



‘Whitehall, the Army
and the private sector:
working towards a
genuine partnership’

ATTENDANCE

Mr Nic Anderson, *Babcock*

Mr John Anderson, *QinetiQ*

Mr Andrew Barrie, *KBR*

AVM (Retd) Brian Bates, *Ultra*

Mr Nick Borwell, *Mott MacDonald*

Col James Bowder, *CGS Initiative Group*

Maj Gen Mark Carleton-Smith, *Director Strategy*

Gen Sir Nick Carter, *Chief of the General Staff*

Lt Col Simon Carvel, *Army Plans and Organisation*

Mr Victor Chavez, *Thales*

Mr Tim Collins, *New Century*

Gp Capt Jonathan Crawford, *JFC Directorate Joint Warfare*

Mr Ian Dalton, *BT*

Lt Col Debbie Douglas, *Capability Directorate Information*

Maj Gen (Retd) Andrew Farquhar, *GardaWorld*

Prof David Galbreath, *University of Bath*

Maj Gen Mark Gaunt, *Director Support*

Brig Christopher Ghika, *Director Personnel Capability*

Mr Willy Hockin, *ADS*

Ms Marie-Louise Høilund-Carlsen, *Coffey International*

Mr Paul Holt, *G3 Systems*

Prof John Louth, *RUSI*

Mr Angus Mathie, *Leidos*

Brig Colin McClean, *Director Army Equipment*

Brig Mitch Mitchell, *Capability Director Cbt Service Sp*

Lt Col Toby Moore, *CGS Initiative Group*

Maj Gen Ranald Munro, *Deputy Commander Land Forces*

Brig Martin Nadin, *Director Medical Capability (Army)*

Lt Gen (Retd) Sir Paul Newton, *Babcock*

Maj Gen Richard Nugee, *ACDS Personnel Capability*

Mr Phil O'Grady, *PA Consulting*

Mrs Fiona Phillips, *Army Head Commercial*

Maj Gen Nicholas Pope, *Director Capability*

Mr Philip Pratley, *Selex*

Mr Mike Reece, *BAeS*

Maj Gen Stuart Skeates, *Commander Standing Joint Force*

Maj Gen (Retd) Keith Skempton, *Capita*

Mr Peter Smart, *Chair – WFA Industry group*

Mr Roger Thompson, *NSC*

Brig Crispin Walker, *Director Logistics (Army)*

Mr Matt Wiles, *Serco*

Col Andrew Wood, *Capability Director Combat Support*

Published by: Centre for Historical Analysis and Conflict Research, Former Army Staff College, Slim Road, Camberley, Surrey GU15 4NP.
Tel: 94261 2644 / 01276 412644

CHACR business partner: NSC, Norwich House, Knoll Road, Camberley, Surrey GU15 3SY.
Tel: 01276 678867

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Investigating the Whole Force Approach

This collection of papers is a product of the CHACR workshop held to investigate a Whole Force Approach to delivering military capability. It contains a summary of the day's discussions together with essays submitted in advance of the event and in some cases subsequently revised. With the exception of the Keynote Address by the Chief of the General Staff, this collection of papers is published on a 'Chatham House' basis and as such is not attributable to any one individual but is offered as a collection of 'individual views'. Should authors subsequently wish to use their own papers, attributable to themselves, they are of course free to do so.

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WORKSHOP SUMMARY OF DISCUSSIONS

On 29 October 2015 an event was hosted by the Army's Centre for Historical Analysis and Conflict Research (CHACR) in which approximately 50 high-level delegates drawn from the Army, the private sector, the civil service and academia came together in a closed forum to challenge established British Army thinking. The forum was held in the spirit of an objective and critical evaluation of the assumptions the Army makes about the delivery of the Whole Force Approach (WFA). What follows is a synthesis of the participants' discussions in break-out and plenary groups, all held under the Chatham House Rule¹.

Establishing the scope of the WFA

It was agreed by all participants that the question of working alongside others is not a new challenge for the Army and that many of the issues have been examined in other fora and continue to be so in several extant working groups. However, it was widely recognised that the situation has changed and that the Army is now seen as being in a 'different place'.

The WFA, with the implication of manpower substitution, has been transformed from perceived threat to a necessary and vital concept for the Army now and in the future. On the rhetorical level, it was felt that more could be done to communicate to the wider Army and society at large that the language should now change from one of risk to one of opportunity.

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There are signs that the Whole Force Approach could actually come to be viewed as a desirable course of action in that it would free the Army to place greater emphasis on the tasks that only it can deliver

tasks that only it can deliver and to allow soldiers to focus 'on sharpening the bayonet'. Military participants were, however, reminded that even the delivery of lethal force often involves industry and civil servants and a senior military attendee reminded the group that contemporary warfare often sees industry involved in kill chain activities, albeit always 'with soldiers' fingers on the trigger'. Industry representatives reminded their Army brethren that it was their job to 'make the bayonet stronger and lighter' and therefore that the Army should include industry in practically all aspects of military activity. It was emphasised that this was not a call to privatise the Army but instead to recognise the industrial contribution that is sometimes explicit and sometimes implicit in Army activity, but almost always present in some form or other.

The day's discussions were dominated by the industrial

element of the WFA, largely due to the very small number of civil servants who accepted the invitation to attend the workshop. Several military participants suggested that the Army-industry relationship was the hardest element of the WFA approach to implement. However, syndicate discussion revealed that the civil service believes that the cultural divide between civilian government employees and the Army is potentially even greater. This came as a surprise to many Army attendees, who had assumed that the on-the-ground approach of cross-departmental working developed in Afghanistan was replicated and embedded in Whitehall. While it was recognised that the Stabilisation Unit is bravely trying to keep this flame alive, participants were sceptical that the 'integrated approach' is as eagerly embraced in the Foreign and Commonwealth Office (FCO) and Department for International Development (DfID) as it is in the Army and MoD. It was observed that the civil service does 'not do contingency' and that its manpower practices mean that it does not have sufficient capacity to attend all the different preparatory events that the Army would like it to, such as collective training exercises or command post exercises. Instead, the civil service manages crisis response by reassigning staff from core line functions, essentially 'robbing Peter to pay Paul'. Of particular relevance to the Army-industry relationship was the observation that the civil service has a standing approach to 'surging capacity' centred on the creation of small, bespoke teams of civil servants who are then rapidly augmented through recourse to one of a small number of trusted contracting organisations. Many senior Army participants agreed that this was a model which required greater scrutiny on behalf of the Army and that all possible lessons should be learned from the civil service's experience.

Several participants lamented that the Army Reserve was not adequately represented at the workshop. Industry representatives also cautioned that the Sponsored Reserves concept should not be seen as a panacea and was unlikely to feature prominently in the achievement of the WFA. It was furthermore observed that the Regular Army has still not grasped that the Reserve could potentially be a huge force multiplier in the delivery of the WFA, not least because the civilian jobs of Army Reservists were very often those required by the Regular Army to fulfil skills shortages. A comprehensive data collection effort to identify the civilian employment categories and employers of the Army Reserve was recommended. It was furthermore noted by one participant that the Army Reserve includes a significant number of civil servants and that this group represents a ready-made group of Army-friendly individuals who could assist the Army in better understanding the civil service culture and act as ambassadors, educators and communicators in the delivery of the Army-civil service element of the WFA.



Joint effort: Industry delegates stressed it was their job to 'make the bayonet stronger and lighter' and that the Army should include the private sector in all aspects of military activity.

¹The Chatham House Rule asserts that: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed."

Testing the limits

The overall question of whether any areas of Army capability should remain off limits to contractors was raised, phrased as 'is defence a jealously guarded function of defence?'. It was agreed that such a fundamental question was one that could only be answered by lawyers and politicians, but that this was not an excuse for the Army to avoid answering difficult and far-reaching questions regarding the scope of the WFA. The point was emphasised that it is incumbent on the Army to ensure that these difficult questions are proactively asked of the right people at the highest levels.

It was observed that the single greatest barrier towards delivering the WFA was the Army's unfamiliarity with industry. Private sector participants observed that military people on the whole do not understand industry and commerce and their needs well enough. This creates an environment of at best reservation, more commonly defensiveness and at worst hostility as the starting point for Army-industry conversations. It was strongly emphasised by several participants that the need for industrial familiarity and a change in Army mindset does not just apply to senior level Army leadership. It was agreed that Army practitioners at the tactical level who are the end users of WFA relationships need to be made more familiar with industry and contractors too. It was suggested that industry should make better use of retired Army officers, many of whom have high-end and unique skill sets. Several delegates reinforced this point with the observation that all too often retired officers who undertake second careers in industry are to be found languishing in business development roles for which they are actually not particularly well suited, lacking the relevant commercial experience. It was agreed that the era of the old boy network was seen as outdated if not irrelevant, and that retired officers should be used more effectively than as door-openers to their former colleagues still serving in the Army. It was felt that this would help to reinforce linkages, develop familiarity and understanding. Participants agreed that on a corporate level the Army needs to be more aware of what industry can offer and be more willing to embrace it. This could potentially enable it to avoid having to create required skills from scratch, which is expensive in both time and money. Off-the-shelf and adaptable pre-existing skill sets were felt to be available in industry but are under-recognised by the Army and poorly communicated by the private sector.

Linked to this point, there was debate amongst participants over how quickly the WFA might be implemented, given that evidence of its effects were not well understood. The need to push candidate approaches and to develop pilot and pathfinder schemes for testing the WFA and monitoring results was highlighted by several Army representatives. It was suggested that the support solutions space was a good example that can yield both past experience and significant evidence. In particular, the Army representatives suggested picking a couple of capabilities closer to the operational deployment end of the spectrum to test. On the other hand, industry

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The Army was exhorted to stop waiting for the Whole Force Approach revolution to happen and instead to forge ahead with small steps that cumulatively represent an evolutionary approach

representatives cautioned that pilot schemes may actually further delay progress in delivering the WFA as 'nothing will be done until results are in'. These same participants also observed that pathfinder projects may provide targets for people not so keen on the idea of the WFA to shoot down.

This potential problem was conceded, but it was maintained that exemplars were still needed to prove WFA can work in different ways and areas. One suggestion was to use people with experience of the WFA in practice to form a red team to stress-test potential pathfinders and pilot studies before they are funded and implemented. Industry representatives suggested that there was already a lot of evidence sufficient for this and that lessons could be learned from other nations. The prime example suggested for study was the US but other models of the WFA both past and present were suggested in countries including Israel, Turkey and South Africa. Whilst it was observed that from a UK perspective, some of these nations had taken things too far in terms of how much of society had been wrapped into the military, it was suggested that this was a useful lesson in itself. Many participants agreed that individual case study countries' experience could certainly be sufficiently disaggregated into their constituent parts so as to provide useful lessons. Surrounding this discussion was the notion that MoD and the Army must force themselves to be more open minded about the potential shape of the WFA and to embrace greater risk-taking when examining and considering potential delivery mechanisms.

Time and again discussion turned to the point that the Army's cultural practices represent the greatest impediment to implementing a more innovative and effective WFA. Several industry participants commented on the fact that even in those branches of the Army where it is already agreed that the WFA is a good thing, that officers do not think to get industry involved until the point where they are ready to issue a contract or to spend money. Particular criticism was directed at those elements of the Army and the MoD which deal with conceptual development and doctrine, with industry rarely, if ever, invited to contribute on those subjects, even when they pertain directly to Army-industry relationships. Private sector attendees urged the Army officers present to inculcate and encourage a culture of 'think of us as part of you' and to get industry directly involved in developing doctrine and in training scenarios. On this latter point, it was emphasised that industry must not just be seen as the people delivering the training but that the presence of industry and the implications of that presence must be developed as a distinct subject within the training environment. Moreover, the Army was exhorted to stop waiting for the WFA revolution to happen and instead to forge ahead with small steps that cumulatively represent an evolutionary approach.

Pushing the boundaries

It was posited that industry could replace, duplicate or

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The era of the old boy network was seen as outdated if not irrelevant, and that retired officers should be used more effectively than as door-openers to their former colleagues

supplement almost any capability that the Army currently fields but it was noted that this would not necessarily always be a cheaper way of producing it. Industry also faces similar problems to the Army in developing and maintaining capabilities, as development takes time and maintaining capabilities at readiness necessarily incurs costs. However, it was emphasised that industry is able to respond to skills shortages by being able to offer more attractive rates of compensation and thus attract the requisite individuals more easily than the Army. Only by fully embracing the WFA can the Army then gain access to these scarce personnel resources.

Discussion revealed a broad consensus on the notion that the WFA represents a ‘continuum of opportunity’ for industry, as discussions now cover a much broader range of capabilities than in the past. For industry, there are opportunities for business development away from some narrowly-defined areas and for the Army the opportunity to embrace new ways of doing business that could allow military resources to be employed differently. The personal involvement of the Chief of the General Staff in championing and driving forward the WFA was recognised and praised by industry attendees and taken as a sign that the Army leadership’s mindset has shifted to a point where the WFA is seen as an opportunity to respond innovatively to the challenges of the changing character of conflict.

Attendees also observed that the Army will face particular challenges that relate to the presence in the battlespace of multiple agencies alongside MoD, such as DfID, FCO and Non-Governmental Organisations as well as agencies and departments of both the host nation and other nations involved in the operation. It was felt by both Army and industry attendees that this certainly further complicates the environment in which contractors are likely to be utilised. However, it was agreed that the appropriate response to this complication was greater innovation in the size and shape of the WFA. Both parties were seized of the need to identify and implement solutions that go far beyond the scope and level of ambition associated with the more traditional procurement relationships of the sort employed in the Army’s home base.

Industry representatives acknowledged that their side needs to challenge themselves to offer more than just equipment and Sponsored Reserves, including new skill sets hitherto not seen as a priority. A suggestion was made to harness more civilian management skills from business and consultancies to help manage the plethora of different agencies likely to be present in the deployed space.

Linked to this latter point, several attendees emphasised that thinking on implementation needed to be broadened to a ‘whole of government’ approach, rather than a military ‘whole force’ approach. It was however acknowledged that rolling this out in the deployed space, in particular for non-traditional operations where hard power military effect is not the central objective, is difficult. Soft power, stabilisation, reconstruction and capacity-building approaches were acknowledged to be trickier than the more straightforward current practice of procuring equipment or deploying Reserves. However, it was suggested that the latter point basically just needs more discussion on what can be contracted out and where the



‘Think of us as part of you’: Representatives from companies such as NSC – which recently supported 2 YORKS’ conversion to Foxhound – should not just be seen as people delivering training but the presence of industry and the implications of that presence must be developed within the training environment, according to private sector attendees.

legal red lines lie, so that everyone understands the limits of such potential arrangements. The trick, it was suggested, lies in learning how to develop contracting models to include capacity-building components for contracting ahead of actual deployment.

Build trust to go forward

In working towards the delivery of the WFA, participants concurred that increased levels of trust between current and future Army and industrial partners would need to be the bedrock of the relationship. It was emphasised that to gain the best possible outputs for both parties, military-contractor relationships need to be about ‘more than just the contract’. This argument was underpinned by the idea that improving familiarity with one another is perhaps the single greatest element necessary to deliver that trust. Several participants suggested that longevity of contracts can help to foster this trust, and that establishing and maintaining preferred suppliers (including looking after the current crop) was especially important in more sensitive areas. Practical examples that were suggested included the potential to form joint enterprises that operate outside a simple transactional contracting arrangement but which would revert to a traditional customer-contractor approach once the capability is deployed. One participant also suggested revisiting the notion of lateral entry to the Army for mid-career professionals from industry, as there are many military roles that do not appear to require accumulated military experience. However, it was recognised and conceded that due regard must be paid to the effect this would have on career structures and opportunities for advancement of career Army personnel.

