



House of Commons

Defence Committee

**Readiness and
Recuperation of the
Armed Forces – looking
towards the Strategic
Defence Review:
Government response
to the Committee's
Fourth Report of
Session 2009–10**

**Fifth Special Report of Session
2009–10**

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The Defence Committee

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Committee staff

The current staff of the Committee are Mike Hennessy (Clerk), Georgina Holmes-Skelton (Second Clerk), Karen Jackson (Audit Adviser), Judy Goodall (Inquiry Manager), Richard Dawson (Senior Committee Assistant), Christine McGrane (Committee Assistant) and Miguel Boo Fraga (Committee Support Assistant).

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Fifth Special Report

The Defence Committee published its Fourth Report of Session 2009–10 on *Readiness and recuperation of the Armed Forces: looking towards the Strategic Defence Review* on 10 February 2010, as House of Commons Paper HC 53. The Government's response to this Report was received on 30 March 2010. This is appended.

Government response

The Government welcomes the Committee's report on the Ministry of Defence – Readiness and Recuperation of the Armed Forces: looking towards the Strategic Defence Review (HC53). The Government's response to the conclusions and recommendations, which were contained in the Committee's Report, is set out below.

Readiness

1. (Recommendation 2) We recognise that the Armed Forces have for some time been operating above Defence Planning Assumptions. We consider it unsatisfactory that readiness levels have been allowed to fall to the extent that they have. There are encouraging signs that readiness has improved since the withdrawal from Iraq. But the Strategic Defence Review will have to determine how the readiness of the Armed Forces should be balanced with the importance of maintaining a broad range of defence capabilities which are appropriately resourced. (Paragraph 16)

Defence Planning Assumptions are a tool used by planners to describe what the Armed Forces should be capable of doing and guide the development of capability over the medium to long term: they are intended neither to constrain nor describe precisely the actual pattern of operational commitments at any one time. The UK Armed Forces have been operating above and beyond Defence Planning Assumptions since 2003, with consequent impact on our contingent capability and the readiness of our forces. We have told the committees that forces cannot be engaged in current operations and *at the same time* remain ready for the full range of potential contingent operations for which we routinely plan.

Readiness levels are monitored and adjusted regularly in accordance with our Main Effort in Afghanistan. We are determined to use the Strategic Defence Review to drive the next round of change in Defence. The Strategic Defence Review will consider how we shape our Armed Forces and the requirement for Defence capabilities and their associated readiness.

2. (Recommendation 3) The Strategic Defence Review must address the procurement, capabilities and personnel issues, including harmony guidelines, arising from the resources which the Navy has been contributing to operations in Afghanistan. In particular, the Strategic Defence Review must determine whether further delays to procurement of essential equipment for the Royal Navy, such as the Future Surface Combatant, can be justified and whether the recent improvement in recruitment and retention should be used to reduce the level of undermanning in pinch point trades. Furthermore, consideration must be given as to whether the number of Royal Navy commitments should be reduced. (Paragraph 23)

The Strategy for Defence states clearly that success in operations in Afghanistan is the Department's Main Effort and we have prioritised our outputs accordingly. However,

we recognise the need to plan for the future, whilst succeeding today. The Strategic Defence Review will consider our future Defence programme, our major capabilities and their personnel and equipment implications.

3. (Recommendation 4) The Army has been working at full stretch. If readiness is to be improved, then the Army must return to being deployed within harmony guidelines as soon as practicable. (Paragraph 31)

All three Services recognise that harmony is an important element of Service life that can adversely effect the expectations of their personnel. Considerable efforts are taken to reduce breaches and to maintain an acceptable work life balance. Currently, the Army endures the highest rate of breaches particularly among pinch point trades and individuals who, due to the nature of their role, are frequently deployed away from their home base.

Within the Army much work has been done to reduce the level of separation, (and therefore breaches of the harmony guidelines) experienced by soldiers between operational tours. For example, the chain of command applies controls to the deployment of personnel by prioritising training support tasks, synchronising career and professional development courses and managing operational deployments.

