantry capabilities that have no prospect for deployment within timescales relevant for short-notice crises would help to release resources for this purpose.


\textsuperscript{24} \textit{Ibid.}, p. 29.
The Budget Dilemma

The government should use the framework set out above to guide priorities for the defence programme over the next decade. While a budgetary settlement has not yet been agreed, the current government position remains that the Integrated Review will conclude alongside the Comprehensive Spending Review (CSR) in July.25 Given the complexity of the capability choices necessary for a sustainable review, this has never been a credible timetable.

Until early March, it still seemed possible to aim to conclude both the Integrated Review and the CSR in autumn 2020, in line with the schedule used in both the 2010 and 2015 SDSR exercises. But the accelerating impact of the coronavirus pandemic since then has thrown this into question. Its lasting consequences remain highly unpredictable, but are likely to include new debates on public spending priorities in the UK and elsewhere, new geopolitical alignments between major powers, exacerbated developmental challenges in countries worst hit by the crisis, and (potentially) a further strengthening of nationalist political forces. Together, when the dust settles, these new trends could require a significant rethink of the final resourcing and conclusions of the review.

Now that ministers and senior officials are likely to be focused on the coronavirus pandemic for the foreseeable future, it seems increasingly unlikely that the government will have the capacity to complete a full multi-year CSR this year. Given this, it should agree to delay the conclusion of the Integrated Review until 2021. Work should continue to address key foreign and defence policy issues, some of which could be decided in the months ahead to provide the foundations for further work. This report makes recommendations on a range of these issues. But current defence plans and programmes should be rolled forward, as part of an expected one-year Spending Round.

Whether a multi-year CSR takes place in 2020 or 2021, it will be important to get provisional agreement on the total funding profile for the MoD at a relatively early stage. Three credible scenarios can be envisaged.

First, in a credible worst case (perhaps occasioned by the severe economic recession that the country might now be facing), the Treasury would insist on using the original 2015 Spending Review allocation for 2020/21 of £39.1 billion (for the MoD) as the baseline, and then awarding annual 0.5% real-terms increases (as promised in the Conservative manifesto) on top of this through to the end of the CSR period. This would exclude from the baseline the £1.9 billion additional 2020/21 spending (including £700 million for increased pension contributions) allocated to defence in the Autumn 2019 Budget.26 It would imply an MoD cash allocation of around £44.4 billion in 2024/25.

25. HM Treasury, Budget 2020, p. 34.
Second, in a credible best case, the Treasury could agree to a faster rate of increase after 2020/21. This might build on the government’s commitment in the 2020 Budget to increase capital spending as a proportion of total spending, while continuing to restrain operational spending. Thus, for example, day-to-day spending (RDEL) on defence could be frozen in real terms, while capital spending (on new equipment and construction) is increased by 5% per annum in real terms. The MoD’s case could be further enhanced if it was able to argue that increased capital spending, for example on its digital infrastructure and autonomous systems, could lead to savings in future operational costs. On this scenario, capital spending would rise by around 22% over the next four years and fund an MoD cash budget of some £50.2 billion in 2024/25.

The most plausible scenario, however, remains that the extra £1.9 billion allocated to the MoD for 2020/21 in the 2019 Spending Round will be incorporated into the CSR baseline, and that a further 0.5% real increase per annum will be added. This would mean an MoD budget allocation of £46.6 billion in 2024/25. If 0.5% annual growth is sustained as a planning assumption through to 2030, this would be enough to eliminate the gap in the 10-year equipment plan. Some problems with phasing would remain – the affordability problem is worst in early years. But contract rescheduling and other technical fixes should help to reduce the gap.

Yet the apparent space in the programme in the late 2020s is largely illusory. In addition to likely slippage from the early 2020s, this is also when substantial new investments will be needed for probable like-for-like replacements for Typhoon aircraft, Astute-class submarines and Type 45 destroyers. Pressure for real wage increases could also return after a decade of suppression. If current numbers are maintained, personnel’s share of the budget will then need to rise.

Conclusion

The Integrated Review is now well underway. It takes place against a backdrop of strategic uncertainty that has not been matched since the immediate post-Cold War defence review in 1990. Successive reviews over the past 30 years have provided strong policy and capability foundations for a force design on which the Integrated Review can build. The new foreign policy approach and sharper operational concept this report advocates would provide a design blueprint for the faster modernisation of the UK armed forces. Given the most plausible budget settlement, achieving the financial headroom to create the right Joint Force 2030 will require trade-offs between the mobilise and modernise strands of the MDP, and bold decisions on phasing out sunset capabilities. It will also require moving towards a different division of labour with the UK’s main NATO European Allies.

Given these multiple challenges, the prospects of completing a radical and sustainable Integrated Review before the summer recess were remote even before the coronavirus pandemic. Some foreign and defence policy questions can be settled in principle in the period ahead to inform

27. The budget commits the government to increase total capital spending (CDEL) from £71.1 billion in 2019/20 to £112.8 billion in 2024/25. See HM Treasury, Budget 2020, p. 30.
the major capability and financial decisions that will need to be made later this year or early next. But ministers and senior officials are likely to be focused on the coronavirus pandemic for the foreseeable future. In due course, further work will also be needed to incorporate the consequences of the pandemic for the country’s security priorities and their resourcing. The government should therefore agree to delay the conclusion of the review until 2021. Current defence plans and programmes should be rolled forward, as part of a one-year interim Spending Round settlement for 2021/22.
About the Authors

Malcolm Chalmers is Deputy Director-General of RUSI and directs its growing portfolio of research into contemporary defence and security issues. His own work is focused on UK defence, foreign and security policy. His most recent papers have been on national interest and UK foreign policy, tensions between the rules-based international systems, UK defence budgeting, and the security implications of Brexit. He was an Adviser to Parliament’s Joint Committee on the National Security Strategy (2012–19) and was Senior Special Adviser to Foreign Secretaries Jack Straw MP and Margaret Beckett MP.

Will Jessett retired from the UK Ministry of Defence in January 2019. His last role was as the department’s strategy director, in which he led the department’s work on the 2015 Strategic Defence and Security Review, the 2017 National Security Capability Review and the 2018 Modernising Defence Programme. He worked in a variety of policy, strategy and operational roles during his 33 years in public service, specialising in strategic planning and the conduct of defence and security reviews. He is now pursuing a second career advising overseas governments and commercial organisations on strategy and planning.