Evaluating the Recent Changes in the Governance of Defence and the Reasons for the Decline of MOD

04 06 2018

The current situation

There can be no argument that the evolution of Governance and Statecraft was, and is, required to reflect the profound, rapid and continued changes in the world - stimulated by a huge growth in World population over this period, the IT revolution, the global availability of technology, the ease of travel and so on - and to cope with the hypercompetition and various forms of instability that now afflict the world and challenge our world order. However, the impact of the significant constitutional changes of the past two decades reshaping the governance of our national security has attracted little Parliamentary or public comment and is often not fully realised even by some of those currently in high office. In all of these changes, the MOD and Armed Forces have played no significant role and Defence has been mainly a passive recipient of change inflicted upon it. The Civil and Military Services have seen their intellectual capacity dramatically reduced as they have reduced in numbers, and for the past decade have made virtually no contribution to the redesign of the Whitehall structures of power. This now needs to change. But to change this situation for the better requires a real understanding of how the current situation evolved and an appreciation of what has been lost, what has been broken and needs fixing. That is the focus of this study. Ideas of how to fix things will be the basis for a future study.

The demise of Cabinet Government

Since 1945, Prime Ministers have experimented with different levels of centralisation of control in their offices, versus devolving power to the Ministerial Departments. But up to the end of the 20th Century, it was still traditionally the case that the Cabinet played the fundamental role in deciding issues of national policy. Each new incoming Government would re-establish, sometimes with changes, the Cabinet Committees which provide the day-to-day direction. Strong "Cabinet Government" provided for a high degree of collaboration between Ministers and Departments (Ministries) on all issues of national importance, informed by the Joint Assessment Staff and Joint Intelligence Committee within the Cabinet Office. Cabinet collective decision-making and responsibility encouraged Ministers to be prepared to take risks as, except in the most extreme cases, responsibility for any failure would be shared with their colleagues, whereas success could actually bring advancement.

But after 1997, under the Blair government, the role of the Cabinet began to be reduced in favour of centralizing power in the Prime Minister's Office, a trend which was continued by subsequent governments. This move away from Cabinet Government towards a more presidential governmental style may have been politically expedient at the time, but it also had certain negative consequences.

-

¹ See for example, the declassified Cabinet papers from the MacMillan and Wilson Governments at the National Archives.

Deprived of the cover of collective Cabinet responsibility, ministers became increasingly unwilling to take risk. Success could no longer lead to advancement, since Cabinet was effectively disempowered.

Within their Departments, Civil Servants likewise became more risk-averse as innovation in policy-making with its attendant risks ceased to be career-enhancing.

Gradually, coherence and collaboration between Government Departments were lost. From this point on, cross-Departmental working became ever more difficult. The loss of the Civil Service Staff College (latterly the National School of Government) removed the main tool for creating a language, culture and mechanism for inter-departmental dialogue and collaboration, and for sustaining research intra- and extra-murally. The proliferation of a string of policy initiatives in an unsuccessful attempt to rebuild cross-government working, under banners such as the "Comprehensive Approach", dates from this time.

The growth of the Cabinet Office

Associated with the centralisation efforts was the move to central policy creation, weakening the role of the Civil Service and of Government Departments (Ministries). In an attempt to compensate for the loss of coherence and generate coherent solutions, as well as to bring policy-making more under the direct control of the PM, all policy formulation was made primarily a Cabinet Office responsibility and Departments were reduced to elaborating that policy. Many of the practical executive functions of Departments were hived off into agencies tasked with the delivery of policy (and often required to be financially viable). They merely had to deliver the contracted service, whether or not this proved possible or desirable. The Civil and Diplomatic Services became Government Servants rather than Crown Servants, with no discussion, and many, especially from MOD, were transferred to commercial companies.

