

PRIME MINISTER

Written Ministerial Statement

19 December 2013

Annual report on the National Security Strategy and Strategic Defence and Security Review

On behalf of the Deputy Prime Minister and other members of the National Security Council, I am pleased to present the third annual report of progress in implementing the 2010 National Security Strategy and Strategic Defence and Security Review. Copies are today being placed in the Library of the House.

Over the last year the Government has continued to focus its efforts to build the United Kingdom's prosperity, extend our influence in the world and further strengthen our security as set out in 2010. It remains clear that our national security depends on our economic security and vice versa. In creating the National Security Council, the Government has established an effective way to ensure prompt, coherent, coordinated and well-informed decision-making on defence and security in the round, directing the Government's long term strategy and responding to the issues of the day.

The global economic slowdown and the parlous state of Government finances in 2010 had a serious economic impact. Over the last 12 months, the Government has continued to focus effort overseas to increase exports and encourage inward investment in the UK, helping UK business to ensure success in the global race for economic success. To support the UK in this race we are deploying more diplomats to the fastest growing parts of the world, up-grading existing posts and opening new ones. We are also striking new relationships beyond our traditional alliances - Britain's influence in the world is expanding, not shrinking. The UK's economy is growing, new jobs are being created and we continue to cut the deficit. We used our 2013 G8 Presidency to make commitments to boost jobs and growth by: advancing trade; ensuring everyone pays their fair share of taxes; and promoting greater transparency. For the first time, G8 leaders agreed unequivocally to reject ransom payments to terrorists. A statement on the outcomes of the 2013 G8 Presidency is being laid before Parliament today.

In defence, a balanced budget means that MOD can now afford its future equipment programme, investing in the critical capabilities we need for today and in the future, including in areas such as cyber. Tough negotiations with

industry led to a renegotiation of the last Government's flawed contract for the aircraft carriers, agreeing a cost of £6.2 billion and moving to a model which properly incentivises industry efficiency. We expect to launch HMS Queen Elizabeth in 2014, with flying trials from the carrier beginning in 2018. We will also be ordering three new Offshore Patrol Vessels for the Royal Navy. In July, the Government published an unclassified version of the Trident Alternatives Review, a Cabinet Office-led study into alternative deterrent systems and postures. The Review demonstrated that no alternative system is as capable, or as cost effective, as a Trident-based deterrent. Government policy remains to maintain a continuous at sea deterrent and proceed with the programme to build a new fleet of ballistic missile submarines.

On the Armed Forces Covenant, the whole of government is working to ensure that no serving or former Armed Forces personnel, or their families, are disadvantaged for the enormous sacrifices they make for their country. This ensures that they are recognised as valuable members of society, and are able to go from strength to strength in the vital and often dangerous role they undertake on behalf of the country. We should be proud that 397 local authorities (98% of those in Great Britain) have signed the Community Covenant and are working to bring Service and local communities closer together. Funding for the Covenant will endure, with a further £10 million per year to be made available from 2015/16. In addition, £100 million of LIBOR fines is being used to support a range of good causes, including further funding for the Armed Forces Community and Service charities; and we have made around £200 million available to help members of the Armed Forces get on the property ladder.

The UK will host the 2014 NATO Summit in Wales on 4th–5th September. The Summit will be an historic opportunity to look to the future – to ensure that the Alliance, which is the bedrock of our defence, is well equipped for future challenges and reinforces our critical transatlantic security relationships. It will also mark transition of our effort in Afghanistan. By hosting the Summit, we will underline both our own and our Allies' shared commitment to our collective security.

The National Security Council has set a clear strategic direction on Afghanistan. Although challenges remain, the Afghan National Security Forces continue to grow in capability, confidence, and capacity; and we will continue to support them. UK forces will cease combat operations, and security transition remains on track to be achieved, by the end of 2014. We continue to work closely with the Governments of Afghanistan and Pakistan, and other international partners, in an effort to help find a long term political settlement to the conflict. The UK will maintain current development assistance of £178 million per annum until

2017 to help Afghans tackle extreme poverty, create jobs and achieve sustainable economic growth.

