

Trident: The Initial Gate Decision

This third briefing on Nuclear Security focuses on the Government's announcement of the passing of the Initial Gate decision for the Trident renewal project on 18 May, 2011.

What is the 'Initial Gate' decision?

On March 14, 2007 Parliament voted to authorise the initial 'Concept' phase of the Trident replacement system.¹ The next major milestone, known as the 'Initial Gate' decision, was to move to the 'Assessment' phase, involving further detailed refinement of a set of design options to enable selection of a preferred solution. The government announced the Initial Gate decision on May 18, 2011. The next big decision to move to the 'Demonstration and Manufacture' phase is the 'Main Gate' decision, now scheduled for 2016 (delayed from 2014 in October 2010). That is supposed to be the key decision-point when the finalised submarine design is adopted; contracts to build the new boats are then tendered, and billions more pounds will be irrevocably committed to construction of a new generation of nuclear weapons.

Cost

The Initial Gate report puts the cost of replacing the Trident system (including submarines, warheads, infrastructure, and missiles) at £25 billion at outturn prices (prices when projected expenditure actually occurs).² Critics, however, point out that the Ministry of Defence (MoD) has struggled to bring in major equipment projects on time and to budget and suggest a procurement figure closer to £30-£35 billion.³

The Initial Gate report gave updated figures for spending on the project, revealing that to date, the Concept phase has consumed almost £1 billion, and predicting that the Assessment phase authorised by the Initial Gate decision will consume a further £3 billion over the next five years.⁴ By the time the Main Gate decision is reached in 2016, approximately 15% of total programme costs will have been spent, including around £500 million on long-lead items for the submarine hulls, reactor and propulsion systems, and combat systems.

This spending coincides with a major funding shortfall in the MoD's future equipment budget of up to £36 billion over the next 10 years. Its budget is being cut by 7.5% over the current Parliament under the 2010 Comprehensive Spending Review, which follows on from the major cutbacks announced in December 2008 and December 2009. The 2010 Strategic Defence and Security Review (SDSR) made a number of difficult decisions to cut the equipment budget, including retiring the Nimrod and Harrier fleets. The MoD are currently undertaking a new three-month study, reporting in July 2011, to consider how even more personnel and equipment programmes could be axed to save several more billion.⁵

In 2006 Prime Minister Tony Blair stated explicitly that the Trident replacement programme would "not be at the expense of the conventional capabilities that our armed forces need".⁶ Greeted with some scepticism at the time, that commitment now appears untenable. Following the announcement in July 2010 by Chancellor George Osborne that the MoD will have to fund

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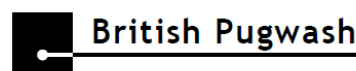


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the capital costs of replacing Trident from its own core budget, it is clear that choices will have to be made: other defence projects will have to be cut to pay for Trident.⁷

When Parliament voted in March 2007 to authorise the Concept phase of the programme it was given clear assurances that the vote would not bind a future government or parliament to that decision and that there would be opportunities in the future for Parliament to revisit the decision, particularly around the Main Gate procurement decision.⁸ With this process, there is the risk of another expensive procurement embarrassment such as the recent aircraft carrier debacle, whereby the yet-to-be-built carriers were judged 'too expensive to cancel' in last October's SDSR because of sunk costs and contractual obligations.⁹ Parliament needs to avoid becoming locked into irrevocable contracts and an irreversible process until a clear decision can be made on the basis of Britain's security needs and defence options.

Forthcoming studies of relevant alternatives

The Government's 2010 Coalition Agreement states that "We will maintain Britain's nuclear deterrent, and have agreed that the renewal of Trident should be scrutinised to ensure value for money. Liberal Democrats will continue to make the case for alternatives".¹⁰ That opportunity was developed in an announcement of an 18-month assessment of 'credible alternatives' to a like-for-like replacement, made at the same time as the Initial Gate decision.¹¹ This will be led by the Cabinet Office and Armed Forces Minister Nick Harvey, and report to David Cameron and Nick Clegg. In addition, the eminent cross-party Trident Commission was launched by Des Browne, Malcolm Rifkind and Menzies Campbell in January 2011, to assess the context within which Britain faces its nuclear choices today and evaluate all relevant aspects to inform those choices. Facilitated by BASIC, the Commission will consider analyses from a range of military, security and civil society experts and make its findings publicly available so as to promote an open and informed debate in Parliament well before any final decision is taken.

Key Questions

As the programme moves into the Assessment phase and more money from the MoD budget is committed to the project, Parliament should consider the following key questions:

- What measures are in place to ensure that the Trident renewal project remains accountable to Parliament and that significant options are not closed down before MPs are able to consider the project in its entirety prior to the Main Gate decision and finalisation of the major construction contracts?
- Which defence capabilities are being sacrificed or reduced in order to pay for the Trident renewal?
- What input will Parliament and civil society have into the Alternatives Review?
- How will the Review define what constitutes a 'credible' nuclear deterrent threat, and what attention will be paid to regional and international considerations, including treaty obligations and international law?
- Will a declassified version of the Review be published, and will Parliament have a chance to scrutinise and debate its findings before irrevocable decisions are taken?

¹ House of Commons, *Official Report*, March 14, 2007, Columns 279 and 284.

² *Initial Gate Parliamentary Report*, Ministry of Defence, London, May 2011, p. 10. At <www.mod.uk/NR/rdonlyres/7F9F5815-C67B-47B1-B5C4-168E8AB50DC3/0/submarine_initial_gate.pdf>

³ See Nick Ritchie, *Continuity / Change: Rethinking Options for Trident Replacement*, Bradford Disarmament Research Centre report, June 2010. At <<http://www.brad.ac.uk/acad/bdrc/nuclear/trident/change.pdf>>.

⁴ House of Commons, *Official Report*, February 28, 2011, Column 82W and May 16, 2011, Column 18.

⁵ "Armed Forces face billions of pounds of further cuts in additional MoD cost review", *The Daily Telegraph*, May 16, 2011.

⁶ House of Commons, *Official Report*, December 4, 2006, Column 23.

⁷ Gonzalo Vina and Kitty Donaldson "Cameron Backs Osborne in Cabinet Split Over Trident Nuclear Force Funding", *Bloomberg News*, July 30, 2010.

⁸ Prime Minister Tony Blair, *Official Report (Hansard)*, March 14, 2007 column 284.

⁹ "BAE warned Cameron over £5bn cost of cancelling aircraft carrier contract", *The Guardian*, November 4, 2010.

¹⁰ "The Coalition: Our Programme for Government", The Cabinet Office, May 20, 2010, p. 15.

¹¹ "Work on Trident nuclear renewal gets go ahead", *BBC News Online*, May 18, 2011.