To handle this, the size and power of the Cabinet Office were greatly increased. From being just a secretariat of the Cabinet with a staff of hundreds, the Cabinet Office became a large Department in its own right, with over 3000^2 staff. In effect, it has become a Ministry of Ministries, with policy responsibilities and supervisory powers over other Departments. Subsequent Governments have adopted a similar approach and have retained the large Cabinet Office, with the addition of a National Security Council (NSC). The Cabinet Office is today the greatest focus of power in the Government after the PM.

When the Cabinet Office captured top-level policy creation, Permanent Under Secretaries (PUS) in Departments such as MOD lost much of their real power. The Policy Director – PUS – Secretary of State (S of S) power axis was broken, or at least very much diminished. The main directions of defence policy creation are no longer vested in MOD, for MOD to propose major policy initiatives to the S of S. In essence, MOD is no longer a major contributor to high-level policy- and strategy-making. Instead, policy lines are handed down from the Cabinet Office. for example, the Cabinet Office Major Projects Authority has now replaced MOD decision-making in major acquisition projects. However, the Cabinet Office contains no body of military staff able to contribute to

2

² It is very difficult to get exact numbers for the size of the Cabinet Office and No. 10, to include all attachments and outlying offices.

evaluation or policy formulation in the defence and security sphere, or to reflect defence and security interests in policy making as a whole.

To exercise control in the new "presidential" structure, the size of the PM's Office ("No 10") also had to be increased from less than a few hundred staff to well over 1000. The formal number of staff positions in both the PM's Office and especially in the Cabinet Office understates their real size as it does not include the "Agencies" and subordinate "Offices" set up to support the organisations. There has also been a dramatic growth in the number of lobbyists to seek influence over the Cabinet Office, and in the employment of selected "advisors" and "consultants", rather than Civil Servants, to work in the Cabinet Office and its Agencies. None of these people can be relied upon to "speak truth unto power".

The large-scale removal of responsibility for both policy-making and policy delivery from the direct control of Departments and Ministers had certain inevitable consequences.

The first consequence was to detach policy-making from delivery - both previously done by one large, competent team within a Department - making it very difficult to get timely feedback about the successes or failures of any policy as that policy came face-to-face with reality on implementation. As a result, it was now impossible to abort policies which proved unexpectedly bad, or to amend or fine-tune a policy to ensure that it could do what it had been intended to do. The essential "bottom-up" input into policy was disabled. We began to see strings of successive *policies*, each hurriedly introduced in an attempt to correct the deficiencies of its predecessor³. In an effort to correct this situation, the PM's Office was given a *Delivery Unit* to enforce delivery of policies. Its effectiveness was at best dubious and it was ultimately disbanded.

The second consequence was to downgrade Ministers from being "improvers of the country through effective innovative policy" to becoming merely "supervisors of contracts". The knock-on effect of this must ultimately impact upon the motivation of people to become MPs and members of the Government.

The third consequence was to weaken the technical, professional expertise of individual Departments and remove the through-life career structure for Civil Servants within their Departments. The reduction in in size and technical competence of many Departments (especially Defence), not only weakened the Civil Service disastrously, but also gave rise in turn to the evolution of the Senior Civil Service (SCS). This compounded the problems because promotion within this closed elite is horizontal, i.e. between Departments.

The role of the Treasury

When, in the 1930s, the Treasury fought to prevent increases in defence spending, despite the gathering storm in Europe, it took a great deal of effort from the Armed Forces to override it, even at the 11th hour. Today, the defence budget is not based on any scientific analysis of the threat, nor on an understanding of what spending 2% of our GDP on defence will actually give us. The figure of 2% is completely arbitrary. Nor was there any recognition in the 2015 SDSR that the finance model for

3

³ The NHS arguably provides the most unfortunate example of this phenomenon.

Defence and Security is inappropriate. There is no prospect of sizing the budget to deliver value, nor of treating the expenditure as an investment rather than an "insurance policy". The arbitrary 2% of GDP is not justified, nor could it be. Hence, the SDSR programme devised to consume 2% of GDP is uncorrelated with any advancement in UK interests or with the campaigns we may need to undertake.

