

WITNESS STATEMENT

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Minister for Defence Procurement & Defence Equipment & Support

May 2005 – November 2007

Protected Patrol Vehicles

When you arrived in post in May 2005, the threat from Improvised Explosive Devices (IEDs) and casualties had begun to rise. What briefing were you offered on this subject?

I had a general introductory briefing providing a short overview of all types of defence equipment then in service or in the process of being procured. This included tactics, training, procedures and equipment used to counter the IED threat. For example I was briefed on electronic counter-measures to IEDs, vehicles, body armour, vehicle armour etc.

Was it suggested that action was required on either the effectiveness of the UK's Electronic Countermeasures or the level of protection afforded by the SNATCH Land Rover?

The briefings at that time did not indicate that action was required on the effectiveness of countermeasures against IEDs or the protection afforded by the SNATCH Land Rover. I was informed that the process established during operations in Northern Ireland to develop counter-measures to IEDs were effective and this area of capability was highlighted as a UK strength. I was informed by the military advice that the SNATCH was essential to the UK's style of operations in Iraq that required a small, light and highly manoeuvrable vehicle to enable our troops to patrol in the narrow streets of Iraqi towns. The view expressed by the military at that time was that a heavily armoured tank like vehicle would not have been practical or consistent with the UK's style of patrolling "among the people".

During my first visit to operations in Iraq in July 2005 I travelled in a SNATCH Land Rover myself in a convoy that travelled on open roads between the base at Basrah airport and the Shaiba logistics base. I was made aware of the threat from roadside bombs at the time but the impression I was given that the risk was being managed by the electronic countermeasures and other procedures. Travelling in the SNATCH myself in July 2005 I had the impression that the journey was risky – but that the risk was managed.

In August 2005 you asked for advice about how the UK intended to stay ahead of the developing IED threat. Did the MOD have appropriate processes and sufficient resources for staying ahead of emerging threats in an enduring campaign like Iraq? If not, what steps did you take to develop and improve the MOD's approach?

The process for staying ahead of threats depended upon a feedback loop from operations, identifying and reporting upon growing problems, which were then

fed up through the military chain of command through PJHQ, which would then generate a request for new equipment if one were required. The UOR process for responding quickly to requests for equipment from front-line operations generally worked well. Once PJHQ had approved the requirement, and the specification for what was needed had been agreed by the military, the procurement process worked well to supply it. This view is backed up by numerous reviews of the procurement of equipment to operations, for example the NAO report of May 2009.

Problems arose however when the chain of command from the front line up through the military system could not agree upon the definition of a requirement, or having identified a requirement, could not agree upon a specification. In the case of electronic countermeasures to IEDs there existed a very good process of iterative development of new countermeasures with very close working between DSTL and the military. The problems mainly arose around vehicles and helicopters. In both of these cases the military found it very difficult to reach agreement upon what was required. This prevented progress in response to what was clearly, by the second half of 2005, a clear and growing threat from IEDs that required action.

Although I was not responsible for the UOR process in August 2005, I became increasingly aware of the conflict that sometimes arose between long-term core procurement projects and short term needs on current operations, as highlighted by the problems on protected patrol vehicles (PPVs) and helicopters. By 2007 I had taken responsibility for the UOR process.

I was struck by how the bureaucratic and hierarchical organisation of both the military and civilian services in the MoD hindered effective action to address a problem even once it had been generally recognised as being an issue. Overall the "system" reinforced an environment whereby the *process* was more important than the *end result* (i.e. equipment on time and budget). There was a lack of single point accountability. Often the problem would reside with a committee that would then find it difficult to make a decision. This problem existed throughout the MoD structure. I was not alone in recognising this problem.

I resolved to address the problem by reforming the structure and process of equipment procurement and supply. This led to the new Defence Industrial Strategy, Defence Technology Strategy and merger of the DPA and DLO into a single organisation (DE&S) with through-life responsibility for equipment and a flatter management structure and clearer accountability. I also personally championed action on a number of projects (for example PPVs and helicopters) that I felt had become bogged down in the system, both because I felt they were urgent and important and because I wanted to show by example that the system could be changed and that equipment could be procured faster in response to the needs on operations. I wanted to demonstrate that the core process could be changed if needed to get something important done quickly and well. Capital equipment such as vehicles and helicopters had typically in the past been procured via the core equipment procurement programme and not the UOR

process. I pushed people to adopt a “UOR-like” urgent process to procure PPVs and helicopters both because the front-line needed them and because I wanted to reform the slow and cumbersome core procurement process.

I also pushed for resolution of responsibilities around the UOR process with Des Browne and a process to monitor the effectiveness of implementation of UOR projects more closely. Although the UOR process worked well it was necessary for me to monitor the delivery of projects by asking for project updates on a weekly basis in some cases.

