Executive Summary

The Whole Force Concept is the label applied to the UK’s reform of its military in which the armed forces change from being solely composed of a volunteer, professional army, navy and air force – wholly enwrapped within the governmental sector – to instead become a partnered arrangement of regular military, regular reserves, volunteer reserves, sponsored reserves and private-sector contractors. These would be employed under ‘standing’ contracts and ‘responsive’ contracts to deliver military capabilities and outcomes.

It is important to develop the thinking around the Whole Force so that defence capabilities reside where they are best managed and developed across an ever-expanding defence public-private partnership – actively shaped and deliberately managed as a whole enterprise. As part of this work, more overt thinking needs to be undertaken on the articulation of requirements, the provision of surge capabilities and the generation of replacements, both in theatre and right through the defence value-chain. Decision-making has to be open and subject to full Parliamentary scrutiny. So the challenge for Westminster, Whitehall and corporate boardrooms is to operationalise an idea that already forms part of the taxonomy of defence.

The difficulty, though, is that this complex and multi-part enterprise requires focused enterprise-level planning and management. This seems to be missing from within government, leaving the notion of the Whole Force Concept to free-wheel. This is unacceptable if UK defence now rests on the successful implementation of this idea.
Making the Concept a Reality

The Whole Force Concept is the label applied to the UK’s reform of its military in which the armed forces change from being solely composed of a volunteer, professional army, navy and air force – wholly enwrapped within the governmental sector – to instead become a partnered arrangement of regular military, regular reserves, volunteer reserves, sponsored reserves and private-sector contractors. These would be employed under ‘standing’ contracts and ‘responsive’ contracts to deliver military capabilities and outcomes.

This briefing analyses the imperatives for the Whole Force Concept, the undoubted opportunities it offers to the UK, and the challenges that need to be effectively managed if it is to be a success. This is a short paper addressing a huge topic that has been poorly served and woefully misunderstood to date. What was once the preserve of standing armies now resides, in part, with standing commercial arrangements. It is a very profound change to notions of the military instrument – but it has been silent revolution, as a national discussion around this transformation has not taken place.

When the authors asked members of the general public – albeit in an ad hoc, unscientific manner – their responses suggest that, at the very least, the UK public is ill-informed about the drive to the Whole Force and its impact on the military component, with many expressing concern that the military was being ‘privatised’ or ‘outsourced’. This paper is the product of that reflection and a direct contribution to better public understanding of the changes underway.

The Research

The authors sought to unpack and explore the perceptions of practitioners and the broader stakeholders of the Whole Force Concept. To that end, we split the community into six distinct groups:

- Members of Parliament
- The military – at two-star level and above, both serving and recently retired
- The military – at Staff Officer 1 (SO1) level (Lieutenant Colonel and equivalent), both serving and recently retired
- Civil servants within the Ministry of Defence (MoD), senior commercial and management officials
- Defence companies specialising in contractor support to operations, represented at the director level
- Commentators and analysts.

Under conditions of anonymity, representatives of each of these groups were invited to a number of research dinners and workshops held at RUSI between
March and August 2014. The thoughts and reflections of the members of these groups were captured through facilitated discussions and semi-structured interviews, allowing the researchers to glean subjective insights into the opportunities and challenges posed by the Whole Force Concept. These insights were further distilled through comparisons with the findings and conclusions of papers sourced through a literature review undertaken from December 2013 to May 2014.

Thereafter, in November 2014, more senior officers and officials from the MoD were generous with their time, reflecting the formal policy narrative onto emerging findings.

‘From?’: The Baseline

The layman’s, common-sense view is that military operations are undertaken and supported by military personnel, so that when that operation is undertaken by the UK it involves people from the Royal Navy, the British Army and/or the Royal Air Force. Wars are fought by men (and increasingly women) in uniform not in factory overalls, proudly displaying the flag of their nation rather than the logo of their corporation. In our discussions, this is held to be correct by both certain members of the general public and, more intriguingly, certain MPs.¹

Indeed, in the First Gulf War of 1991, the British air component of coalition forces comprised a wing of Tornado aircraft supported by an RAF Maintenance Unit of military engineers, suppliers and movement specialists, whilst the land element comprised extensive standalone forces of tank, infantry, support and special-forces regiments. The contribution by specialist, civilian contractors in theatre during 1991 was extremely minor.²