The Chancellor of the Exchequer now de facto controls MOD's programme as it is the Treasury which will decide how many ships, planes and people the Armed Forces may buy through its control of the Defence Budget. As it is, the fleet sizes proposed for the various systems will provide no conventional deterrent that would contribute to our professed nuclear deterrent doctrine, nor make any significant increase in our contribution to NATO. No account has been taken of any possible attrition or combat losses. The Armed Forces will be left to suffer the consequences in the event of any conflict.

Unfortunately, unlike the 1930s, the influence of the Service Chiefs is much diminished, and with it their ability to get the Cabinet to override HMT in the event of their perceiving a threat which HMT, lacking a serious capacity for geo-political analysis, does not acknowledge.

The evolution of the Civil Service and Senior Civil Service

A fundamental feature of governance in the UK since Victorian times has been the tradition of a strong, highly competent, non-political and uncorrupted body of Crown Servants. Over the years the institutions of the Crown had earned popular trust and were very effective. The interaction of the Civil Service with the national security agencies provided stability, freedom from political interference and a reputation for honesty and effectiveness on the part of all the agencies. There was strong positive identification between Armed Forces or Police on the one hand, and the Public on the other.

However, in the last two decades, the Civil Service has changed fundamentally⁴. The impartiality, competence and altruism of the Civil Service have been reduced by a combination of political changes, shrinkage and inappropriate reforms. Most especially, the Blair reforms that changed the Crown Servants in the Civil and Foreign Services to *Government* Servants and the wholesale introduction of "Performance Management" have eroded the collective spirit which until then had inspired the Civil Service – the belief that civil servants were working for the Common Weal. There was also a rapid erosion of the concept of "integrity" in Crown Service, both civil and military, with the advent of private security services delivering what had hitherto been a Crown monopoly, which affected MOD disproportionately. An attitude that "Government could not trust Crown Servants to innovate" and that "bureaucracy was bad" came to prevail, when in fact this new approach simply fostered managerialism.

Furthermore, the edict which made Crown Servants into Government Servants means that Parliament cannot now be advised independently by the Civil Service, the Foreign Service or the disciplined Services (including the Army). Government Servants are only allowed to put forward the Government's line, and must implement Government policies obediently, even if they disagree with them. Where now is the concept of "speaking truth unto power?" The opposition is no longer

_

⁴ The Police Service has also been seriously affected, but this is outside the scope of the current paper.

Personal - in Confidence

informed adequately to propose constructive alternatives to Government proposals. It can do no more than indulge in poorly-informed, negative attacks that do nothing to inspire the confidence of the electorate in the competence of their representatives. It is these factors which have contributed to a loss of public confidence in Government generally.

The gradual loss of the ethos of service was reinforced by the new enthusiasm for *Performance Management*, a management process that was applied to Civil, Diplomatic and Military staff. This process has been very destructive over the years because it replaces altruism with a system which rewards individualistic ambition and stimulates competition between individuals, rather than building teams to compete with our enemies and competitors in pursuing the national interest.

The result of these changes, coupled with the steady shrinkage of the Civil Service under the twin pressures of an ideological belief in the virtues of "smaller government" and the realisation of the pensions burden that the Civil Service inflicted, not only reduced the attractiveness of the Civil Service as a profession but it began the steady decline of the technical competence of the Civil Service as a whole. The post-Cold-War shrinkage of the Defence Budget and the Armed Forces meant that MOD suffered a particularly precipitous decline⁵.

To justify its monopolising of all the top posts in a rapidly shrinking Civil Service, the SCS as a whole has sought to create the illusion that they can be an elite management class formed of people who do not need domain competence to do their job. Entry to this elite is via the Fast Stream, promoting people through management posts to 1* as early as 30. They can then serve till 65 and move freely across departments⁶. The problem with any such closed elite is that its main motivation will always be to maintain its own power and position. We now have a two-tier Civil Service with a separate SCS primarily loyal to itself and to its own institutional interests, directly serving the interests of their Ministers rather than the national interest as was the case in the past. The evolution of the leadership of the MoD over the past decade provides an excellent, if unedifying, example of this process at work.