I became concerned that the structure of the MoD, and in particular the absence of the equivalent of an overall Chief Executive (to use a business analogy) of the Department, allowed factions within the Department to “agree to disagree” over equipment prioritisation decisions. Particularly where the services disagreed. In the case of helicopters, the lack of a single service responsibility for helicopters meant that they were not championed properly during tough negotiating rounds over resources, unlike for example FRES, aircraft carriers or fast jets. Each of which were vital to their particular service. The tri-partite division of responsibilities between SofS, CDS and PUS meant that none of the occupiers of these roles is empowered to make these decisions. I raised this issue at the Defence Board meeting for example during discussions in 2007 regarding the aircraft carrier project.

In the case of PPV’s, despite the growing number of casualties from IEDs of personnel travelling in SNATCH, the Army were clear that they needed the vehicle on operations. Feedback from operations had highlighted the growing concern over the vehicle – however no requirement had been identified by the chain of command to procure a vehicle to replace it. In fact the Army were keen to keep it. In the end I resolved to try to encourage the Army to identify a requirement for an *additional* medium weight vehicle rather than a replacement for the light SNATCH vehicle to avoid getting bogged down with resistance from the military. Even after Mastiff proved a success on operations the Army insisted there remained a requirement for SNATCH as well.

There was also reluctance to pursue parallel projects to investigate better solutions to the IED threat. For example, I had seen a Hard Kill Defensive Aids Systems for patrol vehicles demonstrated at a visit to LAND in 10 March 2006 and I directed the Department to pursue this option with vigour.

Both General Sir Mike Jackson and General Sir Richard Dannatt told the inquiry that, as CGS, they had expressed concerns to you about the progress being made in the delivery of the Army’s FRES programme by late 2005. What was the relationship between progress on FRES and concerns about SNATCH land rovers?

FRES was the Army’s flagship programme, similar to the aircraft carriers for the Navy and fast jets for the RAF. The FRES project had become delayed, partly because the experience on operations in Iraq and Afghanistan led to repeated changes to the specification, and partly because the user requirement had

become much too complicated and involving too many different types of vehicle. I shared the Generals' concern about progress on FRES and refused to accept the internal view that the project would slip to 2015-2018. I directed the Department to take action on the project. The requirement was simplified. Work was concentrated on the utility variant and a fast track competition to allow a decision to choose the winning vehicle in time for delivery in 2012 was carried out.

The project to improve / replace SNATCH was always separate to FRES. The Generals stressed the urgent need to replace the ageing fleet of Army Fighting Vehicles as a whole when voicing their concerns over delays to FRES. However SNATCH was a Protected Patrol Vehicle rather than an AFV, and was not an old vehicle. In terms of augmenting Protected Patrol Vehicles such as SNATCH the focus in early 2006 for the Army was on the VECTOR which in March 2006 I was told was General Dannatt's highest priority as CinC LAND.

Progress on FRES and concerns about SNATCH Land-Rovers should not have been connected in theory because the FRES project was designed to provide a different capability, i.e. AFVs not PPVs. In reality however, I believe that the Army's difficulty in deciding upon a replacement to SNATCH was in part caused by their concern over the likelihood of FRES budgets being cut to fund a SNATCH replacement vehicle.

The impression I gained was that delivery of FRES by 2012 was a higher priority for the Army than finding funding for a replacement for SNATCH from the core equipment budget. I was concerned that the Army were focusing on the Vector light protected patrol vehicle for Afghanistan and upgrading the FV430 (Bulldog) and that no requirement had been identified for a new medium weight protected patrol vehicle.

The push to replace SNATCH or to procure a new medium weight PPV so that commanders would not have to use SNATCH came from Ministers, not the military. For example during the meeting on 27 June 2006 between SofS, MinDP and MinAF.

I also pressed the military on whether there was a requirement for a small helicopter to use for reconnaissance or surveillance to reduce the need to patrol in SNATCH.

Did you discuss that with Generals Jackson and Dannatt?

Yes I discussed both FRES and SNATCH with Generals Jackson and Dannatt on several occasions. I visited LAND Command to see the Army's range of vehicles and I had many discussions with military officers, procurement officials and industry regarding these vehicles

In February 2006 you asked the Ministry of Defence's Permanent Secretary and Defence Management Board to examine the question of FRES and current armoured vehicle provision for operations. Why did you do this?

I asked PUS to grip the FRES situation because I was not content with the proposal to further delay the project and because I was concerned that the MoD was not giving the issue of armoured vehicles sufficient priority. I agreed with General Dannatt and General Jackson that the proposed delay to 2015-2018 was unacceptable.

Was the issue already on the Defence Management Board's agenda?