At the micro level operational pinch points are monitored closely to ensure manning levels are brought to a level where harmony does not have to be breached in order to meet operational demand. Where necessary additional resources are used to improve recruiting and retention of pinch points. It should be noted that where demand increases dramatically in the short term, for specialist trades, there is often a lag before the recruiting and training pipeline can produce sufficient soldiers to match the requirement.

Factors that will improve harmony include achieving Full Strength (currently the Army is at 99.2% of liability), encouraging applicants who show an interest and have the right skills and aptitude to join pinch point trades and the current low Voluntary Outflow rate.

4. (Recommendation 5) We are aware that the Ministry of Defence was unable to bring back the Harrier fleet and replace it with the Tornado as originally planned because of problems with the apron and the runway at Kandahar. We are pleased to see that this issue has been resolved and that the Harrier force has been returned to the UK. We expect the Ministry of Defence to use the opportunity presented by the return of the Harrier Force to return to training the required number of pilots to fly off the carriers. (Paragraph 34)

While Joint Force Harrier was fully committed to Operation HERRICK up until mid 2009, carrier training was reduced to the minimum sustainable level. Now that Joint Force Harrier has returned to the UK from Operation HERRICK, its carrier capability is

being regenerated to support contingent operations in line with the Strategy for Defence.

5. (Recommendation 6) The Ministry of Defence should, both in advance of and through the Strategic Defence Review, focus on regaining balance in the RAF, reducing the pressures on pinch point trades and reinstating essential training and exercises. (Paragraph 36)

There remain challenges in maintaining manning levels and there continues to be some shortages / pinch points in specific areas. Such shortages are positively managed and considerable effort is made to reduce all pinch points either through growth or retention.

Measures to grow personnel in pinch point trades are wide ranging and include: increased training capacity and reduced course duration; reduction in course wastage; rebalancing of trade structures; regular reviews of Out of Area deployments; focussed marketing, and; Golden Hellos and increased contracted services of non-deployable activities. Timely retention measures also help to prevent already trained and experienced Service personnel from leaving the Armed Forces. These measures include Financial Retention Incentives, streamlined promotion, increasing promotion flows and focussed career management. These are all part of a wider package of professional and social reforms, which include improvements to family and single housing and welfare. All measures are targeted in order to achieve best and most timely effect.

Overall, recruitment to all three Services continues to improve, while, voluntary outflow is reducing, undoubtedly partly because some personnel have decided to remain in the Armed Forces as a result of the global recession.

In terms of the RAF, manning levels increased during the third quarter of 2009/10 such that the deficit in trained strength against requirement had improved to 2.7% by 1st January 2010. Strength is forecast to continue to rise such that the deficit at 1st April 2010 will have improved further to 1.2%. Whilst this recovery in strength is encouraging, there is still much to be done to ensure we achieve the right balance of trained personnel within each Branch and Trade specialisation as the RAF drives towards full manning. In addition, the Armed forces and specifically the RAF are endeavouring to reinstate exercises and training to regenerate capability in line with the Strategy for Defence.

The Strategic Defence Review will look at how we can make the best use of Service Personnel in Defence and the formation of our Armed Forces, in order to manage strength against requirement.

Some examples of financial incentives include:

An incremental financial incentive exists for all services other ranks, payable to those who reach 4 years service and increases each year of service up to 8 years (i.e. £3,750 at 4 years, £5,500 at 5 Years, £7,500 at 6 years or £15,000 at 8 years.)

Qualified Aircrew within the Senior Officer Career Stream (both Navy and RAF), who have reached their immediate pension point, are eligible for £50,000 in return for 5 years return of Service.