It was agreed that the Army is doing well at developing close relationships with some of the major service providers. However, it was widely agreed that there is a need to make progress in building relationships with small and medium-sized enterprises (SMEs). SMEs are often able to demonstrate greater innovation in developing more flexible and agile business models that could fill or contribute to many Army roles, although the benefits of the economies of scale and financial resilience of larger organisations were also reiterated. The point was made that the Army must broaden its horizons in order to properly understand the full range of industry organisations of all shapes and sizes that could potentially contribute towards the effective delivery of the WFA.

KEYNOTE ADDRESS

Words: Gen Sir Nick Carter, Chief of the General Staff

We have been talking about a Whole Force Concept, now Whole Force Approach (WEA), for a long time and some notable progress has been made. For instance, in the training domain with Holdfast Training Services supporting training at the Royal School of Military Engineering and in equipment support with Babcock's appointment to the Defence Support Group contract.

However, we now need to take this to a new level. Lord Levene's review and the implementation of his delegated model are not a choice. We have to live within our means, forcing us to seek imaginative and agile ways of doing business. So, from my perspective, the drivers to exploit a WEA are profound, not least the following: we want to maximise our front-end capability at a time when the cost of full-time military manpower is ever growing. We want to have niche and cutting-edge talent and skills, but the cost and effectiveness of growing such capability within the institution means we must draw these from the widest possible market. To thrive we need to seek investment, ingenuity and best practice, because these will be force multipliers to the effectiveness of our organisation, and we need to contribute to national prosperity.

There is clearly a place for WEA to satisfy many of these drivers; but what is our appetite? Whilst there may be merit in focusing on the non-deployable, 'firm base' first, I am not entirely convinced that this is the best way to look at it. I have spoken often about the nature of the strategic context, drawing attention to this era of constant competition in which we now live, and to the fact that the distinction between home and away is blurred. The nature of the battlefield is also changing; is 'rear area' an appropriate term any more?

So instead I think we should adopt a functional approach. WEA should probably be exploited in most areas of our endeavour – less combat perhaps, although I acknowledge that during the campaigns in Iraq and Afghanistan commercial expertise played a role in the 'kill chain', for instance through the provision of base ISTAR. And we must also be conscious of the nuance of some 'backroom' functions; for example we have had to restore some of the military staff in the RPP contract so that we have role models for our recruits. We should, therefore, roll out WEA incrementally, building on success and testing our doctrine as we go. Early on though, we must form a clear view of what must be delivered by military, versus what can be a WEA task. This should be informed by the function and by considering, amongst other factors, the liability and commitment; the notion of service. We will never

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We have work to do to change the Army's culture to make it more accepting of the idea; that Whole Force Approach is not an unfortunate necessity, but an indispensable requirement of our future operational capability

expect unlimited liability to fall anywhere other than our Armed Forces and so we must look carefully at the risks; the nature of the task; and the readiness requirement.

We should start with the more straightforward areas and reinforce success. For example, building on the models proved at RAF Odiham, in the DSG, in the training function with ARTD and CTG, and with continuity posts in places like DLW. We need to take a truly holistic view and ensure our progress is the product of a clear strategy. Tribalism or a reluctance to fully embrace the concept will only let the opportunity of WEA slip by. WEA is not just about manpower substitution, nor is it a CDP/D Pers lead. We need to understand the dependencies within our business, which remains complex, and it requires top-down direction. Above all it needs leadership and imagination; business change should be a pan-Defence Lines of Development undertaking led by capability.

We must recognise that this is cultural shift; the goal is for the Army and industry to act as trusted allies. We will need to be clear about areas of addressable spend to drive the right incentivised behaviours. Longevity will be important because it is far more likely to encourage investment. Short-term contracts and 'competition' won't work in this regard, after all, you can't surge trust. Instead we must foster and rely on integrated relationships.

My own HQ is embracing all of these principles in seeking a 'Capability Injection' from the commercial sector. We are currently in the selection process for a strategic partner to help us identify and then implement opportunities for efficiencies and to reduce our strategic cost base.

We must, however, rigorously test our approach and be clear-eyed as we proceed. We must ensure we understand first and second order consequences in order to avoid the inadvertent creation of perverse outcomes, some of which I witnessed firsthand as a Divisional Commander in Afghanistan. And we must make sensible assumptions on scale; we do not wish to be over-faced come the day and we cannot afford surprises.

Notwithstanding these reservations, I regard the WEA as a panacea for greater productivity and efficiency. We have work to do to change the Army's culture to make it more accepting of the idea; that WEA is not an unfortunate necessity, but an indispensable requirement of our future operational capability. As a first step we should ensure that we have an agreed, shared lexicon, doctrine and understanding with our potential commercial partners. We look forward to working together to achieve this.

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WHOLE FORCE APPROACH THINK PIECE

– BASED ON LOGISTIC EXPERIENCE

The story so far

- Whole Force Approach (WEA) only new in name, logistic and engineering support requirements have been met by a mixed force for generations.
- Personnel from industry deployed on Op Granby to support key equipment and a number of logistic and infrastructure services were contracted out.
- Both Op Telic and Op Herrick saw significant deployments of Volunteer Reserves² (VR) and a third of our HETs [heavy equipment transporters] were operated by Sponsored Reserves (SR). At its height, our Op Herrick contingent included more than 5,000 contractors.
- A2020/ARO designs-in a significant non-Regular element³ to the logistic contribution to ops starting in 'roulement 1', increasing in subsequent roulements.
- Current WFA projects with industry partners include: HET operators, Sea Mounting Centre and port operators, Joint Operational Fuel System petroleum operators, Hestia chefs, British Diving Safety Group power pack repairers.

What works

- Non-Regular solutions offer a range of benefits, such as access to a wider pool of personnel with specialist skills and whether manpower substitution or not, this can help drive down Regular liability.
- Commercial/contracted solutions offer a viable method of acquiring specialists or surge capacity that we do not wish to maintain continuously, we just need to understand what can be achieved at readiness and get better at contract management.
- SR have proved to be a reliable way of delivering capability in areas where the personnel perform the same role for the military at home out of uniform.
- Experience would suggest WFA is better as a headroom lever than purely a cost reduction lever for anything at meaningful readiness and risk.
- VR have provided useful trusted back-fill for Regular capability, albeit quite expensively in terms of both cost and effort⁴.

What doesn't work

- There remains a tendency for WFA to equal manpower substitution.
- Messaging about the WFA has been inconsistent and confusing.
- Industry doesn't maintain 'spare' capacity that can be thrown at either SR or VR tasks so we need to understand exactly where the appetite is.
- The current reliance on VR in roulement 1 is unrealistic and represents a significant risk.
- Ring-fenced WF solutions and fixed contracts reduce our options when faced with savings targets. They also result in a requirement for even greater flexibility and resilience from reduced numbers of Regular personnel.
- Despite the hype, non-Regular solutions seldom represent better value for money.

Thoughts for the way ahead

- A defence-wide strategic/enterprise approach with a consistent cost model would allow proper judgement of cost, benefit and balance of investment.
- Force mix decisions must be capability-led and we must go back to first principles; asking what level of readiness and flexibility is required, in what threat environments and to what level of assurance?
- We must avoid morally bereft practice of contracts that result in indirectly recruited third-world personnel being put in harm's way as a means of reducing UK boots on the ground and ultimately casualties.
- Having applied the WFA almost exclusively to the support areas, we need to explore wider technical areas such as aviation support, ISTAR, communication information systems and cyber.
- Need to understand industry's appetite and capacity before taking decisions. Benefits should not be taken until IOC otherwise it can produce capability gaps.

²Limited by policy to circa 10 per cent of any unit strength.

³RLC element of best effort Div comprises circa 289 SR and 1,700 VR including formed squadrons.

⁴The often cited examples of VR utility such as The Londons, 4 Para and 21 SAS are exceptional due to the nature of who they attract and we must be realistic about deployability ratios. The true position has been mis-represented by some over-optimistic senior VR officers.

CAPACITY BUILDING IN AFRICA – TIME FOR MORE CONTRACTED SERVICES

“Meshing with non-governmental organisations and private security organisations is also likely to be important if we are going to get the best result...” – **Gen Sir Peter Wall lecturing on defence engagement at Chatham House**⁵

Strategic landscape

The purpose of this short article is to set out a case for contracted services to Her Majesty’s Government’s (HMG’s) capacity-building activities in Africa, focusing largely on defence-led contributions. It assumes recognition of the strategic significance of the continent of Africa to the UK in terms of trade, resources, security and migration. Moreover, it assumes the continuing commitment of a significant overseas aid⁶ and assistance fund, much of which is consumed in Africa⁷ and is under considerable National Audit Office scrutiny to demonstrate better value for money. All this comes at a time when direct links to national security are coming under increasing threat from ISIS, AQ, AS and Boko Haram – to name but a few. Superimpose this, a resurgent Russia and recent events in the Ukraine onto a shrinking military and financial austerity, and the case for further contracted services becomes even more compelling.

Capacity building

Africa is the world’s fastest growing continent, but it is also home to some of the most unstable and poverty-stricken countries in the world. So when we speak of capacity building, what do we actually mean? From a Whitehall point of view, it’s

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It’s all about how to increase security and help provide stability as a basis for development in support of UK security, trade and aid objectives

all about how to increase security and help provide stability as a basis for development – be that institutional or national capacity building – in support of UK security, trade and aid objectives. In this regard, defence has a major part to play working closely with FCO [Foreign and Commonwealth Office] and DFID [Department for International Development], and others such as DBERR⁸.

In Africa, the UK contribution to training, advice and mentoring is delivered through four resident training teams and 11 defence sections. Army brigades have recently been aligned to help augment the in-country teams although it is difficult to envisage what more they will be able to deliver aside from the traditional short-term training teams and a degree of ‘reach-back’.

⁵Defence Engagement: The British Army’s Role in Building Stability Overseas; lecture at Chatham House, 12 March 2014.

⁶Overseas Development Aid for this year is some £11.3 billion.

⁷For example, Ethiopia received £261 million in 2014.

⁸Department of Business, Enterprise and Regulatory Reform.

These transient teams reinforce the resident groups to deliver specific activities and, as their name suggests, are short-term. Continuity and the all-important relationship-building are most effectively developed by those resident. Yet the appetite for many to be ‘frontier soldiers’ remains low through a combination of factors: family security; education; limited or no career opportunities for spouses; and career-negative implications of defence engagement appointments are frequently cited reasons. Whilst most activities will be land-centric in nature, both the Royal Navy and, perhaps to a lesser degree, the Royal Air Force have a part to play. Linking back to the strategic landscape, it is worth remembering £90 billion of UK trade passes through the Gulf of Aden and Indian Ocean; the maritime security element is significant, and air travel security has global economic and security implications in addition to the protection of British travellers.

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Whilst most activities will be land-centric in nature, both the Royal Navy and, perhaps to a lesser degree, the Royal Air Force have a part to play

The challenge

The continent is big, the issues are big and the sums involved are big. And in some places, colonial legacy remains big too. Unfortunately, the same cannot be said for defence, and the outlook is bleak. Delivery needs to be more efficient, it needs more monitoring and evaluation, the scope for irregularities needs to be squeezed and, in some places, squeezed hard. There needs to be more coherence and co-ordination. In short, HMG needs to do things better if the taxpayer is to witness real value for money. As General Wall said in his lecture in 2014, to get the best result needs a change in mindset and a change of approach which includes greater and better use of the private sector. This is not new.

Contracted support

A host of capacity building activities are already undertaken by contracted companies, often in a highly-responsive manner. Contractors employ seasoned professionals, many of whom are former military and who possess a depth of knowledge not only in their area of expertise, but also for the geographic area in which they willingly work. They do not have the same logistic overhead or life support requirements as Service personnel who are based in-country with their families. Moreover, the precedent for in-country teams to mix civilians with military personnel has proved to be highly effective even in recent years – for example in the International Security Advisory Team Sierra Leone and the British Peace Support Team (Eastern Africa) – ISAT SL and BPST(EA).

In broad terms, a serving resident individual with the same skill set can cost as much as twice the amount of a resident contractor. A prime example of this occurred in BPST(EA)

Her Majesty's Government might have something to learn from the US which has used contractor support wisely for many years

with a resident, former military, contractor. He completed nearly six years in post and provided continuity, a depth of knowledge and a set of contacts second-to-none. Contractors who are not embedded in a team also have unique value, especially if the activity that is being delivered is an enduring and recurring requirement. The degree of support they require from the small in-country assets reduces with each iteration, leaving the serving military to focus on the higher priority and operational business.

Here, HMG might have something to learn from the US which has used contractor support wisely for many years. In Africa, an example worthy of mention is the US State Department-funded Africa Contingency Operations Training and Assistance programme – ACOTA⁹. Country teams from contracted companies conduct an array of training activities. The ACOTA teams are virtually all former military and, in the past, have included serving US military or others from partner nations. It works and with the right people in place, it works really well. Importantly, they deliver what is needed

⁹ACOTA's mission statement: to enhance the capacities and capabilities of its African Partner Countries, regional institutions, and the continent's peacekeeping resources as a whole so that they can plan for, train, deploy and sustain sufficient quantities of professionally-competent peacekeepers to meet conflict transformation requirements with minimal non-African assistance.

at a fraction of the cost and with a much lighter footprint than drawing on an already taut military unit. But isn't this what the aligned brigades should be doing? One could argue that it is very much their business and it might well become core business were it not for all the other commitments. Sharing the adventure across a brigade, for example, will not engender relationships with the host nation. Nor should this be full-time defence attaché work: their focus should be on political/military affairs at the strategic level in support of the ambassador/high commissioner, not with low-level tactical training.

Bottom line

Contracted support can fill the gaps and provide real value for money. It is an area of influence activity that HMG must undertake by using valuable and limited resources wisely – and that should mean using contracted support where defence is unable to properly take up the strain.



TAKING AN ENTERPRISE APPROACH TO THE UK DEFENCE STRATEGIC WORKFORCE CHALLENGE

Both the MoD and the defence industry recognise that there are insufficient suitably-qualified and experienced personnel to deliver and sustain current and future defence outputs. This problem is a result of a widespread shortfall in critical skills, particularly in engineering and nuclear expertise, which is especially acute in the UK. This is becoming the most significant risk to defence outputs. The problem is compounded by demographic trends and financial pressures, as well as a lack of people entering the workforce with skills in science, technology, engineering and mathematics (STEM).

Traditionally, there has been competition between the MoD and industry for skilled people, as well as between companies within the defence industry. This leads to inefficiencies through the defence sector, as well as increased risk in delivery and costs in contracts. With the overall skills pool continuing to diminish, an adversarial approach is likely to be unsustainable and result in a reduction in operational and corporate credibility, delays to critical programmes and an inability to sustain current or realise future capabilities.

Doing nothing in response is certainly not an option because inaction will sustain neither the department's operational commitments nor the defence industry's ability to meet contractual obligations. The department is already doing what it can, but current activity has been described as palliatives – such as reviewing liabilities, offering financial retention initiatives and improving our understanding of the workforce – that, while laudable, are only short-term fixes that are not cost-effective. Moreover, their broader, enduring implications are not fully tested or understood because they focus on symptoms rather than underlying causes. We are already trying to do better by attempting to develop the Whole Force Approach (WFA) to be more flexible in terms of people and achieve the right mix to support capabilities, but we need to expand this to address all the available levers and account for

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Competition between the MoD and industry for skilled people leads to inefficiencies through the defence sector, as well as increased risk in delivery and costs in contracts

this immediate critical skills problem to identify and develop the enablers that could facilitate the pan-Defence Lines of Development (DLOD) and pan-enterprise management of defence capabilities. Adopting such an Enterprise Approach (EA) means accepting that we are less concerned with where

the role of the defence industry in our efforts so that we do not make things worse through competition and incoherence.