I do not recall whether the issue was already on the DMB agenda. There was some reluctance to alter the normal planning process to address the issue, but I was clear that we needed to resolve the problem more urgently outside the normal procurement processes.

What happened?

As a result of the re-examination of FRES the Department had a more effective grip on the armoured vehicle issue and the FRES project returned to the 2012 target date. I asked for a competition to be organised focused on the utility variant and for the Army to carry out a series of vehicle trials to determine which vehicle was best. This was completed on schedule. Together with a commercial due diligence and negotiation process this revised project plan for FRES led to a production contract for the selected vehicle by the end of November 2007 which was a key milestone in meeting the target date of 2012. I found it necessary to monitor very closely the progress made on implementation of the DMB decisions throughout 2006 until November 2007 when I left the Department. For example I asked for fortnightly updates on FRES.

The Inquiry has been given evidence that vehicles which could have provided a better capability than SNATCH were not available in 2005. Before June 2006 did you ask about potential alternative vehicles available on the global market; if so what advice were you given?

Yes I did. I was advised that there was no vehicle identified that could provide the mobility and small footprint offered by SNATCH and that the vehicles used by the US such as Stryker and HUMVEE did not offer a better solution. The larger protected patrol vehicles (such as the RG31 used in South Africa) were regarded by the Army as unsuitable for Iraq due to their large size. The view of LAND in June 2006 was that buying Vector for Afghanistan was No1 priority, further up-armour kits for FV430s in Iraq was No2 priority and that further studies for an improved PPV was a longer term option.

Following a visit to South Africa in July 2006 it was concluded by Brigadier Moore that "the RG31 would be a strong contender should the Army want a heavier and better protected PPV". Getting the Army to want such a vehicle that it was prepared to allocate funding to it was the key point. I pushed to try to make this happen.

I asked Des Browne to direct me to look into this issue. Hence the meeting on 27th June and the subsequent initial tasking from him later that same day, which in turn was followed up by the 4th July more detailed tasking.

By 13th July I had asked CM(BM) (General Dick Applegate) to pursue two vehicle options to reduce the delivery time and create a competitive tension with suppliers. The letter to the Treasury went on 20th July 2006 requesting funding under UOR for 108 vehicles. I then monitored this project very closely to ensure delivery of the new (Mastiff) vehicles. The MoD team working on this project did an excellent job delivering the first vehicles to operations in 23 weeks.

I also worked with Lord Astor to create cross-party support for the MoD to collaborate with expertise from outside the defence industry to speed up procurement of vehicles. The motorsport industry was introduced to the defence companies to help transfer their skills in rapid vehicle development and prototyping. This initiative was a success, leading to a number of improvements. Most recently the new replacement vehicle for the SNATCH – the Ocelot was designed by a joint venture between motorsport engineers and defence.

Why did you find it necessary to ask Lt Gen Houghton (CJO) for confirmation that there was a requirement for a medium weight protected patrol vehicle?

It was necessary because I had become concerned about growing casualties to personnel travelling in SNATCH from IEDs in Iraq. The military had identified a requirement for a new light PPV for Herrick (Afghanistan) which had been approved via the core equipment programme by PJHQ in March 2006 (the Vector vehicle) but no requirement had been identified for Iraq. I wrote to CJO to force the issue. The push to procure a medium weight PPV in time for the Nov 06 roulement of forces came from Ministers. This became the Mastiff programme.

Why had the military chain of command not identified this requirement previously?

I found it hard to understand why the military chain of command had not raised a requirement for a medium weight PPV when it was clear that it was not technically possible to procure a light weight PPV at that time with enough armour protection to overmatch the IED then being used against our troops. The thinking of the military throughout this period was that a small lightweight vehicle of the size and weight of SNATCH was needed to patrol in the way the British Army operated in Iraq. I accepted that buying a much bigger and better protected medium weight vehicle would not be suitable for this type of patrolling in narrow streets but I believed that providing commanders in theatre with the option of a bigger vehicle would allow them to choose when and where to use it. There was concern that the FRES programme would be delayed or lose resources as a result of buying a new vehicle. Ministers ensured that the funding for a new medium weight PPV came from a new UOR funded separately by the Treasury thus ensuring that the purchase of new Mastiff medium weight PPVs had no detrimental impact on the FRES project.

Prioritisation for the Campaign

Lt Gen Andrew Figgures told the inquiry that, to meet the emerging capability requirements of the forces deployed on operations in Iraq, the Ministry of Defence would examine the capacity to utilise resources from its core equipment programme before asking for Urgent Operational Requirement funding from the Treasury. How did you direct the prioritisation of the MOD's core equipment programme to support current operations in Iraq whilst you were Minister for Defence Procurement?