6. (Recommendation 7) We fully support the policy of offering continued productive employment to those injured on operations who wish to continue their careers in the Armed Forces. Whilst the Ministry of Defence is content to fund continued employment and the cost of replacing those injured and killed on active service, we consider that it should apply for support from the Reserve as the number of personnel so employed increases and the costs of training replacements rises. We further call upon the Ministry of Defence to ensure that all those injured while on operations have a real choice, after an appropriate period of rehabilitation, as to whether to remain with the Armed Forces or to seek employment elsewhere. We also recommend that, as part of its consideration of the size and structure of the Army, the Ministry of Defence factors in an increase in the required size of the Army to enable continued employment of injured personnel without diminishing the capability of the Army to conduct operations within harmony guidelines. (Paragraph 39)

The Ministry of Defence policy has recently reaffirmed its policy that: *“The Armed Forces will discharge all those medically unfit for military service. However, the Armed Forces may retain those injured, if they wish to stay, for as long as there is a worthwhile role, or if it is judged to be in the interest of the individual and the individual Service to which they belong.”*

The Ministry of Defence is committed to ensuring that those who have been injured or become ill while serving receive the care and support that they need during recovery and beyond. Injured personnel can elect to remain in service where productive employment is available, even if that involves a transfer to a different branch, but those incapable of ever fulfilling a military appointment on account of illness or injury will be medically discharged. In discharging personnel who are unfit for military service, the Ministry of Defence will do all that it can to ensure that these men and women, and their families have the care and support they require to take them to a point where it is right for them to be discharged, however long that takes. The Ministry of Defence and the Department of Health are in the process of implementing new procedures to ensure that there is a coherent handover of medical and social care arrangements for those being medically discharged.

In terms of the suggestion of creating additional posts for personnel with limited employability - this is inconsistent with an Armed Forces and specifically an Army that must be able to deploy on all types of operations, at all times. However, the overall

structure and size of the Armed forces will be examined as part of the upcoming Strategic Defence Review.

Please also see response to serial 10.

7. (Recommendation 8) The Ministry of Defence was unable to tell us how long it would take before the Armed Forces return to satisfactory levels of readiness. As we expect the Ministry of Defence to have now further developed its recuperation planning, we invite the Ministry of Defence, in response to this Report, to show us the expected trajectory for improvements in the readiness of the Armed Forces and the point at which it believes readiness levels will be satisfactory. We recommend that the new methodology and system adopted for the reporting of readiness should provide the same level of transparency and accountability to Parliament and the public as obtained in the past. (Paragraph 42)

A satisfactory level of readiness equates to having recuperated to achieve specific aims. The Ministry of Defence briefed the Committee in closed session on the expected timescales for recuperation. We explained the strategy for graduated recovery, focusing on the least discretionary scenarios that we might be engaged in. The trajectory towards this nearest target remains intact. As we also explained, any time-scale for recuperation of wider capabilities is dependent almost entirely on success in Afghanistan and subsequent drawdown. That remains the case today and until that point we continue to do all that we can.

Future reporting will match our strategy and will analyse Force Elements committed to operations, those available for standing tasks and those directed to be available for the contingent tasks we may be engaged in. The new system will provide greater transparency and will be more meaningful as it relates directly to specific contingent capability, but as a consequence significant elements of it will hold a higher security classification.

The Strategic Defence Review

8. (Recommendation 9) Defence Planning Assumptions are planning guidelines in support of force generation work. Nevertheless, since they form an important part of the calculations leading to the structuring and resourcing of the Armed Forces, we are concerned that they have become so out of step with what has been happening in reality. Ministry of Defence should review the Defence Planning Assumptions as part of the Strategic Defence Review This will provide the opportunity to review the utility and definitions of the Defence Planning Assumptions and of readiness in the light of current and continuing high level of sustained deployment. It should also look again at whether operations in Afghanistan should be treated as a standing task or at least whether account should be taken of the existence of enduring contingent commitments and the need to factor these into defence planning. (Paragraph 50)

Defence Planning Assumptions are a key part of our force generation process and they will therefore form a key part of the Strategic Defence Review (SDR). Both the Prime Minister and Secretary of State have made clear the priority attached to our objectives in Afghanistan and the Strategy for Defence states clearly that success in operations in Afghanistan is the Department's Main Effort and takes account of the enduring nature of the operation. We agree that a key task of the Strategic Defence Review will be to consider whether the current planning assumptions continue to reflect our interests and the likely demands on our Armed Forces.