As the Civil Service has been reduced in size and technical, professional competence it has been less and less able to undertake technical tasks from within its own resources. To compensate it has relied more and more on calling in consultants. This trend is reinforced by the (unsubstantiated) belief – in some quarters almost an ideology - that introducing commercial business practices is the answer to "administrative inefficiency". This belief is held in ignorance of the root causes of the current

who conducted the SDSR. It also greatly increases the likelihood that MOD acquisition will soon come to be controlled by US contractors rather than by Civil Servants.

⁵ In its Inquiry towards the end of the last Parliament, HCDC noted the severe decline in the technical competence of particularly the Senior Civil Service in the MOD. In contrast to most other Government Departments, the civil service at all levels within the MOD needs a very high level of scientific, engineering, financial, economic, industrial and other professional expertise and experience to do its job competently. The 2015 SDSR provides no recognition of this, reflecting the ignorance of Defence matters on the part of those

 $^{^6}$ The proportion of the SCS within the Civil Service has increased from 0.9% to 1.1% over the last 4 years as the total Civil Service has reduced. (ONS)

problem. It also conveniently ignores the fundamental differences between business and government, especially in the security sector. It makes a god of *efficiency*, forgetting the fundamental importance for government of *effectiveness*, especially as far as national security issues are concerned. In the complex world of security, it is fitness-for-purpose within the *current* security environment that must be judged, not an irrelevant set of "business metrics" based on past requirements. A strong, competent and confident Crown Service can make good use of consultants if it controls them well. But a managerialist bureaucracy which is no longer technically literate, which goes to consultants not just for answers but for help in posing the questions, is no longer fit-for-purpose.

The UK's long tradition of a strong, competent, honest administration has left many people with a confidence in today's Civil Service which is no longer wholly justified. This is not to say that there are no good civil servants. There are a great many. Indeed sincere, competent dedicated individuals are probably in the majority at every level. But the *system* no longer functions as it should and is in need of drastic reform.

However, because of the strong legacy of our Civil Service, the role of Parliament as the third element of the system of governance in the UK has been relatively poorly developed in past years. To date, the Parliamentary Select Committees have had little power - nothing to compare with the power of a US Congressional Committee. Nor do they have the structured oversight responsibilities enjoyed by their counterparts in, say, Canada or Germany. Lacking real power, Parliamentary Committees have been left only with the ability to "name and shame" as a tool of democratic oversight. But in today's networked world, it is surely better to forestall a disaster rather than point the finger of blame after it has happened. The time would seem to be ripe to review and perhaps to enhance the power and responsibility of Parliament, making security a Parliamentary responsibility as "representative owner" to compensate for the deficiencies developing elsewhere in our system of governance. Issues concerning National Security should not be merely party political matters, for the timescales they cover span many election cycles.

A further element in the UK's system of governance has been the role played by the Academic and Journalistic world. Again, this was never as strong or as influential as in the USA and it has grown weaker in the past decade. But it is still extremely important, not least as a means by which the public is kept informed about national security issues and about the agencies responsible for its preservation. But here too, the past 15 years have seen significant changes. The Research Assessment Exercise, introduced to measure and evaluate research excellence in Universities, has had the perverse effect of discouraging imaginative forward thinking in defence and national security issues at precisely the time when such thinking is desperately needed because it is no longer being produced in Government and Military circles. The uncontrollable growth of the internet, the proliferation of social networking, the fall in the quality of classic journalism and the loss of technically competent journalists has created a public information environment which is now very difficult for Government and Parliament to cope with. The very frequency of leaks and exposures acts against transparency in government and generates an unhealthy secrecy.

