

Lord Robertson of Port Ellen
House of Lords
London
SW1A 0PW

27th September 2024

Dear Lord Robertson,

Thank you for your letter of 6th August inviting responses to the Strategic Defence Review.

The Conservative Party believes in strong national defence. We are proud of the crucial role we played in Government providing support to Ukraine from the outset of Putin's illegal invasion, helping their armed forces to defy expectations and check Russia's advances. As the Official Opposition, we will support the Government in continuing to provide all possible military assistance to Ukraine, whilst holding Ministers to account to ensure that our armed forces have the resources needed to keep us safe.

In Government we took important steps to protect our troops and veterans. Last year's Defence Command Paper included a major focus on accommodation, delivering a further £400 million to improve service family homes. The independent Haythornthwaite report considered the crucial issue of recruitment and retention. Numerous reviews have explored the threat picture in depth. Yet, whilst there are many important issues that any SDR could cover, in our response we have focused on two top priorities which we believe are the essential prerequisites for strengthening our armed forces in today's context.

- Setting out an urgent plan to increase defence spending to 2.5% by 2030
- Internal reform of the MOD to deliver a less risk averse, more War Ready department

The urgent need to increase defence spending

The government must urgently increase defence spending to 2.5%. In April 2024, we published *Defending Britain: leading in a more dangerous world*, which set out a clear and fully funded pathway to reach 2.5% of GDP on defence by 2030, itself following the largest defence spending uplift since the Cold War. Any delay in setting out a pathway to 2.5% is likely to lead to frontline cuts at the worst possible time for our armed forces.

Departmental reform

The threat from Russia - buttressed by Iran, China and North Korea - presents an urgent need to ensure the lethality and survivability of our armed forces is upgraded in the near term. However, we believe that achieving greater War Readiness will require not just 2.5% defence spending but reform of the Ministry of Defence itself, building a less risk averse department, able to procure at pace. This means building on the extensive reforms we put in place - such as the Integrated Procurement Model, DE&S Gateway and Defence Design - to ensure they become part of the embedded culture of the MOD's day to day workings.

Yours sincerely,



James Cartlidge MP
Shadow Defence Secretary

1. THE URGENT NEED TO INCREASE DEFENCE SPENDING

We note that your first three questions of Annex A refer to a threat picture out to 2040 and 2050. Of course, longer-term programmes (especially nuclear) remain central to the MOD's planning, but we feel that the priority right now must be a shift to an urgent and immediate preparedness disposition – focused on boosting the lethality and survivability of our existing and imminent capabilities, not least by rapidly absorbing lessons from Ukraine.

Our justification for such an immediate focus is straightforward and self-evident: the switch of primary threat from counter-insurgency to peer adversary European warfare. We are extremely proud of our Party's record in Government at the outbreak of Putin's illegal invasion of Ukraine, whereby our early and decisive support helped them hold back Russian advances. As it is, Russia's bellicosity of language; willingness to suffer vast casualties and incur enormous costs; and its industrial war footing – including an artillery firing ratio versus Ukraine of 3:1 – alongside its support from Iran and North Korea, all points to a need for us to maximise our own national war readiness. To deter wars and illegal aggression, we need to show that we are fully prepared to respond.

The starting point for ensuring preparedness is delivering the resources Defence requires. As such, the SDR must be threat based and not led by HMT considerations. Of course, it is important that funding is sustainable and derived in a responsible fashion, and we would emphasise that our plan to reach 2.5% by 2030, as set out in April in *Defending Britain*, was fully funded. Savings would have been achieved from cross-Government prioritisation - specifically, by reducing the Civil Service back to its pre-pandemic size and providing the MOD with a greater share of Government R&D expenditure. Whereas, the current Government have rejected any reduction in the size of the Civil Service, and we await any kind of detailed plan to reach 2.5%.

The impact on Defence programmes of the inflation spike triggered by Putin's invasion of Ukraine is well documented, and was a matter of public record well before the election – indeed, our funded plan announced in April to achieve 2.5% by 2030 was drawn up in part to address those very pressures on the Defence Budget. As such, without an urgent and detailed plan to reach 2.5%, those pressures will remain in the system and will likely require cuts or deferrals to major programmes in the near future, at the worst possible time for the MOD.