9. (Recommendation 10) We understand that the Ministry of Defence wishes to analyse the issues concerning the size of the Army thoroughly and in depth—and to await the Strategic Defence Review—before making decisions about the configuration of the Army. However, given the high tempo of operations over the last eight years, it is not surprising that some senior Army officers think that there needs to be a bigger Army. This could limit the extent to which harmony guidelines are broken and permit the deployment of more complete units on current operations. It would also ensure that the Army was able to meet its future tasks and commitments. (Paragraph 56)

The current troop requirement for operations in Afghanistan is 9,500. If the usual Harmony cycle is followed, there must be five soldiers in the FORM cycle for every one deployed. Assuming that the entire effort in Afghanistan was met by the Army, which is not the case, in order to avoid breaking Harmony, the size of the Army would need be a minimum of 47,500. The Army's current strength of around 100,000 is more than sufficient to meet the Harmony requirements, although there are 'pinch points' in some key trades which the Army is actively seeking to address.

Initial scoping work on the size and structure of the Army is underway with the aim of ensuring Defence's requirements are met in the most efficient and effective manner. As part of this work, many different ideas are being discussed, but the final decision will be made as part of the upcoming Strategic Defence Review.

10. (Recommendation 11) The Ministry of Defence is now delaying much of the work promised to us in its earlier evidence sessions until after the Strategic Defence Review. We accept that many areas such as decisions concerning the future size and structure of the Armed Forces will now await the Strategic Defence Review. However, we see no reason why the Ministry of Defence cannot provide us with the current Defence Strategic Guidance and related material on national security. The Ministry of Defence should provide us with the results of its current work on the future size and structure of the Armed Forces. (Paragraph 57)

We submitted our defence planning assumptions to Parliament through a Written Ministerial Statement on 11 Feb 09 and also provided a confidential briefing to the Committee at around the same time. The Secretary of State wrote to the Committee on 27 Oct 09 providing the Ministry of Defence's Strategy for Defence which sets out the Department's strategic priorities. We made Committee members aware that we were reviewing our planning process and briefed the Committee on 13 Oct 09 and 9 Feb 10 on

the Green Paper. We look forward to continuing to brief the Committee on defence planning as we progress through a Strategic Defence Review.

11. (Recommendation 12) It is vital that the Strategic Defence Review is set in the context of a coherent UK Strategy, reflecting long-term strategic interests, encompassing UK foreign policy and the National Security Strategy. The Review needs to take full account of the Ministry of Defence's relationships with other relevant Government Departments such as the Foreign and Commonwealth Office, the Department for International Development and the Home Office. (Paragraph 61)

We agree, it is our intention to carry out such engagement.

12. (Recommendation 13) The Strategic Defence Review needs to cover the use of the Comprehensive Approach including the need for an augmented capability to promote stabilisation and post-conflict reconstruction. In this area, it will have to encompass the role of the Stabilisation Unit and relationships with the Foreign and Commonwealth Office and the Department for International Development. (Paragraph 62)

The Strategic Defence Review must consider how we could more effectively employ the Armed Forces in support of wider efforts to prevent conflict and strengthen international stability. We agree that more needs to be done to build on the major strides we have made with the Comprehensive Approach and the improved ability of the Stabilisation Unit to direct activities in fragile and failing states, including countries emerging from conflict. The recent Defence Green Paper made clear that we need to ensure that the potential role and contribution of all key and supporting actors are considered carefully at the early stages of planning. The Government is also developing a Conflict Strategy to bring together different departments and agencies to maximise our effectiveness in preventing and responding to conflict.

