

Defending the Future

UK Defence in the 21st Century

Policy Paper 112



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Executive Summary

Introduction

Liberal Democrats believe that it is a significant role of the British government to provide a secure Britain in a stable neighbourhood; while good international relations and strong international law are crucial to security, when they fail effective military capabilities are required. International terrorism, cyber warfare and the consequences of major natural disasters such as climate change all pose security threats and most recent conflicts have not been predicted, so we cannot be complacent about defence.

However the UK's vision of its place in the world appears virtually unchanged since 1945. The UK needs to re-assess its role to ensure that ambitions match resources and respond to 21st century threats, not those of the Cold War. The UK does not face any current existential military threat and most credible threats to the UK also challenge our neighbours in Europe. Liberal Democrats therefore believe that we can best match resources to military needs through continued and, if anything deeper, commitment to extant alliances within NATO and Europe.

Liberal Democrats also believe that we can improve defence policy through enhanced cross-party deliberations on issues of national security and defence procurement, which should not be subjected to the vagaries of short-term thinking arising from electoral cycles.

Capabilities

Liberal Democrats accept that the UK cannot aspire to full-spectrum capabilities but must be able to defend the UK and the territories for which it has responsibility, support its neighbours and allies, and to engage in humanitarian intervention. We therefore propose that the UK should:

- Maintain a credible contribution to Expeditionary Forces, including carriers, land- and sea-based airpower and land forces rapidly deployable by sea or air.
- Re-establish effective maritime surveillance of our own shores.

We favour greater integration of EU and NATO Europe military capabilities and procurement to address common problems, to overcome economic constraints and to redress waning American commitment in our neighbourhood.

We recognise the contribution of the Reserves but are concerned that the proposed changes to numbers of Regulars versus Reserves have not been adequately thought through and could pose risks. We support the proposed increase in mandatory reserve training.

Procurement

Liberal Democrats deeply regret that defence procurement has proved a major problem for successive governments with tens of billions of pounds wasted. These problems arise from:

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- Use of bespoke 'gold-plated' solutions despite good off-the-shelf options often being available
- Weaknesses in procurement management.
- Budgetary uncertainty.
- The lack of a coherent defence industrial strategy.
- The excessive influence of the defence industry on procurement, in particular due to strong informal networks between senior ex-military staff, now working for industry via the 'revolving door', and their former colleagues in MOD.

While recognising that the government's proposed changes to procurement, including the so-called GOCO (government-owned, contractor-operated) model may alleviate some of these issues, we are conscious that the model is as yet untested. In addition we propose:

- A full review of the legal framework surrounding defence procurement, including conflicts-of-interest and other civil service rules and the UK's application of EU defence procurement directives.
- Longer periods between resigning from the civil service and working in the industry, in line with rules applied to politicians leaving office.

The Arms Trade

Liberal Democrats welcome the signing of the Arms Trade Treaty in April 2013, and recent tightening of the UK Arms Export regime by the Coalition Government, but would go further by:

- Conducting a cross-Departmental and public consultation on arms export policy.
- Implementing a policy of 'presumption of denial' for export licenses to countries listed in the Foreign Office's annual human rights report.
- Implement end-user certification on all future arms export licenses and report annually to Parliament on this certification.
- Enact legislation to control the re-export of British arms sales.

Nuclear Deterrence

Liberal Democrats remain wholly unconvinced that the UK needs to renew its submarine-based nuclear weapons system on the same Cold War scale as the system designed in 1980, nor do we believe that the nation can afford to do so. We propose that the UK should end Continuous At-Sea Deterrence and instead adopt a realistic, credible 'Contingency Posture', which would:

- End Continuous At-Sea nuclear patrols but exercise the submarine capability regularly to maintain relevant skills, including weapons handling and nuclear command and control.
- Issue a declaratory policy of going to sea only with unarmed missiles and store a reduced stockpile of warheads at RNAD Coulport for redeployment within a specified timeframe.

- Surge to more constant, armed patrols only during limited periods when a deteriorating security picture in which the survival of the state is conceivably at stake demands this.
- Periodically practise redeployment of an armed submarine within a specified timeframe.
- Reduce the number of Successor submarines and reduce crewing levels accordingly.
- Amend submarine design to enable alternative or dual use for conventional purposes, enabling a subsequent further climb down the nuclear ladder without writing off the capital spend.
- In the long term, build a single class of multi-purpose submarines to perform all submarine roles we may need, including the capability to re-role from conventional to nuclear missions within a specified timeframe.

We believe that such a policy would represent the greatest single act of de-escalation ever undertaken by one of the established nuclear powers, would send a powerful signal of the UK's commitment to multilateral disarmament and would be a significant step towards our ultimate goal of a world free of nuclear weapons.

Forces Welfare

Liberal Democrats recognise the vital role the UK's armed forces play in the defence of the nation and believe that it is the role of government to safeguard the interests of service personnel and veterans. We strongly support the Military Covenant, now enshrined in law as the Armed Forces Act. We also propose:

- Transferring the Office of the Veterans' Minister to the Cabinet Office, so that the services of all departments can be marshalled in support of veterans and creating a post of Veterans' Commissioner.
- Strengthening local military covenants by defining more exacting guidelines and ensuring best practice is rolled out across all local authorities.
- Offering the Armed Forces the opportunity to organise representation along the lines of the Police Federation but without the right to strike.
- Seeking an affordable way to rectify the situation whereby Gurkha veterans in the UK have a pensions entitlement for pre-1997 service of only one quarter that of veterans from the UK and Commonwealth.

We acknowledge the different pressures that Reserves face and propose that:

- Employers be required to offer two weeks' unpaid leave annually to assist Reserves attending training camps.
- The services explore ways of granting all Reserves access to the medical provisions of their service.

Introduction

1.1 Defence is one of the most significant functions of government and what it means to be a state but it is also one that has become increasingly complex and highly expensive. At a time of global financial crisis and economic austerity at home, which has put significant pressure on the UK's defence budget, the time has come for the UK and Liberal Democrats to rethink our attitudes to defence. What are we seeking to defend? What can we afford to do? And what is the best way to deliver our ambitions? These are the key themes addressed by this policy paper.

1.2 Defence projects typically take many years from initial commissioning to final delivery, and thus extend over more than one parliament and often more than one administration. Long-term policy-making is thus essential, yet political short-termism typically seems to prevail as political parties always have an eye to the next election. While short-termism is never ideal, it is particularly damaging in the realm of defence given the long lead times for defence contracts and sunk costs arising, which may lead to decisions to continue with a contract even when military or economic conditions suggest an alternative course of action would be better. Liberal Democrats believe that we can improve defence policy through enhanced cross-party deliberations on issues of national security and defence procurement, which should not be subjected to the vagaries of short-term thinking arising from electoral cycles.

1.3 The financial crisis, coupled with austerity budgets and the difficulty of keeping up with defence inflation, which typically runs far higher than household inflation (RPI), have put particular pressures on the UK's Defence budget. Given the large-ticket items that are due to be replaced over the coming two decades, there is likely to be a funding crisis around the end of the next Parliament (from 2018 or so onwards) unless radical action is taken to cut costs or increase spending. Since increased defence spending is unlikely in light of the latest Spending Review and continued commitments to reducing the country's debt and deficit levels, the UK needs to consider ways to reduce costs while ensuring that our defence capabilities remain adequate. We recognise that the UK is a middle-ranking power and full-spectrum capabilities may not be affordable in the future. We believe it is vital to re-assess the threats the UK faces in the 21st century and rethink Britain's place in the world, what we want it to be and what we can afford, and plan for our collective defence accordingly.

