Defence in an age of Austerity: the United Kingdom’s Experience

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Context of SDSR

- Economic position
  - Debt levels rapidly approaching as pass £1trillion
  - Nation’s credit rating becomes the Centre of Gravity
  - Spending Review due October 2010

- Defence position
  - Future defence programme includes estimated £38bn of unfunded expenditure
  - Nuclear replacement costs unfunded
  - Afghanistan focus
  - Lack of policy direction
  - Top heavy structures

- Political position
  - Previous Labour government in denial over defence
  - Coalition government formed May 2010
Strategic Defence & Security Review

- Built on previous Labour government’s 2010 defence green paper
- Continued the assumption of maintaining ‘Britain’s place in the world’
- Risk based approach adopted and significant risks accepted
  - Maintained Afghanistan focus looking to 2015
  - Force restoration by 2020
- Funding cuts in three forms
  - 8% cut
  - Rectifying £38bn deficit
  - MoD to pay for a delayed Trident
- Big assumptions on efficiency/sale of assets
- Step reduction in expeditionary capability
- Major manpower cuts
- Significant programme cuts
SDSR’s Weaknesses

- Some decisions were taken too quickly without proper staff work
  - E.g. F-35 saga
  - Carriers without aircraft

- Implication denial
  - 2nd, 3rd and 4th order effects were not scoped e.g. DTR 1 cancelled

- Inconsistencies
  - E.g. smaller army but no unit cuts

- Some areas assumed without any costing
  - E.g. Return of remainder of the army from Germany
What was left for follow on work?

- Defence Reform
- Defence Industrial Policy
- Reserves
- Nuclear Deterrent
- Military Covenant
Subsequent decisions

- Promise of small increase in equipment spending from 2015
- Report of the Defence Reform Unit
  - Creates 4-star Joint Force Commander
  - Creates Joint Forces Command
  - DSF subordinate to JFC
  - Creates 3 star SDSR Implementation Post
  - Start of cull of senior officers with the amalgamation of the heads of service with heads of command posts
  - DCDC brought within the Defence Academy
- Further round of ‘transformation’ announced in July 2012
  - July 2011 army cuts brought forward and deepened 90,000 to 82,000
  - Reserve Announcement
- May 2012 – F-35 decision revisited
- Hammond declares defence budget in balance
Areas still to be revealed

- Future structure of the army
- Future reform of defence acquisition
- Impact of lack of economic growth
- 2015 defence review to follow