13. (Recommendation 14) The next Government will have to accept the financial realities of the day, but we must warn against the risk that an early stringency budget might prejudice the outcome of the Strategic Defence Review. If the Review concluded that the country faced a particular significant threat, the Government would look foolish if only a few months earlier it had rendered itself less capable of dealing with it. It is easy to lose sight of the fact that one of the core businesses of Government is the defence of the country and of national interests, and that is every bit as true during difficult financial times as during more settled ones. The thinking of easier times (when public spending on health, education and social security was increased by much more than that on defence) must not be allowed to continue into these troubled times. The defence of our country must be maintained whatever the circumstances. (Paragraph 63)

The Strategic Defence Review must be based on the global role we wish to play, the relative role of the Armed Forces and the resources we are willing to dedicate to them. The wider financial context means resources will be constrained. The future Strategic Defence Review must set priorities which are affordable. The Review – which will run in parallel with the Spending Review – provides the opportunity for a comprehensive

reassessment of the Armed Forces' role and structure. It would not be appropriate to speculate about the outcome of the Spending Review.

Recuperation

14. (Recommendation 15) We agree that there needs to be a wider sharing of the burden in Afghanistan amongst NATO Member States, and we support the Prime Minister's efforts to achieve this. We are, however, concerned that any significant increase in the size of the UK's forces in Afghanistan, or any new operation, will destabilise the Ministry of Defence's efforts to recuperate the Armed Forces. The Ministry of Defence should estimate the impact of sending additional personnel to Afghanistan on both readiness levels and recuperation plans. It should identify ways to minimise such impact such that any increase in the tasks demanded from our Armed Forces does not undermine the planned programme of recuperation. (Paragraph 69)

The top priority for defence is success in Afghanistan and we fully support the International Security Assistance Force strategy; a key component of which involves a large number of additional troops. We have played our part and committed an additional 500 troops. We have evaluated the risk involved and the primary impact on readiness and recuperation is not in this area but remains in enduring enablers such as Air Transport. The most significant boost to recuperation will be the success of operations in Afghanistan.

15. (Recommendation 16) As the drawdown from Iraq is now complete, the Ministry of Defence should provide us with a detailed breakdown of the estimated costs of the drawdown from Iraq. (Paragraph 74)

Drawdown from a large operation such as Iraq is challenging in terms of planning, execution and recording accurate costs. The drawdown phase of an operation includes the in theatre activity of transferring equipment and stores to the UK (and Afghanistan) via ship and air; gifting of infrastructure and equipment to the US and Iraqi Government; remediation of land used by UK forces during the deployment; write-off of infrastructure and equipment; and the costs associated with the impairment of equipment. Capturing the full financial data relating to this activity is particularly complex. Our financial systems utilise a number of categories of expenditure across a variety of Top Level Budget holders which are not set to capture specific costs of the drawdown phase of an operation. The Department, therefore, will not be able to provide any further granularity on these costs.

Our response to the HCDC Report on the 2008/09 Spring Supplementary Estimate did set out in some detail the expected drawdown costs for Iraq for 2009/10. Component parts of these costs were outlined as follows:

- £13 million for hire service contracts to replace equipment returned to the UK;
- £97 million for mechanical handling equipment (e.g. cranes) and other equipment
- support costs;

- £21 million infrastructure, accommodation and other costs of withdrawal;
- £56 million for transport (through Defence Supply Chain Operations Movement and Vehicles Group; and
- £10 million stock return from theatre.

These costs were the best estimate at the time noting that the drawdown activity was at an early stage of implementation. We know that the costs will be significantly less than the estimated £177m detailed above which is in line with our reduced forecast for Iraq highlighted in both the Winter and Spring Supplementary Estimates of 2009/10. For example, current estimates of in theatre costs associated with service contracts, mechanical handling equipment and other costs of withdrawal are around £21m whilst the cost of air and sea transport for the return of equipment and personnel is in the region of £10m. The bulk of these transport costs are related to air. The movement of equipment from Iraq to UK was completed using scheduled Defence shipping which was simply diverted to Iraq at minimal cost to the Reserve.