1.4 In this paper Liberal Democrats therefore consider the UK's place in the world including strategic alliances and briefly outline the threats facing the UK before turning to the issue of capabilities, what we have, what we require and how to deliver them. This will include conventional and nuclear weapons, as well as force structures and forces' welfare. In sum, we offer our vision for strong British defence ensuring a secure UK in a stable region, and one that values our armed forces, both regulars and reserves.

The United Kingdom's Place in the World

2.1 The choices the next British government will face about defence policy and posture are as much about the UK's sense of its place in the world and of international responsibilities as about the threats we face. Defence policy should be seen as the servant of wider foreign policy, required when other means prove inadequate. There is a serious issue for UK policy-makers to consider regarding defence: unrealistic expectations. The UK armed forces have suffered severe cuts over the last decade. It is not clear that the expectations of the public – or indeed politicians – have kept pace. The public will expect and sometimes demand that the armed forces intervene overseas if British citizens overseas (of whom there are 5.5 million), or perhaps other Commonwealth countries, are at risk. A scenario could occur where a government feels it must send UK forces into action, even when available forces are not adequate to the task.

2.2 The UK has a history as a global power, willing and able to deploy considerable military power far beyond Europe. The modern role of the UK has resulted from the end of World War 2, the subsequent Cold War and the evolution of European unity. The UK is a member of the European Union (EU) and of the North Atlantic Treaty Organisation (NATO), and plays a global military and security role as a close military and foreign policy ally of the US, with permanent overseas bases in the South and mid-Atlantic, Eastern and Western Mediterranean, as well as temporary arrangements in the Arabian Gulf. It has been actively engaged in military interventions in a range of countries over the last decade, notably Iraq, Afghanistan and Libya, and could be called upon to act in Syria, the Straits of Hormuz or various parts of Africa.

2.3 The UK is, along with France, a leading defence player in the EU and one of the five permanent members of the United Nations Security Council (UNSC). It has established significant bilateral relationships with its EU partners, notably France, and has also maintained relations with most of its former colonial regions and its protectorates, including the Commonwealth countries, and has military alliances that include Australia, New Zealand and Canada.

2.4 The UK is thus one of a handful of countries with global military and foreign policy reach. The result is military expenditure which is the fourth largest in the world, despite the fact that the UK's economy is the seventh largest and is in relative decline. Meanwhile, emerging powers, notably India and China, will increasingly play a global role, including militarily, while the US increasingly sees its foreign policy priorities shifting towards the Pacific rather than the Atlantic.

2.5 Notwithstanding declarations made in various defence reviews, there has been little apparent change in the aspirations of successive UK governments with respect to participation in worldwide military operations since the end of the Cold War. In contrast, British armed forces have been subject to almost continuous rationalisation and downsizing in response to unrelenting fiscal pressure, exacerbated by the 'inflation plus' nature of defence procurement.

2.6 In short, UK ambition significantly outstrips the resources available; put another way, the UK's sense of its place in the world needs to be scaled back to reflect more realistically the resources at its disposal. We can no longer afford to maintain the full

spread of military capabilities needed to meet every contingency on our own, so we have to work with partners who share our interests and values. That requires a broader rethinking of the UK's international place in the world, as the necessary underpinning for our future defence. Liberal Democrats believe this can be done by continued and, if anything deeper, commitment to extant alliances within NATO and Europe. We should be prepared to operate on the widest stage by exception rather than the norm and, whilst we envisage standing shoulder to shoulder with the US when appropriate, we should not be the deputy to the US sheriff as a matter of default. Such a change would imply more focus on Europe and adjacent regions at the higher rates of military effort and, with the exception of our overseas territories, a more limited approach in the regions beyond.

Threats

3.1 The UK no longer faces an existential threat from any other state and there are few credible threats to the UK that do not also face our neighbours in Europe. Yet the world remains highly uncertain and it would be irresponsible not to acknowledge and prepare for the possibility of unanticipated crises, whether in Europe or beyond, that might necessitate British military intervention.

3.2 We live in an age of uncertainty. Whereas during the Cold War the UK faced an obvious danger, now we are continually facing new and unforeseen threats to our security. The end of the Cold War meant that the UK like her European allies expected a 'peace dividend', the chance to reduce defence expenditure as the threats to the nation state receded. However, the end of the Cold War saw the re-emergence of conflict in Europe's neighbourhood and, in the last twenty years, the UK has been involved in conflicts for humanitarian reasons in Europe, the Middle East and Africa. Meanwhile the attack on the Twin Towers on 9/11 saw the UK moving swiftly to support its NATO ally, the US.

3.3 All these interventions were unpredicted and to some extent unpredictable. They all indicated the necessity of continued defence spending and the importance of strategic planning in defence.

3.4 What threats might the UK face and where should our priorities for defence be? The 2010 National Security Strategy put possible threats into three tiers according to the likelihood and potential impact of the threats.¹ The first tier included: international terrorism including chemical, biological, radiological or nuclear (CBRN) attack by terrorism; a significant increase in the levels of terrorism relating to Northern Ireland; hostile attacks upon UK cyber space by other states and large scale cyber-crime; a major accident or natural disaster which requires a national response, such as severe coastal flooding affecting three or more regions of the UK, or an influenza pandemic; an international military crisis between states, drawing in the UK and its allies as well as other states and non-state actors.

3.5 A state-on-state nuclear attack on the UK or its Overseas Territories was relegated to the second tier, alongside the risk of major instability, insurgency or civil war overseas which creates an environment that terrorists can exploit to threaten the UK, a significant increase in the level of organised crime affecting the UK, and severe disruption to information received, transmitted or collected by satellites, possibly as the result of a deliberate attack by another state. Meanwhile, the traditional threat of a large-scale conventional military attack by another state (not involving the use of CBRN weapons) resulting in fatalities and damage to infrastructure within the UK was ranked in tier three, like nuclear potentially catastrophic but deemed unlikely. Also in the third tier are a significant increase in the level of terrorists, organised criminals, illegal immigrants and illicit goods trying to enter the UK; disruption to oil or gas supplies to the UK, or price instability, as a result of war, accident, major political upheaval or deliberate manipulation of supply by producers; a major release of radioactive material from a civil nuclear site within the UK which affects one or more regions; a conventional attack by a state on

¹ *A Strong Britain in an Age of Uncertainty: The National Security Strategy* (London: The Stationery Office, Cm 7953, 2010).

another NATO or EU member to which the UK would have to respond; an attack on a UK overseas territory as the result of a sovereignty dispute or a wider regional conflict; a short- to medium-term disruption to international supplies of resources essential to the UK (e.g. food, minerals).

3.6 All of these are significant areas of concern and all require action to prevent or mitigate the risk. Although some risks have been judged to be of higher priority than others, this does not automatically mean greater resources must be allocated to them; some capabilities are inherently more costly than others and some are already well resourced.