In the Middle East and Africa, we have played a leading role in the efforts to seek a negotiated settlement over Iran's nuclear programme; to end the conflict in Syria; to restore order in Mali and to support Libya's democratic transition. In Syria, the UK has been at the forefront of alleviating the crisis, committing £500 million in aid. In May 2013, the second London Somalia Conference galvanised international support behind the Somali Government's plans for security, political process, public financial management and justice.

Instability and conflict continue to threaten our national security. This year we improved our cross-Government early warning capabilities, and last year introduced the £20 million Early Action Facility (EAF) within the Conflict Pool to allow us rapidly to respond to early warnings and opportunities to prevent conflict. The EAF has this year committed £12 million to support Government policy in Syria and neighbouring countries on top of existing multi-year Conflict Pool Funding and humanitarian assistance. The UK's response to Typhoon Haiyan in the Philippines has clearly demonstrated the difference that humanitarian aid and support from the Armed Forces can make in disaster situations.

In the Spending Review, we announced that in April 2015 a new £1 billion Conflict, Stability and Security Fund will be introduced bringing together defence, diplomatic, development, security and intelligence capabilities, replacing the conflict pool. The strategy for this fund will be set by the NSC taking a long-term view of British interests.

The Autumn Statement confirmed that the Government will meet its commitment to spend 0.7% of the UK's Gross National Income (GNI) on Official Development Assistance (ODA) for the first time in 2013, and meet our promise to the world's poorest. We will be the first G8 country to reach the 0.7% target.

This year, I co-Chaired the High Level Panel on what should replace the Millennium Development Goals when they expire in 2015. The Panel's report was published in May 2013, recommending goals for ending extreme poverty by 2030 and putting in place institutions like the rule of law and good governance, which are key to tackling conflict. The report also highlighted the importance of peace and security for development. The Government will now work intensely to ensure that the UN negotiations on the final set of post-2015 goals end up with inspiring and crunchy goals which take forward this vision.

The threat of weapons proliferation and arms control remains serious. This is why we worked hard, alongside civil society and like-minded partners, to secure the UN General Assembly's adoption of a strong Arms Trade Treaty in April 2013. As part of our G8 presidency, the UK has also been chairing the Global Partnership against the Spread of Weapons and Materials of Mass Destruction, which has 27 members and co-ordinates international funding of around \$2 billion a year towards counter-proliferation programmes.

The events in Woolwich, and the attack against the Westgate shopping mall in Nairobi, are a reminder that the threat that the UK faces remains both serious and sustained and that the nature of the threat is evolving and diversifying. In response to Woolwich, the Extremism Task Force was established to agree practical steps to fight against all forms of extremism. The police and security services have continued to contain the threat from Northern Ireland related terrorism. Against this backdrop, the Government continues to ring-fence funding (£563 million for 2013/14) for counter-terrorism policing capabilities.

In October 2013, we launched the new National Crime Agency (NCA) to better identify, disrupt and cut serious and organised crime. Within the NCA, the new National Cyber Crime Unit has the specialist capabilities and necessary skills to identify, mitigate and tackle on-line crimes and criminals' use of new technologies.

The Government has also reformed border roles and responsibilities, meeting targets for seizures of some of the most harmful materials which criminals try to import; making high quality decisions about who comes to the UK; and enabling better coordination of intelligence and operational activity at borders.

We are also investing in the future. The transformative National Cyber Security Programme (NCSP), supported by £860 million of investment through to 2016, is now delivering real change in UK cyber security capabilities including through partnership with industry to improve businesses' security. We will continue to develop this collaborative approach to boost UK cyber security, and a report on progress and forward plans for the NCSP was laid before parliament on 12th December with an announcement of a number of new initiatives and the focus for future efforts to make the UK one of the safest places to business in cyber space.