As previously highlighted, the gifting of infrastructure to US forces (which in turn will be passed on to the Iraqi Government) as part of the UK drawdown, is now complete at a cost of £96.5m. At this time we see no further gifting of infrastructure to the US or Iraqi Government as part of this drawdown process although there remain a number of assets that continue to be utilised by UK forces as part of the ongoing mission in Iraq. Therefore, there may be further costs downstream.

The main asset impairment is a charge of some £63 million for accommodation/infrastructure (Tier Three); and there was also a constructive loss of £48.921 million for the transfer of four incomplete permanent structures following the Iraq drawdown. These were reflected in our 2008-09 annual report and accounts (HC850), along with some other equipment impairment costs. We are continuing to assess whether any additional equipment impairment costs associated with the withdrawal will accrue in 2009/10.

As part of the drawdown process, we can confirm that over 8000 items of Electronic Counter Measure equipment, 500 sets of Body armour, 15 000 kg of ammunition and 35 vehicles were moved directly from Iraq to Afghanistan. We are not in a position to provide accurate costs of this transfer as sea and air transport assets that were already programmed to support Afghanistan were simply diverted to allow delivery of equipment.

16. (Recommendation 17) The Ministry of Defence needs to plan the recuperation of the Armed Forces taking note of the lessons learned from operations in Iraq and Afghanistan, and drawing fully on the nature of past operations and the views of senior commanders. This planning needs to be done as part of the Strategic Defence Review which will identify future threats and propose a structure for the Armed Forces to face those threats. (Paragraph 79)

The Strategic Defence Review will consider the future threats we face and the structure of the Armed Forces to address them. We recognise the importance of learning lessons and adapting accordingly. The recent Defence Green Paper highlighted this.

17. (Recommendation 18) The Ministry of Defence has now reached agreement with the Treasury as to some £300 million funding for the first stage of recuperation which will provide readiness for a small scale operation. Whilst recognising the need to determine appropriate force structures before committing significant expenditure towards recuperation, it is worrying that the Ministry of Defence has plans to recuperate only to readiness for a small-scale operation within a five year period. It is as yet unclear as to the provision of funding for the remaining levels of recuperation nor when this will be decided. Recuperation that is required as a direct result of operations should be funded by the Treasury on the same basis that the operations themselves are. (Paragraph 82)

The Committee will be aware that the Armed Forces were greatly stretched while committed to Operations Herrick and Telic concurrently. Since our drawdown from Operation Telic and, in preparation for a Defence Review, we have been engaged in recuperation planning over the short, medium and long-term, and are considering a variety of force packages. Once we have concluded a Defence Review and received a settlement through the next Spending Review, we will be in a position to finalise recuperation planning and deliver those forces capable of best meeting future policy needs.

Further to the above the figure of £300 million refers to the estimated cost of recuperating equipment (excluding munitions) to recover to medium scale operations – not just small scale. As stated in previous correspondence, this cost, in principle, will be met by the Reserve. It was agreed that the funding baseline would be established on the pre-TELIC standard but accept that the actual expenditure and the recuperation of equipment would be based on the lessons learnt since then, and indeed, focussed on, in priority order, those contingent tasks that we have set out in the Strategy for Defence. The Department needs to ensure that resources are not invested into capabilities that have been overtaken by events and, therefore, we continue to work with the Treasury to identify the most appropriate funding profile for the recuperation of equipment that will meet our future needs.