3.7 Some of the threats are not only credible but present and on-going: terrorist plots against the UK are regularly uncovered by the Intelligence Services. Elsewhere the world remains highly unstable, with the UK and her allies likely to be called into action to support humanitarian crises in many places, either because of colonial legacies or a shared concern for human rights and treaty obligations. These may occur because of political forces, whether Al Qaeda, which remains active in Afghanistan and Pakistan, Somalia, Yemen and Iraq, or economic crises and resource conflicts, leading to civil and/or regional wars. Such problems will be compounded by the impacts of an increasingly unstable climate, including higher food prices as crop yields fall, more extreme weather events and rising sea levels, all leading to increased pressure on governments and the likely collapse of fragile states, mass movements of refugees, droughts and famines, necessitating massive humanitarian intervention.

3.8 While any of these issues could involve the UK, there are few conceivable threats to the UK's security that are not also faced by our neighbours and allies. Common solutions will thus become ever more relevant in future, especially as states retrench their defence budgets. Even cyber threats where one state may be targeted might best be tackled in collaboration with our partners and allies.² America's pivot towards Asia will not see it leave the European arena entirely, but its interests are shifting and Europeans will need to work more closely together to tackle some of the threats in their own neighbourhood that previously they relied on the US to deal with.

3.9 The older kind of warfare has been supplemented (but not supplanted) by newer kinds. Organised crime, people traffickers, drug cartels and terrorists can travel with relative ease and would-be terrorists can receive instructions on the internet to attack their own community with deadly effect. Cyber-space provides a new context for crime, terrorism and war, and it is also a place with different psychological, social and legal issues that we have not had to address until now.

3.10 We need to be optimistic - the opportunities for peaceful co-existence, prosperity and well-being have never been greater, but there is still significant likelihood of conflict. Our liberal appreciation of the opportunities must not blind us to the dangers. Significant and well-targeted spending on defence will always be necessary.

² Cyber security is a huge issue that reaches far beyond defence conventionally defined and falls outside the scope of this paper.

Capabilities

4.0.1 As a middle-ranking power, the UK cannot aspire to full-spectrum capabilities that would permit unilateral action around the globe. Rather, our commitment must be to make a credible contribution to appropriate multinational interventions. The first priority has to be to defend the territories for which we have responsibility. Since the 1997 Strategic Defence Review (SDR), our national defence posture has centred on Expeditionary Forces, capable of projecting political, diplomatic and military power wherever there are threats to British overseas territories or vital UK economic and political interests. Such forces constitute the most palpable demonstration of conventional deterrence. In terms of conflict prevention, they mean the ability to conduct discretionary war-fighting operations before a threat gets out of hand, rather than being forced into a war-fighting situation at a later stage without the means to win.

4.1 Equipment

4.1.1 The rising cost of defence and a (relatively) declining economy have resulted in the UK scaling back all three services, thereby reducing deployable capabilities. Indeed, the scrapping of Ark Royal and the Harrier Fleet marked a significant scaling back of the UK's expeditionary posture. Creating a temporary gap in capability until the new carriers and Joint Strike Fighter come into service could present a significant military risk, diminishing the UK in the view of both allies and potential adversaries. In terms of our transatlantic alliance and European NATO, we have significantly less to offer.

4.1.2 Furthermore, there are a growing number of other capability gaps where varying degrees of risk are taken, many of which have arisen from the incoherent process by which annual funding gaps are closed. Capabilities in such circumstances depend as much on their value to the respective services from which they are drawn as on objective military/defensive need. The much-debated capability gap in maritime surveillance is a case in point: while the Nimrod MRA4 undoubtedly had a troubled gestation, the capability was not vital to Royal Air Force aspirations and the Royal Navy was not willing to further trouble its already stretched programme to provide relief. Consequently, there is a limited surveillance capability around British shores and our expeditionary and deterrence forces are less well protected as a result. Liberal Democrats believe this situation should be rectified.

4.1.3 Emerging requirements that do not easily fall into the purview of the three services run the risk of insufficient focus. Liberal Democrats believe space and cyberspace run this risk and should be subject to closer scrutiny and, where necessary, greater investment, though such proposals fall outside the scope of the current paper. We welcome the closer involvement of the Chief of Joint Forces (CJF) in this debate and recommend that all cross-service capabilities come under his command in future.

4.1.4 Future capability needs will clearly be driven by decisions regarding the UK's place in the world. The UK should maintain a credible contribution to Expeditionary Forces, including carriers, land- and sea-based airpower and land forces rapidly deployable by sea or air. Liberal Democrats believe we should commit to the MOD's existing conventional equipment plan. If additional resources were available, we would advocate a more robust conventional posture with enhanced or new capabilities.

4.1.5 Funding such capabilities inevitably comes at a price, and there are already significant constraints on the defence budget. However, the threats to the UK are also threats to our partners and allies in the European Union and the wider European neighbourhood. Europe requires a common response if we are to make best use of our reduced combined capabilities. Cooperation must be the first goal but pooling of resources and equipment and joint procurement should follow. Given that the UK almost invariably operates with allies, Liberal Democrats consider that delivering the right level of interoperability with the armed forces of the UK's defence partners is essential. We will place more emphasis on delivering interoperable systems and insist that interoperability is not traded out as the first reaction to funding pressures.

4.1.6 Liberal Democrats favour greater integration of EU and NATO Europe military capabilities, military operations and funding, while recognising that this is not a universal panacea, given that cooperation entails reliance of others delivering their side of the agreement. Opportunities for 'pooling and sharing' capabilities with one or more European allies should also be identified and developed in much the way Belgium and the Netherlands currently do with their naval vessels.

4.1.7 Not all EU states have significant expertise in defence, so those with the right expertise should be encouraged to 'specialise'. All EU members would benefit from such capabilities and, we believe, all EU states should contribute to their funding. Liberal Democrats advocate a move towards all EU states sharing the burden of defence and believe this should form part of negotiations for the next significant treaty change.

4.1.8 The current Government has promised a 1% increase in the equipment budget year on year after 2015, which is welcome but will still not address the anticipated MoD spending bulge around 2020. Any cuts to this funding would irreversibly damage the equipment programme for the future defence of the UK at a time when US capability in Europe is expected to diminish. Capability drives equipment which further drives the number of uniformed people needed.

4.2 Force Numbers

4.2.1 Of course, capabilities are not just about equipment. The UK's defence relies on dedicated service personnel, both regulars and reserves.³ The composition of the forces has seen significant changes in recent years, largely as a result of defence cuts. Such changes will increase in the coming months and years as the number of regulars is reduced to the agreed level of 82,000 army and 65,000 across the Royal Navy and RAF, while at the same time the Government seeks to increase the number of reserves. Such changes need to be managed with great care in order to ensure both resilience in our defence and morale among our troops. This is of particular concern as our allies also modify their postures. Thus, reduced US engagement in the Atlantic, Mediterranean and Europe will entail a corresponding reduction in the overall conventional deterrence posture of European NATO. Liberal Democrats believe the impact of the US's decisions should be borne in mind in any further UK reviews of capabilities or numbers of UK Service personnel.

³ The Government's most recent proposals were published in a July 2013 White Paper, *Reserves in the Future Force 2020: Valuable and Valued*.

4.2.2 As a general principle, every effort should be made to achieve greater integration of European capabilities and procurement with other European NATO members and through the EU's Common Security and Defence Policy. Only greater cohesion and effectiveness of defence in Europe overall can justify further UK force reductions.

4.3 Reserves

4.3.1 Alongside the proposals to reduce the number of regulars, the government has proposed to increase the number of reservists. While Liberal Democrats welcome the commitment and engagement of reservists and acknowledge the crucial role they play in our defence, we have concerns that the government's current plans have not been sufficiently well thought through.

