

## Chapter 3

# Defence Acquisition Reform and the British Condition

### Promises, Betrayal, and Resignation

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#### **ABSTRACT**

*This chapter considers the defence acquisition change agenda in the United Kingdom from 1997 onwards. The work considers the organisations, practices and values of smart acquisition and discusses those forces that championed its implementation. Taking a critical stance, it positions the change discourse as a broader case study of the wider western narrative of defence. The chapter considers smart acquisition as a vehicle of this change which, ultimately, presents as a circular and ineffective activity.*

#### **INTRODUCTION**

As the heading suggests, this is a narrative of promise, of betrayal and of a seemingly, fatalistic, recognition of fate. Defence acquisition within the United Kingdom is but one practice within the complex ecosystem of defence that appears swathed in organisational managerialism, transformation and the search for military effect at the cheapest price. Yet it is probably the range of government activities closely resembling a drama, though whether it is a tragedy or farce is debatable. This sounds overly extreme, but the best way to view the story of defence acquisition, in a British context, is to think in terms of dramatic sweep, of characterisation and characters who *believe* in defence acquisition reform, of high priests and followers, of the victors and the vanquished. Trust the British to turn something as process-centric as defence procurement into a Shakespearean play.

This chapter explores the omnipotent, unstoppable narrative for change across defence acquisition and attempts to unveil its broader impact upon the military instrument. It addresses the core reform agenda promoted by the British coalition government of 2010-15 and the change programmes that preceded it, rolled-out under the banner of Smart Acquisition. It goes on to question whether today's managerial reform is just a re-hash of yesterday's dishes, leading to the sense that defence acquisition reform is not a strategic imperative but rather a practice locked into a repeat cycle of broken change initiatives; a betrayal of ambition to which current and future policy-makers and practitioners are all too-ready resigned.

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## **SMART ACQUISITION: THE POST-1997 REFORM**

Of course, the policies and processes governing the procurement of military equipment have to address a number of imponderables and unknowns such as future political and military alliances, the pace, effectiveness and impact of emerging technologies, the nature of future threats, and political will. In addition to all of this, the military procurement process must successfully project manage, design, construct and deliver programme lines that are acknowledged to be amongst the most complex in the world in an environment that is far from conducive to the deployment of oft-perceived best practice acquisition competencies and processes.

Perhaps driven by the complexities of military procurement, as early as 1958 it was found that the actual costs of equipment programmes for UK defence were almost three times the forecast projected values of these programmes at their inception (HCDC, 1998). Indeed, as early as 1961, the British government attempted to improve a failing defence procurement process by requiring every major programme to state the capability required of the equipment being purchased, the main technical risks to delivery, and the key performance parameters (Office for the Minister of Science, 1961). The Gibb-Zuckerman reforms, as the changes arising from the 1961 report came to be known, were reviewed in 1968 revealing the following insights. Costs and delays had continued to rise during the 1960s, and the defence procurement process was far from under control. Indeed, complex systems that had consumed vast resources, such as the Seabug missile, were pronounced obsolete in the mid-1960s, the programme scrapped and the investment lost (Page, 2006).

Government's response to a defence procurement process which was overspending was to establish a committee. Chaired by William Downey, a civil servant, this standing board was known as 'The Steering Group on Development Cost Estimating.' This committee established the Downey reforms, as they became known, which:

*... governed all significant projects for the next 30 years...Downey recommended that each phase must be fully completed before the next phase began...so that full development could be launched with confidence that projects would meet performance, cost and timescale targets. (Kincaid, 1999, p. 21)*

The Downey agenda was to come to dominate defence acquisition thinking from the end of the 1960s to the mid-1990s. Closely associated with the Downey process reforms of the late 1960s was the formation of the Ministry of Defence Procurement Executive (MODPE). Since the end of World War II, defence procurement had been split between the three Service Ministries of the Royal Navy, Army and Royal Air Force, the front-line commands, the Ministry of Supply, the Aviation Ministry and the Ministry of Technology. A report in the early 1970s (Rayner, 1971), concluded that bringing the functions and activities of these widespread and, often, competing organisations together would generate savings and offer consistency and coherence.

## **MODPE: EARLY MANAGERIALIST REFORM**

The MODPE was established to manage all defence procurement programmes. A customer/supplier relationship was deliberately created between it and the three Armed Services, and when Peter Levene was appointed Chief of Defence Procurement – the functional head of the MODPE – in 1985, he in-

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