I actively stressed the importance of addressing the deficiencies of equipment on operations following my visits to theatre and feedback from front line reports. However the opportunities to redirect resources from the core equipment programme were limited by the inherent resistance in the system to changes to the core equipment programme outside the annual planning rounds. It was very difficult to reach agreement on the re-prioritisation of resources as there was no flexibility in the budget. It required a push from me to do this. I also asked for the Department to look at rationalising the equipment programme to create a 10-15% head-room for reprioritisation to meet short-term operational requirements.

How effective were the MOD's efforts to draw on core equipment programme funding to support ongoing operations?

There was resistance within the MOD to reprioritisation of the core equipment programme because the services were concerned that their long term programmes would be cannibalised and lose funding to short term operational needs. Therefore it was quite unusual for core equipment funding to be redirected to operational needs. This only happened when the military had a strong desire for it – for example with the Vector light PPV. Also, prior to the creation of the DE&S the long term equipment programme and the short term UOR system were separate and under the direction of different Ministers, MinDP and MinAF respectively. The need for a through-life joined up approach to procurement came out from the Defence Industrial Strategy and subsequent reforms including merger of the DPA and DLO into the DE&S.

Helicopters

When you became a Defence Minister, what advice were you given on the ability of the UK's support helicopter force to support the operations underway in Iraq and being considered for Afghanistan?

I was advised that, although the UK's helicopter force was under pressure due to the decision taken in 2004 under the Medium Term Work Strand to remove funding, increased provision of flying hours and the deployment of additional aircraft, the battlefield helicopter requirements in Iraq and Afghanistan were being met (e.g. VCDS Minute to SofS 7 Sept 06 refers).

This however was not the impression I gained following my visits to theatre. Again I found myself having to get senior officers together to try to reach

agreement on whether there was a requirement, and if so, what it was. Even when we were in the process of strengthening our helicopter capability in 2006/7 the view of the military was there was no requirement in Afghanistan for more helicopters at the time, just a utility to having more helicopters so we could meet future requirements. The military view was also that there was no requirement for a new small helicopter.

Were you concerned that the MOD had insufficient support helicopters capable of being deployed in the threat environment of Iraq?

Yes I was concerned about this. However it was difficult to get the military to agree on the requirement. Helicopters specifically were not seen as the responsibility of any particular service and therefore suffered from the lack of a service “champion”. It was not believed that helicopters could be procured quickly.

I asked Des Browne to authorise me to explore whether helicopters could be found quickly and to worry about how they would be funded after we had identified a possible solution.

What action did you take to ensure the access to support helicopters improved as quickly as possible? How effective did you consider the Department’s response to be?

I held a series of meetings with the military to try to reach agreement on the requirement and then I pursued a number of paths to try to obtain additional helicopters as quickly as possible. This included the decision to revert the Chinook Mk3s to Mk2s following my review of the project, asking the Pentagon and other allies if they had spare Chinooks we could lease or purchase and negotiating to take over the contract for new Merlins built for Denmark by Agusta Westland.

The Department’s response was mixed. Great efforts were made to provide enhanced flying hours through provision of trained crews, rotor-blade improvements, improved defensive aid suites etc but it was difficult to get the Department to agree on which type of helicopters were needed. The Joint Helicopter Command suffered from not being “owned” and therefore championed by any particular service.

Asset Tracking

One of the major lessons identified by the Ministry of Defence after the invasion was the lack of an effective asset tracking system. Did you witness any progress in improving this? How effective did you judge it to be by the time you left office?

Asset tracking was not one of my responsibilities as MinDP but became so after the merger of the DPA with the DLO and the implementation of a “through-life” approach to procurement. As a result of the implementation of these reforms I judged that progress had been made but it was too early to say whether these improvements were fully effective by November 2007.

Lessons

Are there any lessons from the UK's involvement in Iraq, including how the MOD's acquisition community supports enduring high intensity operations that you wish to offer the Inquiry?

Given the unpredictable nature of future operations it is vital that there is sufficient headroom in the funding of the core equipment programme to allow resources to be re-directed in response to short term operational needs without impinging on long-term major capital projects. Asking a service to make the trade-off between long-term projects regarded as vital to the health of that service and short term needs on a particular operation will only be made in an effective manner if the core budget provides the headroom (10-15%) to do so.

The Department needs to provide more leadership and focus on operational equipment projects done in a "UOR-like" way within the main core equipment programme. This has improved greatly since the Department's main effort was turned towards Afghanistan, but this drive needs to be maintained.

The Department suffers from a lack of clear executive authority at the top, particularly when a decision is needed where the services do not agree. The division of responsibilities between PUS and CDS and the advice to SofS and the structure and organisation of the senior management boards does not work well.

The Department has strong capacity and expertise in the analysis of issues and development of policy. It lacks capacity and capability in delivery and implementation.

Lord Drayson
15th December 2010