4.3.2 The current plans are to reduce the Regular Army to 82,000, halt the current decline in Territorial Army – to be renamed Army Reserves - numbers, and increase them to 38,000, about 80% of whom (30,000) would be trained and deployable. To cut the number of regulars before recruiting and training sufficient reservists is not the best approach; even the MOD has acknowledged there may be a fall in the number of trained reservists initially.⁴

4.3.3 On the face of it, the MOD's proposals might not seem unrealistic: the proposed ratio of Regulars to Volunteer Reserves (i.e. Territorials), about 70/30, is similar to the current ratios in Australia⁵ and Canada.⁶ It is not clear, however, how quickly the 38,000 target can be achieved and what proportion of the total will in fact be trained and deployable. In the past the UK faced a potential existential threat (the Soviet Union), which motivated people to join the Volunteer Reserves, and there was little chance of them being mobilised except to face such a threat prior to 1996. Neither point is true any longer: there is no similar state-based existential threat, while the chances of reservists being called to active service are now quite high.

4.3.4 Mobilisation might be for homeland security (e.g. support to the Olympics) or flood relief and other 'national resilience' issues. Indeed, it might be appropriate to deploy Reserves should the situation in Northern Ireland ever deteriorate. Equally, mobilisation could be for short-term, high-impact operations such as the 2011 Libya operation or longer term stabilisation operations such as in Afghanistan.

4.3.5 While mobilisation may be viewed positively by the Reserves, frequent deployment is likely to be a disincentive to join, or remain in, the Volunteer Reserves. Liberal Democrats would therefore be prepared to modify policy depending on experience. It may prove desirable to revert back to something like the pre-1996 policy of calling up the Reserves only in moments of real emergency.

4.3.6 The Liberal Democrats support the proposal to increase Reserve training from 35 to 40 days per year, and to make attendance at such training mandatory. We recognise that Reserves are giving of their time and typically have to take annual leave to attend training. Noting the example of the NHS, which already provides one week's paid leave and a second week of unpaid leave for such training, we recommend that, at a minimum, employers should be required to offer two weeks' unpaid leave annually to facilitate

⁴ Ibid. p. 14.

⁵ http://en.wikipedia.org/wiki/Australia_Defence_Force#Australian_Army

⁶ https://en.wikipedia.org/wiki/Canadian_Forces#Canadian_Forces_Reserve_Force

Reserves attending the core sixteen-day training period in addition to the new, but limited paid leave entitlement offered in the new Reserves White Paper. Even with this enhancement to training, it is unrealistic to expect reserve units (in any country) to be combat-ready.

4.3.7 We agree with the MoD's proposals with respect to the Royal Navy and Royal Marine reserves, and also the Royal Auxiliary Air Force. The numbers in question are modest and look achievable. Yet, it should be noted that in the past Royal Naval Reserves had a specific role – they had their own minesweepers and everything geared to managing them. There was no sense that the reserves were there because the government could not or would not pay for a proper regular force. The present government policy for reserves lacks such clarity of purpose.

4.3.8 We also agree with the proposal to make better efforts to keep more up-to-date information on the whereabouts of the Regular Reserves. These are former members of the Regular armed forces who have returned to civilian life but still retain a reserve obligation. We also agree with encouraging Regular Reserves to join the Volunteer Reserves instead, where they will be of greater value.

4.3.9 We support the increase in spending on the Reserves (£1.8bn extra over 10 years) but recognise that this is a relatively modest sum by defence budget standards and would ensure it is spent on the reserves and not diverted elsewhere. We would oppose any general plans to sell off Territorial Army centres.

4.3.10 Optimising the potential of the reserves, especially in times of financial austerity, is clearly right in principle. However, it is taking a risk, perhaps an unacceptable risk, to reduce the size of the Regular Army on the assumption that the Reserves can be expanded to compensate, when there is no certainty they can be.

Buying and Selling Arms

5.1 Procurement

5.1.1 Defence procurement has proved a major problem for successive governments faced with overruns in timings and budgets in defence contracts that at times seem to offer more to the contractor than to the purchaser, ultimately the British taxpayer. At a time when we are dramatically cutting back force numbers and deleting capabilities, the size of identifiable procurement waste has run into the tens of billions of pounds over the last decades.

5.1.2 Much has been said about how we procure equipment but there is also the issue of what we buy. Politicians are rarely involved in the earliest stages of procurement decisions and often only become aware of them when already well-advanced and hard to change. It is thus crucial to ensure enhanced political leadership in defence procurement, which should diminish costly turf wars between the services. It is important to be aware of the problems surrounding procurement, which centre in part on over-specification of projects. Greater transparency is required rather than larger defence budgets. And governments must beware starting projects that the country cannot afford to finish.

5.1.3 There are a number of reasons why the UK's defence procurement is expensive and inefficient. Chief amongst these are:

- Excessive pursuit of bespoke 'gold-plated' solutions despite good off-the-shelf options often being available, and highly complex interactions between projects.
- Weaknesses in procurement management, including inadequate commercial acumen and endemic requirements creep.
- Uncertainty in budgeting for longer term programmes, affected by political timescales.
- The lack of a coherent defence industrial strategy, on top of the segmentation of procurement policy and defence industry along national boundaries, leading to ineffective competition and poor value for money for many projects.
- Excessive influence of the defence industry on procurement, in particular due to the strong informal networks between senior ex-military staff, now working for industry via the 'revolving door', and their former colleagues in MOD.

5.1.4 Some of these factors are inherent. Cutting-edge technology is in many cases essential for equipment that meets the UK's needs and enables us to operate alongside the US; the impact on projects can be mitigated through maintaining Research & Development funding. Equally, the need for multiple equipment platforms and systems to work together makes complexity inevitable; there are techniques, such as a 'systems of systems' approach, for managing complexity – they should be used.

5.1.5 While the Coalition Government has brought short term balance to the defence budget, there remain significant funding issues in the medium term. Under current plans, there is an estimated £12.5bn gap in the equipment procurement budget between

around 2018 and 2032⁷. This figure is equivalent to the cost of building 2,000 primary schools. Even if it were desirable to increase the defence budget by this amount, such a transfer of funding is politically unacceptable when set against other demands on the public purse. Therefore, if the UK is to afford the equipment capabilities it desires, fundamental changes in the approach to procurement are required.

5.1.4 It is vital that the UK MOD becomes a more intelligent customer. The planned 'GOCO' (Government-owned; contractor-operated) outsourcing of many functions currently delivered by the Defence Equipment and Support organisation is intended to address weaknesses in procurement management, but is as yet untested. GOCO will not on its own address the other problems identified above, for which wider procurement reform is required. Much will depend on the interfaces between MOD and the GOCO organisation. Greater clarity on the costs of 'gold plating' and post-contract requirement changes could provide a catalyst for the wider changes needed; on the other hand, the additional contractual interfaces may exacerbate existing problems. Such knock-on effects will only become clear over a period of years. Proceeding with GOCO is a calculated risk but one that on balance we believe it is right to explore, while reserving judgment about whether it will ultimately prove the right vehicle for UK procurement.

5.1.5 In addition, we call for:

- A full review of the legal framework surrounding defence procurement, including conflicts-of-interest and other civil service rules and the UK's application of EU defence procurement directives.
- Longer periods between resigning from the civil service/military and working in the industry in line with rules applied to politicians leaving office.

