

## Written evidence submitted by the Ministry of Defence in consultation with the Office of the Secretary of State for Scotland (DIS0014)

In submitting this information to the Scottish Affairs Committee, the Ministry of Defence (MOD) has sought to address the following questions detailed in the Defence in Scotland Inquiry call for evidence:

- a. What impacts are the UK's changing defence priorities having on investment, employment, and communities in Scotland?
- b. How important is the defence sector in Scotland for supporting the UK's international military alliances?
- c. How well are Scottish people and places represented in the UK military?
- d. How have recent military infrastructure/defence sector investments affected employment and communities in Scotland?
- e. How might planned military personnel reductions and estate reductions affect employment and communities in Scotland? What impacts are already occurring from planned reductions/closures?
- f. Should the UK Government offer any additional support to individuals and communities affected?

### INTRODUCTION

1. Her Majesty's Armed Forces have both shaped, and been shaped by, the UK. They have become emblematic of the UK in all its diversity. As it has for more than 300 years, Scotland plays an integral part in all aspects of the UK's defence. Both enjoy a special two-way relationship: the UK brings key security and economic benefits to Scotland, while Scottish military and civilian personnel work at establishments across the nation that are home to military capabilities vital to the UK and its NATO allies.

2. As part of the UK, Scotland benefits from the full range of these UK defence capabilities and activities. They defend UK airspace, patrol the surrounding seas, and help to protect everyone in the UK against both natural and man-made threats. We are stronger and safer when we work together, and Scotland plays a vital role in the combined defence and security of the UK. Likewise, the other parts of the UK provide the same in return for Scotland.

### UK DEFENCE PRIORITIES

#### Overview

3. Scotland, like every part of the United Kingdom, offers much to our security, sovereignty, and prosperity, and plays a critical role in the collective defence of our region and global interests. The [Integrated Review](#) (IR)<sup>1</sup> and [Defence Command Paper](#) (DCP)<sup>2</sup> set out the UK's plans to tackle the threats and grasp the opportunities of this competitive age. The historic increase of over £24 billion in Defence spending over the course of this government and the publication of a new [Defence and Security Industrial Strategy](#)<sup>3</sup> a clear indication of our intent to meet these challenges head on. We will be more proactive, adaptable, and engaged with partners to shape the global environment, uphold our values, compete with our adversaries, and secure our homeland. In addition, our commitment to rapid modernisation, shipbuilding,

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<sup>1</sup> [Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy - GOV.UK \(www.gov.uk\)](#)

<sup>2</sup> [Defence in a Competitive Age - GOV.UK \(www.gov.uk\)](#)

<sup>3</sup> [Defence and Security Industrial Strategy \(publishing.service.gov.uk\)](#)

and accelerated Research and Development (R&D) will drive strategic advantage, while also creating new foundations for prosperity across the whole UK.

4. The defence footprint in Scotland and jobs supported by our investment in Scotland will power this sea-change in the UK's global role and enduring support to collective security by: hosting our Vanguard submarines; building the new generation of warships and submarines; and, continuing to support the vital role of the Quick Reaction Alert Force at RAF Lossiemouth in securing our skies and NATO borders. Supported by unprecedented levels of investment, including at least £6.6 billion on R&D, businesses across the UK will power innovation, creating a modernised force, better integrated across all domains. The IR was clear that the UK's interests abroad depend on security and prosperity at home. Defence capabilities, investment, innovation, and people in Scotland and the whole of the Union will help to keep us safe and globally engaged in the years ahead. The Carrier Strike group deployment, supported by Scotland's pivotal contribution in her construction, embodies our commitment to defending our values and interests and championing international rules.

5. With a diverse population connected to all parts of the world, Scotland also benefits from the UK's extensive defence engagement overseas to project influence and help to safeguard and establish peace and security in countries affected by conflict or instability, maintain competitive advantage and tackle security threats before they reach the UK.

### **International Alliances**

6. NATO is the cornerstone of UK and Euro-Atlantic defence. The UK is committed to Europe's security. In an uncertain world, we need Allies – and NATO is the most successful Alliance in history. Scotland's contribution to the deterrence and defence capability of the Alliance, and the UK's role as the leading European Ally, is considerable.

7. The UK remains strongly committed to maintaining its credible and independent nuclear deterrent, based at HM Naval Base (HMNB) Clyde, which exists to deter the most extreme threats to the UK and our NATO allies. The UK derives its global leadership role from, in part, its nuclear deterrent, and we are the only Ally to assign all nuclear forces to NATO's defence. We have previously identified risks to the UK from major nuclear armed states, emerging nuclear states, and state-sponsored nuclear terrorism. Those risks have not gone away. There are no plans to move the nuclear deterrent from HMNB Clyde, which contributes to Scotland's and the wider UK's security and economy.