Recognising that these options fail to address the problem holistically and in the longer-term, a fundamental change to the generation, utilisation and sustainment of the wider defence skills base is required. The Defence Strategic Workforce Challenge provides an opportunity to advance the WFA, leveraging the salience and importance of

skills are based and much more with how we can access them to deliver operational capability. We could take the opportunity to redefine the lens through which we view defence, focusing on outputs and the capacity and capability to deliver them credibly as an overall defence enterprise (DE), or by working collaboratively across everyone involved in developing, generating and sustaining military outputs. This approach recognises that the enterprise is interconnected and interdependent, working to a shared purpose with a shared risk of failure, and that all involved have an interest in a healthy overall defence system that has sufficient resilience to strategic shock. There are already success stories where collaboration is delivering mutual benefits, including through the WFA, but we could build on these.

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We could increase the productivity of the skills we have, either by getting more from our people or by reducing the requirement for critical skills, such as through increasing automation

To illustrate how an EA might work when applied to critical skills, imagine that the overall skills 'economy' or enterprise is represented by a balloon. Given that we are so short of critical skills, ideally we would like to inflate the size of this balloon, and both the MoD and defence industry have a mutual interest in achieving this. However, we also have to bear in mind that this is not the only option. We could also increase the productivity of the skills we have, either by getting more from our people or by reducing the requirement for critical skills, such as through increasing automation. Ideally, we need to do all three: optimise our use of critical skills, exploit technology where we can so that we reduce our requirement for critical skills, and increase the availability of critical skills where and when needed.

Once we have our skills enterprise in mind, we need to attract people into it. These efforts must begin in schools, in STEM initiatives and other efforts, leading to eventually recruiting the people we need to meet our requirements. However, an EA means that we are less concerned whether people join the MoD or industry, so long as we have the critical skills we need within the overall DE. If we collaborate, we can align demands and manage them together, reducing our transactional costs and encouraging DE values.

To see how this approach might work, consider people we have recruited who join the MoD. We will train and develop them, particularly by providing them with the command, leadership and management training and experience that is so valued in industry. Having done so, we would like to retain their skills in the overall DE, so we want to minimise the 'leakage' from the skills balloon. However, if they wish to exit the MoD, we could try to support their transition into the defence industry because we thereby keep their skills



within the DE and potentially continue to benefit from them if, for example, they work on a support contract for one of our capabilities. Our investment is not 'lost' because we – the wider 'we' – retain their skills.

If we now continue the story, there will be some people who inevitably exit at this 'early' point, perhaps after four or five years, because workforce and demographic trends tell us that young people today will not seek long careers with a single employer and will prefer shorter periods with several. If this is the case, we should not fight against it and must help people transition, ideally to help support the DE as a whole. However, for those we do wish to retain, we can offer further development and – as an aspiration for an EA – something akin to a 'guaranteed transition' into industry at a higher level. In short, if people stay longer, we should align their skills and experience with the defence industry (and vice versa) through enterprise competence frameworks, supported by 'skills passports' to enable later transition.

Once people transition into the defence industry, or else if they join it at the outset, a similar process could occur: they will receive training and develop skills and experience, but – like the MoD – the defence industry also wants to retain critical skills by minimising leakage. At some stage, people may wish to return to work in the MoD, such as through Reserve service. Through the development of enterprise competence frameworks, we can make this easier, such as by endeavouring to employ people in the same skills fields or by maximising the use of Sponsored Reserves. We could also create options for part-time work, without which we currently lose people who – for example – wish to leave to have a family but would still like to remain within defence, even though they might not be able to support a full-time engagement. Notwithstanding these options, we can do more. An EA is

likely to mean increasing our use of contracting for availability or developing contracting for capability and including requirements for human capability to ensure resilience. For example, if a WFA to a given capability results in a contract for capability, we might need to insist that a percentage of support personnel are Sponsored Reserves, such that the contractor is always able to support emerging tasks if the Whole Force mix is needed on operations. Such requirements would then allow us to transition people back into the MoD for a defined period.

Why should we support this movement back and forth within a DE? An EA means trying to maintain a healthy balance, driven by operational requirements, such that we reduce fratricide in our recruiting and our retention initiatives; after all, we simply cannot afford to compete for limited critical skills. By collaborating, we can increase the efficiency of the DE as a whole, especially if we can align our incentives and our demands for skills while understanding how the movement of skilled people could fit with different stages of life.

We could then envisage a new 'enterprise offer' of a career spanning the MoD and defence industry, which would challenge our existing policy framework but also prompt us to potentially share costs and offer career pathways that support regular transition between elements of the overall DE. Ideally this enterprise would behave like an ecosystem and become self-sustaining, minimising the need for palliative measures – largely financial – that we have been relying on to date. This strategic perspective means putting into place the legal, commercial, policy and other enablers to achieve a DE and address critical skills now, but doing so will help facilitate the WFA in the longer-term. Therefore, by taking a pan-DLOD, pan-enterprise approach to critical skills, we will ultimately deliver the Whole Force.

WHOLE FORCE APPROACH AS A NETWORKED APPROACH

In 2011, the Ministry of Defence set out in a study on the future of the Reserves the challenges faced by incorporating a Whole Force Approach (WFA) that extended far beyond the role of the Reserves in a changing British military environment. Consistent with a 'volunteer ethos' and being 'better integrated and understood' by the public¹⁰, UK Armed Forces are being pushed towards having to think of new ways to project force and ensure national defence while at the same time being pulled and pushed towards security policy ranging from cyber to counter-terrorism. These changes are characterised by a fundamental change in the resourcing of the military but can also be seen as part of the transformation of European militaries after the end of the Cold War wherein the reliance on large, standing armies has persistently reduced even during land warfare operations in Afghanistan and Iraq. Perhaps most importantly, a change in the way we might think about UK Armed Forces should be thought about in the changing relationship between Carl von Clausewitz's martial trinity: the state, military and society.¹¹ The current WFA is a way of networking the ongoing relationship between the constituent parts of this trinity.

For the great Prussian philosopher of war, Clausewitz found that both war and peace was an iterative relationship between the state or government, the military and the larger society. Other enlightenment philosophers of war, such as Antoine-Henri Jomini, placed the preparation and action of war firmly at the feet of the military, with both the state and society singly behind the war effort. As those trained in strategic philosophy will know, these two points of view are understood as the 'art' and 'science' of war. If we look at the 2010 Strategic Defence and Security Review (SDSR), the current role of the UK's Armed Forces sits in a balance between the political choices of state and the wavering support of public opinion and perhaps even strategic culture. Within this context, this short paper reflects on historical models of the WFA and finishes with a summation on the lessons learned for 2020 and beyond.

Historical models

The WFA requires collaboration and coordination between:

- a) the Ministry of Defence (as well as other parts of government);
- b) the Armed Forces;
- c) the industrial sector; and;
- d) society through reserves and public support.

In looking at recent history, we can see several models that have attempted to approximate the characteristics of the WFA. These are 1) mercantile, 2) expeditionary and 3) mobilisation. As we shall see, none of these postures equate to the scope and scale that the WFA seeks to accomplish. We

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UK Armed Forces are being pushed towards having to think of new ways to project force and ensure national defence while at the same time being pulled and pushed towards security policy ranging from cyber to counter-terrorism

can look at each of these postures in terms of coordination, communication, translation and resources.

1) Mercantilist posture

The early colonial period has characteristics that in many ways mirror our own age for two reasons. The first was that the state, as it was then, was limited in how much it could control events of world affairs prior to the age of diplomacy, international law and weapons of mass destruction. Second, innovation, and the resources that go with it, was distributed more evenly between the public and private sectors. For both these reasons, the state relied on its armed forces and commercial sector to project power. Coordination relied on a common mercantilist prerogative determined by a strong economic interest of state equated with maximising power. Communication was a function of a small number of decision-makers between state and commercial interests. Translation was a reduced cost given the inherent link then between national and economic power. Resources were shared by state and commercial interests as were the material risks and profits.¹²

2) Expeditionary posture

Expeditionary forces were an important part of the martial atmosphere of the early 20th century. Inherent in the definition of an expeditionary force is the intention to use force away from home. In so doing, the mobilisation of means to address strategic ends changes from a territorial defence posture. Expeditionary forces were used by the United Kingdom, United States and Canada prior and up to the Second World War. Expeditionary forces were then, like they are today, supported by commercial firms to supply material goods and logistical knowledge. The role of commercial firms was one of procurement. Society was geographically and popularly disconnected from expeditionary forces. In some cases, expeditionary operations caused considerable hardship on home industries and livelihoods.¹³ Coordination was top-down during a wartime environment and more fluid during times of peacetime operations (e.g. United States of America in The Philippines). Cooperation was challenged by the contractual obligations of commercial interests. Further, the public

¹⁰UK Ministry of Defence, 2011. 'Commission's Vision for the Reserve Forces in 2020' London, Ministry of Defence, p.4.

¹¹Beyerchen, Alan. 1992. 'Clausewitz, Nonlinearity, and the Unpredictability of War.' *International Security* 17(3): 59-90.

¹²See more recently, Johnston, Christopher Bowen. 2014. 'China's Military Mercantilism.' *Parameters* 44(4): 49.

¹³Colonel G. W. L. Nicholson, 1962, *Canadian Expeditionary Force 1914-1919*, Ottawa: Minister of National Defence, pp, 218-9.



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The UK has the ability to be innovative in the way it recruits and retains Reservists, how it engages and profits from the industrial sector and how it is benefited by a responsive public

were challenged by both the lack of communication and the strain on local livelihoods. Translation was at a high cost as commercial and societal interests were discounted in the face of martial necessities. Resourcing such a posture was challenged by the continued need for territorial defence.

3) Mobilised posture

Finally, a mobilised posture is one we can see in the late Cold War era, where a long period of heightened tensions during a ‘Long Peace’¹⁴ led government, industry and society to work closely together toward a largely understood strategic goal. The costs of communication, coordination and translation were at a minimum while resourcing was at its highest. The key to this relationship was the directed posture and resource available.

Lessons learned

The short historical analysis suggests that there are numerous ways to think about the relationship between the state, military and society. As we can see, the martial and commercial have often been connected in the preparation and operation of war. Further, we can see that there is variability in the four characteristics listed here. What are the lessons learned for a WFA?

● **Coordination:** The strategic direction of the WFA must be set by the state, fundamental to a democratic government.

At the same time, strategy should be a result of a negotiation between the government’s ends and the military’s means.¹⁵

● **Communication:** How the government communicates and is able to communicate these objectives will bear on the success of any such networked approach which relies on data and information on which to make decisions.

● **Translation:** In working across so many actors, agencies and levels, there is a prospective that a WFA will be challenged by poor translation across different government, martial, commercial and societal sectors.

● **Resourcing:** Coordination, communication and translation are fundamental to a WFA. They also all incur costs. Such an approach requires individual agents to understand the overall and intricate nature of such an approach to allow for responsiveness, adaptation and innovation as called for by WFA 2020.

Conclusion

The challenges to WFA 2020 and the 2015 SDSR will be the balance between seeking to prepare for all threats and preparing for the most likely risks. Prior balances between militaries, states and societies have either been more directed, more cooperative or less complex than the state of British national defence and security today. The UK has the ability to be innovative in the way it recruits and retains Reservists, how it engages and profits from the industrial sector and how it is benefited by a responsive public. This requires observable government strategic objectives, as seen in the short discussion on postures. At the same time, the WFA needs proper resourcing to make it more than a sum of its constituent parts. Being ‘smarter, not poorer’ should produce a networked force for 2020 and beyond.¹⁶

¹⁵Strachan, Hew. 2005. “The Lost Meaning of Strategy.” *Survival* 47(3): 33–54.

¹⁶See also, Louth, John, and Pete Quentin. 2014. *Making the Whole Force Concept a Reality*. London: Royal United Services Institute for Defence Studies.

¹⁴Gaddis, John Lewis. 1987. *The Long Peace: Inquiries into the History of the Cold War*. New York: Oxford University Press.

DELIVERING STABILISATION GOVERNANCE, SECURITY AND JUSTICE ACTIVITY IN THE CONTEXT OF THE WHOLE FORCE APPROACH – VIEWS FROM THE PRIVATE SECTOR

Summary

The Whole Force Approach (WFA) offers significant opportunities to improve Her Majesty's Government's (HMG's) impact in supporting regional strategies underpinning security and stability in Fragile and Conflicted Affected States (FCAS). Past operational experience offers important lessons, however the biggest potential opportunities have yet to be fully developed.

Background

The theoretical underpinning of the Whole Force Concept makes sense, but in practice it has proved harder to operationalise. Reasons are complex but include administrative and operational challenges – budgets and funding lines, demarcation of roles and responsibilities, security clearances, duty of care, reporting lines and differences in working culture.

Private development organisations offer niche capabilities in areas such as security sector reform, stabilisation and governance, social mobilisation and community engagement, political influence and strategic communications which are an increasingly important component of HMG's strategy in a variety of FCAS. In most cases the HMG aspiration is to deliver impact through an integrated approach whereby UK political engagement enables HMG to achieve specific outcomes in governance, security and justice within FCAS with a longer-term view to promoting stability and leaving a platform for future peaceful politics and development.

Typical activities are aimed at building institutional capacity (for example, police investigation capacity, CT, forensics etc) improving accountability (models of government-citizen engagement) and responsiveness (for example, support at transition from a police force to a police service that engages proactively with the community).

In most cases the private sector has worked in challenging security environments and in the absence of a deployed UK military presence. Recent exceptions have been in Iraq (2004 to 2009), in Afghanistan (2007-date) and in Palestine (2006-date). Yet there are some interesting trends across government that may have potential to support the British Army in delivering a full spectrum capability in a timely and cost-effective manner, which will be discussed on these pages.

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In most cases the private sector has worked in challenging security environments and in the absence of a deployed UK military presence



Productive partnership: Babcock – one of the three major industry players in the Aircraft Carrier Alliance, which will deliver the Royal Navy's two new Queen Elizabeth Class aircraft carriers – is a long-standing technical supplier of the Ministry of Defence.

A changing environment

The UK's Building Stability Overseas Strategy marked a step change in aspirations – particularly in the desire to intervene upstream to prevent the disintegration of potentially fragile states. The current National Security Council architecture has now been matched by dedicated funding in the form of the Conflict Stability and Security Fund (CSSF), which comes with its own dedicated secretariat and programme management capability, with cross-Whitehall representation. It is understood that the current £1 billion CSSF allocation is likely to be substantially increased following the current spending review and Strategic Defence and Security Review.

Continuing fiscal pressures

The current downward pressure on departmental administrative budgets across government means that departments are being asked to do more with less. This means that delivery and implementation partners such as parts of the military and Reserve and private development companies will need to up their game and look at innovative ways of doing business that goes beyond bidding for and delivering discrete

programmes and responding to call downs from framework contracts, but instead assist HMG in shaping programmes and establishing enduring partnerships with country posts.

One approach that merits further consideration is the application of public-private partnership (PPP) models to HMG's Governance Security and Justice portfolio. The MoD appears comfortable with its partnerships with major technical suppliers such as Babcock; this model can equally apply in other areas and it would be possible to foresee a civil/military entity that provides a deeper level of expertise and capability than is available within the current ORBAT, and which would have the agility and responsiveness to deliver in a variety of different contexts from high-intensity operations like Op Herrick through to low-key upstream interventions in countries like Pakistan or Egypt and institutional reform work with counterpart governments.

Complex solutions to complex challenges

Technical work in stabilisation, governance security and justice is becoming more complex and challenging, and HMG expectations are changing. Recent events in Iraq, Afghanistan, Syria and elsewhere have demonstrated clearly the limitation of traditional models of train and equip and top-down capacity development and capacity substitution. The response is to look at more politically attuned, problem driven adaptive programming – but this implies the ability to integrate a wide and changing range of technical expertise to deliver a holistic response that addresses capacity and capability whilst working to build demand and political ownership to leave behind a locally-owned and sustainable solution. This means that it is hard to predict and plan for the range of capability that will be needed in the near and medium term. The cost of generating and maintaining in-house capability that is not being exercised is likely to be prohibitive in the current fiscal environment – aside from being very inefficient.

