I am writing to you in response to your Inquiry on the “National Security Capability Review (NSCR): A Changing Security Environment”, and your letter of 31 January concerning the NSCR and the Modernising Defence Programme (MDP). This letter builds on the evidence I gave to the Committee on 18 December 2017 on my work as National Security Adviser. I am grateful for this further opportunity to set out the important work we have underway on the National Security Capability Review (NSCR), in support of delivering the 2015 National Security Strategy (NSS) and Strategic Defence and Security Review (SDSR). Since the Review remains policy under development and we are preparing a public report, you will understand that it would not be appropriate to pre-empt what Ministers may wish to say later.

The National Security Council (NSC) has considered the classified Review and instructed officials to produce a report for publication later this spring. That document will also encompass the annual report to Parliament on progress in implementing the 2015 NSS and SDSR.

Following the 2017 Election, the NSC commissioned the NSCR to ensure the programme, to develop the full suite of national security capabilities set out in the 2015 SDSR to achieve the security, economic, and influence goals in the National Security Strategy, remained appropriate in the context of Brexit and intensifying threats. We have reviewed the underlying policies and plans established by SDSR 2015 to make them as coherent, efficient, and effective as possible, ensuring we can effectively deliver our three National Security Objectives (NSOs): Protect our people; Project our global influence; and Promote our prosperity.

Ministers had also commissioned several individual reviews of strategy, policy and capability such as Counter Terrorism and CONTEST following the 2017 attacks. They concluded that these should be considered within a coherent overall approach. Therefore the NSCR focussed on 12 interrelated projects relating to capabilities which are critical to our national security:

- Our National Security Doctrine;
- Defence;
- Counter-Terrorism;
- Cyber;
- Serious and Organised and Economic Crime;
- Ports and Borders;
- National Resilience;
- Global Britain;
- National Security Strategic Communications;
- Economic Security, Prosperity and Trade;
- Development;
- Cross-Government Funds.

This modular approach also reflected the different timescales, allowing Ministers to take an early decision about reforms to CONTEST and additional resources to handle immediate CT pressures.

The NSCR was conducted within the spending envelope set in the 2015 Spending Review, which remains the basis of the Government’s spending plans. While there is not a single national security budget, we aimed to maximise the impact of both the £56bn (per annum) the country currently spends and planned future investments. Departments have been working together to identify...
options for funding areas requiring new or enhanced focus while preserving existing commitments such as 2% of GDP to defence and 0.7% of GNI to development.

The Review was coordinated across Government by a central team in the Cabinet Office led by a Director within the National Security Secretariat. Around 15 civilian and military personnel were drawn from a range of departments and organisations including the Cabinet Office, Ministry of Defence, Home Office, Foreign Office, the Department for International Development and the National Crime Agency.

The individual projects were led by Senior Responsible Owners (SROs) from the key Departments. They were supported by cross-government project teams, and a senior cross-government project board to consider their findings. The projects reviewed the efficiency and effectiveness of capabilities within their areas in order to respond to priority threats, challenges and opportunities.

Each project was also required to establish a challenge panel. The panels were designed to:

- provide a broader perspectives to the review team;
- scrutinise the methodology;
- consider emerging conclusions and recommendations;
- identify gaps;
- consider alternative approaches.

Challenge panels were held in September and October 2017. Elements of the NSCR were also reviewed by the National Security Council (Officials) Shadow Board (which I established in 2017, and comprises national security departmental representatives below the Senior Civil Service, who increase the diversity of thought and challenge brought to issues being considered by the NSC(O)). Emerging findings have been "red-teamed" and reviewed by the Government Chief Scientific Adviser and relevant Departmental Chief Scientists. At official level we have engaged regularly with the devolved administrations.

Whilst this was an internal review focusing on delivering the 2015 SDSR we also engaged external experts and stakeholders, including industrial partners on key issues. I know this is an area that the previous committee have recommended we should consider. We convened workshops with experts from academia, industry and the NGO sector. In addition to the external engagement I led, both the central coordinating team and individual projects have also engaged externally to bring new insights to their work.

Whilst I am not able to pre-empt the public conclusions of the NSCR, you will be aware that Ministers, based on the classified report, have decided to accept the NSCR's recommendation that they should commission a new Modernising Defence Programme (MDP) to deliver better, sustainable and affordable military capability. The Prime Minister addressed this in PMQs on 24 January and the Defence Secretary in his Statement to the House on 25 January. The MDP will take the 2015 SDSR and Joint Force 2025 as its baseline and build on the detailed work of the NSCR. The National Security Secretariat will be involved throughout. It will be completed this year in advance of the next full NSS/SDSR and Spending Review. The Defence Secretary will keep Parliament informed as decisions are made.

I look forward to engaging with the Committee further on the findings and substance when we publish the public NSCR report, and I am available to provide further evidence in person at your convenience.

February 2018