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The Rt. Hon. Ben Wallace, M.P.,
Secretary of State for Defence,
Ministry of Defence,
Main Building,
Whitehall,
London.
SW1A 2HB

18th September, 2020

Dear Ben,

I am writing to share with you the BSA's submission to the Integrated Review of Security, Defence, Development and Foreign Policy.

The BSA – Business Services Association – brings together all those who are interested in the delivering flexible, efficient and cost-effective services across the private and public sectors. Our members are large, medium and small businesses, charities and social enterprises. Research shows 70 per cent of business services activity in the UK is business to business and 30 per cent is with the public sector. The sector accounts for over 8 per cent of economic output and employs some 3.3. million people, distributed across every region of the UK.

The UK's business services sector is of significant strategic importance to the UK and to national resilience, as has been demonstrated by the Covid-19 pandemic. Our sector has continued to work throughout the pandemic, keeping national infrastructure running and secure, ensuring digital infrastructure was not disrupted, stepping up new critical services such as the Nightingale hospitals at record speed, supporting frontline staff in the NHS, schools, supermarkets and other essential services, and enabling businesses to reopen.

Our submission to the Integrated Review focuses on the questions most relevant to our sector and covers topics including Defence, sustainability and cyber security. Please find the submission included as an annex to this letter.

I would welcome the opportunity to bring a small group of members to discuss the Integrated Review with you further. I can be contacted at mark.fox@bsa-org.com.

Yours sincerely,

Mark Fox
Chief Executive
BSA – The Business Services Association

Cc: Integrated Review Team

BSA submission to the Integrated Review Call for Evidence

The BSA welcomes the opportunity to feed into the Integrated Review. The Review will set out the Government's vision for the UK's role in the world and set the context for how services are delivered in the UK, particularly Defence and cyber security services. It will set the course for a strong economic recovery, help to address uncertainty and influence how organisations who seek to work with government as well as with key national industrial sectors operate.

We are also pleased to see the whole-government approach being taken with this review. It will be important that objectives are aligned across Whitehall to ensure that policies complement each other, duplications are avoided, and decisions can be taken quickly.

In this submission, we concentrate on the questions outlined in the call for evidence that are of most relevance to the business services sector.

What are the key opportunities, challenges, threats and vulnerabilities facing the UK now?

There are a number of opportunities and challenges facing the UK in the years ahead. The Covid-19 pandemic continues to be a threat to both public health and the economy. However it is also important to give consideration now to how sustainability, security, and nation-wide inclusive growth can be built into economic recovery.

The Covid-19 pandemic has reiterated the importance the UK's critical national infrastructure and essential services. These are central to the functioning of the wider economy, and thus the importance of those who work to maintain and deliver these services and infrastructure projects cannot be overstated. BSA members have continued to work throughout the pandemic on the frontline - keeping national infrastructure running and secure; ensuring digital infrastructure was not disrupted; stepping up new critical services, such as the Nightingale hospitals, at record speeds; supporting frontline staff in the NHS, schools and other public services; and helping businesses to reopen safely when the time was right. Further recognition needs to be given to this sector and the key workers, including cleaning operatives, refuse collectors, broadband engineers and construction workers, who kept this country going when everything else was locked down.

Technology, Data and Cyber Security

Cyber-attacks remain a very real threat to organisations across the UK, and, as seen with the WannaCry ransomware attack and more recent attacks, can significantly impact on businesses and public services. Hostile cyber actors are expected to become more intrusive and innovative in their methods; the faster and better the antidote that is put in place to protect assets, the more complicated and sophisitcated cyber-attacks become. Of course, it is important we keep developing new and better security measures. Alongside this, we should also develop systems that provide early warning of attacks.

Measures to help prevent cyber-attacks, such as the Cyber Essentials scheme, have made a real, positive difference in recent years, and are a useful resource for businesses of all sizes, especially SMEs who may not have in-house expertise in this area. If government is looking to build on this, further steps could be taken to make individuals and businesses more accountable, such as annual cyber risk assessments and/or checks for businesses.

As has been seen from recent incidents, cyber criminals do not use standard technology. Further government controls on the use of anonymous communication tools (e.g. TOR) would be a good next step. The current mobile mast triangulation does help the Police to trace individuals and the UK's requirement for MSP's to provide user information is also helpful; these measures could be expanded.

For BSA members delivering service and infrastructure projects for public sector bodies, cyber security is of upmost important. In 2014, government took steps to reduce cyber security risk in its supply chain by making the Cyber Essentials Scheme mandatory for central government contracts which feature characteristics involving handling of personal information and provision of certain ICT products and services[1]. This could now be reviewed and possible expanded. In the same way that the UK is acting to safeguard its 5G network from suppliers that can be influenced by foreign governments by introducing the Telecoms Security legislation, government should also ensure that the IT equipment connecting to that network is equally secure through assessing cyber security requirements in public procurement.

Over the next 5 to 10 years, members expect the use of facial recognition, biometrics and AI to increase, particularly in service areas such as security and building/facilities management. For example, one possibility is for sophisticated Access Control Systems to buildings linked to a set of pre-determined credentials. Thought and attention needs to be given now to understand the policies that will need to be in place to make these technologies more secure. For example, it may be appropriate in some circumstances to combine facial recognition with other measures such as scent recognition to boost the integrity and security of these technologies. Engagement with the public will also be important to build trust in using such technologies and to explain how data will be used. More generally, transparency around data collection and use of personal data remains a priority.

Another emerging technology that will require policy development to step up from its current position, and to ensure appropriate controls and functionality are put in place, is around tracking. As with data, the purpose for tracking and circumstances in which the technology will be used should be clearly outlined to the public, and options to opt-in or opt-out should be considered.

