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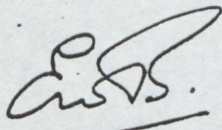
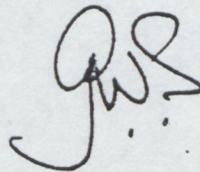
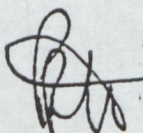
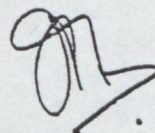
SECRETARY OF STATE

We know that you intend to discuss the proposals for reorganisation of the department with your staffs on 15 June.

You will know that we have been at great pains to assist the Steering Group (of which CDS and CNS are also members) in the preparation of the model which PUS is submitting to you and which we believe is the best which can be devised within the remit you have given us.

Nevertheless you should realise that we all share some very severe misgivings about the exercise as a whole, and although we will be outlining some of these reservations to you at our meeting, we feel it is only fair that we should put our overall views to you in writing now, so that you may have prior notice of them and will not be caught unawares by the depth of our feelings.

We would therefore ask you to read the attached note in parallel with the submission which accompanies the model. We have deliberately given this a very limited distribution but if you wish to show it to your Ministerial colleagues, we would, of course, have no objection.


CHIEF OF THE DEFENCE STAFF

CHIEF OF THE GENERAL STAFF

CHIEF OF THE AIR STAFF

CHIEF OF THE NAVAL STAFF

13 June 1984

CHIEFS OF STAFF COMMENTARY ON REORGANISATION EXERCISE -
NOTE TO SECRETARY OF STATE

Introduction

1. You should have no doubt that the Chiefs of Staff have entered, with the utmost energy and determination, into the extremely rushed exercise of trying, in a couple of months, to design an effective organisation for Higher Defence which both meets the broad requirements of your base document and offers at least the prospect of some savings.

2. None of your senior advisers were, of course, taken into your full confidence before you launched your "consultative" document; and CDS, who was let into your thinking at the last moment did, you will remember, express considerable reservations and misgivings about it, based on his prolonged experience of Defence organisation going back some 20 years to the Mountbatten era.

3. At the same time, perhaps because of that experience of change, and the frequently hostile reaction to it, we were quick to recognise that we could not say with any conviction whether your interesting ideas would work better or, at least, as well and more economically than the present arrangements, until we had studied them carefully, with all the authority of the Chiefs of Staff and our senior civil colleagues behind that investigation. This we were all determined to do, for we recognised that you had touched on a number of apparent anomalies, duplication and over tiered structures which if corrected might, with advantage, provide the opportunity to streamline the organisation to the benefit of the "sharp end". Although it always had to be recognised that the correction of any one weakness and shortcoming which, over the years, had manifested itself for some

definable reason, could well throw up something else equally irritating; and that, in any case, with problems as intractable as those of Defence, any changes in organisation would be likely to make only marginal improvements in efficiency. It was the people in the organisation and the way they used it, that was likely to be far more important for progress and efficiency than any structural changes. Jacob and Ismay - the 'two wise men' who studied the problem before the Mountbatten Review were the first to recognise this.

Task set us

4. In practice, as we soon discovered, you had set us a task to which we could not do full justice in such a short time. Because the exercise had to be conducted at a furious pace (in addition to all the other important work which was and ought to be going on), there has been no proper time for deep thought and exploration. Moreover the sheer load of work in the DOS has been such that consideration of important subordinate areas had to be contracted out to those areas themselves. This has meant that many of the subordinate papers which should have given support and depth to the Steering Group's deliberations and progressive guidance, needed far longer scrutiny and discussion than it has been possible to give them. Equally the Steering Group itself was faced, in practice, with the difficulty of either trying to develop an organisation which came as near as possible to your base document, and incorporated each and every one of its particular and sometimes conflicting stipulations; or alternatively, of trying to produce some definite practical enhancements and even a little pruning and streamlining, but without necessarily meeting all your requirements or aspirations.

Response to that Task

5. However, we are now in a position to offer you something which could be made to work and meets, we believe, most of your main requirements. We are also in a position to advise you on the areas of these proposals in which we think there could be real benefit, by some strengthening of our central machinery to embrace all the main policy functions which properly lie in the Centre. Although we must point out that the strengthening of the Centre will not immediately and automatically bring about a large reduction in numbers. This is much more likely to come about, satisfactorily, by recasting methods of staff work and reducing the number of tiers through which Principals receive their advice, rather than by the mere moving of functions and decision making from one area to another. But such an exercise will, for reasons we have explained, take considerably longer to complete.

6. We are also in a position to set out, in some detail, the reasons why we think certain parts of these proposals, would work less well, and would not necessarily even meet your overall objectives. This is because they would tend to weaken the Chiefs of Staff's ability to exercise their responsibilities for leadership and efficiency in their own Services, which you want to maintain; would blur lines of responsibility, which you want to clarify; and could both dilute professional standards of expertise and, in weaponry and programming, encourage the wrong sort of compromise at the wrong level, neither of which you would want.