Government bodies - and Parliament in particular - therefore, have a responsibility to provide leadership and guidance to Academia, think tanks and the media as to the issues they should be

researching. It takes courage for political leaders and civil servants to invite alternative views or models of the future and to encourage in-depth research which may contradict current policies. But an effective "challenge process" is a pre-requisite for successful governing. There is far too little such *loyal challenge* in Whitehall today, despite the lip-service often paid to it.

A final point, increasingly important in today's world, is that the combination of changes in governance and the decline in power and competence of the Civil Service has rendered the UK much more vulnerable to foreign influence and external lobbies than used to be the case. The current concern with Russian influence on democratic processes usually miss this vital point.

The National Security Council (NSC)

The creation of the National Security Council (NSC) and the preparation of a National Security Strategy (NSS) reflected the need to compensate for the impact of these constitutional changes on Departments concerned with National Security. This happened at a time when the whole global security situation was in flux and National Security was realised to be more than just the preserve of soldiers, diplomats, policemen and spies. Despite the then PM's insistence to the contrary, it was also becoming increasingly obvious that the UK's Foreign Policy was having a serious impact on the UK's domestic security. It was clearly no longer wise to deal with internal and external security issues as separate issues. The consequent need to improve the Government's capacity to take a holistic view of national security and to implement a co-ordinated response provided a further strong impetus to create the NSS and NSC.

The Conservative Party's Green Paper on National Security (published some six months before the 2010 General Election) had envisaged that the NSC, once established, would gradually develop into a body which could oversee and direct all aspects of National Security, ensuring that coherent policy could be made in response to a holistic assessment (the NSS) and implemented by all relevant Departments. The NSC would have "bridged the gaps", including the gap between foreign policy and internal security (the Blair Government's support for the War on Terror and for US policy in the Middle East being a direct spur to the radicalisation of young British Muslims to violent extremism), ensuring that a government could identify, and would have to face up to, contradictions in its policy.

Had it developed in this way from the start, the NSC would very quickly have become a powerful institution. Logically, it would have developed its own staff - a "headquarters" organisation to direct and co-ordinate the national effort - and a budget to facilitate the "comprehensiveness" of multi-departmental working. However, this would have reduced the power of existing Departments even further, challenging the new and growing predominance of the Cabinet Office and necessitating a fundamental reform of Whitehall.

The 2015 SDSR marked a major step in the transfer of policy and decision making from the MOD to the NSC, and the growth of the NSC's authority over and responsibility for all security issues. It is significant that the SDSR was presented to Parliament by the PM, not by the Defence Secretary. Had the PM merely wished to extract political kudos from the SDSR he could have opened the batting and then passed the floor to the Defence Secretary. In fact, the Defence Secretary is virtually invisible in the document, being mentioned only twice; as fourth in the list of permanent members

of the NSC and as being responsible for MOD exports (there are over a dozen references to the PM in the document, including his introduction).

Current Decision Making in MOD

Decision-making has been extensively studied as a subject for many years, including by MOD's own research programme⁷. Although the thrust of the MOD research was operational, the results apply equally to other situations, including policy-making⁸. A significant finding of these studies is the importance to good decision-making of selecting appropriate people and investing in their education, especially by modelling and simulation of possible future situations. Related research on organisation has addressed the challenges of complexity and networks, emphasising the importance of adaptive organisations. The organisational structure directly impacts on the decisions that an organisation can address and how it will make them. However, we have seen no evidence that this research has been exploited in MOD's current Policy or Strategy-Making. This appears to an example of structural power trumping science.

In the current system, the Cabinet Office creates the main policy directions; the SCS and Civil Service in MOD elaborate the policy and, for the bulk of major tasks, issue contracts to agencies (governmental Agencies or private contractors); the agencies implement the orders given. The feedback mechanism which existed when Departments both created and implemented policies has been lost. There is no longer any capability to amend policies "on the hoof" when, faced time and again with the realities of the British Public, they do not work in practice. The Cabinet Office must now issue a new policy initiative to put things right…etc etc. This is not how a learning, adaptive organisation functions.