Overall, we believe that the funded pathway to 2.5% set out in *Defending Britain* would have enabled an initial mobilisation of the 'War Ready' approach we wish to see, ensured stability for major existing programmes, such as GCAP and nuclear, whilst providing funding to enhance the lethality and survivability of our existing and imminent forces.

Key examples follow.

a) Replenishment of munitions

We are in no doubt that providing Ukraine with artillery, tanks and long-range weapons from our own inventory has been the right thing to do, helping to defend our ally and ultimately contributing to our own security – but we now have an important task to replenish those inventories.

At a time when countries around the world are seeking to boost their defence capabilities, our plan would have prioritised firing up the UK's defence industrial base to secure 'always on' production of core ordnance. Twinned with internal departmental reform to focus on exportability – given the role of international demand in supporting our own industrial base – this approach is an essential enabler for increasing UK armaments production to the 'always on' level. It would allow for output to be surged if the military situation were to deteriorate further. This is one of the critical elements of enhanced War Readiness.

b) R&D

Our approach would have also significantly boosted R&D spending for Defence, investing in key technologies such as drones and autonomous systems; EW; AI; ISR and Integrated Air and Missile Defence. It should be stressed that such investment is entirely consistent with a focus on more immediate lethality and survivability – first, because the development time for new technology such as drones is so much faster; secondly, these are the very areas of capability which arguably offer the most immediate opportunity to enhance the lethality and survivability of existing/imminent platforms in the near term.

c) Nuclear

Our 2.5% pathway would have ensured stability for the nuclear programme and provided greater capacity to address challenges which are too sensitive to describe in detail, but which would benefit from both additional investment and greater certainty around the future funding profile.

d) GCAP

Like nuclear, GCAP is also a major programme which would benefit from a clear 2.5% commitment. We reject the idea that there is a need to somehow choose between 'AUKUS or GCAP' and believe that both programmes offer extraordinary economic and military capability gains, if seized effectively.

Although the target date to start replacing Typhoon is in the latter half of the 2030s, the Government must ensure it does not overlook the parts of the GCAP programme which offer much more immediate prospects of boosting lethality for the RAF – such as EW and AI; but particularly drone warfare, including using uncrewed systems as an adjunct to piloted warplanes.

To emphasise the equal footing of GCAP and AUKUS, and to ensure the 'system of systems' aspects of GCAP are prioritised and funded, we should consider modelling GCAP on the AUKUS 'two pillar' approach: Pillar 1, the core platform to replace typhoon; Pillar 2, to cover drones and other key technologies, to be funded by the enlarged R&D budget entailed in our pathway to 2.5%. This could provide clear accountability for budget allocations, ensuring that the RAF does not defer technological investment that offers vital near term enhancement (Pillar 2), in favour of the core platform.

e) Flexibility

Of particular importance is not just the quantum of any extra funding for the armed forces, but the flexibility over how it is spent. The nuclear programme has benefitted from flexibility between years, and we feel that other key programmes including Army recapitalisation would benefit from a similar approach. Indeed, were our pathway to 2.5% combined with such flexibility, this could fit well with the recent commitment from CGS to double the lethality of the Army in three years. For example, we believe that the combination of the extra funding for munitions and in year reprofiling made possible by such flexibility could enable the Army to have new Deep Fires and Mobile Fires significantly earlier than scheduled, potentially by 2027/28 rather than 2029 or beyond.

f) Prosperity from Defence

It is vital that, in considering any funding questions arising from the SDR, HMT gives proper weighting to the very significant positive economic impact of Defence spending on UK plc. For example, GCAP supports thousands of highly skilled jobs and hundreds of SMEs benefit from its supply chain, and as RUSI recently noted in its 'The Damage from Doubt' Report, pulling out of GCAP could lead to 'further deindustrialisation and social deprivation, especially in the north west'. Whereas, the impact of our *Defending Britain* spending plan would have been to support GCAP and crystallise its huge associated private investment, whilst driving 'always on' production for the UK arms industry – all supporting Defence jobs across the country.