However, as we shall discuss shortly, the UK’s wars of the twenty-first century in Iraq and Afghanistan show a situation that seems profoundly different. Initially, though, it helps to think of defence businesses in the private sector as contributing to the generation of military capabilities through two distinct, though often overlapping, functions. The first is the role played by businesses in preparing the military for operations through the development and manufacture of military equipment, the servicing of equipment already in use by the military and the provision of training for military personnel in the use of materials and machines provided by the industrialist. The second

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¹. In our structured interviews and facilitated discussions, a small number of MPs involved thought that private sector businesses played a limited and minor role on operations such as those being conducted in Afghanistan since the ‘surge’ of 2006.
function is the myriad activities undertaken by industry within the theatre of operations itself at the sharp-end of military endeavours.

With this in mind, what was the situation in more recent operations in relation to private-sector commercial support to British forces on the battlefield? The final MoD report on operations in Iraq – during which about 1,500 civilian contractors were deployed to the Gulf from 2003 until the end of the decade – states with regard to the task of generating force capabilities:

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The very considerable success in delivering equipment against very demanding time and performance criteria owed much to the excellent contribution of contractors in the face of relatively late changes to the force composition and constraints on early consultation with industry.

To use 2010 as a snapshot, in that year about 7,000 contractor employees were deployed and contracted by the MoD on Operations Telic (the Gulf), Herrick (Afghanistan), Calash (Indian Ocean) and Oculus (the Balkans). Contractor support to operations (CSO) accounted at the same time for about 45 per cent of the UK overseas operational effort. Indeed, estimated annual CSO expenditures for 2010 came to around £2.6 billion.

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In terms of in-theatre support, contractors from the industrial base usually have an immediate and integral role to play in equipment maintenance and turnaround in support of the military effort on operations. As well as equipment servicing and support, people from industry are also engaged in managed service functions such as guarding, catering, accommodation and logistics.5 The private sector has become a ‘force multiplier’ in contemporary military operations – or, as Norman R Augustine formulates, perhaps even a ‘branch of the armed forces’.6 Consequently, contractors on deployed operations (CONDO)7 are a key element of the UK’s defence capability.

The components of the military instrument have profoundly changed from the 1991 baseline, in which very few non-military people were involved in operations, to a new reality in 2010, in which almost half the operational force, by both manpower and input cost, were drawn from industry.\(^8\) The Whole Force Concept is a manifestation of this trend of reforms towards the public-private partnering of defence that characterises contemporary UK defence.

‘To?’: The Whole Force Concept
The coalition government that came to power in May 2010 faced a perfect storm of challenges. There was a requirement to simultaneously address the needs of challenging operations and strategic threats; a decline in government revenues and a rise in government borrowing associated with the 2008 financial crisis; and a significant gap between MoD equipment commitments and forecast budgets.

The government published its National Security Strategy and the Strategic Defence and Security Review (SDSR) in October 2010. Preparation was crammed between an election in May and the publication of a comprehensive spending review in the autumn – a period of time also defined by the negotiation, formation and initiation of the first UK peacetime coalition government in generations. Yet the outputs from this work would impact profoundly upon UK defence.

The strategic context for the development of the Whole Force Concept was a combination of things: a reduction in real terms in the defence budget of about 7.5 percent over four years;\(^9\) significant force reductions for the land army, fleet and RAF; the scrapping of systems such as Nimrod MRA4, Harrier and Sentinel; and the planned mothballing (since revoked) of one of two new aircraft carriers.

As a consequence, in 2011, the Deputy Chief of the Defence Staff (Personnel and Training) captured emerging thinking around the Whole Force Concept, which was portrayed as a comprehensive approach to optimising effects on the front line by providing a blend of civilian, MoD civil service and contractor personnel, deployed in harmony with the regular reserve, the volunteer reserve and the regular armed forces. The trade off for the optimum force mix was between readiness levels and the duration of operations.\(^10\) A pictorial representation of the Whole Force Concept is given below.

\(^8\) As discussed within a semi-structured interview with military respondents in March 2014.


The vision of the Whole Force Concept rests heavily on the intellectual case for seamless partnership and partnering between the military, retired military personnel with reserve obligations, defence businesses (under contract and as repositories of sponsored reserves) and individual volunteer reservists. (A short summary of partnership and partnering in defence as a concept is provided in Annex A.)