Practice improves performance

Given the increasing complexity of this sector, it is apparent that the most effective delivery mechanisms will be those that are exercised the most frequently. This means that it makes sense for the British Army to look to enter partnering arrangements with organisations which are constantly engaged in stabilisation, governance security and justice work in FCAS and to structure partnerships to ensure that serving personnel including Regular and Reserves are exposed to the cutting edge of current thinking and experience. Whilst it is challenging to achieve this, a modified PPP model could allow for secondments, postings and deployments on a continuing basis in between operational surges and would be able to offer the highest technical expertise.

What capability is needed where?

Broadly speaking, HMG departments look after the policy and the strategy. They are not generally well configured to

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In the past, the deployment of civilian capability has frequently become mired in debates around duty of care in volatile security environments.

Civilians are considered fragile and inflexible and unwilling to deploy to fragile and conflict afflicted states

deliver implementation. By contrast, the private sector has a strong track record for making things happen on the ground. The challenge is, therefore, how best to combine the talents of public and private sectors to deliver full-spectrum capability that is able to operate in challenging security environments and in places which are politically sensitive with the appropriate amount of flexibility and expertise.

Efficiency, economy and effectiveness – value for money

The Regular Army is expensive to recruit, deploy and maintain. Reserves offer some cost savings, but generally with significant compromise in terms of capability and flexibility. The advantage of the private sector in our niche areas of expertise is that we can offer a capability that is responsive, cost effective and highly current and capable, such as individual staff members with cumulative deployed operational experience which runs over many years. This experience remains current and is only paid for when it is needed – with none of the contingent liabilities that accrue to Regular Army or full-time civil servants and diplomats. It is worth noting that civilian experts deployed in Peace Support Teams are considerably cheaper than their Regular Army counterparts.

Institutional memory and contextual understanding – alignment

Beyond defence, HMG operates a highly-decentralised approach to programming for stability using CSSF. With the National Security Council setting broad objectives and agreeing budgetary allocations on a regional or country-specific basis, detailed decisions on what is to be done where are delegated to cross-HMG regional boards and country missions. Given the critical importance of institutional memory and local contextual understanding, it would make sense to look at how regional capability can be generated and maintained in strategically important regions.

Urban myths

In the past, the deployment of civilian capability has frequently become mired in debates around duty of care in volatile security environments. Civilians are considered fragile and inflexible and unwilling to deploy to FCAS. It is worth noting that civilian teams often include former Regular soldiers and current Reservists are routinely deployed by organisations in operating environments deemed too insecure to deploy UK civil servants or indeed soldiers. This means that private development organisations often have reach and influence in places that are largely inaccessible to wider HMG. Taking advantage of this benefit within the context of joint partnerships, it offers potential to transform the impact of UK-funded stabilisation and peace-building work. Other issues that get in the way of joint working include security and IT systems. The UK experience on Ops Herrick and Telic has demonstrated that it is entirely feasible to use appropriately cleared individuals within the context of a shared platform to execute common goals by capitalising on different disciplines.

TOWARDS A WHOLE FORCE APPROACH

This paper summarises early thinking on the Whole Force Approach (WFA), recognising both the necessity and difficulty of making WFA viable; and offers potential areas for further engagement.

What is the Whole Force Approach?

Military operations have always required a close relationship between industry and the Armed Forces, both at home and abroad. The levels of civil involvement have waxed and waned but in essence the relationship has been contractual with a service provider undertaking to deliver output against a given demand. However, today's political and economic climate is shaping the environment in a manner that necessitates a markedly different relationship between defence,¹⁷ industry and broader society. In short, an enterprise paradigm is sought, based on a partnership of equals, not the traditional relationship of customer and supplier. Boundaries are thus blurring and interdependencies increasing.¹⁸ Whilst offering much potential benefit, WFA has, from inception, lacked defined and agreed structures or outcomes. Meanwhile, in response to their own imperatives, industry and front-line commands are beginning to explore their own requirements; some adopting a clean-sheet approach to the 'Defence Enterprise' while others seem to view WFA as only an extension of existing engineering, maintenance and logistic support arrangements. A more coherent approach from all parties would allow significantly improved focus on the desired outcome.

¹⁷Defence – the uniformed Armed Services and the MoD structure and personnel that support them.

¹⁸This presents a fundamental challenge to the western, liberal concept of war that has for the past 300 years attempted to separate the citizen from the soldier.

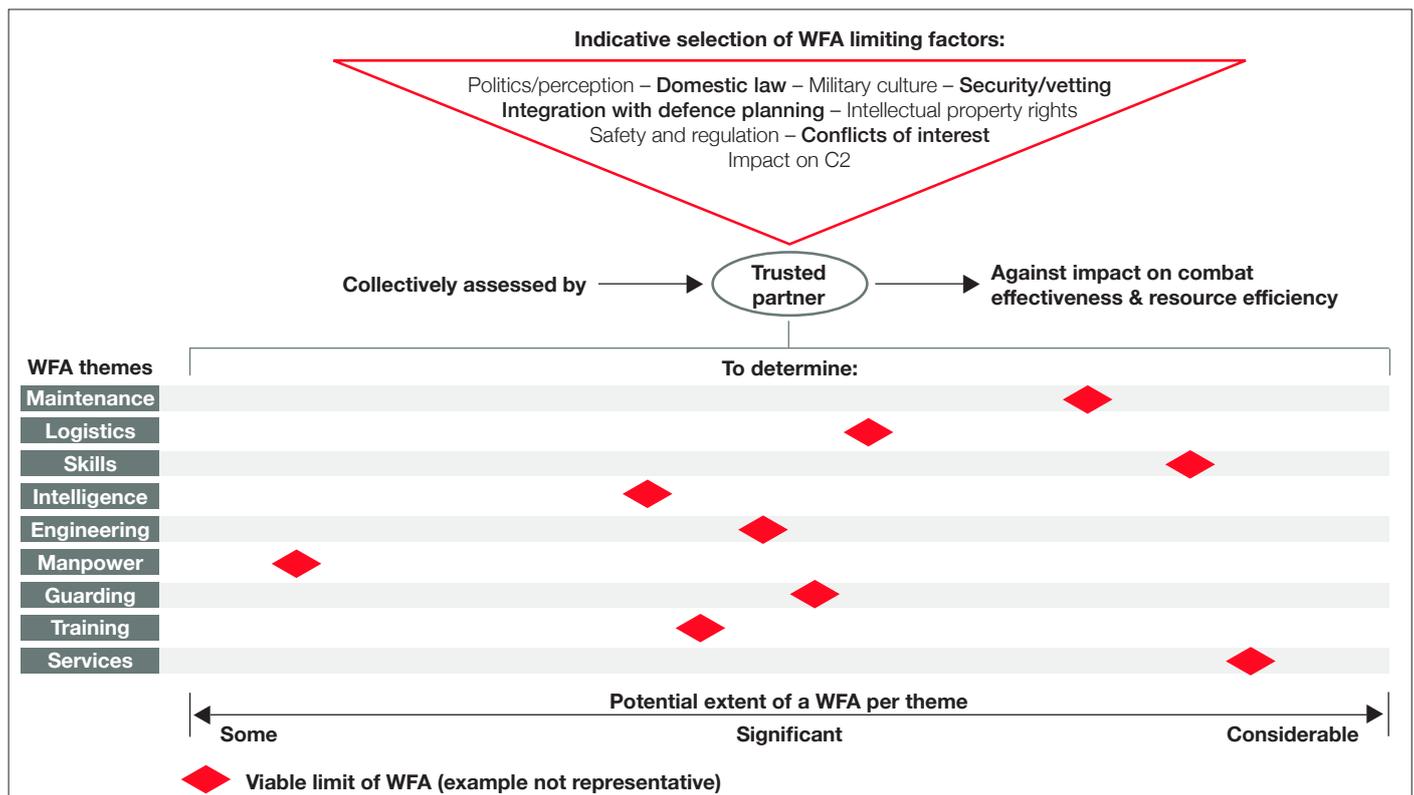
Why a Whole Force Approach?

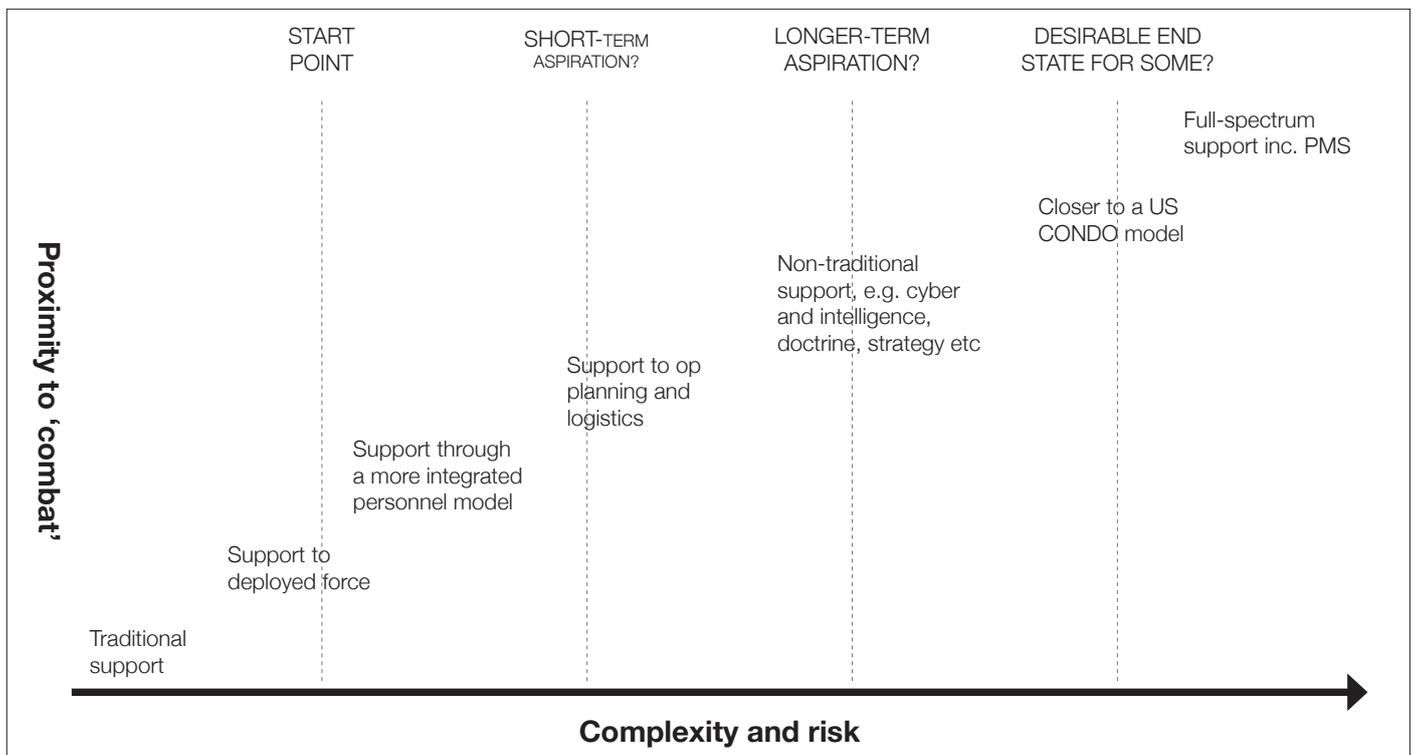
Stakeholders will be driven by varying imperatives. But at the core, at least from a defence perspective, is a desire to accelerate the development of a true contingent posture by:

- **Improving the resource effectiveness of combat service support and wider support activity.**
- Better utilising uniformed personnel (i.e. the creation of combat mass by a shift of uniformed liability from tail to teeth).
- **Making available nationally-scarce skills from a single enterprise resource at the point of need without unnecessary duplication between government and industry.**
- More effective and rewarding use of Reserves.

Necessary but difficult?

WFA would benefit from increased and specific focus in both government and industry. For instance, whilst a lot has been done on a uni- or multilateral basis, there is still no single model on which to base further development and no agreed scope of activity. Particularly, we are not aware of any examination of the management of the inherent tension between profit (industry), combat power (defence/military) and public perception (politics). This is important as it represents the key to making WFA work. Observation suggests that many structures badged today as Whole Force or enhanced contractor logistic support are little more than extensions of the traditional contractor model. And, whilst the US contractor model is often cited as the 'end point' for a UK WFA, there is no mention of the inherent differences that will intrude on this aim.¹⁹ For a WFA to work effectively will require a relationship built on trust, not only between government and





industry, but also between industrial partners. It is probable that, in many cases, the decider-provider model will need to be managed differently with consultation and involvement at all stages of the process. The use of a third party trusted by both 'sides' of the relationship may be of benefit.

How may WFA work for the UK?

In essence a Whole Force model is one in which the defence enterprise shifts in emphasis and approach to see industry delivering some, much or all of the functions that have traditionally fallen to uniformed personnel. The degree to which this is acceptable will be determined by risk appetite (physical, commercial or presentational) of all parties involved. Work has begun to examine these inherent tensions to develop a theory of what may be 'normal' within a WFA (i.e. what 'works' under defined circumstances) and can thus be used as a basis for further thinking and development.²⁰ A WFA can bring resource and thus financial benefits. But it does not follow that greater efficiency (by exchanging uniformed for non-uniformed personnel and services) will always be beneficial. There will be a point at which the positive resource impact of WFA will begin to have a negative impact on combat power. Determining this point will be critical. The model left illustrates this point, suggesting a series of limiting factors which together will combine to suggest the viable limits of adopting a WFA across a variety of potential, themed activities. Although embryonic, this idea could be worked up quickly to become a more structured foundation for future engagement and policy decision making.

What are the limits of WFA?

Against the themes adopted in the model above, activity

¹⁹The UK and US are culturally different, the linkage between Government/the Armed Forces and civil society are markedly divergent and the acceptance of industrial involvement in military activity is subject to a very different set of norms.

²⁰'Works' – delivers resource efficiency that enhances generation/delivery of fighting power. 'Defined circumstances' – risk factors drawn from policy law and context.

delivered under a WFA banner could vary from traditional support to the delivery of lethal force.²¹ The extent to which government will be prepared to request or sanction activity will depend largely on risk appetite.

The Reserve Forces community

MoD sees Reservists as a key element of WFA and also as a way of reducing their skills shortages, but Reserve Forces (specifically at junior/junior officer rank and in engineering disciplines) are also heavily undermanned.

A more coherent approach to the management of the enterprise should see Reserve Forces utilised more effectively between their industrial and MoD employer and to the benefit of the individual. Where no current Reserve Force employment model applies, all interested parties should support further work to ensure that defence is able to utilise the individual and communal skills developed in industry, whilst maintaining commercial propriety.

Next steps

The community that together forms 'the Defence Enterprise' should:

- **Engage in further dialogue contributing to the conceptual development of a WFA.**
- Continue the development of specific WFA initiatives within, for example, the Joint Helicopter Command and counter-IED community.
- **Undertake detailed work to unlock identified pinch points – e.g. the commercial framework – in which a WFA must operate.**
- Undertake a comprehensive examination of the skills management across the Defence Enterprise encompassing both MoD and industrial perspectives.

²¹As per static defence/force protection activity delivered by private military security companies under 'ROE' akin to JSP365.

OPTIMISING THE ARMY FOR EFFECT: EXPLOITING THE WHOLE FORCE APPROACH FOR NEW, BETTER OR MORE EFFICIENT CAPABILITY

With the added focus in this Strategic Defence and Security Review (SDSR) of increasing productivity and innovation, defence is striving even harder to bring Lord Levene's 2011 recommendation, to implement a Whole Force Concept, to life. Indeed, the Secretary of State has directed a shift from 'Concept to Approach'; from talking to walking a WFA. CGS wants to jog. Increased productivity and innovation are central to the Army's SDSR proposition and its modernisation plans. However, the Army has yet to codify 'how' it will harness the full potential of a WFA and deliver new, better or more efficient capability, whether future capability or better assuring the Whole Force it relies on today, both in barracks and on operations. This short paper lays out the Army's early thoughts on how it might realise the potential of a WFA.