5.1.6 Internal MOD reorganisation can only take us so far. Two political reforms are also recommended:

- 3-year budgeting provides insufficient certainty for defence procurement, which operates over much longer timescales. Instead, rolling 10-year budgeting as the MOD already tries to plan for requires Treasury backing to provide certainty in planning, which is strongly needed.
- There is a legacy of projects driven by political interests rather than military need – for example the aircraft carriers, contracted at vast cost by a previous government without sufficient ships remaining to build a realistic task force around them or committed funding to buy aircraft for them to carry. A mechanism is required to prevent such politically-driven decisions.

5.1.7 These reforms can best be underpinned by deciding defence strategy on an all-party basis, ensuring continuity across parliamentary terms and changes of government.

5.1.8 Making better use of existing military alliances, and deepening co-operation with likeminded countries, offers the greatest potential for efficiencies.

5.1.9 Joint procurement with the US will continue to be an option, provided we are content to buy US equipment; and procuring with other nations, such as Australia, may sometimes be right. We also need capability alliances out-of-area; working through the

⁷ <http://www.nao.org.uk/wp-content/uploads/2013/03/MOD-equipment-plan-full-report.pdf>

NATO framework, arrangements need to be negotiated with likeminded countries outside NATO such as Australia, ASEAN countries and, hopefully, India to create a network that can span the globe.

5.1.10 The greatest potential for enhanced co-operation lies with our European allies, with whom we share common regional security interests as well as an established single market. There are sufficient funds at the European level for Europe to defend itself; aggregate defence expenditure by NATO's European allies is still double that of China. The problem is that it is not used in a collaborative way. Consequently, the UK and its European allies continue to be overly dependent on the US – which is increasingly switching its focus to the Pacific theatre whilst cutting defence expenditure; thus Europe needs to up its game.

5.1.11 In Europe, only the UK and France are willing and capable of projecting their forces abroad in a significant way. Liberal Democrats believe the UK needs to continue playing a major military role in our own European and Mediterranean neighbourhood and use our experience and expertise to get more out of the EU's Common Security and Defence Policy and our European NATO allies. The long term goal is a European-level security strategy that creates synergies between countries' capabilities, bolsters research and development cooperation and rationalises procurement based on a common understanding of the threats. The following steps are recommended:

- The record of success in joint procurement is mixed. We should continue to persevere, with the objectives of enhancing mutual trust and streamlining processes over time.
- A defence industry consisting of several European multinationals (as opposed to the historic pattern of one in each country) would facilitate the politics of joint procurement whilst providing real competition. We should encourage moves in this direction by defence manufacturers.

5.1.12 The UK is in a unique position to lead the whole of Europe towards new, effective ways of spending defence budgets. It would make Europe a really worthy partner for the US, help rejuvenate NATO, and reduce EU-NATO tensions. The UK would reap substantial practical and financial benefits as well as finding a new role in Europe.

5.2 Arms Trading and the Arms Trade Treaty

5.2.1 States have a right to defend their citizens and, often because of economies of scale, someone has to sell them the necessary means. It is right, for example, that the UK collaborates closely with NATO allies in procuring and trading military equipment.

5.2.2 States also have a clear duty to uphold human rights but as long as weapons can be traded with very few checks, commercial and strategic interests will get in the way. The human cost is staggering - around the world 1000 people are killed daily by small arms wielded by terrorists, insurgents and criminal gangs.

5.2.3 Global rules govern the sale of everything from bananas to endangered species to weapons of mass destruction, but until very recently not guns or grenades. Liberal Democrats have long supported the introduction of an international Arms Trade Treaty

(ATT) and the UK spearheaded this agenda within the UN. In April 2013 the final ATT negotiations concluded successfully; Liberal Democrats are proud of this achievement.

5.2.4 A number of regional arms control frameworks are also in place and some states, including the UK, uphold tough national regimes. Indeed, ours is one of the most rigorous regulatory regimes in the world, but there is room to do better. We must meet the highest standards if we expect others to do the same.

5.2.5 At the time of the Arab Spring, the Coalition Government reviewed export licences for the countries involved, revoking those which raised concerns. Further government reforms now mean Ministers are able immediately to suspend licence applications to a country where stability suddenly deteriorates. An independent reviewer has been appointed to ensure the Government is living up to its commitments.

5.2.6 Liberal Democrats believe even more could be done. We will:

- Conduct a cross-Departmental and public consultation on arms export policy.
- Implement a policy of 'presumption of denial' for export licences to countries listed in the Foreign Office's annual human rights report. The current practice is for the Foreign Office to approve a licence application unless there is a specific reason for refusing it. This advice is then sent to BIS for its final adjudication on licences.
- Implement end-user certification on all future arms export licences and report annually to Parliament on this certification.
- Enact legislation to control the re-export of British arms sales.

Nuclear Deterrence

6.0.1 Liberal Democrats remain wholly unconvinced that the UK needs to renew its submarine-based nuclear weapons system on the same Cold War scale as the system designed in 1980. Nor do we believe that the nation can afford to do so.

6.0.2 In 2007 Liberal Democrat MPs voted against the Labour Government's plan to replace Trident. At the 2010 election we argued for a minimal deterrent. In coalition we struck a deal: initial preparations for new submarines ('Successor') continue, while a government study led by the Cabinet Office – the Trident Alternatives Review⁸ - has investigated alternative options; the final decision rests with the next Parliament.

6.1 What Threat are We Seeking to Deter?

6.1.1 The Trident Alternatives Review first asked: "What are we trying to deter?" Any nuclear threat which the UK might face during a new system's life (c. 2030-2070) would be very different from the situation in 1980, when the Soviet Union targeted us and we targeted them. We patrolled the high seas continuously so we could strike back instantly: Continuous At-Sea Deterrence (CASD). Despite the Cold War ending and mutual de-targeting in 1994, the UK maintained CASD, but with what benefit?

6.1.2 The costs of the UK's nuclear capability have been vast, yet we have not faced a direct nuclear or other major military threat which might invoke serious consideration of first use for nearly two decades.

6.1.3 In contrast to our unchanging nuclear posture, Britain's conventional forces have been dramatically cut since the Cold War ended. In 1980 we had an army of 160,000 regulars, an RAF of 90,000 manning 180 strike aircraft, and a Royal Navy of 72,000 manning 66 warships. Today the UK is planning an army of 82,000 regulars, an RAF of 33,000 manning a smaller but uncertain number of strike aircraft and a Navy of 30,000 manning 19 warships. In 1980-81 the nuclear deterrent comprised 1.5% of the MoD budget, whereas Successor might account for as much as 10%.

6.1.4 The 2010 National Security Strategy (NSS) underlined this changed scenario by down-grading the nuclear threat to a second tier. Terrorism, cyber-attack, organised crime, climate change and pandemics are primary threats requiring a flexible military response. We cannot escape uncertainty but we have finite resources to confront these challenges. A Cold War nuclear capability has little relevance.

6.1.5 Why, therefore, just in the preliminary phase has Successor cost five times what Britain has spent on cyber security during the same period? Why is Successor, or remaining a nuclear power at all, an appropriate long-term investment?

6.1.6 The Cold War nuclear threat has gone. Russia could inflict chaos in Britain by cutting off the gas supply or by a cyber-attack. Even hawks who view Russia as a nuclear enemy must admit we can deter them (i.e. inflict unacceptable damage) by more diverse means than flattening Moscow.