**The Ideology of Partnering**

In defence management, an often-heard evocation is for government and industry to, somehow, become ‘partners’ in the generation of defence capabilities. For instance, following the collapse in 2013 of the government-owned, contractor-operated (GoCo) proposal for the reform of the Defence Equipment and Support (DE&S) organisation (the body responsible for UK defence acquisition), the government intends to appoint partners from the private sector to provide project-delivery services, financial management of the procurement portfolio, management information systems and information technology, as well as expertise in human-resources management.

This may represent the privatisation of defence procurement just shy of full-scale outsourcing. The notion of ‘strategic partnership’ through the appointment of a private-sector consultancy or service provider to deliver such core functions in harness with the MoD can be perceived as sensible, managerial reform.¹¹

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¹¹ For example, see Karl West and Oliver Shah, ‘Hammond Prepares to Privatise MoD’, *Sunday Times*, 15 January 2012; and Carola Hoyos, ‘MoD Shifts Stance on Suppliers’, *Financial Times*, 1 February 2012.
Indeed, Bernard Gray, the Chief of Defence Materiel, argued in November 2011 that strategic partnership with the private sector was the principal option he was exploring, with senior colleagues, for the reform of the entire defence enterprise in the UK.\textsuperscript{12}

Understanding, therefore, what ‘partnership’ or ‘partnering’ actually means to both the MoD and industry is critical if analysts and the public alike are to make sense of a phenomenon that seems a major aspect of defence management and ongoing public-sector reform. It is especially important in the context of the Whole Force Concept, as respondents have repeatedly informed the authors that the concept represents nothing more than the sensible extension of the broader partnering agenda. But what is this ‘partnering’ in the context of defence?\textsuperscript{13}

There are three interlocking considerations. First, since 1998 and the start of the change-management agenda under the Labour government’s Smart Procurement Initiative, there has been a clear policy preference from within the MoD to deliver certain defence capabilities or activities, somehow, in partnership with industry. How this was to be done, or indeed how this has been achieved since 1998, is certainly worthy of broader research.

Second, under the Conservative–Liberal Democrat coalition government, the department has launched a number of high-profile partnering initiatives. One was a procurement programme known as the Chemical, Biological, Radiological and Nuclear (CBRN) Key Strategic Partnership, which aimed at business transformation of this nationally significant sector. This was a bounded and costed year-long assessment phase programme between the MoD and a number of defence companies to generate, \textit{inter alia}, the business case for a long-term partnered solution between government and industry to provide national CBRN capabilities.

The programme, concluding at the end of 2011, was hailed as a significant test-case for future strategic partnering initiatives between the MoD and industry. Regrettably, no business case submission for the Key Strategic Partnership concept was either offered or passed in the years following this assessment. Rather, colleagues from within MoD reported that a lack of clarity over programme requirements, methodology, project-management practices and matching resources left the partnering concept floundering.\textsuperscript{14} It does not look promising as a test-case for broader reform, and suggests

\textsuperscript{12} See \textit{Desider Magazine} (No. 42, November 2011).
\textsuperscript{14} The authors talked with both MoD and industry members of the Joint Delivery Team in December 2011 and January 2012.
that there may be a tension between the narrative of partnering and its programmatic realities.

Third, and as stated above, there is widespread coverage of the Chief of Defence Materiel’s changes to DE&S, whereby the department and industry are expected to partner with each other in the delivery of UK defence procurement.\textsuperscript{15} Given the large sums of money concerned,\textsuperscript{16} and the significance of defence acquisition to the success of the military component, understanding the ‘partnering’ phenomenon and its place within defence policy is critical – especially if that understanding underlies judgements of the Whole Force Concept.

Rather, policy-makers and corporate executives need to be clear-eyed about programme intent and required benefits when they use terms such as ‘partnering’ or ‘partnership’. Clarity around the operationalisation of that intent is very important, through costed, bounded and properly resourced delivery programmes. In short, there is a world of difference between, on the one hand, a glib, uncritical partnering posture and, on the other, the complexities and challenges of real delivery programmes to actually bring forward the required effects and benefits necessary for a nation’s security. When the two are confused, the UK runs the risk of capability gaps and defence incoherence.