8. Scotland's proximity to the waters and skies above the North Atlantic is of crucial importance to its, the UK's, and NATO's security. The location of HMNB Clyde and RAF Lossiemouth means they play a prominent role in the MOD's strategic basing. Twice a year, UK Defence hosts Exercise JOINT WARRIOR, which tests the readiness, interoperability and capability of NATO's Very High Readiness forces alongside the UK-led Joint Expeditionary Force (JEF) Partner Nations which include five Arctic states, and has the High North as a region of focus. These exercises regularly involve twenty or more NATO ships and units. Allied ships pre-position for maintenance, and/or remain in Scottish water on completion for regular port visits.

9. The IR outlined significant investment in our efforts to ensure the security of the High North, including the development of a new multi-role ocean surveillance vessel. This will build on recent investments such as our new P-8A Maritime Patrol Aircraft in Lossiemouth, as well as operational and training activity with recent RN deployments in the region, and our long-standing Royal Marine cold weather warfare training with Norway and the US.

10. More generally, as part of an island state largely dependent on maritime trade, having an effectively equipped Royal Navy able to maintain the UK's Sea Lines of Communication through congested global choke points is critical to UK security and prosperity. The High North is also important to the UK's environment, prosperity, energy supply, and security. Melting sea ice is increasing global interest in the region; the potential for new sea routes and access to rare minerals is expected to increase in the decades to come. This brings potential security challenges in the Arctic, North Atlantic, and broader High North, with states increasingly militarising the region and operating in the waters and skies around the UK. As the leading European NATO Ally, the UK is prepared to effectively defend our Arctic Allies if the need arises, and to contest malign and destabilising behaviours and activity in the region. The UK plays a particular role in protecting our underwater critical national infrastructure and ensuring freedom to operate in the North Atlantic, especially in the Greenland-Iceland-UK Gap. Scotland is clearly well located to support such endeavours.

11. However, while there are many important defence assets located in Scotland, these do not operate in isolation; in order to fulfil their roles effectively they depend on close integration with other elements, including services and infrastructure spread across the rest of the UK. Each base or establishment fits together as part of a jigsaw, performing a specific, inter-locking function. A good example is the RAF's management of security for the entirety of the UK's airspace from the Control and Reporting Centre at RAF Boulmer in Northumberland which forms part of the Air Surveillance and Control System. As part of a UK-wide response, the Control and Reporting Centre integrates information from long-range military and civilian air traffic control radars across the UK (including sites in Scotland, e.g. the Remote Radar Head at Saxa Vord in the Shetland Isles), with intelligence and tactical data from airborne or naval surveillance assets from NATO or UK sources to provide comprehensive situational awareness. This is used to determine when high-readiness Quick Reaction Alert Typhoon fighters are launched in response to an incident from RAF Lossiemouth in Moray or RAF Coningsby in Lincolnshire. This integrated system provides coverage across the whole of the UK, enabling a timely response against fast-moving potential threats from any direction. In such circumstances time is of the essence and the absence of any requirement for cross-border co-operation within the UK increases the odds of successful interception. The existing, seamless UK-wide command and control operation provides the highest standards of protection for all UK citizens.

## DEFENCE FOOTPRINT IN SCOTLAND

### Personnel

12. As of Apr 2021, there were 19,470 Defence people based in Scotland. This is comprised of 10,120 Regular Armed Forces personnel<sup>4</sup> (Royal Navy, British Army and Royal Air Force), 5,350 Reserve personnel<sup>5</sup> and 4,000 civilian personnel<sup>6</sup> (Civil Servants). By comparison, there are 5,160 Defence people in Wales and 4,750 in Northern Ireland. A breakdown of defence personnel numbers in Scotland is provided in **Annex A** and a breakdown of Defence people based in Scotland by local authority is available on [Gov.uk](https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2021)<sup>7</sup>.

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<sup>4</sup> UK Regulars comprise Full time Service personnel, including Nursing Services, but excluding Full Time Reserve Service (FTRS) personnel, Gurkhas, mobilised Reservists, Military Provost Guard Service (MPGS), Locally Engaged Personnel (LEP), Non Regular Permanent Staff (NRPS), High Readiness Reserve (HRR) and Expeditionary Forces Institute (EFI) personnel. Includes trained and untrained personnel.