18. (Recommendation 19) As the Ministry of Defence made clear to us, recuperation could be derailed very easily by any additional commitment of Armed Forces personnel. We add that it could also be seriously affected by financial decisions designed to reduce the budget deficit. It is worrying that the timetable for recuperation has already slipped to accommodate the Strategic Defence Review. (Paragraph 85)

This year's Strategic Defence Review will be the first since 1998. Given the course of global events over the last 12 years and the potential for future global insecurity, it is sensible to conclude a Review before agreeing upon a specific force structure. Were we

to proceed unilaterally ahead of a Defence Review we would potentially risk not being able to meet future policy demands.

19. (Recommendation 20) We recognise that the Ministry of Defence is conscious of the need to tackle problems with retention and recruitment in pinch point trades. However, we are very concerned at the extent and range of operational pinch point trades—in particular, those in the operational medical service where the Armed Forces are already very dependent on the use of Reserve Forces. The Ministry of Defence should, as a matter of priority, identify solutions to the shortages of emergency medical personnel and ensure that such shortages do not hamper recuperation targets. (Paragraph 87)

Pinch Points can be caused by higher than anticipated operational demand or by under-manning. The former can only be reduced by routine reviews of operational requirement and the latter through recruitment and retention initiatives, of which there are many.

Pinch points amongst the medical trades are of concern, and are all the more evident because they are small cohort groups that are difficult to recruit due to national shortages and the length of time that is required to train a qualified Medical Officer or Nurse. Current advertising has attracted an increased interest and the Specialist Recruiting Team is currently working with 51 Medical Officer candidates (of various specialties/experience).

Critical manning shortfalls remain in Intensive Therapy Unit Nurses, Emergency Nurses and Operating Theatre Nurses. 'Golden Hellos' are available and there is a £20,000 financial retention incentive for a 3 years return of service. A Tri-Service Nurse Pay Spine was introduced in August 2009 to establish pay comparability with NHS nurses. The Army is the single-service supplier of Pharmacists and a Golden Hello of £20,000 for 3 years return of Service has been introduced to attract qualified Pharmacists. As with many pinch points that have a high qualification requirement or where the problem exists in the mid rank range there are few, if any, quick fixes.

20. (Recommendation 21) The Ministry of Defence recognises the impact of breaking harmony guidelines on Armed Forces personnel and their families. However, we sense that the work so far on recuperation has focused on equipment and sustainability. We expect to see the recuperation of personnel put at the forefront of future planning for recuperation and likewise to see improvements in the achievement of harmony guidelines, especially for those sections of the Armed Forces most severely affected to date. The Ministry of Defence should update us regularly with information about improvements made in returning to deploying Service personnel within harmony guidelines. (Paragraph 88)

Currently the Armed Forces report their performance against Harmony guidelines quarterly in the Ministry of Defence Public Service Agreement Performance report

which are laid in the house library, under the title ‘Levels of Individual Separated Service’.

21. (Recommendation 22) It is predictable, given the high tempo of operations, that non-theatre specific training would suffer. These gaps in training have resulted in falls in readiness levels and certain capability gaps, for example, in the training of fast jet pilots to fly off carriers. The Ministry of Defence has acknowledged that there are difficulties with providing training on equipment procured under the UOR process. Notwithstanding both the Secretary of State’s recent announcement on reducing training for the Army and the forthcoming Strategic Defence Review, the Ministry of Defence should make training for those capabilities which have not been exercised in recent or current operations a priority for recuperation. We expect to see detailed plans for such training reflected in the further recuperation directives likely to be produced after the Strategic Defence Review. (Paragraph 92)

The Armed Forces conducts a wide variety of training each year to ensure they are ready and able to meet Ministerial priorities. Afghanistan is the Ministry of Defence’s main effort and we have, therefore, rightly prioritised our resources to provide the best possible training for those forces preparing to deploy out to theatre. Following our drawdown from Iraq we have been heavily engaged in recuperation planning, but it is for the Strategic Defence Review to decide the exact types and sizes of the contingent capabilities we chose to invest in for the future.