Opportunities and Challenges
Our research suggests a number of opportunities that could be exploited by the Whole Force Concept. As ever, though, it is the implementation of an idea, rather than the idea itself, that should be the focus of attention and effort. Consequently, plans should be developed – in government and industry – to operationalise these potential opportunities:

- Some estimates suggest that in excess of 10 per cent of the defence budget is spent on individual and collective training. Having defence

\textsuperscript{15} One of the authors was briefed by a senior MoD official on 13 January 2012 that options for the reform of DE&S revolved around choices between some form of Government Owned, Contractor Operated (GOCO) organisational solution, the establishment of a trading fund, perhaps in partnership with a private-sector company, or the creation of a Non-Departmental Public Body. For a number of officials and commentators, the debate should be concerned with not just the organisational solution proposed by any DE&S reform, but also its future spending powers and ability to raise capital.

\textsuperscript{16} See Ministry of Defence, \textit{National Security Through Technology: Technology, Equipment and Support for UK Defence and Security}, Cm 8278 (London: The Stationery Office, February 2012). In the foreword, Peter Luff MP, Minister for Defence Equipment, Support and Technology reports that the government spends about £18 billion on defence from within the industrial base, most of this administered by DE&S.
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skills and competencies garaged and maintained, in part, within industry could offer substantial savings to the MoD.\(^{17}\)

- Much of the value of a defence business derives from intangible assets on a balance sheet, such as intellectual property, and an order pipeline associated with the company’s personnel, knowledge and abilities. Consequently, there is a commercial business case for the company involved in the defence market to recruit and retain the skills needed by defence in pursuit of the Whole Force Concept.

- For an effective, long-term military-industrial partnership to thrive, it seems clear that joint planning assumptions and methodologies are key enablers.\(^{18}\) Under the Whole Force Concept, there is the opportunity for defence businesses under contract to the MoD to contribute more effectively to the planning process for contingent and enduring operations.

- In an army configured around a regular force of 82,000 personnel, a reserve force of 30,000, and an unspecified number of contractors, a clear and unambiguous understanding of current and emerging capability gaps across the portfolio will enable defence expenditure to be targeted more effectively. Indeed, the Whole Force Concept allows for a virtually continuous skills audit across the defence enterprise. This should be enacted as the department continues to plan its long-term engagement with commercial partners. This is especially critical as further contracts to outsource logistics and support services are awarded by the government.

- The building blocks of defence capability are, in part, located in the Whole Force Concept, as shown in the diagram earlier. This presents as a multi-faceted delivery organism that would benefit from the rigours of clear and unambiguous enterprise management. If so, then planning, resourcing and execution should form part of that enterprise management, which moves the Whole Force Concept from realms of policy or philosophy to the hard miles of delivery.

- Lastly, a number of senior and expert former-military personnel now reside in the private sector. These men and women still possess ideas and competencies that can be utilised by government – and the Whole Force Concept can, as a vehicle, ensure their ongoing availability.

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17. For example, BAE Systems’ maintenance of the Tornado force has offered economies over the RAF’s in-house solutions.

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to the defence enterprise. But more than this, industry possesses people who are experts in portfolio management, risk management and project delivery – practices that are often perceived to be lacking within the public sector. Blending these overt commercial skills with more specific defence skills can only benefit those concerned with protecting the UK’s borders or prosecuting its operations. The Whole Force Concept articulates the desirability and, indeed, the inevitability of this public-private-partnership to weld traditional governmental and business skills into one coherent whole. For many of our respondents, it is a rare opportunity that should not be lost.

The potential to squander a sensible opportunity is the ghost at the banquet of the Whole Force Concept. As stated, the case has not been made to the public, and how it is to be operationalised remains unclear. It is as if a new and exciting belief system has emerged without the enabling architecture of churches, priests and congregations; a great idea, but somehow lacking in physicality.

For any initiative to take hold, especially within government, it must first typically look like a project with a clear set of activities and resources; a timeline; recognised outputs and outcomes; and responsible personnel. It is not possible to identify ‘Team Whole Force Concept’ beyond the staff in the Chief of Defence Personnel’s area, and critical success factors for the enterprise as a whole have not yet been clearly articulated. Yet high-value, long-term contracts with industry for key enabling activities exist and more will be made in the future. The suite of reservists, from sponsored reserves to volunteer reserves, is also a reality and shrinking regular force numbers has been a characteristic of UK defence since 2010. How can we tell if the right contracts have been let and various types of reservists brought to the party in appropriate numbers if UK defence as a whole is not being planned and subsequently managed as a coherent enterprise through the mantra of the Whole Force Concept?