<sup>5</sup> Future Reserves 2020 includes volunteer reserves who are mobilised, High Readiness Reserve and volunteer reserve personnel serving on Additional Duties Commitment (ADC) or FTRS contracts. Sponsored Reserves who provide a more cost-effective solution than volunteer reserves are also included in the Army Reserve FR20. Non-Regular Permanent Staff (NRPS), Expeditionary Forces Institute (EFI) and University Officer Cadets and Regular Reservists are excluded. Unless otherwise specified includes both Trained and Untrained Personnel.

<sup>6</sup> Civilian figures are reported as Full Time Equivalent (FTE).

<sup>7</sup> <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2021>

13. The IR and DCP make clear that we must focus on Defence capability rather than troop numbers in response to changing threats and priorities and maintaining technological advantage is a defining feature of our national strategy and prosperity. However, Armed Forces numbers in Scotland will remain overall consistent in Scotland at over 13,000. As platforms and equipment increase in sophistication, we will require a different type of suitably qualified military, civilian, and industrial workforce to operate and service them, which presents opportunities for new skills, investment, and training. Considerable investment in Defence tech is planned and/or already underway in Scotland, which makes a significant contribution to maintaining the UK's ability to respond and outpace the deepening threats and challenges we face.

14. A publication commissioned by the Secretary of State for Defence in the style of the 2018 "[Dunne Report](#)"<sup>8</sup> will provide an updated geographical footprint for defence in Scotland. The publication will include regional maps with infographics that draw out local-level data and industry case studies. The focus is to showcase how defence positively contributes to each of the regions, focussing on employment and the wider economic contribution. It is due for publication in early December 2021 and will be publicly available online.

15. **British Army.** Since the announcement and launch of the DCP in March this year, the Army is currently getting on with implementing the outcomes of the IR, including designing a new force structure and laydown. Plans for this structural reform are not yet finalised but details are due to be published later in the year. While 'Future Soldier'<sup>9</sup> will bring a workforce reduction of c.10,000 personnel across the Army by 2025, the UK Government is firmly committed to the future of Defence in Scotland and its continued vital role in maintaining UK security both in peace and in times of crisis.

16. As of April 2021, there were 3,790 Regular Army personnel serving in Scotland, made up of six major units (three regular infantry battalions, a Light Cavalry Regiment, an Engineer Regiment and a Close Support Battalion). There were also 4,490 Reserve Army personnel in Scotland, made up of fourteen major Reserve units - of these, one unit provides all basic training for reserve soldiers in Scotland (Army Training Unit), three are University Officer Training Corps (UOTC), and ten are paired with a regular unit to enable them to train and deploy alongside them to support operations at home and abroad. The Army Personnel Centre is based in Glasgow and there is a Personnel Recovery Centre in Edinburgh, looking after the recovery of seriously wounded, injured and sick Army personnel.

17. More specifically, as of April 2021, there were 3,416 personnel serving within the Army's Scottish regiments; with almost 2,000 of these being based outside of Scotland. There are also many other Scottish people serving as part of the wider Army throughout the world.

18. **Royal Navy.** There are 4,270 Regular RN personnel in Scotland and 5,760 Reserves (including the Future Reserves 2020<sup>10</sup>). The MOD has declared to the Westminster and Holyrood Parliaments that RN numbers (civilian and military) at HMNB Clyde will grow to 8,200 over the next decade. HMNB Clyde already has a total population of nearly 7,000 directly employed personnel (civilian and military). This makes the HMNB Clyde the second largest single site employer in Scotland<sup>11</sup>.

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<sup>8</sup> 'Growing the contribution of defence to UK prosperity: <https://www.gov.uk/government/publications/growing-the-contribution-of-defence-to-uk-prosperity-a-report-for-the-secretary-of-state-for-defence-by-philip-dunne-mp>

<sup>9</sup> 'Future Soldier: Transforming the British Army', dated 22 Mar 21, is the Army specific implementation plan to deliver the required transformation of the Army under the IR.

<sup>10</sup> The Future Reserves 2020 (FR20) white paper set out an independent review of the UK reserve forces to ensure that the UK reserve forces are correctly structured and supported to meet future challenges from 2020 and beyond.

<sup>11</sup> The largest is the Queen Elizabeth NHS hospital in Glasgow.

19. The uniformed personnel at HMNB Clyde (4,800) will alone represent nearly 40% of the total 12,500 regular forces in Scotland; the total percentage will be greater when all RN uniformed personnel are considered.

20. **Royal Air Force**. The RAF is committed to a significant and enduring presence in Scotland. RAF personnel numbers in Scotland will continue to grow as the Poseidon P8-A Maritime Patrol Aircraft force reaches full operating capability in 2024 and in anticipation of the further introduction of the E-7 Wedgetail aircraft. It is currently expected that there will be a requirement for approximately 300 additional posts<sup>12</sup> at RAF Lossiemouth to support this growth, coming from a combination of staffing uplifts and reallocation.