First, an Army Whole Force is not new. Much of Wellington's success in the Peninsula campaign was founded upon the Whole Logistics Force he created, including the equivalent of Treasury officials in his baggage trains! Recently, contractors have been an integral, and largely successful, component of the UK's force in Afghanistan making up nearly 40 per cent of the UK's headcount. Analysis of future deployments of a medium-scale deployment suggests an 8,000 strong Joint Expeditionary Force would be supported by at least 1,000 contractors.

Today, the British Army employs a WF mix in barracks, at contingency and on operations in areas such as: training (e.g. RSME Holdfast), recruiting (through Capita), facilities management (with Aspire), support capabilities (such as Babcock DSG), extending out to operational capabilities (such as the Heavy Equipment Transport partnership with KBR/Fastrax).

So the challenge for the Army is not to build a WF. Rather it is to move from the current 'ad hoc' WF growth to a more 'systematic' policy-driven WFA; institutionalising Reserves, civil servants and industry as force components linked to Army outputs; a Whole Force by design.

Of course despite the increasing delegations enjoyed, the Army sits within defence's WFA strategy, policy and governance which is simultaneously maturing. Nonetheless, and with defence supplier partners, defence has laid out a WF vision:

"Effective, agile and resilient capability delivered by an integrated, pre-planned and affordable mix of Regular and Reserve military, civilian and industry resources as a first choice to meet defence outputs."

The supporting policy position is 'light touch' and is congealing around four tenets; that a WFA will be capability-led, policy-enabled and commercially supported; that there is no template for an optimum WF mix and single Services are best placed to design this mix with the MoD driving cultural and policy change to maximise our freedoms; that it should be focused on operational outputs rather than efficiencies per se; and that WFA is a 'bingo' word, much used but little understood across either the department or industry and badly needs its lexicon to be defined, perhaps through some joint doctrine.

For the Army, this provides a real opportunity to improve its return of investment in its manpower, so increasing productivity. As well as being its strategic edge, manpower is its most expensive asset. By viewing human capability through the lens of both military-effect and business-return, in a balance-of-investment framework similar to the Army's equipment programme, there is a genuine opportunity to optimise the Army's force mix for greater effect. As Napoleon said of his soldiers, the moral is to the physical as three is to one, although it is unlikely he was considering cost in that equation! In today's Army we must.

But, and there is a but, a pre-planned, affordable Army WF programme, which genuinely has as first choice 'military where necessary and civilian where it can', will require the Army to unlock three fundamental barriers. Firstly, people freedoms. The key constraints of manpower headcount and people policies; accepting that the former is about political appetite and the latter is complicated by legislation and defence's ability to unlock the promise that flexible engagements offers. Secondly, cultural friction. Soldiers and commanders – indeed the nation – see uniformed and Regular manpower as 'first choice' for Army capabilities. Cap-badge interests can increase this cultural WF reticence. Thirdly, gaps in how we run the Army as a business. An Army WFA would benefit from clear governance and supporting mechanisms; a more systemic and persistent engagement with industry to unlock the partnering relationships crucial to a WFA, and a strategic manpower planning mechanism on which to base WF decisions.

Key to overcoming these barriers will be a powerful narrative that explains the change. Underpinning a core-maxim of 'civilian where possible, military where necessary', the building blocks of an Army WFA narrative might sound like:

'Sharpening the bayonet not replacing it'. Whilst industry will be integrated throughout much of the British Army's capability, it will not be employed in core direct combat roles.



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Whole Force Approach is not about redundancies or necessarily reducing military manpower. It is about exploiting the talent civilians and contractors can bring to many areas of our business and so allowing our soldiers to concentrate on their core-business; soldiering

‘Industry as a force multiplier’. WFA is not about redundancies or necessarily reducing military manpower. It is about exploiting the talent civilians and contractors can bring to many areas of our business and so allowing our soldiers to concentrate on their core-business; soldiering.

‘Non-deployable, firm-base first’. WFA efforts should be focused and proven in the firm-base first, before expanding into the deployed space – you simply cannot surge trust on operations.

‘Pan-Defence Lines of Development, pan-capability’. WFA is more than logistic enablers and it is more than just a force mix of people types. Opportunities will be developed across all capabilities, functions and lines of development whilst recognising that the supporting functions are likely to provide the greatest opportunities.

‘Commanders’ business’. Industry must be a fully-integrated part of the force both in barracks, on operations and on contingency. Commanders must engage with industry; they are part of the solution not a contractual minefield.

This narrative must be linked to credible achievable benefits; again the language of business. The WFA offers

genuine opportunities to improve the Army’s productivity by focusing military personnel on their primary roles, to re-invest liability elsewhere and to enhance the integration of Reservists between industry and the Army. Of all three Services, perhaps the Army has the most to benefit? Equally, capitalising on both industry innovation and the ‘Reference’ status the British Army has earned, a WFA with industry can in partnership create new military capability which simultaneously supports the aims of the Defence Growth Partnership and the national prosperity agenda. Two for the price of one.

So the implementation of the WFA is fundamental to the Army’s modernisation and innovation agenda, particularly the Army’s workforce productivity – how to work smarter. Optimising the Army for military effect through greater innovation (helped by industry) and improving productivity of our strategic workforce (through the right force mix) is the end game. Fundamental to unlocking these benefits will be a new institutionalised and persistent relationship with industry across the AOM and a better strategic view of the Army’s WF mix of people and re-balancing choice. Incentivising good WF behaviour and developing a powerful narrative to explain the change will be key to unlocking the full WF potential across the Army and defence.

TOWARDS A UK DEFENCE WHOLE FORCE APPROACH: DEFINING THE CHALLENGE

The recent British Army sharp focus on defining a whole force approach (WFA) is necessary and overdue. The ‘Whole Force Concept’ was trailed in the 2010 Strategic Defence and Security Review (SDSR), yet it was not codified in a written MoD or Army ‘concept’; it has therefore been open to wide interpretation. Lacking an imperative or a champion, progress since 2010 has been slow. Maj Gen Abraham (in his Army 2020 Reserves capacity at an MoD briefing) commented: “Turkeys don’t vote for Christmas” – i.e. those charged with defining the WF and turning it into an actual approach had lacked an incentive to push ahead. As a result, five years on, core assumptions about what industry might be asked to do, or could do, and the risks it might be willing to underwrite, are neither defined nor tested. With imminent pressures likely to arise from SDSR15, which put the WFA as a major theme and the Regular front-line ‘teeth’ of the Army 2020 design obviously in need of reinforcement from a capped pool of manpower, time to set boundaries, define requirements, produce models and explore opportunities and risks (including from an industry perspective), is short. In this context, it would be useful to set out a shared industry/military WF narrative and examine how successful Sponsored Reserves (SR) and other WF models might be replicated.

To help inform a wider discussion, however, there is an urgent need for a short formal concept and ideally, endorsed ‘doctrine’ (i.e. an accepted body of knowledge) ensuring that all potential parts of the WF share an understanding before being asked to define their contributions. Given time imperatives, the significance in defence policy of a WF and the strategic risks from poor decisions, scenario-based exercises could help to rapidly build common understanding and baseline assumptions. Unlike the Reserves Study – castigated by the National Audit Office for poorly-evidenced assertion and lack of rigorous testing – the WFA in various configurations must be tested, if necessary to destruction. It must be refined with industry as full partners. Noting how often defence strategic direction has been breached (e.g. the double-Medium commitment), scenarios should be unconstrained by current policy or the Scenarios Assessment Group: useful scenarios must portray demanding hybrid conflict. They must also cross Service boundaries. The UK mounts, sustains and recovers from operations as a Joint Force. This Army initiative should ideally be adopted by MoD/Joint Forces Command to limit inter-Service divergence. However, a sensible quest for jointery should not delay Army progress, noting that the Royal Air Force has forged ahead with, for example, its air-to-air re-fuelling and that the Royal Navy has a long-standing WF support solution in the Royal Fleet Auxiliary.

And the WFA is not a new idea. During a recent US Army ‘UNIFIED QUEST’ force development exercise, the extent of incremental ‘contractorisation’ of support and combat service support came as a sharp surprise to most operations-focused US Army leaders. They were unaware of the cumulative impact of an informal WFA on core US warfighting capability. In our own relatively recent experience, the mortar-hardened patrol bases in Ulster (so critical to campaign

success) could not have been built and maintained without a local civil engineering firm, despite some being murdered by PIRA and continual intimidation. Would this company be considered part of a modern UK WF and what is the extent to which a WF Concept/Approach has evolved – informally or otherwise – into a WF Reality? Indeed, what factors and characteristics define and delineate the different parts of ‘the Force’? (Is a coach company bussing soldiers to Brize Norton part of the ‘WF’?) What roles are essentially military (either Regular or Reservist) and what roles are essentially civilian, and why? Is the key issue for the Army the degree of physical risk involved in achieving an assigned role; is it the degree of mission-criticality devolved to an industry provider; and how important is the wearing of uniform?

The uniform issue is code for confidence, ‘cultural fit’ and commitment, and raises questions of the guarantee. It is about whether a member of the non-military WF (or the parent company) can be compelled, under any and all conditions, to provide the contracted service. If so, is there a suitable legislative framework and are SR the most flexible way of pushing the boundaries towards a different WFA? Is the long-standing (and Army-defining) notion of ‘unlimited liability’ actually a robust start-point for WF doctrine, given the intrusion of human rights law (the uniformed Serviceman’s right to life) onto the battlefield? Would the Army consider re-introducing a ‘limited liability’ WF model for partner organisations and individuals, as in the early 20th century Territorial Force, where unit roles were specified ‘UK-only’? (Coastal Artillery had a combat role, but only for local defence and with a guarantee that Territorials would not be sent abroad against their will). A similar model (e.g. allowing those with minor ailments such as asthma into the ‘home-only’ SR) might increase the personnel pool; it could reduce the risk to service delivery in a national crisis; it might allow more flexible planned use of Regulars and fully-fit Reservists for deployed combatant tasks; and by bounding the risk it might incentivise industry to accept some of the overhead of holding (‘sponsoring’) a Reservist cadre.

Recruiting Reservists has not been easy, though. Will SR



Approach in action: RFA Argus pictured arriving in Sierra Leone during Operation Gritrock, the UK’s response to fighting Ebola in the region.

A risk for industry is that it will hold all of the extra peacetime costs of a manpower solution without the contract acknowledging the additional costs of an on-call service

(perhaps as Contractors on Training (COT)) be seen as second-rate replacements for Regular manpower or ‘proper’ Reservist troops? Top-level direction and support may not be enough if the scale of the WF change challenges established organisational culture. There is also a paradox that Contractors On Deployed Operations (CONDO) is now accepted and unremarkable, whereas COT solutions in peacetime force generation are still seen in some quarters as a red line. Would the Army consider even more radical solutions such as joint Army/industry command and control of SR in peacetime, with shared decision-making on promotion and career development, or wider use of industry in specialist and continuity HQ staff appointments? These are the sorts of steps (suitably incentivised) that might ensure a different force mix – especially of highly-skilled trades and managers – which could deliver a different WF teeth/tail ratio, inform staffs and provide insight. Is the military secretariat flexibly-minded enough to explore such HR practices or is the established model set in stone?

So, adopting a significantly different WF model may offer an Army hemmed in with significant organisational and manpower constraints (e.g. the 82,000 Regular manpower cap) the potential to use its military manpower where it is most needed; and may offer industry the potential to bid to provide services that are currently restricted to Service personnel. However, the wider MoD would need to adjust behaviours accordingly. Expansion of the WFA to deliver a sustainable solution (i.e. operationally and commercially-viable) will likely fail if it is run purely on a manpower substitution or narrow pricing ‘Value for Money’ (VFM) basis. Those writing the contracts and evaluating the offers from industry need to assess ‘Value for Effect’ (VFE). A viable, robust solution must incorporate affordability; assured provision of a known quality and quantity of output, especially Suitably Qualified and Experienced Person (SQEP); and also a set of factors around price and longevity of ‘the deal’ that makes this viable to all stakeholders – including industry’s shareholders.

Finally, some words on risk. In the case of our Army and UK industry, informal and formal assumptions will influence risk appetites. One such is ‘lines of support’, a view of the battlespace which implicitly assumes a Second World War/Cold War ‘front’ and a relatively safer ‘rear area’. A variation on this assumption is of a ‘rear area’ akin to Camp Bastion. A related notion is a ‘mature’ campaign becomes more stable, allowing a progressively higher ratio of Reservists and CONDO to Regular manpower: this particular assumption has endured, despite experience to the contrary in Iraq, where the security situation in the supposedly safe ‘rear’ operating base deteriorated over time. Are these extant and, if so, valid assumptions, noting that recent Russian doctrine says that critical infrastructure such as ports may be struck early, and with modernised tactical nuclear weapons?

Military risk also lies in the assured delivery of a more tightly-defined ‘force’ – i.e. a formed, flexible, disciplined and SQEP body of ‘sponsored’ personnel at known readiness, to whom orders can be given within politically-tolerable and legally-codified boundaries, up to (but not always necessarily) fulfilling their role under direct threat, where the acid test of putting ‘mission before man’ applies. At this end of the WF spectrum, the realities of industry participation must be closely aligned to the notion of ‘service’. A risk for industry is that it will

hold all of the extra peacetime costs of a manpower solution without the contract acknowledging the additional costs of an on-call service; and that whilst the roles of the SR may be defined, they will still be so broad as to make the commitment (e.g. for the duration of a mobilisation, or even repeat tours throughout an enduring operation) open-ended.

Conclusion

Most of the issues and questions set out above can be resolved. But one problem stands out: can the MoD actually contract for a true WF capability on anything other than an ad hoc, lowest price basis? As with the Reserves footprint (or the structure of the infantry) experience points to a few, larger, partner/sponsor organisations being selected, especially for assured SR solutions, according to a matched organisational ethos. They would in effect become part of UK’s critical national infrastructure. According to this logic, they would qualify on the basis of their record and resilience; i.e. their demonstrable ability to sustain a guaranteed level of readiness, with minimal upheaval, from the very moment when a new operation is called.

If SR and CONDO, or even COT, are to play a much greater role in future force generation and operations, then that implies that highly-skilled personnel will be held in such critical mass organisations. Qualifying parts of (prosperity agenda supporting British) industry will need to invest in a ‘contingent force generation capability’. Logically (as with rationalising Army Reserve Centres and basing new Reservist units on viable population clusters) this implies partnering with carefully screened organisations. This model would be viable if the volume of core-related work exists in peacetime e.g. via COT, to sustain the SR/CONDO latent operational capability. How, though, will the cost of holding a dormant SR/CONDO/COT capability be apportioned, or is it assumed that industry will simply bear the full liability? The WF is not a free force. Real and opportunity costs will need to be factored into contracts and peacetime roles.

It is difficult, however, to see how the MoD would presently set up a commercial deal with such providers (even assuming they are UK companies). Is there a commercial model that can result in mutually-viable (and for industry, that does mean profitable) deals, with credible partners, to support a more ambitious WFA? The trend in Whitehall and Abbey Wood (where contracts are drafted) seems to be towards shorter contracts with more transactional, rather than partnering, behaviours. The norm appears to be for the MoD to compete whenever it can, rather than prioritise more stable, strategic support partnerships. Industry can adapt to either model, but the force design rhetoric (‘partnership/VFE’) and the present realities (‘transactional/VFM’) seem to be contradictory, adding extra risk to a more ambitious WFA. In addressing this, Army HQ and Abbey Wood will need to be closely aligned, not least to secure the support of arbiters in the MoD and Cabinet Office.

PARTNERSHIP RELATIONSHIPS WITHIN THE WHOLE FORCE APPROACH

The Whole Force Approach (WFA) has been identified as a foundation for the future development of the British Army. The WFA will feature organisational innovations that draw military and civilian expertise together to create novel military capabilities. The experience, at times fairly bitter, of more than two decades of Private Finance Initiative (PFI) and outsourcing in pursuit of ‘value for money’ (VFM) has certainly made the Army a much more astute commercial actor. Officers and civil servants alike have become more adept at managing contractual relationships. However, much of this experience has been the pursuit of spending less money on a tightly-defined minimum military requirement (frequently dressed up as VFM), mainly through manpower substitution.