2. DEPARTMENTAL REFORM

We must learn the right lessons from the battlefield in Ukraine, and recognise the rise of drones as a game-changing capability – as also strongly evidenced in recent Red Sea Houthi clashes involving the Royal Navy. We are seeing a potential revolution in warfare, whereby long-held assumptions about the assured role of certain platforms will have to be questioned, but where the chance exists to forge mass and advantage in new ways – at a time when our adversaries increasingly hold the advantage of mass in ‘traditional’ terms.

In particular, due to our prominent role supporting Ukraine and leading international coalitions (maritime; drones) we are well placed to learn those lessons, share them across our defence industrial sector and then bring forward new capabilities at lower cost than hitherto, and over rapid timescales – with continuous commitment to spiral evolution thereafter. No other technology offers such a rapid route to boost the mass of our overall forces, and the lethality and survivability of our existing personnel and platforms.

We want to see such an approach of rapidly learning the lessons from Ukraine across Defence, ensuring we are capable of boosting our total lethality as an integrated force within a near term timeframe. However, we believe not only that this will require a firm timetable to 2.5% so that we support existing programmes and replenish our munitions, but above all we will need a change in management approach from within the Ministry of Defence.

Overall, we want to see an MOD that is less risk averse, and properly able to drive pace into its acquisition policies and strategic outlook, supported by a whole of Government disposition towards War Readiness. To be clear, this is not about taking a cavalier approach to core delivery processes such as certification or health and safety. Rather, this is about the Department placing greater emphasis on military risk, and less on bureaucratic considerations and ‘peacetime’ risks that exist almost entirely in the civil domain. This is about a change of culture at the heart of main building.

The last Government took significant steps forward. DragonFire laser procurement showed what can be done if bureaucratic hurdles are stripped back in favour of rapid Minimum Deployable Capability, and this needs to become the norm as far as possible. DE&S stepped up to the challenge of procuring munitions for Ukraine – but we urgently now need to ensure UK industry benefits from that process, and that DE&S reform continues at pace. We also introduced the Integrated Procurement Model – but this now needs to be fully implemented so that it is part of the embedded day to day culture of MOD. In addition, we commenced Defence Design, overhauling the department’s internal workings – this process must be taken forward, with a new approach to risk at its core.

Following on from *Defending Britain* and our pathway to 2.5%, there are further ways we could see internal reform drive our ability to address near term lethality and survivability.

a) Defence Innovation Agency

Far greater central grip will be required to deliver a truly integrated UK armed forces. But what of the detail? We believe science and innovation should drive such coordination. Thus, in *Defending Britain* we set out plans for a Defence Innovation Agency from 2025 to coordinate the significant increase our pathway to 2.5% entailed for Defence R&D. This follows the intention of the Integrated Procurement Model (IPM), announced in February and live from April, to give a far greater role in procurement decisions to DSTL, ensuring we remain at the cutting edge.

To drive this approach in practice will require people with the appropriate technological skills. One option could be to put DSTL at the heart of the Defence Innovation Agency as a DSTL 'plus' – plus a far stronger role in the centre of Defence, ensuring technological considerations are at the heart of all Defence capability planning; plus a greater budget, sourced from the funded R&D expansion outlined in *Defending Britain*, driving greater recruitment of highly skilled outsiders, paid at salaries truly competitive with the private sector.

b) Integrated Procurement Model (IPM)

We believe that fully delivering the IPM would be one way to drive the culture of pace and dynamism that we believe is needed to deliver a more lethal armed forces over the near term. Taking its five key elements:

- i) A joined-up approach – as the single services scale up procurement of new capabilities such as drones, it will be vital that they do so in an integrated fashion, rather than as disparate programmes pursued in stovepipes. In particular, from integrated missile defence to Space, many of the capability areas where we will need to invest to boost our overall ability to fight are pan-defence, and yet the Army, RAF or Royal Navy are likely to have procurement priorities that are single-service focused.
- ii) Checks and balances – the role of the Integrated Design Authority, ensuring new requirements are effectively integrated, and the idea of the 'second opinion' in key procurement decisions are likely to become particularly important as the SDR process considers the role of individual platforms and capabilities against technological viability evidence (see below). This is also about transparency on 'full costs' (i.e. including enablers, not just the 'shiny' platform), ensuring overall affordability.
- iii) Exportability – if we are to achieve healthy defence industrial resilience, we will need to continue to drive export success, and the Government should continue our work on cross-departmental governance to ensure both that exportability considerations are considered early in procurement (guarding against 'overly exquisite' requirements) and enabling export campaigns to commence at the earliest opportunity.
- iv) Empowering industrial innovation - there should be a continued close relationship with industry, building a feedback loop sharing data from the frontline at Secret in the way we established in Government, highlighting likely areas of capability shortfall; industry in turn setting out in quick time the art of the possible; R&D or full procurement following to drive new capability adoption at pace.
- v) Spiral development by default – the new MOD Spiral Playbook went live in April and we hope that it will be embraced across Defence, so that capability is developed more quickly into service at 60-80% of 'exquisite', and then rapidly spirally developed in service to ensure competitiveness with adversaries is maintained throughout the product life-cycle.

Second Opinion

Of the above elements of acquisition reform, it is particularly important that the idea of the ‘second opinion’ is retained, whereby major procurement proposals from the Front Line Commands are subject to clear and visible expert challenge – particularly from the MOD’s science base, and with ‘second opinion’ advice provided directly to Ministers without third party intervention or presentational amendment of any kind, including from civil servants or military personnel. We note that the US decided to axe its crewed helicopter FARA programme in favour of an uncrewed programme after a ‘sober assessment of the modern battlefield’ (Reuters) – this kind of judgement point is likely to become ever more common, and maintaining the integrated loop of informed technological data, backed up by wargaming and frontline experience, overseen by the empowered science base in MOD, will be vital to getting such decisions right.

R&D reform

The reason we advocated a Defence Innovation Agency in *Defending Britain* was in part to ensure that military R&D is far more coherent. Indeed, whilst increasing the R&D budget to drive capability competitiveness is central to our pursuit of greater near-term lethality, this must be accompanied by far greater cohesion in R&D, along similar lines to the IPM (i.e. joined up instead of siloed; presence of a scientific-led second opinion to query technological priorities; strong relationship with industry to ensure projects can be pulled through etc). This approach can also avoid duplication and ensure rapid pull-through and integrated ‘lessons learning’ across defence.

Accountability – War Readiness plan

If we are to put a greater emphasis on near term preparedness, how will this be considered when the main feature of military planning is the ten year ‘equipment plan’ (EP)? One option could be to develop a ‘War Readiness plan’ alongside the EP but to a much shorter timeline, e.g. three years, illustrating progress against plans to boost near term lethality and survivability, by each single service. This would both offer accountability for single service promises to boost lethality in the near term, but also ensure budgets for such were not ‘raided’ to fund longer-term platform programmes.

DragonFire – a dynamic approach in practice

In many ways the DragonFire procurement embodies much of what we are looking for from a less risk averse department. We should remember that, like lessons from Ukraine, this was about urgently learning lessons from the Red Sea and the attacks on our warships with ‘cheap’ effectors that we had to shoot down with very expensive ones. Essentially, on realising the potential for a weapon that could intercept drones cheaply, all effort was then taken to prioritise pace in the programme – ensuring the system could potentially be on our ships as a Minimum Deployable Capability in 2027, if not sooner. Of course, there remains a need for more exquisite capabilities in tandem and for focus on the ballistic missile threat to our ships, hence the importance of a funded munitions programme delivering Aster upgrades and Sea Viper Evolution, alongside DragonFire. This vignette of procurement underlines that it is possible with the funding pathway we have prioritised in *Defending Britain*, plus a more dynamic Departmental approach based on our internal reforms, to ensure enhanced lethality for our existing personnel and platforms can be delivered in the near term.

Any deliberations over the SDR and spending review must not detract from a total focus in Government on delivering this near-term step change in lethality, given the threats we face.

Finally, this document does not prejudge policy decisions by the new Leader of HM Opposition and Shadow Cabinet following the Conservative Party leadership election.