Under this top-down system, the authority of the 4 Service Chiefs (RN, Army, RAF and Joint Ops) and their ability to advise and influence upwards is strictly limited to operations; it no longer stretches to major issues of policy or strategy. Their task is now only to manage their Services and to implement the policy and strategy made in the Cabinet Office and issued to them via CDS. They can feed up to CDS, but no more. In time, this is bound to reduce their credibility as military commanders in the eyes of their troops.

The current system is a one-way organisational model with too little feedback and too little capacity to learn and adapt. Any challenge process is also naturally limited to the now-restricted competence of the Chiefs, i.e. to details of how policy can be elaborated or implemented. There is no effective

⁷ Dr Colin Sheppard led much of the early research at the Command Systems Laboratory, Portsdown, and the MOD DERA/Dstl reports of this team should be consulted.

⁸ There are many theories of decision-making, reflecting the loose way that the term is employed. They cover everything from rational selection among a range of options that are sensibly "quantifiable" to real-time decision-making under uncertainty and existential stress. The class of theories considered most widely applicable are those termed naturalistic decision-making, where the work of Prof G A Klein has been highly influential.

challenge process within MOD to the "Big ticket" policy initiatives, such as contractorisation, PFIs and GoCos.

For example, in MOD, much military training has been contracted out to PSCs on the orders of the Cabinet Office and against the wishes of both MOD and the military. No studies are available which show that this contractorisation actually delivers a benefit. A good current example would be CAPITA with the Recruiting Contract. The immense difficulty and enormous amount of time needed even to begin to rectify the disastrous situation that has arisen in this crucial area demonstrates both the problem and the current lack of institutional mechanisms and tools to address it. There is no feedback on training effectiveness to improve the training.

Deprived of *institutional* power by the constitutional changes outlined above, the SCS set out to gather *structural* power, i.e. the control of the administration function. This has allowed the SCS gradually, deliberately and systematically to take power from professional elements in the Departments. These professionals must be marginalised if the SCS is to be safe and to preserve its elite status. This is not just the case in MOD; the NHS has suffered in the same way and is arguably in a much worse state, a fact partially obscured only by pouring massive funding into the system. In MOD, the growth in the power of Command Secretaries is a good measure of how this SCS power has been extended in recent years. PUS is now superior to CDS in the MOD hierarchy, overturning the sensible balance established by Field Marshal (now Lord) Bramall in his reforms of the mid-90s.

The main concern of the SCS is to increase their share of power in the internal power balance. The carefully balanced power structure set up by FM Bramall, in which a technically very competent Civil Service supported the Military and linked the Military safely into the political framework of government, has been replaced by a system in which a technically deskilled SCS largely controls the Military⁹ which is becoming isolated from the political framework. Members of the Armed Forces are now effectively forbidden to talk to MPs

As part of the process of establishing that there is no need for domain competence in the SCS, there has been a gradual shift to considering the MOD as primarily a *commercial business*, to be run on business lines, belittling any consideration of the difference in culture between doing business and serving the national interest, and ignoring the fundamentally different impact of the cost of failure (national defeat, soldiers' lives etc.). We now have "Head Office"; NEDs with purely business experience; no scientists and only 2 military personnel on the Defence Board, etc. The transformation of the Scientific Advisors from independent competent advisors to Ministers to politically appointed senior civil servants with, in the case of MOD, no credible independence and no seat on the Defence Board, is an excellent example of how profound this change has been.

underfunded for the objectives given and inappropriately structured and managed.

The new performance-management processes and structures may have worked in the context of 'normal' business in the 1990s, but they failed when confronted with protracted and significant operations after 2003. The point was not addressed by the Levene report in 2011, which was focused on business practice, not strategy in the sense in which a general staff would have understood it." Professor Sir Hew Strachan, writing in the 2012 edition of the British Army yearbook.