⁸ www.gov.uk/government/publications/trident-alternatives-review

6.2 Insurance Against the Unknown

6.2.1 Some argue that nuclear weapons provide an insurance policy in an unpredictable world. North Korea's and Iran's nuclear ambitions risk nuclear proliferation among their neighbours. Fundamentalists, willing to use nuclear weapons, could take over Pakistan. Yet this supposed insurance comes with an unaffordable premium and an unnecessary level of cover *if* scaled to deal with the threat from the Soviet Union in 1980. The UK accepted the 1996 International Court of Justice Advisory Opinion on the '*Legality of the Threat or Use of Nuclear Weapons*', which says use is only legal in "an extreme circumstance of self-defence, in which the very survival of a State would be at stake". We would not use nuclear weapons in other circumstances, so they are NOT a blanket solution to all future threats or an 'insurance' against future uncertainty.

6.2.2 While it seems inconceivable that the UK would ever use a nuclear weapon, simply deciding to disarm now would not yield financial savings in the next Parliament nor would it give us leverage in global nuclear disarmament talks. Thus, we believe a step down the nuclear ladder⁹ towards a minimal yet credible deterrent offers the best balance of deterrence coupled with a clear commitment to disarmament.

6.2.3 What, then, might a minimal yet credible deterrent look like?

6.3 An Alternative Approach: 'Contingency Posture'

6.3.1 The Trident Alternatives Review asked two further questions: are there alternative *systems*? And are there alternatives to the 24/7 "CASD" *posture*, which might better serve our purposes?

6.3.2 Alternative systems, like cruise missiles in tactical submarines or surface vessels, or air-launched systems, were found to be technically viable but, in the short to medium term at least, very expensive. There would be steep up-front costs in changing course after so many years of investing in the Trident system.

6.3.3 We have the opportunity to take significant steps down the nuclear ladder by changing our posture and ending CASD.

6.3.4 We could adopt a realistic, credible 'Contingency Posture', short of stepping off the ladder altogether, which would:

- End CASD but exercise the submarine capability regularly to maintain relevant skills, including weapons handling and nuclear command and control.
- Issue a declaratory policy of going to sea only with unarmed missiles and store a reduced stockpile of warheads at RNAD Coulport for redeployment within a specified timeframe.
- Surge to more constant, armed patrols only during limited periods when a deteriorating security picture in which the survival of the state is conceivably at stake demands this.

⁹ Professor Malcolm Chalmers of RUSI and Dr Nick Ritchie from the University of York (previously at Bradford), among others, have described a range – or ladder – of options open to the UK at this point.

- Periodically practise redeployment of an armed submarine within a specified timeframe.
- Reduce the number of Successor submarines and reduce crewing levels accordingly.
- Amend submarine design to enable alternative or dual use for conventional purposes, enabling a subsequent further climb down the nuclear ladder without writing off the capital spend.
- In the long term, build a single class of multi-purpose submarines, to perform all submarine roles we may need, including the capability to re-role from conventional to nuclear missions within a specified timeframe.

6.3.5 The UK could draw on US experience with the nuclear-armed Tomahawk missile fleet which could redeploy operational missiles stored ashore within 30 days or on the experience of converting four Trident submarines to conventional roles, adapting their missile tubes to fire conventionally-armed Tomahawk missiles and to deploy underwater reconnaissance vehicles and Special Operations Forces.

6.3.6 This 'Contingency Posture' would have considerable financial and security advantages:

- It would save money through fewer submarines and reduced manpower. Ending CASD now would extend the life of the existing submarines.
- A small fleet of dual-capable submarines able to deploy nuclear weapons or support our attack submarine fleet makes more sense than a large fleet dedicated to short-notice nuclear retaliation.
- It would help Britain fulfil our Nuclear Non-Proliferation Treaty (NPT) commitments, showing that we no longer see compelling reasons to deploy nuclear weapons for immediate use, but only retain them for the most extreme circumstances, pending global elimination.
- A non-CASD posture would almost eliminate any intention to use nuclear weapons first in a crisis at short notice, reinforcing commitments to non-nuclear weapon states and providing strategic reassurance to other nuclear powers.
- It would reflect the posture of NATO's Dual Capable Aircraft capable of delivering US B61 nuclear bombs. The readiness of this nuclear arsenal was reduced in 2002 to *months* rather than hours.
- It would de-couple nuclear weapons from the day-to-day calculus of national security and show the UK can live without nuclear weapons continuously at sea, as a precursor to living without nuclear weapons at all.

6.4 Affordability

6.4.1 Peak capital expenditure on Successor (2017-30) would confront a budgetary storm as various conventional defence projects - Joint Strike Fighter planes, Type 26 frigate, the Army's equipment crisis, new drones, new amphibious shipping, more

helicopters, enhanced ISTAR and cyber security assets – compete for funding. We must debate the opportunity cost of a new nuclear deterrent, estimated at £25-30 billion for building Successor and £3 billion pa for 40 years operating it (total: £150 billion at 2013 prices), alongside everything else. Having three rather than four submarines would save roughly £4 billion; two would produce further savings.

6.4.2 Protecting the UK's real global interests in commerce, culture, science, education, development aid is just as important as protection against an improbable nuclear attack – if not more so. As a Pentagon official put it, the UK must choose whether to be “a nuclear power and nothing else, or a real military partner”.¹⁰

6.5 Britain's obligations under the Non-Proliferation Treaty

6.5.1 The Nuclear Non-Proliferation Treaty (1968) was a deal between the original five nuclear states and the rest of the world. The five would faithfully use their best endeavours to negotiate disarmament and the rest would not enter the race. Over 45 years the five have reduced their stockpiles somewhat and 'only' four others have entered the field (Iran would be fifth), partial success but poor progress. If in 2016 Britain decided on new Cold-War-scale nuclear weapons, we would breach the spirit and maybe the letter of the Treaty.

6.5.2 The stated purpose of keeping nuclear weapons is to avoid their use, but global opinion is shifting fast about their very existence, given new studies about the humanitarian and climatic impacts of firing one.¹¹

6.5.3 Currently each submarine can deliver up to 40 nuclear warheads, each with a yield of 100 kT. Fired at targets around Moscow they would cause 5.4 million direct deaths. Within a radius of 1.5 miles, 98% of people would be killed. We know now that catastrophic global climatic disruption would also follow, affecting agriculture, ecosystems and food supplies. Soot injection into the atmosphere from one Trident submarine's payload would cool global temperature by at least 1.5°C. This 'nuclear winter' would sharply reduce rainfall, adversely affecting crop growing and risking starvation for one billion of the world's already most-malnourished people.

6.5.4 We ask: “Would anyone could actually press the button? And, if not, does a nuclear weapon really have a credible deterrent effect?”

6.5.5 There is a fundamental tension between our commitments to universal human rights, responsibility to protect, combating preventable disease, mitigating the effects of climate change, and the Millennium Development Goals on the one hand and the likely destruction that would accompany even modest use of nuclear weapons on the other.