However, the WFA is seeking to move well beyond VFM. The WFA seeks to strengthen the operational potential of the Army by joining with industry partners to widen and deepen military capabilities and improve the resilience of the Army 2020 design. Capital investment can be shared with, or borne solely by, the business partner who can also utilise the inherently cheaper capitation rate of its personnel over

the life of a contract (even if activating the personnel may incur relatively high costs). This aspiration will require commercial relationships to be re-thought and new understandings shared between the Army and its commercial partners.

This short paper will examine two aspects of the possible future partnership relationship between the Army and its business partners under the

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Commercial partners without the credibility afforded by military service may find themselves confronted by condescension, real or imagined

WFA. First the need for continual innovation over the life of a partnership will be considered, followed by an examination of the issues of organisational cultures.

Moving beyond the transactional: partnerships and innovation

The Army’s use of contractors and outsourcing providers has become more successful as the role of the ‘intelligent customer’ has been developed. The bilateral and transactional client-provider relationship is based on specified performance standards, penalty clauses and frequent re-competition to keep the provider keen and responsive to the needs of the client. Change in performance conditions during the contract period can be sluggish, problematic and costly, however. The many stories of the difficulty and costs of minor variations under PFI contracts (perhaps exemplified by the possibly apocryphal case of the Christmas tree in MoD head office that cost several hundred pounds) illustrate the type of rigidly-defined relationships which would undermine the WFA in its infancy.

The WFA should avoid the stasis of the transactional static contract. To be successful, armies are required to innovate and learn from experience, codifying the results of this process in doctrine and teaching in the training establishment. Under the WFA, the performance of business partners should be responsive to changing land force doctrine, with the partner accepting an adaptability that mirrors the Army’s doctrinal learning process (and, indeed, being invited to contribute to this process). When faced with adaptive adversaries, the WF cannot afford for its response to be dictated by the rhythm of contract renewals.

This need for dynamism is unlikely to be alien to WFA business partners, however. Innovation and adaptability are inherent qualities for a successful business. The pressure of daily and weekly sales figures, and quarterly financial results, creates a need for constant adaptation. A business that is not a well-refined learning organisation is unlikely to continue to operate for long. The Army needs to harness this spirit of commercial flexibility, possibly by contracting for effects and outputs and drawing the commercial partner into shared innovation within the partnership arrangement.

Innovation invariably carries a cost, however. Sunk costs may need to be written off as doctrine changes, and new investments made. The conundrum for commercial relationships under the WFA is to enable the partnership to have the necessary flexibility to respond to changing circumstances without sacrificing VFM as the industrial partner builds the cost of flexibility into the pricing. Long-term contractual relationships provide a means of compensating the commercial provider for taking on the additional costs of being a full partner to the Army, sharing not just the operational role but the learning and developmental roles that underpin it.

Partnership and cultural incompatibilities

Partnerships under the WFA imply a shared and mutually embraced identity if relationships are to move beyond the transactional. The Army is a bounded profession, with significant barriers to entry and dominant culturally-shared beliefs that are spread through the socialisation of its members during their training and early years of service. The Army’s organisational culture underpins the moral component of its fighting power and is considered to be invaluable to its effectiveness.

The Army’s organisational culture might also be seen as a barrier to partnerships under the terms of the WFA. The Army’s officers may see themselves as ‘serving to lead’ and see their commercial partners as ‘leading to profit’. In their turn, commercial partners without the credibility afforded by military service may find themselves confronted by condescension, real or imagined. The chronic failure of attempts to inculcate a ‘One Army’ concept to overcome cultural barriers between the Regular and Territorial armies indicates the scale of the task ahead if military-commercial



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Innovation and adaptability are inherent qualities for a successful business. The pressure of daily and weekly sales figures, and quarterly financial results, creates a need for constant adaptation – the Army needs to harness this spirit of commercial flexibility

partnering is to achieve the returns that are being sought.

Are WFA partnerships destined to founder due to a fundamental incompatibility of ethos, sinking back into a transactional relationship? Or, does embracing the WFA pose risks to the Army's identity? The 'unlimited liability' of military service requires military personnel to accept a fundamentally skewed contractual relationship with the Army. Can such a relationship be extended to WFA partnerships and how readily would 'lateral entrants' (mid-career executives recruited into the Army to fill middle-rank officer positions) accept and profess such an employment relationship?

In its haste to embrace the benefits of the WFA, under short-term budgetary pressure, the Army may be guilty of consigning the knotty problems of identity and ethos into 'downstream' issues. However, if these issues are not addressed relationships will remain transactional, defined by performance standards and costly variation agreements that leave neither party satisfied, and partnerships will remain hollow.

'Caveat emptor' still applies

There are valid budgetary and organisational reasons to move quickly towards the adoption of the WFA, enabling the

Army to gain the benefits of the 2020 structure. However, there are equally good reasons to take time to ensure that the partnering relationships are carefully evolved and that shared understandings are developed with business partners.

Long-term service contracts and partnerships without the need for frequent re-competition are 'manna from heaven' for defence service providers. As land force capital budgets look set to flat-line across Europe, companies are looking to service provision contracts to maintain turnover. The medium- to long-term nature of service contracts (especially if packaged as 'partnerships') is very attractive as profits can be booked into the future rather than concentrated into a few years as normally occurs in capital projects.

The success of involving business partners with the WFA will stand or fall on the nature of the partnerships that are developed. Partnerships that are sufficiently responsive to changing conditions, and which are compatible with the Army's ethos and identity, are needed, and both these subjects are conducive to further research. Bilateral and transactional relationships could be considered as simply part of the physical component of fighting power, but the partnerships sought under the WFA will need to be considered under all three components – moral, conceptual and physical – if the Army's fighting power is to properly enhanced.

THE WHOLE FORCE APPROACH – A PERSPECTIVE ON THE USE OF VOLUNTEER RESERVES

In re-defining a future strategy in the defence sector, the question was posed to the Joint Forces Command (JFC) team “how can we, a key, long-standing partner and the MoD work together to deliver better value for defence?”. In exploring this question through our annual Defence and Security Information Circle (DSIC), the overriding conclusion from both industry and MoD was through a combination of ‘partnering’ and ‘support to the Reserve’. In his foreword to the subsequent DSIC White Paper, Commander JFC wrote:

“We now need to harness today’s technology to stay at the cutting edge of defence capability and maintain a position of strength. But we’re not there yet. We can only achieve this if we work better together, if we move fast, in commissioning, procurement and deployment but also if we recognise the advantages that new technologies will bring. On top of that, we need imaginative ways of thinking. Strengthening our Reservist force will help to harness the specialist technical expertise available in civil society and ensure we have the necessary skills to match the changing commitments required of the Armed Forces”.

Many corporate organisations are rightly proud of being active supporters of the UK Armed Forces and of bringing the MoD’s Corporate Covenant to life; where this works best it is driven top-down from the board. Support spans events such as the Invictus Games and the annual UK Armed Forces Day, SSAFA and Combat Stress and fundraising and volunteering to support these and other military charities. It includes the employment of veterans and hundreds of Reservists, including through transition programmes which uses ex-Service employees to help Service leavers move smoothly into work. It is recognised that veteran and Reservist employees bring skills, behaviours and values that are important and an exceptional ability to learn new skills; they’re comfortable with challenging situations and places.

Specifically, ties to the Army Reserve offer opportunity and mutual advantage. As an example, BT supports 81 Signal Squadron, a specialist Army Reserve sub-unit (distinct from Sponsored Reserves) that recruits skilled and experienced telecommunications engineers. These Reservists are trained and deployed in support of MoD fixed communications infrastructure in the UK and across the globe, providing both defence and BT with a clear and significant benefit through transferable skills and technical capability. This relationship has developed over 50 years and has worked with MoD to align skills to the extent that the military training burden is reduced. All ranks are recruited nationwide, the squadron is fully manned, with 140 personnel, 65 per cent being current BT employees and 15 per cent being ex-BT employees who have moved elsewhere, but remain with the squadron. The affiliation is further strengthened with the current officer commanding of 81 Sig Sqn employed as the Head of Military Engagement in BT, and the squadron’s honorary colonel typically being a senior company executive, currently the President, Public and Government Affairs.

This successful relationship has been achieved through an approach to collaborative manning, where a shared need and joint outcomes have driven the right behaviours to deliver skills on operations, training and within the

fixed base. These requirements have also driven mutual and continued engagement with the MoD’s Career Transition

Partnership.

Why is this important within the context of the Whole Force Approach (WFA)? There are a series of factors that have enabled the success of collaborative manning within 81 Signal Squadron that might indicate how to take forward aspects of the WFA:

- A clear strategic relationship.
- A common purpose and intent that aligns operational outcomes and therefore benefits.
- An agreement to share risk.
- Flexibility and adaptability.

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Many corporate organisations are rightly proud of being active supporters of the UK Armed Forces and of bringing the MoD’s Corporate Covenant to life; where this works best it is driven top-down from the board





It's good to talk: BT's long-standing association with 81 Signal Squadron, a specialist Reserve sub-unit, demonstrates the mutual benefits of a collaborative approach to manning

- A sense of identify which fits the culture, values and standards of both organisations.

Long-term success of the WFA concept must not be based on a purely commercial or transactional relationship. Too much is at stake for both organisations in terms of reputation and credibility for such an undertaking to be solely a 'business' undertaking. This approach is enabled by the continued board-level visibility and support that the activity is afforded and the strategic relationship that exists with MoD and Her Majesty's Government.

The 81 Signal Squadron model has recently relied heavily on the mutually reinforcing mechanism of Service leavers with telecommunications skills leaving Regular service to join a telecommunications company with an outlet to re-engage with their former life. These aligned operational and personal outcomes enable industry to benefit from the skills, experience and training the MoD has provided, which reduces training burden and speed to full productivity; in return, the MoD has a re-engagement mechanism for Reservists who are fully trained. Is this the type of model that WFA seeks, one in which the organisation engaged has a depth and breadth of long-term experience in a directly-aligned skills set; or is the MoD prepared to use an 'outsourcing' model where manpower is provided by 'specialist suppliers' who are not necessarily undertaking the same role and function from a corporate perspective?

Industry has seen the benefit of a 'shared risk' model through the reduction in mandated training days, reducing the burden on the individual while guaranteeing a level of capability; this understanding is important. There is also a clear understanding that deployed civilian personnel do not bear arms (when employed as Volunteer and Sponsored Reserves called up under relevant legislation they are of course counted as serving). Through close and continual engagement, industry and the MoD are able to show flexibility and adaptability. This has led to the adoption of a national model for Reserve recruitment and retention. As a result all troop-level groups are 'virtual', with little or no geographic connection. Indeed, most personnel rarely go to squadron headquarters and instead deploy direct to the task or training location. The question for WFA is how flexible and adaptable are the MoD prepared to be to achieve their aims; is the approach to have industry adopt MoD practices for the same outcome or for the MoD to adopt industry ones or will it be a hybrid? Resolving such contentious points will be key to WFA success.

Finally, and probably most importantly, the strong alignment of culture, values and standards between the two organisations has allowed this Reserves model of the WFA to flourish. This, in part, is due to history and the strong links between the two organisations, built over many decades. But it is also because as both organisations have developed, they have maintained a strong sense of mutual respect and connection that has reinforced the worth of continued support and shown that there is little conflict in purpose or vision. The question for WFA is whether this is an important factor or not; if not then does price and outcome outweigh shared culture, values and standards? Who is the MoD prepared to work with and who not? Likewise industry must make its own decisions.

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Is the Ministry of Defence prepared to use an 'outsourcing' model where manpower is provided by 'specialist suppliers' who are not necessarily undertaking the same role and function from a corporate perspective?

THE WHOLE FORCE APPROACH

– AN INDUSTRY PERSPECTIVE

The Whole Force Approach (WFA) presents both the MoD and industry with new opportunities to build more sophisticated and relevant models to deliver improved military effect. These opportunities have arisen as a result of increasing technical sophistication, a need to be expeditionary, highly reactive, agile and flexible, and a backdrop of severe fiscal pressures. Historically, WFA has focused on a blended workforce of people; increasingly, it needs to focus on fewer people overall, and complementary technology to deliver the required outputs, and to achieve decisive combat mass.

Whilst the focus over recent years for WFA has been on the deployed space, WFA should start in the home base, with integrated workforces working together, training together, and then, when necessary, deploying together and fighting together.

This gradation from routine to exceptional would help to build confidence, leading to trust; commanders, leaders, and managers would get to know their joint teams as they do in a wholly military organisation. This would enable industry to support the Army through the application of innovation, investment and talent insertion, enabling integrated solutions which offer optimal value for money.

MoD and industry red lines

There will be ‘red lines’ for the military element that should not be crossed and similarly for industry to enable them to discharge their duty of care for employees. These constraints are small in number but are important principles:

- Industry personnel will not bear arms (except Sponsored Reserves) in support of UK MoD operations.
- Sponsored Reserves will only use arms for self-protection/self-defence.
- Sponsored Reserves will not engage in offensive direct-action (‘stabbers’ business’).
- Companies will not contract with regimes and/or countries on the UK Sanctions, Embargoes and Restrictions List (unless explicitly supporting UK government projects/objectives).

Whilst these caveats may restrict industry engagement in some combat activities, most should be approached with an open mind to seek the best solution for defence. This could include roles up to and including services within the ‘kill chain’ where this makes sense to do so.

Essential ingredients

The essential ingredients for WFA include flexibility, understanding the commanders’ needs, the degree of flexibility required, and the ability to contract appropriately. The notion that WFA should not be seen as an additional element to supplement an ongoing operation; instead it should be viewed as an element of an integrated team delivering military outputs in ‘peacetime’, with a deployable capability ‘baked-in’ from the outset.

WFA already exists in a range of components: Regulars, full-time Reserves, Sponsored Reserves, part-time Reserves and Contractors On Deployed Operations but this compartmentalisation of the workforce is often unhelpful, and the development of the concept of a single workforce as a continuum, with individuals within it taking up commitments commensurate with the task they are required to perform and the individual’s appetite.

One topical example of how this might work is the Serco engineering technician team from RAF Northolt. Here, a ‘spectrum approach’ has been taken where employees are aircraft technicians working in a hangar who, when required, deploy with the aircraft either under Contractor Support to Operations (CSO) or as Sponsored Reserves (SR) (with differing levels of commitment) – completing their primary role – but under a different threat level. They are equipped with an appropriate level of training and, commensurate with the threat, adopt an appropriate level of self-protection.

This sliding scale of ‘conditions’ allows us to appropriately train our personnel, provides the military commander with maximum flexibility and assured delivery, and ensures that best value for money is maintained.

However, for such a scheme to thrive, industry players need to commit to engage in this approach and affirm that they are prepared to enter this construct and accept the associated risks; without this commitment, the model risks failure at the very time it becomes of critical importance.

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Spectrum approach: Under the terms of a contract announced in May 2015, Serco engineers will continue to provide forward and depth maintenance for the BAe146 aircraft of 32 (The Royal Squadron). The company has been delivering this service at RAF Northolt since 1995 and has been providing a broader multi-activity contract and engineering services there since 1997. The private and first-class passenger handling services available at Northolt are routinely used by British and foreign royalty, heads of state, government ministers and senior military personnel.

Challenges – industry

Potentially putting employees in harm's way, or having them deploy at short notice and possibly for extended periods, requires special terms and conditions of employment, a high-quality risk management system and unwavering commitment up to board level. Equally, appropriate support systems for families, associated training systems, assurance standards and insurances to satisfy duty of care are essential. The corporate risk must be fully understood and mitigated and if these aspects can be satisfied then full participation is achievable. This must be supported by HR processes that enable employees to be engaged appropriately, with the right skills, motivation and reward.

