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This document is prepared for the purpose of formulating and developing government policy, and contains expressions of views and proposed policy positions and statements that are intended to inform deliberation.

DRAFT BRIEFING NOTE - Defence and Security in an independent Scotland.

[Redacted]

In terms of the objectives of defence policy, the following was the wording used in 2014.

Scotland's defence system will:

- secure Scotland's borders, land, airspace and sea, deterring attacks and protecting our citizens and assets from threat.
- protect Scotland's national interests and economic wellbeing, alongside the key values and underlying principles that support Scottish society and our way of life. This task would include supporting other parts of government, for example in natural disasters, pandemic response or other emergencies.
- provide support for Scotland's communities through Military Aid to the Civil Authorities (MACA) and Military Aid to the Civil Communities (MACC).
- Contribute to the protection and promotion of human rights, the rule of law, democratic values, international peace and security, building on Scotland's national interests by being a progressive voice in the world.

[Redacted]

- The 2% of GDP is a commitment set as a guideline by NATO to ensure the Alliance's military readiness. This also serves as an indicator of a country's political will to contribute to NATO's common defence efforts since the defence capacity of each member has an impact on the overall perception of the Alliance's credibility as a politico-military organisation.
- NATO defines defence expenditure as "payments made by a national government specifically to meet the needs of its armed forces, those of Allies or of the Alliance"
- UK defence spend in 2021 accounted for 2.25% of GDP, Norway 1.74%, Germany 1.49%, Denmark 1.40%, Spain 1.03%, Poland 2.34% and USA 3.57%. Many countries have reported an increase in defence spending as a result of the war in Ukraine.
- The current UK defence budget in 2022/23 is £47.9bn. Annex A details what made up UK defence expenditure in 2020/21.

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- The industry trade body ADS recently estimated that in Scotland, defence industries have a turnover of £1.9 billion, GVA £0.8 billion; 10,000 direct employees and support 350 apprentices a year.
- Scotland has extensive industrial capability in the design and delivery of naval ships through BAE and Babcock, currently delivering the Type 26 and 31 Frigates respectively.

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- Scotland's recently published plans for international trade and inward investment include the identification of engineering and advanced manufacturing and technology, digital and media as opportunity areas.

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Shipbuilding

The recently published UKG National Shipbuilding Strategy refresh sets out a 30-year pipeline for public ship builds.

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Currently, 3x Batch 1 Type 26 are being built on the Clyde supporting c. 2000 jobs and the procurement of the Batch 2 Type 26 Frigates is expected to happen “in the early 2020s”, according to the UK Government.

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ANNEX A

UK Defence expenditure 2020/21

Resource or Capital	Expenditure item	Total in billion
Resource	Depreciation, impairments, fixed assets, written off inventory	9.5
	Personnel	13.5
	Equipment support, infrastructure, inventory consumption, war pension benefits	17.2
Total resource		40.2
Capital for investment	Single use military equipment investment	7.7
	Infrastructure investment and other costs	4.0
Total capital		11.7

In recent years when reporting defence expenditure to NATO the UK has included several items of expenditure which had not been included previously: in 2014/15 there was the addition of war pensions (£820m), contributions to UN Peacekeeping Missions (£400m), pensions for retired civilian MOD personnel (£200m) and a large portion of MOD income (which totalled around £1.4 billion). However, NATO accepted that the items conformed with its definition of defence expenditure, though in 2016 the Defence Committee of the House of Commons published its inquiry into UK defence expenditure and commented that “the NATO minimum would not have been fulfilled if UK accounting practices had not been modified, albeit in ways permitted by NATO guidelines”

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