Positive Factors

7. We consider you are right in insisting that the Centre, under your direction, must be able to have full control of strategy, policy, allocation of resources and, with this, the overall design of the size and shape of the individual Services and also the ability to undertake comprehensive crisis management and the control of all operations through, where necessary, a Commander-in-Chief: We therefore believe there are no insurmountable problems over enhancing, without adding significantly to numbers, the Central Commitments Staff (Operations - Plans - Current Policy) so as to provide CDS and, through him, you, the best staff arrangements for that crisis management and for the conduct of operations other than those specifically delegated. Any staff additions, over and above what is now a very small staff, could be more than compensated for by savings in the Operations and Policy Staffs of the Service Departments. In this enhanced Commitments staff, we have also taken the precaution of incorporating Logistic and Movement staffs relating to deployment and operations, and we think this is a distinct improvement. There should also be some advantage in more closely integrating, and particularly collocating, the Defence Secretariat branches dealing with geographical areas (NATO - Rest of the World) and with current policy matters for those areas with the appropriate Commitments Staff, thus giving some scope for savings.

8. An organisation has also been designed which, in accordance with your wishes, does bring into the Centre the responsibilities for Policy (including Strategy and Nuclear), for all resource allocation and broad programme design, for concepts and systems requirements,

and for those aspects of personnel management support and administration which are, of necessity, a joint and tri-Service matter. This has led to our design of four main divisions (Policy, Commitments, Programmes (including Personnel etc) and Systems) of which the first we feel should be headed by a civilian DUS and the rest by military men of equivalent rank. All this would produce some modest savings.

Critical Factors

9. However, even with this recommended solution, which is the best the Steering Group can devise to meet your stated requirements, we still have two major and fundamental reservations, which if they are not heeded would give cause for widespread and, in our opinion justifiable, criticism.

10. First of all, we are convinced that the whole concept of an OMB, if it is intended to embrace all the Defence Secretariat branches dealing with Size and Shape and Resources, as well as Management and Budget, would not be in the interests of Defence business. Far from abolishing parallel hierarchies and duplication of civil and military advice, which is your declared intention, this would inevitably create a new and potentially divisive hierarchy which would be bound to divorce the military from the Secretariat at a crucial stage in the evolution of Policy, and would invoke memories of the unsatisfactory system prevalent in the Old War Office a quarter of a Century ago. Tension there could well be, but it would, we suggest, be neither creative, helpful nor in the right place. The creative work on a programme, if it is to be coherent, relevant, manageable and match resources ought, we believe, to be done from the outset, with military experts in all

specialities, working in close consultation, and preferably collocated, with their Size and Shape civilian colleagues, as is proposed in the much more sensible integration of the civil and military staffs on the Commitments side. Appropriate and useful creative tension could then still come about during the vital central scrutiny by DCDS (Programmes), DUS(Policy) and DUS(Finance & Budget), at the Chiefs of Staff Committee, and particularly at the Financial Planning and Management Group chaired by PUS and which 2nd PUS should certainly now attend. All the experience of the Canadian organisation is that parallel civilian and military hierarchies have wrecked military/civilian relationships and caused far more acrimony and friction than was ever caused by inter-Service bickering.

11. Secondly, we are concerned that, if your proposals are carried out too literally, they will in a number of ways, some significant in themselves and others more subtle, undermine the position of the individual Chiefs of Staff as professional heads of their Service and their ability to discharge their responsibilities, which the base document also lays upon them, for the 'total efficiency and morale' of their Services. The Falklands Campaign graphically illustrated the importance of the long established principle that those who give professional advice (albeit through CDS), relating to the capability and usage of individual and very different Services, must feel themselves responsible and accountable for that advice and for what goes on in that Service, in the way of equipping it, training it and its technical and tactical expertise. Otherwise you will get the worst possible mis-match of responsibility without the power to influence policy and/or the power to suggest bright ideas with no real responsibility for seeing they are carried

out effectively. This applies equally to overloading the Central Staffs at the expense of those who work for the individual Chiefs. The Falklands Campaign was, after all, only made possible by general War Cabinet acceptance that when the First Sea Lord told the Prime Minister that we could sail a Fleet within 5 days, which could then look after itself in battle come what may, he had some real basis for saying that because he himself and his predecessors, in continuity, had been responsible for developing such a Fleet and took entire responsibility for the way it performed.