In recent campaigns the use of contractors has been extensively under CSO with significant numbers deployed. SR deployment on the other hand has remained relatively few in number, at 60-120 per company, for the handful of companies involved in their provision. In order to gain the maximum benefit from WFA and to be able to utilise the 'spectrum approach' previously described, the system must be scalable to provide the optimal balance.

Considerations for MoD

The Army must have primacy for deciding which critical military outputs can be supported by industry within WFA (though it may wish to consult), but more importantly those that cannot. In order to maintain the level of flexibility

required, the military commanders need to work ever more closely with their commercial colleagues to carefully articulate what exactly they need and expect. This in turn needs to be carefully but simply articulated in contractual language to ensure mutual success.

Crucial to this approach will be much more open partnered dialogue to facilitate better solutions and ensure that assured delivery of the right outputs, at the right time, with the right confidence can be achieved and to mitigate as many risks as possible.

Summary

WFA is already a reality and is challenging. The further development of a 'spectrum' of commitments by the Army and by industry presents some new exciting opportunities. Gaining a common understanding of these opportunities, and close engagement between the Army and selected onshore industry partners who are willing and able to commit to the WFA, will potentially create a fused team to support the Army's needs and deliver a better quality output at optimal cost; this is indeed a target worth chasing.



The Army must have primacy for deciding which critical military outputs can be supported by industry within a Whole Force Approach, but more importantly those that cannot

INDUSTRY INSIGHT

The UK was an early adopter of the all-professional armed services. This model proved cost effective in sustaining our contribution to winning the Cold War and to resourcing the large number of operations carried out until the present day. However, increasingly, it has become necessary to supplement Regular personnel on operations. In 2010, a number of factors led to the conclusion in the Strategic Defence and Security Review (SDSR), that adoption of a Whole Force Concept (WFC) would be advantageous, if not necessary, to reinforce Regular personnel on operations.

The modern practice of coupling Regular Forces, Reserves, civil servants, Contractors Deployed on Operations (CONDO) and some limited numbers of Sponsored Reserves started long before the 2010 SDSR. It was adopted piecemeal in order to fill gaps in military capacity and has slowly grown, not least under the pressure of 12 years of continuous, relatively high-intensity, expeditionary operations. The 2010 SDSR brought WFC into the foreground as a clear response to the challenges that UK defence was facing post the 2008 financial crisis. But while there has been some progress in re-creating the Reserves and increasing embedded industrial footprint, for example Marchwood Military Port privatisation, it appears that progress towards WFC has been, at best, patchy and needs re-invigoration.

Key drivers of Whole Force Approach

The UK took the lead in the western world by phasing out National Service from 1960. A number of factors contributed to this landmark decision but a key driver was money. The smaller all-professional model was more affordable and seen to be more cost effective. But as time has gone by, the cost of recruiting and sustaining professional manpower has risen faster than the available budget. Consequently, the number of uniformed personnel in the

UK forces has declined at an average rate of 2.5 per cent per year every year since 1945. Steep manpower reductions resulting from the 2010 SDSR were merely catching up with the long-term trend.

Assuming that the 2.5 per cent per year trend continues for as far as the eye can see, while defence and security policy continues to place similar demands on the Armed Forces, it is clear that defence needs to supplement professional military manpower. Some of the solutions are likely to

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It seems inevitable that moving to a model where a number of uniformed personnel are cheaper to employ because they are not full-time professionals will have a big part to play

be technological. For example, autonomy in a range of applications can, and will, reduce the need for humans to undertake quite a few roles. But it seems inevitable that moving to a model where a number of uniformed personnel are cheaper to employ because they are not full-time professionals will have a big part to play. In theory, it could go

all the way to a militia-based force, as used by the Swiss, but we are probably some way from that for the foreseeable future – or are we?

The Reserves

Clearly the re-establishment of the Reserves, and creation of a new(ish) model for their recruitment and employment, is one way to supplement the limited numbers of full-time professionals. Hence it is a key element of WFC. However, there are issues that so far the MoD seems to have struggled to overcome. These include:

- Inability to recruit enough people to meet the unambitious target of 30,000 Army Reserves.
- Some inbuilt bias in the Services against Reserves and their ability to operate alongside Regulars.
- Inability to come up with any sort of construct that compares with the US Reserves and National Guard ability to deploy formed units, and even formations, for long tours of duty.

The civil service and public sector

The adoption of cross-government approaches to many operational scenarios is likely to be increasingly important. But while the civil service and other public sector bodies such as the NHS and police have a range of skills, these are not all-encompassing. Furthermore, there are limits to the number of these people who can be taken off their day jobs, while continuing to provide required levels of service.

Industry

Industry can play a significant role in WFA. It can provide CONDO support and, in some instances, Sponsored Reserves. Both have to be paid for when being used and Sponsored Reserves do have some small overhead cost to defence to train and retain outside operational commitments.

CONDO seems to be quite well understood now and is relatively easy to turn on and off. The issues are around what you can't ask civilians to do in a war zone. Hence the Sponsored Reserve has the potential to fill the gap. Assuming the definition of a Sponsored Reserve is understood, the key benefits they can bring are:

- Fully skilled for their technical role by their employers at virtually no cost to the MoD.
- Subject to military discipline when activated.
- Deployable into the combat zone.
- Can reduce operational risk for user and maintainer skill fade.

That said, there are a number of issues that have to be

resolved which include:

- Having the right HR policy both in their parent companies and in the Forces.
- Pay and rewards compatibility compared to Regular Forces and Reserves.
- Cost-effective provision of adequate military training for the types of operation to be undertaken.
- Satisfying the Army that Sponsored Reserves are reducing operational risk and not increasing it. This is probably about targeting the right things for Sponsored Reserves to do, such as filling in where the military have a proven inability to sustain in-house skills that are safety or capability critical.

A way forward

Thus far, the MoD/front-line commands appear to have placed insufficient emphasis on the roles that Sponsored Reserves could play within WFA. A much more aggressive approach to the uses to which Sponsored Reserves can be put should help make up for under recruitment of conventional Reserves and shortage of Regulars.

A list of all the roles that could be undertaken by Sponsored Reserves should be drawn up/refreshed and then prosecuted with vigour by a dedicated project team with a specific target of capabilities to be augmented and sustained.

Individual cap badge sensitivities about maintaining their Regular manpower should be shelved, as the basis of WFA will be to free Regular manpower to do the jobs that only they can do, leaving WFA to provide them with better support.

In parallel, renewed efforts need to be focused on working with a selection of industrial players to create employment models that are fit for purpose, or at least for testing, and that have a degree of flexibility to cater for different applications.

Recognising that a pilot may be appropriate, one industry organisation believes that it could deliver a

Sponsored Reserve capability to the Army that would support the deployability of a combat vehicle system currently in service. This would combine the work of the company's personnel who are currently employed to provide contract logistic support. The company in question recently submitted a paper to HQ Army on this concept. The key benefits to the Army that were highlighted include:

- Reduced portfolio costs of ownership across Defence Lines of Development.
- Mitigation of health and safety critical skill fade amongst RE operators and maintainers.
- Higher states of operational readiness and freedom of action.
- Lower operational risk.

Conclusions

- Meeting the national defence and security objectives with all-Regular Forces is no longer affordable and, in any case, is partly outmoded by the introduction of cross-government approaches to at least some types of missions.
- Recruitment and retention of adequate numbers of conventional Reserves, who can be deployed at short notice on operations, seems to be beyond the ability of the UK to arrange.
- Industry can, and does, fill a vital function with CONDO but there are limits on how far forward civilians can be deployed.
- The key element that can plug the gap in capabilities, and numbers, is Sponsored Reserves whose scope of use should be expanded. Expansion of Sponsored Reserves should be taken forward as a priority with a dedicated team to deliver specified targets.
- Key industry players are ready to take forward discussions on propositions for expansion of current contract logistic support relationships with the Army into a deeper Whole Force Approach.



BEYOND THE WHOLE FORCE²²

In the summer and autumn of 2015 the Ministry of Defence (MoD) was engaged in the preparation of a Strategic Defence and Security Review (SDSR), the successor to that published in 2010. Doubtless there will be some important announcements in the 2015 review when it appears before the end of the year, not least with regard to the UK nuclear deterrent and maritime air-patrol capability or multi-mission

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The MoD has a tendency to understate the importance of its supply base and thus to live with risks that are not properly appreciated and assessed

aircraft. However, commanders and analysts alike will be keen to explore the extent to which the SDSR takes forward the government's commitment to its Whole Force Concept for defence, whereby military personnel, civil servants, Reserves, contractors and myriad elements of multiple supply chains merge to deliver sought military effects. This Whole Force Approach or 'enterprise' management stance is how the UK will exercise

defence and security in the years ahead. Yet a number of commentators make the case that all of its components are not even mapped, let alone properly understood by policy-makers.

The essence of this critique is that the MoD has a tendency to understate the importance of its supply base and thus to live with risks that are not properly appreciated and assessed. The development of the Whole Force Approach, with its focus on policies relating to personnel rather than enterprise management, has exacerbated this situation whilst, simultaneously, bringing more 'partners' into defence.

The MoD as buyer/consumer or producer

Within much of the business literature there is a clear distinction between commercial entities that are buyers of goods or services – thereby meeting a consumer need or selling-on into the marketplace – and those which are manufacturing entities that blend raw materials, technologies, production know-how and specific components to generate and, thereafter, support a particular product or service.²³ Based on this distinction, a first step for defence analysts is to consider whether the MoD should be seen primarily as a buyer and user of goods and services, akin to the individual consumer, or whether it should be viewed in the guise of a major entity that sources, blends, amends, develops and delivers military products or effects.

When the individual consumer opts to buy a television or even selects a builder for a home extension, he/she does not normally worry about the impact of the choice on supply chains or even how the television manufacturer selects

its suppliers. The focus is on the price, performance and reliability of the final product and the consumer holds the brand manufacturer responsible for all the features of the product, regardless of where they came from: should the Toyota owner ever press the door opener on the key fob and find the car stayed locked, he or she would not observe that Toyota must have chosen a poor lock supplier.

Indeed, in tune with this scenario, some officials and political figures associated with defence view the MoD as essentially a purchaser of goods and services from the private sector for deployment to meet defence and security ambitions. In interviews conducted in May-September 2015, a number of MoD officials and Service personnel took this initial instinctive position.²⁴ A contrasting view underlines that the MoD is responsible for 'producing' things and not just 'using' things. The MoD's own reporting and performance-measurement systems show that it is responsible for the generation of outputs (force elements able to act at varying degrees of notice) and outcomes (deterrence and success on operations).²⁵ The MoD's central task is to produce UK defence policy and then to direct the generation of military capabilities that support the delivery of that policy. In the event of a government decision to use those capabilities on an operation, it is then the role of the MoD to oversee and even control that use so that it supports political objectives and operates within government-specified constraints.

Under this approach, the MoD, and the Armed Forces and agencies within it are significantly analogous to manufacturing organisations, bringing together all the diverse elements required for usable and sustainable defence capability. Some of those elements they generate within the governmental defence sector while (many) others are sourced from outside.

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It would be difficult to exaggerate the dependence of UK defence on suppliers in the private sector, where the MoD spends more than half of its money

It would be difficult to exaggerate the dependence of UK defence on suppliers in the private sector, where the MoD spends more than half of its money. Most obviously the MoD obtains all its equipment, spare parts and fuels from the private sector with the days of the state arsenal being long gone. Moreover, the MoD is remarkably capital intensive, investing around a quarter of its budget each year in the development and production of new equipment. While the valuation of military equipment is clearly problematic in many ways, it is noticeable that the MoD's 2014-15 Annual Report records the MoD holding property, plant and equipment assets worth £95 billion and intangible assets

²²Extract of a paper published by RUSI in November 2015.

²³For example, see Mark Saunders, Philip Lewis and Adrian Thornbill, 'Research Methods for Business Students', 2nd edition (Harlow: Pearson, 2000).

²⁴The author conducted a number of semi-structured interviews with Ministry of Defence (MoD) officials and members of the armed forces between May and September 2015.

²⁵See multiple annual editions of the MoD's Annual Report and Accounts. For the 2014-15 edition, see MoD, Annual Report and Accounts: 2014-2015, HC 32 (London: The Stationery Office, 2015).



Rapid roll-out (clockwise from above left): Improved armour for the Challenger Main Battle Tank, the armoured vehicle Ridgback, the Reaper MQ-9 Remotely-Piloted Air System and the British Army's new light protected patrol vehicle Foxhound are all recent examples of Ministry of Defence-commissioned urgent operational requirement programmes.

– mainly reflecting research and development spending on equipment – of £25.5 billion²⁶, which together represent more than three times the ministry's annual cash spend.

While less significant in overall financial terms, it is striking how much the MoD has passed responsibility for even the generation of innovative ideas and initiatives for change to the private sector. For example, in 2015 in the Defence Equipment and Support (DE&S) organisation, Bechtel and CH2M Hill were advising on project- and programme-management transformation while PwC was advising on human resources. Even when the MoD sought to manage aspects of the extended enterprise, it needed others to help provide guidance on how to do it. The conclusion is clear and overt: without such external expertise the MoD would be unable to meet its obligations to the nation.

The MoD must be able to both generate capability and then, when called upon, use it. This means that the MoD requires significant flexibility and agility from its supply chains: defence equipment used on operations generally requires more fuel, spare parts and so on than when it is in a training or standby role. Moreover, many operations since the end of the Cold War (and before that, the Falklands

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In defence, where human lives, as well as operations of crucial importance to governments, can be at stake, it should be hoped that suppliers to the MoD should be resilient

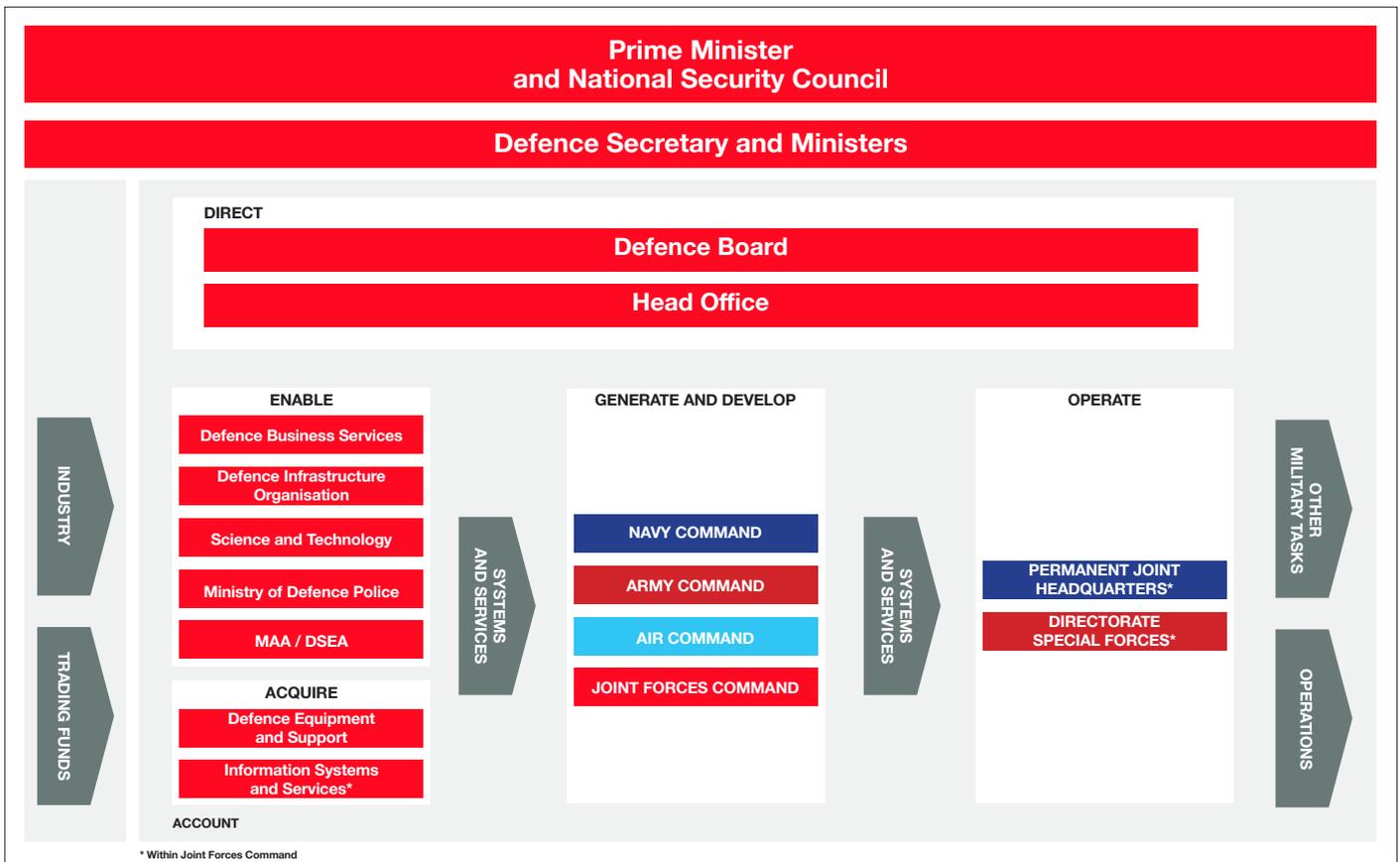
War) had not been envisaged in long-term defence plans, contained an element of surprise and thus placed special demands on defence suppliers to accelerate production of certain items, to modify equipment for a particular campaign and theatre, and then to come up with novel products.²⁷ The term ‘urgent operational requirement’ has become familiar in defence discourse, with UK forces having generated hundreds of them since the end of Cold War.