The challenge is to turn the ingredients of the Whole Force into a coherent whole that ensures the best use of resources for outputs across the defence portfolio. This takes vision, no small amount of enterprise management, and targeted commercial engagement. Yet there is little evidence that this is properly or widely understood.

Conclusions
The Whole Force Concept is little understood beyond the clique of defence practitioners; and even amongst this community the understanding is

contingent and subjective. This is a challenge, as the benefits that the concept affords defence are potentially substantial. Indeed, the blending of defence contractors, regulars, reservists and local, casual labour is a reality of defence that looks unlikely to change.

It is important to develop the thinking around the Whole Force so that defence capabilities reside where they are best managed and developed across an ever-expanding defence public-private partnership – actively shaped and deliberately managed as a whole enterprise. As part of this work, more overt thinking needs to be undertaken on the articulation of requirements, the provision of surge capabilities and the generation of replacements, both in theatre and right through the defence value-chain. Decision-making has to be open and subject to full Parliamentary scrutiny. So the challenge for Westminster, Whitehall and corporate boardrooms is to operationalise an idea that already forms part of the taxonomy of defence. The myriad security challenges the UK faces suggests it cannot shirk this responsibility.

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Annex A

A Summary of Partnership and Partnering in Defence

There are two terms being used; that of ‘partnership’ and that of ‘partnering.’ Partnership is defined as ‘a state of being a partner, where partner is a person who shares or takes part with another, especially in business, with shared risks and profits.’ To partner, therefore, is to join with another to deliver a considered set of outputs or outcomes.

For example, The Gower Handbook of Management notes that instead of conducting a particular activity through the medium of a corporation possessed of a specific legal identity, or a government department or other public body, a partnership is merely a form of organisation that binds two or more parties together in pursuit of a common purpose. More often than not, no separate legal entity is formed beyond the identity of the individual partners themselves, with some form of negotiation between the parties still necessary to articulate their respective responsibilities to each other.

‘Partnering’ is a much looser term, and one derived from the Japanese model of post-war manufacturing, especially within the automotive industry. Toyota’s policy, for example, rests upon two principal strands. First, the assembling organisation controls the relationship as senior partner (in Japan, the word ‘parent’ is used, with component manufacturers seen as ‘children’), but specialist suppliers are recognised as being absolutely critical to the overall quality of the product. There is recognition of expertise and quality running throughout the supply chain that binds customer to prime contractor and, thereafter, to niche supplier, so that each is dependent upon the other, committed to this sense of quality, shared service goals and common expectations. Second, and critically, the specialist abilities of the sub-contractors are explicitly valued as crucial to the success of the overall product. Components are not sourced by Toyota, rather partners from the supply chain are found, developed and valued for the long-term.

Thus, for some in the MoD, partnering is about a long-term, non-adversarial affiliation between the department and a particular company or companies within a specific sector of defence, whereby the relationship becomes central to...
the delivery of effective and affordable capabilities. Why does the government seek such a relationship with industry to deliver perceived key defence services or effects? A conventional response seems to be as follows.

First, it can be said that government and industry come together to, somehow, lever-in to public services the private money that government neither has itself nor can afford to generate through taxation or the money markets. Second, partnered arrangements are perceived to generate private-sector capacity and competency to potentially supplant or enhance public-sector provision. Third, at an operational level, these relationships are believed by some to deliver greater value for money than sole public-sector provision.

This is said to be achieved by government transferring to the private sector costs and risks that would otherwise be borne solely by the public. Moreover, it is often assumed that industry is possessed of greater expertise, innovation and efficiency than its potential partner from the public sector, and can manage these costs and risks much more effectively.

These points, together, represent the conventional, rational explanation for the practice of governments forming some sort of partnering arrangement with companies from the private sector to deliver defined goods and services. Some academics suggest that there are four distinct types of arrangements:

- **The Collaborative**: the policy of equal resources being provided by partners in pursuit of shared goals
- **The Operational**: some form of identified work-share within a specified programme or project, but with individual partners keeping their autonomy for decision-making and action

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25. Author interview with Ministry of Defence official, 13 January 2012.
31. See Lamming, *Beyond Partnership*.
• **The Contributory**: the sharing of financing for a particular activity, but not operational control

• **The Consultative**: advice sought from one partner to assist another in the delivery of a specified product or function.

Whatever the particular arrangement, the critical components are clarity and a corresponding sense of trust between the partners.