⁹ "However, the 1994-95 Defence review dismantled the balanced structures put in place by Lord Bramall, replacing them with arrangements over which the Senior Civil Service assumed control. The review also dismantled the strategic planning function introduced by Bramall and created a Ministry of Defence both

The "fitness function" of MOD is now assessed on the basis of business criteria of efficiency rather than on the Department's effectiveness at providing for the country's defence and security. This is not to paint the former MOD system as perfect, nor to deny that there is a lot that can be learnt from business, just as business has learned a lot from the military in recent years. But the business function and culture now dominate at the top of MOD. The MOD Annual Reports are now company reports, not defence and security reports. This limits Parliament's ability to make constructive contributions to policy and strategy development.

Faced with the evident need to adapt, but lacking the systemic mechanisms to do so naturally, the MOD, in common with other Departments, has resorted to regular top-down "change management" initiatives under a variety of guises. These have the added advantage that the disruption they cause makes control easier. However, not only have such methods been totally discredited in the outside world – in business, it is well known that 80% of top-down change management initiatives fail – but MOD's neglecting to put in place any instrumentation to track the impact of the initiatives means those who instigate them cannot establish what works and what doesn't.

In the SCS' management of MOD, any form of modelling is currently eschewed as its results cannot be predicted and might prove embarrassing. At the Defence Academy there are significant resources of expertise in synthetic environment modelling as well as in acquisition. But these have not been drawn on to help plan reforms. Dstl's Policy and Capability Studies Division has not been used to support of major policy or strategy decisions. DERA had Europe's largest Centre for Human Sciences, but this was dismantled, despite the Army's increasing need for its work (e.g. on PTSD)given the recent high operational tempo and the structural reforms needed to address reductions in Budget. MOD never used it to look at its own structure and organisation. Instead of using its own in-house capabilities - and thereby expanding its own understanding of, and competence to address, the problems of change - MOD has consistently drawn on external consultants for this work.

Notwithstanding all the above, it must be understood that there are very many competent, loyal civil servants and senior civil servants doing an excellent job. They will feel insulted that their contribution is not recognised, and rightly so. It is not our aim here to criticise individuals – far from it. Bringing in managerial expertise from other Departments is a real benefit in many cases. This is by no means a one-sided story. Indeed, it is the excellence of so many individuals which actually allows the system to function and obscures the fact that the system itself if where the problem lies. However, the system itself within MOD is broken.

Getting back to where we need to be

Compensating for the decline of the past two decades and creating a new, effective system for national defence and security is a huge task which will need a whole-of government effort. However, as a first step to enable the Service Chiefs to become capable of doing their jobs and influencing decision-making as the responsible experts in their field, they will need to increase their own structural power. This necessitates their creating two parallel management systems: one to serve the needs of the current MOD business system, producing papers, accounts etc. as expected; the other working to the demands of defence and security needs in a way that gets things done and makes things work.

The role of CDS needs to evolve into the public face of the Chiefs, taking on a more visible function like his US counterpart. He is their conduit to the people, whose support the Chiefs will need. He

Personal - in Confidence

must also recover credibility as military leader of the forces he commands. He is not just the Chief Operating Officer of a business of which the PUS is now CEO.

The Chief of Staffs' Committee (COSC) needs to become <u>the</u> Military Board, with scientists and other advisers who understand the new forms of power the UK will need to be able to generate and deliver to meet new threats. They will need a new horizontal network to engage other government departments relevant to these different forms of power.

The centralisation of policy formulation has not addressed the question of operationalization of political control of military power. What was vested in a domain-competent civil service is now either missing, in the hands of domain-incompetent SCS, under Ministerial direction or NSC direction, or composed of some combination of the above. This must also be addressed, not only as an essential element in decision making, but as a fundamental aspect of our democratic system.