Finally, the pandemic has accelerated changes to business operating models with more and more people dividing working hours between the office and home. Therefore, internet connectivity across the UK has never been more important. 5G will bring advanced opportunities but needs to be rolled out quickly to keep pace with demand.

Climate Change and Sustainability

Climate change and sustainability remain a high priority for BSA members and many organisations from all sectors have publicly committed to net zero carbon by 2050 at the latest, following government's lead, to play their part in tackling the effects of climate change. For BSA members, actions towards net zero are two-fold: as well as reducing the environmental impact of their own organisations, many members deliver services to private and public sector organisations to help them become more energy efficient and act more sustainably.

As the UK moves toward economic recovery, there is a clear opportunity to build resilience and sustainability into the heart of stimulus packages, including infrastructure projects. The BSA is supportive of government's ambition for a green recovery, and as key suppliers to government and UK industries, members stand ready to play their part.

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[1] https://www.gov.uk/government/publications/procurement-policy-note-0914-cyber-essentials-scheme-certification#history

In the face of COVID-19, many businesses may not have the funds available to invest in green capital projects. Around 65 per cent of the building stock for 2060 has already been built[2], so action needs to be taken now to make sure it is fit for a green future. Financial stimulus may therefore need to be available to support low carbon technologies. For example, low interest loan for green capital investments, supported by government, would enable businesses to make vital energy efficiency upgrades to their sites.

There is also the opportunity for UK government to lead by example, as one of the largest occupiers of commercial buildings in the UK, by investing in its own property portfolio. Investing in energy efficiency across the commercial property estate, scaled up across the UK, would result in a huge reduction in carbon emissions, enabling business to drive a green agenda and support the Race to Zero. These capital projects would also create jobs across the UK, from low to high-skilled, often in STEM areas, and would be well-suited to apprenticeships. Moreover, some of the UK's biggest energy users are in the nation's more deprived areas, so such action would support the 'levelling up' agenda.

Setting clear goals and a plan to achieve them will help to deliver net zero objectives. These could include:

- The aim to be the world leader in Green-Tech to export to the rest of the world, with specific areas of focus defined within this.
- Academia, industry and relevant departments such as Defra galvanised to work together on key challenges. Examples include the Cambridge University Centre for Climate Science and Portsmouth University's work on PETase to combat single-use plastics.
- Combining this with the Levelling Up and Infrastructure Agendas to create Green Clusters of Excellence outside London and the South East.
- Considering community micro projects to generate local participation and benefit from local green investments in renewable energy, waste reduction etc.

The next 18 months are critical, as the substantial funds applied to recovery must lead to a greener, cleaner, and more resilient future economy. A combination of blended public finance, innovation in green finance, and programme delivery, will be key to realising these ambitions.

Further comments on green recovery and Net Zero are included in our contribution to BEIS' Economic Recovery Task Forces[3].

What changes are needed to Defence so that it can underpin the UK's security and respond to the challenges and opportunities we face?

Setting a clear foreign policy stance is vital to inform the shape, size, and capability requirements for Defence to underpin the UK's security. A long-term direction, coupled with multi-year budgetary settlements, would help Defence to plan better, act more strategically, and drive efficiencies. Ongoing consideration also needs to be given to the impact leaving the European Union will have on the National Security Strategy and collaboration on Defence between the UK and Europe.

BSA members are a core part of the UK Defence industry and deliver a range of services, including equipment support services, training, estates and facilities management, cyber security, and digital and technological services. In doing so, they play a key role in supporting the operational readiness of the Armed Forces as well as having a direct impact on the lived experience of service personnel and their families, which plays into recruitment to the Armed Forces and retention.

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[2] https://www.worldgbc.org/sites/default/files/UNEP%20188_GABC_en%20%28web%29.pdf
[3] https://www.bsa-org.com/wp-content/uploads/2020/06/BEIS-task-forces-BSA.pdf

We anticipate the Integrated Review will set out expectations for military capability requirements over at least the next ten years, from which equipment plans can be formed with a greater degree of certainty. This is of vital importance to organisations delivering equipment support services, who will use this information to start developing solutions to meet future requirements and plan their own internal resources to be ready to respond to opportunities.

Expectations for military capability requirements over the coming years will also shape the size, shape, and geographical location of the Armed Forces going forward. This will have further ramifications for rationalisation of the Defence estate and the Defence Estate Optimisation Programme, first published in 2016, as well as on how estates and facilities services are delivered and how the estate is managed. There may be further opportunities to dispose of or commercialise surplus MoD land, some of which could be used for housing for example, however any future or changing requirements for the Armed Forces need to be understood and anticipated now so that the Defence estate can be futureproofed.

Defence procurement is one area where reform could be accelerated. BSA members deliver service and infrastructure projects across the private and public sectors and find that MoD procurement processes can be lengthy with onerous approvals processes and are often subject to delays. The MoD, particularly DIO, is working to make improvements in this area, which BSA has been involved in, but more could be done to accelerate this. One example is Project MAID, which is moving the MoD's approach to investment decisions closer to HM Treasury's 'better business case' approach. Procurement processes are often input-based with specifications set out from an early stage. This can stifle innovation and dialogue about how things could be done differently to improve outcomes, which in turn can stifle new suppliers into the market who may have something to offer.

As well as delivering projects and services, BSA members do much to support the Armed Forces and many employ a number of Reservists, Veterans and spouses of service personnel. The BSA was one of the first organisations to sign up the Armed Forces Covenant and the majority of members are also signatories, as well as holding Defence Employer Recognition Awards. One area we would like to explore further with the MoD is the potential for closer ties between Defence and industry where there are overlapping skills requirements, for example through the Sponsored Reserves model.