12. We are sure that you would agree with all this, but the base document in places conflicts with this view. For, were you to remove from each Chief of Staff the opportunity to bring proper influence to bear on his own programme, in terms of coherence, balance and manageability within, of course, the parameters laid down by the Centre and subject to their scrutiny, and instead lump this main programming function, together with the responsibility for developing Operational Requirements, (however detailed), all in the Centre, you will inevitably blur lines of responsibility. There would then be a real danger that no one would any longer feel responsible for anything, other than the Secretary of State and CDS, who would undoubtedly find the scope and variety of expertise just too large to handle. Defence would then be in danger of becoming like a second British Leyland, over-centralised and with inadequate delegation of authority.

13. Moreover you cannot, as many have said before, divorce completely Policy from Management which is better devolved. The one is inevitably entwined with the other, and the Chiefs of Staff collective advice

to CDS is absolutely essential if he is to advise you over such a wide and complex field (much of it outside his immediate experience) and if Policy is to be developed on sound foundations. Moreover an individual Chief of Staff's advice is really of value, for the very reason that it is different and related to single Service realities, and is not a compromise (which you also rightly want to avoid); although in 9 cases out of 10 it is perfectly compatible with views of the other Chiefs, and entirely manageable within the context of the overriding advice and judgment given by CDS. Only in the case of the allocation of scarce and declining resources will it be virtually impossible for the Chiefs of Staff to give agreed advice, and this is where strong well informed Central Staffs and the overall judgment of CDS and PUS, are so very important. But ironically we have largely got that now. Real creative tension can only come after workable and thoroughly thought through options have been developed; that is between coherent manageable Service suggestions, based on deep expertise on the one hand, and on the other, Central and objective scrutiny with wider issues, including resources, very much in mind.

14. If the individual Chiefs of Staff are, therefore, to continue their proper functions of professional leadership and management of their Services in order to put a balanced force into the field and also provide expert advice to CDS, it is essential that:

a. They have adequate Executive Staffs of their own leaving operational and equipment policy matters and operational crisis management in the Centre, and devolving as much as possible, consistent with financial and political requirements

to Cs-in-C. If they do not have this staff, not only would the management and leadership of the Services suffer, but so will standards of expertise and professionalism. This again has been a repeated criticism of the Canadian system.

b. They must have a significant hand in the development of both operational requirements for their own Service and the balancing of their own Service programmes, leaving overall concepts, scrutiny and financial matching to be carried out firmly in the Centre.

c. They are provided with a Senior Staff Officer who can both represent them at the Chiefs of Staff Committee when they are away, and also on their behalf coordinate all executive staff functions which, in line with a and b above, must properly remain with each Service.

Conclusions

15. Taking all these things into consideration, we feel it is our duty to express strong misgivings, amounting to alarm, about some aspects of your proposals; even about some of those incorporated in the Steering Group's own recommended solution which has tried so hard to incorporate all your initial requirements. This, although just workable, would still have major weaknesses.

16. We know you yourself are pleased with the vast Spring clean and self analysis which you have initiated inside the Ministry, with everyone questioning every aspect of the present organisation and

trying to rethink the whole system; and we would agree that there are moments when this can be very useful. But we also have to tell you that in our opinion you have also done damage as well. You have cast, perhaps unintentionally, considerable doubt on the importance you attach to the Chiefs of Staff as professional heads of their Services, and by conspicuously, and most unusually, not consulting your Principal advisers until the last moment before launching your initiative, you have inevitably weakened their credibility and standing within the Armed Forces. Moreover, there is a real danger that your proposals will cause divisions to appear between military and civilian staffs in contrast with the excellent and constructive relationships which have developed over the last few years and today have never been better.

17. To summarise, therefore,

a. We see the following advantages in some aspects of the new system:

- (1) It is right to move strategy, high policy and resource allocation into the Centre.
- (2) Central control of operations is advantageous.
- (3) Closer integration and collocation of uniformed and civilian branches within the Defence Staff is welcome.

b. We see the following disadvantages:

- (1) The capability of the Chiefs of Staff to fulfil their responsibilities is diminished.
- (2) Lines of responsibility become blurred.
- (3) Professional standards and expertise are diluted.

(4) In some areas, decisions and compromise will be taken too early, and at the wrong level.

(5) Creation of OMB is potentially divisive as it separates the military and civilian staffs whose unity and increased integration is the most satisfactory aspect of the present system.

(6) Policy is too far removed from Management.

18. The new model, as it will be presented to you, could be made to work and we would loyally try to make it do so, but its implementation, if you insist on it, would produce an enormous upheaval and disruption throughout your Department. At the end of the day, you will be abandoning a proven system which has been working with increasing efficiency over the last few years, operated extremely well over the Falklands Campaign, and has shown a steady decline in numbers, for one which, we are convinced, will not serve you so efficiently. Moreover if the main reason for change is further staff reductions, we consider these would be just as likely to be obtained by sensible pruning and adjustments to the present organisation, which we believe, without major upheaval, can be made fully receptive to your requirements and methods of working.