6.6 Decision Time

6.6.1 Liberal Democrats face a choice between proposing some dramatic steps down the nuclear ladder or stepping off it altogether:

- a) The radically reduced 'Contingency Posture'

¹⁰ International Herald Tribune (12 April 2013)

¹¹ Oslo conference, March 2013

Or

b) Cancelling Successor and decommissioning Trident.

a) Represents the biggest step down the nuclear ladder that the UK or any established nuclear power has ever taken, but keeps the nuclear option open for the future; it contributes substantially to disarmament and offers cost savings compared with Labour and Conservative commitment to continued CASD.

b) Would contribute more significantly to nuclear disarmament, enabling us to focus on conventional capabilities to defend our interests and be a force for good around the world; it would save money, but not before 2020 as the MoD estimates costs of decommissioning Trident at £6 billion. There would also need to be economic rescue packages for Faslane, Barrow, Plymouth and possibly Derby and Berkshire. Costs in the 2015-20 Parliament are broadly comparable with retaining the deterrent; savings would only come later.

6.6.2 Finally, we must ask how we can affect outcomes in practice. We must consider how to persuade the other parties to agree to step down the nuclear ladder. Helping define the nuclear ladder and pointing the way down may offer more chance of coaxing others to descend than turning our back and arguing a non-nuclear case from the sidelines. We want to live in a nuclear-free world, but we may achieve more by a gradualist case than immediate disarmament.

6.7 Recommendation

6.7.1 The UK's 2010 Strategic Defence and Security Review praises: "...intelligent pruning of older capabilities less well adapted to high priority current and future risks," and advises "We must avoid the twin mistakes of retaining too much legacy equipment for which there is no requirement, or tying ourselves into unnecessarily ambitious future capabilities." Let's apply these principles to our nuclear weapons and take a step down the nuclear ladder to a Contingency Posture.

Forces' Welfare

7.0.1 Liberal Democrats believe that the welfare of the men and women of our armed forces should be a high priority and recognise the importance of ensuring that they are properly resourced and equipped. We ask a huge amount of those who serve our country, and it is right that we reward them properly for the work they do and that we continue to support them once they leave the services. Liberal Democrats have been firm advocates of the Military Covenant, now enshrined in law as the Armed Forces Act. Here we outline practical policies that would enable these commitments to be delivered.

7.0.2 In recent years, criticisms have been raised that the UK's military personnel have not been properly rewarded with the pay and conditions they deserve; that they have had to put up with sub-standard housing; that they have been over-stretched by rotating into conflict zones too often; that there is insufficient support given to those service personnel seeking to leave the forces, especially early leavers, and that support for veterans' welfare is often left to charities rather than the Government. These issues have been compounded by anxiety about cuts in the numbers of service personnel, including redundancies very shortly before due retirement dates. This raises particular concerns about disparity in the way different members of the Armed Forces and veterans may be treated. Such issues are particularly poignant at a time of budgetary austerity and as troops are preparing to come home from conflicts such as in Afghanistan, and from longer term bases in Germany. Here, we outline the ways in which Liberal Democrats believe we should respond as a nation to these concerns.

7.0.3 The interests of soldiers, sailors and airmen are traditionally represented by senior serving officers, who negotiate with civil servants within the MoD for improvements to pay and conditions of service. This creates a conflict of interest when serving officers must choose between spending on capabilities or the direct needs of their people. Times of austerity make this choice even harder to make. The independent Armed Forces Pay Review Body (AFPRB) goes some way to helping but there is no real representation of non-commissioned ranks or junior officers. Liberal Democrats would offer the Armed Forces the opportunity to organise representation along the lines of the Police Federation but without the right to strike.

7.1 The Armed Forces Covenant

7.1.1 The core principle of the Armed Forces Covenant that 'members of the Armed Forces Community do not suffer disadvantages as a result of their service and that they receive special treatment as appropriate' has been enshrined in law as part of the Armed Forces Act. This recognises the nation's obligation to the wider Service family, embracing the involvement of Government together with voluntary and private sector organisations.

7.1.2 It ensures a regular review of government policies through the presentation of an annual report to Parliament, which provides an opportunity for detailed scrutiny and greater public transparency of any failure to deliver.

7.1.3 This is a significant achievement by the Coalition Government. However, it is only the core principles that are enshrined in statutory legislation; the specific standards of the covenant in respect of terms and conditions of service, healthcare, housing, education and

other welfare objectives are not. Liberal Democrats therefore believe we need to consider carefully the best ways to deliver appropriate levels of healthcare, housing and other welfare objectives for serving forces, including reserves, whose needs are frequently quite different from those of regulars, in order to act in the spirit of the Covenant.

7.2 Regulars

Health Support

7.2.1 There is agreement across political parties that the Armed Forces should enjoy the same standard of access to healthcare as that received by any UK citizen, and a recognition that healthcare for regulars is now good, but remains less adequate for reserves. Personnel injured on operations should be treated in conditions which recognise the specific needs of Service personnel. The families of Service personnel should retain their relative position on any NHS waiting list, if moved around the UK due to the Service individual being posted.

7.2.2 The establishment of the Naval Service Recovery Pathway and the Army Recovery Capability Personnel Units have been successful in enabling the return of injured service personnel back to duty or to transition to civilian life. These organisations are joint ventures between the MOD and two service charities: Help for Heroes and the Royal British Legion. There are many such charities whose work is hugely valuable; it may be that if they could be encouraged to federate there would be considerable benefits through economies of scale. However, concerns have been raised about the extent to which the UK relies on services charity organisations. This is an area that may become more apparent once withdrawal of combat forces from Afghanistan has been achieved, expected to be in 2014. Liberal Democrats therefore believe the Government should devote a small proportion of the costs saved by withdrawal to the continuing welfare of the troops that served there.

7.2.3 Liberal Democrats recognise the importance of mental as well as physical health and believe it is vital that we provide good mental health services both to serving personnel and to veterans. We do not advocate pre-service mental health screening but we do support appropriate care for serving personnel, reserves and veterans. Currently, all regular serving personnel can access an occupational mental health service, provided by the military and located in all the major Navy bases, Army garrisons and RAF stations; however, there is no 24-hour service apart from the 24-hour Combat Stress helpline (operated by Rethink) and access to the 'Big White Wall'. Secondary mental health care is currently provided through an MoD contract with a civilian network of eight NHS Trusts around the country. We acknowledge that particularly for veterans mental health issues have previously been untreated due to the perceived stigma attached to seeking help. We recognise that the needs of each of these groups will be somewhat different and will keep systems of screening and mental and physical health surveillance under regular review, ensuring that proper monitoring is carried out by the various and many organisations providing mental health support.

Housing

7.2.4 There is a commitment under the Armed Forces Covenant that entitled serving personnel should receive good quality, affordable and suitably located accommodation. Defence Estates have been delivering top-notch single living accommodation blocks with

state-of-the-art services. Brand new family homes fit for the 21st century are also being completed. However, the difficult financial climate and delayed budgets have had a significant impact on the roll out of the modernisation programme and, consequently, many single personnel and service families continue to live in sub-standard accommodation. The introduction of the 'New Employment Model' may see married military personnel losing their entitlement to service accommodation after eight years' service and being required to privately rent or buy property near to their bases.

7.2.5 The draw-down of service personnel and their families from Germany is likely to cause significant pressure on the MOD to make suitable accommodation provision and create problems of employment for service wives and dependents, children's education and integration into civilian communities as the services become increasingly UK-based with fewer family postings.