21. As of April 2021, there were 2,060 Regular RAF personnel serving in Scotland (strength), primarily located at RAF Lossiemouth, the home of five front-line squadrons undertaking operations both at home and overseas: 1(Fighter) Sqn, II(Army Cooperation) Sqn, 6 Sqn, IX(Bomber) Sqn and CXX Sqn. There were also c.400 RAF Reserve posts in Scotland, with two of the Reserve squadrons based in the Central Belt of Scotland (602 (City of Glasgow) Sqn and 603 (City of Edinburgh) Sqn), one based alongside the Leuchars Diversionary Airfield, and one based at RAF Lossiemouth. The Reserve squadrons primarily work to augment and support their regular counterparts with Air/Space Operations, Force Protection and Medical Support specialists. There are also 107 RAF Air Cadets squadrons/units across Scotland, offering over 2,050 young people with an interest in aviation the opportunity to gain practical experience and undertake activities that will develop their skills to enable/support them to succeed in the future.

22. **Reserve Forces Cadets Association (RFCA)**. As at April 2021, there were 8,300 Cadets and 2,100 Adult Volunteers based in Scotland. These figures comprise the Community Cadets (Sea Cadet Corps, Volunteer Cadet Corps, Army Cadet Force and Air Training Corps) and the school-based Combined Cadet Force (whose contingents contain one or more sections from the Royal Navy, Royal Marines, Army or Royal Air Force). Whilst the Cadets are not counted as part of UK Armed Forces troop numbers, their presence nevertheless makes a valuable societal contribution in their locality and maintains Defence in the public eye, particularly amongst our young people. As part of the organisation wide regeneration strategy, RFCA are focussing on getting all units back up to strength, both by recruiting cadets and volunteers so they anticipate seeing these numbers grow.

## Estate

23. As of August 2021, the MOD has 113 establishments in Scotland (not including Service Family Accommodation) of which HMNB Clyde at Faslane, and RAF Lossiemouth in Moray, are the two most widely known. A map guide is at **Annex B**.

24. **HMNB Clyde**. HMNB Clyde is increasing the number of people employed on-site as the base transitions to the Single Integrated Operating Base and home of the Submarine Service. It will welcome four new Dreadnought Class deterrent submarines, with the first entering service in the early 2030s. The MOD and its industry partners will continue to support and deliver ongoing investment in skills and infrastructure around the Continuous at Sea Deterrent.

25. Units currently based at HMNB Clyde include: Vanguard Class deterrent submarines; Astute Class and Trafalgar Class attack submarines; Mine Countermeasures Vessels; the Faslane patrol boat squadron; 43 Commando Fleet Protection Group Royal Marines; Fleet Operational Sea Training North; Northern Diving Group; Ministry of Defence Police; MOD

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<sup>12</sup> This figure refers to the number of anticipated postings as opposed to guaranteed personnel.

Guard Service; NATO Submarine Rescue Service and the Submarine Escape, Rescue, Abandonment and Survivability (SMERAS) facility.

26. **RAF Lossiemouth.** RAF Lossiemouth, the RAF's Main Operating Base in Scotland, is a key UK Defence site and home to four front line Typhoon fast jet squadrons, maintaining Quick Reaction Alert (Interceptor) North. Its location in Moray, in the north of Scotland, gives it strategic oversight over the northern arc of UK airspace, protecting the country and NATO air space from attempted air terrorism and other incursions. The Station is home to some 2,500 Whole Force personnel (Regulars, Reservists, Civil Servants and Contractors), who work together to deliver successful operations at home and overseas, emphasising its global reach. It is also home to a RAF Regiment Force Protection Wing HQ, and the resident RAF Mountain Rescue Team has been a great asset in supporting emergencies in and around the surrounding region.

27. The Station was selected as home for the new UK fleet of Poseidon P-8A Maritime Patrol aircraft and their operational support and training facility. All nine airframes are due to be delivered to the RAF by the end of 2021 and will fully establish RAF Lossiemouth's role in providing constant vigilance to threats above and below the waves and protect the UK's nuclear deterrent. The Station continues to see growth and investment, with the announcement in December 2020 that the new E-7 Wedgetail aircraft<sup>13</sup> will join existing capabilities there, further solidifying Defence's presence in Scotland and emphasising RAF Lossiemouth's strategic location.