22. (Recommendation 23) The UOR process has produced some very capable equipment, most of which is not so theatre-specific that it would not be useful elsewhere. Ministry of Defence should make value for money decisions about which UORs to incorporate into core equipment and should not be overly influenced by short-term funding difficulties. Recuperation plans should address the problems of managing fleets within fleets. (Paragraph 94)

The Department recognises that capabilities procured under UOR arrangements could have utility beyond the operation for which they were originally procured. The extant UOR process mandates a review of each UOR 12-months after it has been delivered, to address this very issue. UORs that are deemed suitable for core funding are then brought into the Department’s Equipment Programme (EP) and funded in the standard manner.

23. (Recommendation 24) The practice of cannibalisation is inefficient and poor value for money. The Ministry of Defence should make strenuous efforts to stop the practice. (Paragraph 95)

The Ministry of Defence recognises cannibalisation is an inherently inefficient way of supporting equipment. Guidance to Front Line Commands makes clear that cannibalisation is not normally to be carried out during routine training. However, we also know that situations arise in which non-availability of spares is significantly affecting a unit’s operational effectiveness. In these cases Operational Commanders

must be able to supplement the normal supply system for spare parts by controlled, forward cannibalisation and salvage. In sum, our policy accepts that there will inevitably be circumstances when cannibalisation is necessary for operational reasons. Guidance is available to ensure that it is carried out in a controlled way.

24. (Recommendation 25) We recommend that the Ministry of Defence should determine a timetable for the recuperation of necessary missiles. (Paragraph 96)

The Stockpile Planning Steering Group (SPSG) is charged with interpreting Departmental Planning Assumptions and supporting each of the 3 Environmental Working Groups in their review of stockpile requirements for key munitions. Given the complex nature of munitions procurement, including long pipeline times, recuperation requirements are included in the process, which differs from other lines of materiel.

The SPSG is currently identifying munition stockpile requirements in accordance with the Strategy for Defence Technical Instruction supplemented with evolving aspirations beyond this strategy. The aim is to derive a stockpile requirement for predicted worst case assumptions against which affluences and shortfalls might be identified against the current stockpile. The timetable for this early work is the end of March 2010.

25. (Recommendation 26) Despite assurances, we remain concerned that the additional work needed for the recuperation programme as well as the continuing UOR programme will put pressure on DE&S. The Ministry of Defence should ensure that DE&S has sufficient and appropriate staff so that the work on recuperation will not adversely affect the equipment programme. (Paragraph 99)

Recuperation does not attract discrete funding from Her Majesty's Treasury but is undertaken as an integral part of enduring DE&S activity. Within DE&S, resources are matched to procurement, support and recuperation activities, including work on Urgent Operational Requirement equipment, based on the current priorities. Initiatives such as Flexible Resourcing allow the rapid redeployment of manpower between DE&S projects to support this. Guidance within DE&S is that work should continue on all Equipment Programme projects and activities unless it can no longer be undertaken in a safe and professional manner. If a point is reached when an activity can no longer be conducted in a safe and professional manner, either the activity will be stopped or resource will be reallocated from a lower priority activity. To date, DE&S has not had to stop work on any project because it failed to meet the safe and professional criteria.

26. (Recommendation 27) We welcome the Strategic Defence Review which is expected to follow in the next Parliament. However, it should not be solely a defence concern and it needs to be set in the context of a UK Strategy, reflecting long-term strategic interests, encompassing the National Security Strategy and UK foreign policy, involving other Government Departments as appropriate. The Review should take account of the current readiness levels of the Armed Forces and the need for their effective recuperation. It provides the opportunity for the utility and definitions of Defence Planning Assumptions and of readiness to be reviewed in the light of the

current high level of sustained deployment. The Review should also codify the use of the Comprehensive Approach and propose an augmented capability to promote stabilisation and post-conflict reconstruction. We would expect our successor Committee to take an active interest in the progress of that Review. (Paragraph 100)

We agree with this approach. However, decisions on specific capabilities are a matter for the Review.

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