7.2.6 Despite the ability to be placed on the register prior to leaving the Services, there are concerns about the difficulties of service personnel reaching the top of priority points-based Council Housing Registers, which regulate the offer of accommodation. Liberal Democrats believe it is vital to provide good-quality homes for our serving personnel, not least given the additional pressures that being in the Armed Forces can place on the families of servicemen and women. Innovative solutions supporting service personnel to get onto the housing ladder earlier, for example through working with housing associations to facilitate house swaps that can be delivered in ways that are cost neutral to the public purse, should be explored.

7.2.7 We recognise that stable home lives are important to the mental health of service personnel, and the importance of considering not just service personnel as individuals but also their families in this regard. This is an area where specialist charities such as Mind can support families and government should enable them to do so via targeted funding.

Education

7.2.8 The welfare of young people in the armed forces is of special concern, as early leavers, particularly in the 18 to 24 year age group tend to find it difficult to reintegrate into society, and suicide and addiction levels are high in this group.¹² While there are already opportunities in the Services to learn various life skills, including financial management, further training would be useful and the Services should be encouraged to focus not just on recruitment but also on the on-going training needs of service personnel, including meaningful exit interviews.

7.2.9 For service families, the practical measures advocated by the Coalition Government, which has introduced the Pupil Premium for the children of service personnel, work on the assumption that children of members of the Armed Forces should have the same standard of, and access to, education as any other UK citizen. There should be support for children needing to enter schools if a place is required part way through an academic year as a consequence of posting.

¹² <http://www.plosmedicine.org/article/info:doi/10.1371/journal.pmed.1000026>

Local Covenants

7.2.10 The housing, medical and education challenges outlined above manifest themselves in different ways across the UK depending on local difficulties and pinch-points. Against this backdrop, Liberal Democrats support the on-going and widespread use of local military covenants to ensure that the needs of our armed forces and their dependants are catered for, but recognise that they are not all as effective in delivering benefits for serving and former service personnel as might be hoped. We would seek to define more exacting guidelines than at present and work to ensure that best practice was rolled out across all local authorities as it emerged.

Early Service Leavers

7.2.11 In the region of 20,000 Service Personnel leave the UK Armed Forces every year. Most of these are able to transition very successfully back into civilian life. However, for those who leave the Armed Forces early (i.e. before 4 years) but who are not injured there is currently no support and assistance. This group make up c. 10% of all service leavers, but their concentration is within the untrained strength of the British Army. There is a growing body of evidence that identifies this group as being particularly vulnerable¹³ and innovative voluntary sector work has begun to implement solutions.¹⁴ It is important that all service leavers are offered appropriate needs-led support to help them adjust to civilian life. Liberal Democrats will consider the effectiveness of the MoD's current mechanisms for identifying all vulnerable service leavers and ensure that evidence-based programmes are in place to offer tailored support.

7.3 Reserves

7.3.1 The Territorial Army and reserves from other services have come to play an increasingly important role in the work of our armed forces, and can expect to be deployed rather more frequently than was the case in the past. The proposed increase in absolute numbers of reserves and their relative importance within the services, particularly the Army (see Section 4.3 above), make it timely to assess what support reserves need.

7.3.2 The challenges facing Reserves differ from those of regulars before, during and after deployment. There are issues surrounding the distance to training facilities and the ability of Reserves to access adequate healthcare. Whereas Regulars have access to excellent healthcare ideally tailored to their needs, this is typically not the case for Reserves. Regulars who are injured or require vaccinations have access to Service Medical assistance; this is not the case for reserves, who are reliant on the NHS, which is typically not equipped to deal effectively with their needs. We believe that the services should explore ways of granting all Reserves access to the medical provisions of their service.

7.3.3 Reservists who are called up are formally granted leave from their employers and should not suffer in terms of career progression by undertaking tours of duty. In practice it seems some employers are increasingly frustrated by the requirement to grant leave and, hence, reservists may face problems in securing promotion in their normal jobs. It can also be more difficult to gain employment if you are in the reserves. Liberal Democrats believe

¹³ Buckman et al 2012

¹⁴ Fossey, 2013

that employers should be required to grant such leave as reserves require to undertake their service duties and should not discriminate against them, as currently enshrined in law.

7.3.4 The armed forces should seek to get better recognition of its internal leadership/management training given as part of promotion as this gives a carrot to employers as well as a stick. There are some schemes to try to equate army leadership training with the Chartered Management Institute qualifications, but they are not well known and can be difficult to get certificates for - this probably suffers from a lack of NCO input and a lack of officers with robust reserve experience at Brigade staff and LAND HQ level. Liberal Democrats believe such schemes should be encouraged.

7.3.5 Reserves typically lack the support networks enjoyed by regulars and their families. Thus, while they are free from the challenges of housing or education lotteries that face regulars, they may find it particularly difficult to re-adjust after deployment and should be given additional support.

7.3.6 Army reserves should be regionalised to District areas, with Regular Commanders taking responsibility for all reservists in their area. Links to their families and the Royal British Legion centres which are in most towns could then play a major role as a regular/reservist and veteran 'hub'. A well-structured organisation becomes very attractive and would be welcomed by individual reservists and indeed local communities, helping alleviate some of the problems specific to reserves.

7.4 Veterans

7.4.1 Veteran groups continue to experience difficulty in getting their voices heard: there is a lack of co-ordination across ministerial departments in addressing the myriad outstanding welfare issues; there is a lack of co-ordination and prioritisation between Service charities; and the MOD in particular requires more independent scrutiny in respect of how it addresses such issues. Lord Ashcroft was appointed by the PM to a role overseeing transition issues in summer 2012, but it is not clear that he will coordinate these competing groups and issues.

7.4.2 We propose that the Office of the Veterans' Minister be transferred to the Cabinet Office, so that the services of all government departments can be marshalled in support of veterans and that a post of Veterans' Commissioner be created to support the Veterans' Minister in this aim.

7.4.3 When personnel end their careers, either through a planned end of service or prematurely, through illness, injury, disciplinary or other reasons, their healthcare passes over to the NHS. There is no resettlement provision for those who have served for four years or fewer, so some of these veterans end up homeless, jobless or in the criminal justice system. For those who need access to healthcare, there is only priority service to secondary care, and often only lip service is paid. Furthermore, veterans requiring access to specialist mental health services encounter a patchwork of services, varying in quality and appropriateness.

7.4.4 Veterans should receive priority treatment within the NHS, in both primary and secondary care, where it relates to a condition resulting from their Service, and subject to clinical need. Those injured in Service, whether physically or mentally, should be cared for

in a way that reflects the country's obligation to them, while respecting individuals' wishes.

7.4.5 Liberal Democrats fully supported the decision in 2009 to allow Gurkha veterans to settle in the UK. However, we note that the pensions entitlement for pre-1997 service in the Gurkhas is still only one quarter that of veterans from the UK and Commonwealth, leading to considerable hardship for older Gurkha veterans. We will seek an affordable way to rectify this injustice.

Glossary

AFPRB	Armed Forces Pay Review Body
ATT	Arms Trade Treaty
CASD	Continuous-at-Sea-Deterrence
CBRN	Chemical, Biological, Radiological or Nuclear
CJF	Chief of Joint Forces
GOCO	Government-owned contractor-operated
NATO	North Atlantic Treaty Organisation
NSS	National Security Strategy
NPT	Non-Proliferation Treaty
RPI	Retail Price Index
SDR	Strategic Defence Review
UNSC	United Nations Security Council

Defending the Future - Policy Paper 112

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. The Party in England has chosen to pass up policy-making to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to implement all these proposals immediately. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

Working Group on Defence

Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.

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