Thus the MoD can place significant demands on its suppliers, requiring them first to be efficient and effective in delivering their goods and services, and then flexible and agile in terms of being responsive to radical and rapidly changing circumstances.

Finally, in defence, where human lives, as well as operations of crucial importance to governments, can be at stake, it should be hoped that suppliers to the MoD should be resilient – that is, not excessively vulnerable to shock. Resilience has three dimensions: the capacity to avoid disruptive shock; the minimising of immediate impact should shock occur; and the rapid, as opposed to protracted, recovery from shock.

²⁷ For illustrations of UK experiences in mobilising the private sector to support military operations since 1991, see Trevor Taylor, John Louth and Henrik Heidenkamp, ‘Industry and the Military Instrument’, in Adrian L. Johnson (ed.), *Wars in Peace: British Military Operations since 1991* (London: RUSI, 2014), pp. 291–320.

²⁶ MoD, *Annual Report and Accounts: 2014–2015*.



The MoD and the DEE

To what extent is extended-enterprise management currently reflected in MoD structures and practices? First, the Defence Operating Model, which is included in the MoD's own guide to its workings, *How Defence Works*, does not give any prominence to the role of external suppliers. The model, reproduced above, does not indicate that over half the ministry's money, and therefore hopefully more than half the elements of capability, come from the private sector.²⁸ Nor does it signal any awareness of the overall nature (size, location and complexity) of the defence enterprise.

This is not to say that the MoD pays no attention to its suppliers: chaired by the secretary of state, the Defence Suppliers Forum meets twice a year and has sub-committees for small and medium enterprises, a mid-tier group, and exports. The ministry knows the list of companies with whom it contracts directly and how much it spends with each. Within individual DE&S groups and teams, there is knowledge of and concern about their contractors and their suppliers.²⁹ The government is also keen to increase the role of small and medium enterprises in UK defence, not least through the Centre for Defence Enterprise. Moreover, the UK, along with many other states, seeks to influence (rather than manage) its defence industrial suppliers by a combination of sponsorship, purchasing and regulation; individual initiatives including the Defence Growth Partnership are part of this approach.³⁰ However, defence industrial structures and capabilities are shaped primarily by contractual commitments, as opposed to high-level policy statements, and supply chain resilience is a

²⁸ MoD, 'How Defence Works', version 4.1, September 2014.

²⁹ MoD, 'Finance and Economics Annual Bulletin: Trade, Industry and Contracts Statistics 2015', August 2015.

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In the context of the wider world, the United Kingdom may be strikingly out of step in paying such limited attention to its supply base and national defence industrial sector, despite assertions to the contrary

function of this commercial hard-headedness. In the context of the wider world, the UK may be strikingly out of step in paying such limited attention to its supply base and national defence industrial sector, despite assertions to the contrary.³¹ The defence enterprise or Whole Force approach resides within this 'maybe.'

³⁰ See Henrik Heidenkamp, John Louth and Trevor Taylor, *The Defence Industrial Triptych: Government as Customer, Sponsor, and Regulator*, RUSI Whitehall Paper 81 (London: Taylor and Francis, 2013).

³¹ See Jacques S Gansler, *Democracy's Arsenal: Creating a Twenty-First-Century Defense Industry* (Cambridge, MA: MIT Press, 2011). In Chapter 8, the author reviews the defence industrial policies of a number of states.

HOW THE PRIVATE SECURITY SECTOR HAS DEVELOPED OVER THE PAST DECADE AND WHAT IT HAS TO OFFER THE MINISTRY OF DEFENCE

The private security sector has developed significantly over the past decade and now provides a spectrum of security solutions for a broad range of clients operating in complex environments, where the rule of law is weak. Private security companies' clients include governments, global blue-chip companies and non-governmental organisations. For example, the US Department of Defense regards the sector as a force multiplier.

Private Security Companies (PSCs) fully recognise that high levels of compliance and ethics are essential to mitigating the risks inherent in working in complex environments, and believe that only an approach based on ethics and respecting human rights will deliver commercial sustainability. Equally, companies believe that if the security situation requires the provision of armed guards for the protection of life, clients will want – and should expect – considerable reassurance that the supplier of that service is capable, legal and reputable. Highly-regulated industries, such as the extractive sector, demand high standards from their security providers and PSCs know what is needed to deliver against the exacting standards required by large multi-national firms like BP or Shell.

Foreign direct investment in areas emerging from conflict is often key to stabilisation. The US recognised this in both Iraq and Afghanistan with the establishment of the Task Force for Business and Stability Operations. International companies who take the step into these complex environments often rely on a private security solution to mitigate their risk.

British PSCs make a significant contribution to the UK's export market through the provision of services and their professionalism and expertise in supporting relief, recovery, reconstruction efforts and commercial business operations. In addition to providing direct revenue and employment

benefits to the UK economy, PSCs enable clients to operate and win contracts in complex environments.

British private security companies make a significant contribution to the UK's export market through the provision of services and their professionalism and expertise

UK Trade and Investment recognises the substantial and growing contribution of this sector to UK exports, and hence the UK economy, and is working closely with the Security in Complex Environment Group (SCEG)³² to exploit future export opportunities. British PSCs wish to build on this and to work more closely with the MoD to

develop a mutual understanding of the potential opportunities for outsourcing.



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The industry is aware that in some quarters the [private security] sector is seen as providing ‘military’ type activities – this is damaging reputationally as well as misleading

Many British security companies – either directly or through SCEG – enjoy excellent relationships with several government departments in the UK. This relationship is mutually beneficial; the industry brings a different perspective to government policy-making and government can influence the development and improvement of the security industry standards. SCEG members would like to extend this quality of working and depth of relationship to the MoD.

Legacy sensitivities

The industry has no illusions about the reputational and commercial damage that has been caused by a few untoward incidents. The imprisonment in April 2015 of four former security contractors, who worked for the US company Blackwater in Iraq following a shooting incident in Baghdad in which 14 Iraqis were killed, points to the seriousness and sensitivities surrounding these activities. Any human rights-related incident damages not just the individual company, but the sector more generally, as well as their clients.

The industry is also aware that in some quarters the sector is seen as providing ‘military’ type activities – this is also

³²The Security in Complex Environment Group was formed in January 2011, to define and introduce robust, widely recognised professional standards for the private security sector.

damaging reputationally as well as misleading. The UK industry is very clear that it provides security and that it does not provide a military capability, and for this reason eschews the term ‘private military security company’.

The industry’s regulation journey

Over recent years the private security industry has worked very hard to develop and implement standards and regulation, and to operate in a transparent and accountable manner with human rights at the heart of its business models. The UK sector has worked effectively with the UK Government and international bodies over the last 10 years to achieve a regulatory framework for private security that meets the requirements of the UK Government’s Action Plan on Business and Human Rights to implement the UN Guiding Principles on Business and Human Rights. More specifically, the regulatory framework for the private security sector includes both third-party audit and certification, and international monitoring of and reporting on the activities of the sector and its constituent companies.

As part of taking forward a regulatory framework based on voluntary regulation (in line with UK Government policy) British PSCs established the SCEG to develop professional standards and to spread best practice across the UK private security industry.

In 2011, after a competitive tender, the UK Government appointed the SCEG as its partner for the development and adoption of standards for the UK private security industry. This created a unique construct whereby an industry body was trusted by the UK Government to be both a responsible partner in leading the adoption of standards of the sector, and a contributor to the development of policy. Officials from the Foreign and Commonwealth Office (FCO), Home Office, Department of Transport and Department for Business Innovation and Skills routinely attend meetings, including meetings of the executive committee of the SCEG. The SCEG would wish to see the MoD being similarly engaged to develop the opportunities for a constructive relationship across the wider security and defence sector.

Standards and human rights monitoring

The first step in the road to regulating PSCs was the 2008 Montreux Document³³ governing the role of states in their relations with private security service providers. The next step was the development of the International Code of Conduct for Private Security Service Providers (the Code) which focused on the industry, setting out commonly agreed principles for companies to endorse, and to commit to by signing the Code. The UK industry was a major contributor to both of these international agreements.

The International Code of Conduct envisaged two further steps: the development of international standards with human rights at their heart, and the establishment of an independent mechanism to externally monitor and oversee compliance with the Code.

³³Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict.

A ‘Management System for Quality of Private Security Company Operations – Requirements with Guidance’, also known as PSC.1-2012, was commissioned by the US government and developed as the first standard to translate the detailed and exacting requirements of the Code into specific, auditable measures for land-based PSCs. The standard assesses whether companies’ policies and procedures – and crucially the implementation of these on the ground – reflect key issues around human rights risks, including the impact of operations on stakeholders, rules on the use of force, recruitment/selection and training of personnel, and weapons movement, storage and their use. It was endorsed by the UK Government in 2013 and UK companies have been getting on with being independently audited and certified to PSC.1-2012 by United Kingdom Accreditation Service (UKAS) accredited certification bodies. PSC.1-2012, with few amendments, has now been converted into an international standard, ISO 18,788. Crucially both these standards, unlike other international standards, require independent auditors to inspect how activities are carried out in the field.

The establishment of the ICoC Association (ICoCA) in September 2013 laid the foundations for the second requirement of the Code. The ICoCA is a multi-stakeholder initiative involving civil society as well as governments and the industry itself. Its role is to monitor and report on how the industry generally, and companies individually, are delivering against the human rights-related requirements of the Code.

In addition to these industry-specific standards, UK PSCs are fully compliant with the law and take very seriously legal requirements such as the UK Bribery Act, the UK Counter Terrorism and Security Act and the Modern Slavery Act.

In short UK PSCs operating successfully in the security sector today are well regulated, responsible companies with whom the MoD and British Army can with confidence do business.

Global reach and capability

The global reach and capabilities of PSCs has also developed over recent years. In the main companies are multi-million pound global businesses, running complex multi-faceted operations in remote and hostile environments. They conduct 24-hour operations, have the ability to deliver timely strategic and tactical reporting for their clients together with ‘softer’ capabilities such as liaison with the local community.

The traditional roles of man-guarding of infrastructure and close protection for people will endure for some time yet, but increasingly companies are offering a wider range of services including risk mitigation, risk consultancy, intelligence assessments, EOD clearance, capacity building, training and equipping missions.

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UK private security companies are fully compliant with the law and take very seriously legal requirements such as the Bribery Act, Counter Terrorism and Security Act and the Modern Slavery Act



Feasible function?: The Security in Complex Environment Group suggests the UK's Armed Forces could follow America's lead and turn to private security companies to conduct general EOD tasks on operations – a role overseen by members of the British Army's EOD & Search Taskforce in Afghanistan. During Op Herrick, the elite unit also mentored soldiers from the Afghan National Army in the tactics and procedures required to safely and professionally remove improvised explosive devices.

Current arrangements with OGDs

The process whereby PSCs provide protection to deployed government missions abroad in complex environments is well established. The FCO are the lead department for the provision of this commercial 'security platform' and their procurement processes follow government guidelines. The potential providers are subjected to the usual pre-qualification questionnaire via the FCO's e-Bravo portal; if successful this is followed by the issue of an invitation to tender. Tenders are assessed in an independent and rigorous manner, using the Most Economically Advantageous Tender guidance. The larger contracts are subjected to further scrutiny via the Office of Government Commerce review processes. None of this procurement activity would be a surprise or unknown to the MoD, and its use should reassure both the public servants and the tax payer.

Opportunities for the British Army using private security companies

The potential use of PSCs by the MoD and Army to support and amplify their desired effect on operations is well demonstrated by our US allies. These functions cannot be offensive, nor can they replace the core military tasks such as assault and capture. But for example: the sharing of information; specific intelligence assessments; the provision of layered static security to protect operating bases; the conduct of de-mining and general EOD tasks; the delivery of capacity-building tasks; many train and equip missions – and the list of tasks and the benefits in terms of force replacement could go on.

Engagement with the MoD – a proposal by the UK security sector

The UK private security sector proposes that there are real benefits to be gained from developing a closer working relationship and therefore greater mutual understanding,

leading to the potential to better assess the utility of PSCs across the public security and defence sector. This relationship may be developed through the following initiatives:

- An MoD representative to attend the SCEG executive committee alongside the FCO.
- SCEG to provide a better insight into the sector through further presentations and lectures to defence and security audiences, such as the staff college, HCSC (as now) and RCDS.
- The MoD and SCEG to work together on a framework for outsourcing opportunities aimed at delivering agile, professional and cost-effective solutions that build on the strengths of the military and of industry.

Private security companies are part of the security landscape of the future

The security landscape is changing. Western defence spending is declining without a commensurate decline in political ambition. The UK's national security strategy rejected any notion of shrinkage of the UK's influence, despite significant cuts in the MoD and FCO budgets; this risks a strategic deficit. The private sector can help by providing skills and capacity that complement the military capabilities, but that does not replicate nor replace them. Over the years governments have increasingly outsourced to the private sector activities that do not need to be undertaken by the military; there is scope to do more and thereby focus scarce military capability on operational activities that are the prerogative of states, not PSCs.

SCEG companies are already involved in some capacity building and a wide range of risk consultancy activity. It is not just man-guarding, but the delivery of a whole range of activities in the area of training, mentoring and support that PSCs can seek to support the MoD and UK Government's efforts abroad. This trend will continue and will be of real and direct benefit to the UK's ability to influence the security and defence environment around the world.

The need for information and trust to enable this partnership

Finally, whichever remote and hostile environment within which the British Army wishes to operate, UK PSCs will have corporate knowledge of the environment and the culture, as well as local contacts and networks. SCEG believes that the MoD could benefit from working more closely with the private sector to exploit this information, learn from the skills and experience gained by some highly-capable and agile private security providers in these most challenging of complex environments.

The UK's national security strategy rejected any notion of shrinkage of the UK's influence, despite significant cuts in the MoD and FCO budgets; this risks a strategic deficit.

The private sector can help by providing skills and capacity that complements the military capabilities, but that does not replicate or replace them

CHACR MISSION STATEMENT

To conduct and sponsor research and analysis into the enduring nature and changing character of conflict on land and to be the active hub for scholarship and debate within the Army in order to develop and sustain the Army's conceptual component of fighting power.

For further information about CHACR and its activities, please contact NSC on 01276 673855 or chacr@nsc.co.uk