28. **Estate Optimisation.** Following on from the "[Better Defence Estate Strategy](#)"<sup>14</sup> of November 2016, the MOD is working with its internal estate-related stakeholders, its Armed Forces user community and other external organisations, on a longer-term approach to delivering a fit for purpose Defence Estate. Subject to any further adjustments arising from ongoing work on the IR, there is currently a planned investment by the MOD of over £300 million in more modern, sustainable, and capability-focused facilities at key sites in Scotland over the next decade as part of the Defence Estate Optimisation (DEO) Portfolio. DEO is an ambitious 25-year portfolio of interdependent programmes, construction activity, unit and personnel moves, and land release, including sites such as Edinburgh, Coulpport and Leuchars. The portfolio and other related infrastructure initiatives will improve the lived experience on our firm base<sup>15</sup> and deliver an affordable, smaller, and sustainable Defence estate by 2040.

29. **Service Family Accommodation (SFA).** The size of the SFA estate is constantly under review to ensure that it is run efficiently and provides value for money. As of August 2021, the MOD has access to 3,157 SFA units in Scotland of which 2,458 are currently occupied. The MOD's plans are likely to lead to a reduction in SFA units in Scotland in excess of 500 properties in the next 8-10 years. It is not possible to confirm the exact number and timing of these reductions, as they will be made in the light of prevailing factors, and in response to circumstances that may change in the next few years. For example, there are plans under the MOD's Void Reduction Programme and the MOD's DEO Portfolio to reduce the number of SFA units in Scotland to meet the anticipated future demand from Service personnel. These plans are being made in line with the changing size and shape of UK Armed Forces and in response to the evolving way in which Service Personnel choose to live, and new initiatives such as the Future Accommodation Model<sup>16</sup> that may offer alternatives to the traditional SFA

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<sup>13</sup> The E-7 Wedgetail is an advanced Airborne Early Warning and Control (AEW&C) platform, designed to track multiple airborne and maritime targets simultaneously.

<sup>14</sup> <https://www.gov.uk/government/publications/better-defence-estate-strategy>

<sup>15</sup> For carrying out any protracted military offensive, the firm base is required - political, communal and administrative stability within the country deploying those personnel so they can focus on their operation rather than matters affecting home.

<sup>16</sup> Following a three year pilot a new approach to Service accommodation, called the Future Accommodation Model (FAM) is now in operation. The way people live and work is changing and FAM reflects this. FAM gives more choice to more Service personnel over where, how and with whom they live. Under FAM personnel can still select Single Living Accommodation (SLA) or Service Family Accommodation (SFA), but they can also choose to live in private rental accommodation or buy their own home with support from

units provision. However, there are no plans to demolish any houses in Scotland; all MOD houses in Scotland will remain as part of the local stock irrespective of ownership or tenure.

30. **Reserve Forces Cadets Association (RFCA)**. There are currently 212 cadet and 54 Reserve sites in Scotland; some locations are shared with other units. The IR, Reserve Forces Review 2030 and continued Cadet consolidation offer a generational opportunity to reset the RFCA Estate with bases fit for purpose, policy compliant and energy efficient. As such, a strategic-level review has identified the need to create the RFCA Estate Optimisation Programme. This Programme will allow the RFCA to sustain a national estate footprint for UK resilience, strategic presence, visibility, outreach, and engagement. The Programme will also drive structural change that will create a safe estate that is fit for purpose and delivers military capability while supporting our people. No decision on the final structure of the estate footprint has been made at this point and details will be published in due course.

## **IMPACTS - INVESTMENT, EMPLOYMENT, COMMUNITIES**

31. Changing defence priorities inevitably have an impact on investment, employment, and communities, including in Scotland, given that maintaining the security and prosperity of the UK as a whole is paramount. Such changes are positive as a net contributor, given that the Defence presence generates economic benefits for communities, through jobs, contracts, and requirements for supporting services. Military bases make significant contributions to local and regional economies, particularly in some of the more remote areas that may be heavily reliant on the public sector, in terms of income and employment and at a socio-economic level, for example on local health care provision, education and fostering services.

32. Scotland also benefits on a significant scale from the presence of a vibrant defence manufacturing sector. A constant and reliable throughput of contracts is essential for the long-term prospects of this industry in Scotland, which the UK is able to ensure through its historical, cultural, and economic ties on an international scale.

33. Defence related investment tends to be either capability or estate focussed. Both sectors inevitably result in strong levels of associated employment of highly skilled staff where the MOD or Defence-related industry draws from the Scotland workforce and then develops them, often involving considerable investment, through workplace schemes and training. Those individuals then progress their careers or move on to second careers or retirement bringing qualifications and technical and other skills with them that benefit the community. The longer-term nature of capability and estates investment also provides considerable and relatively secure job opportunities for the low to middle skilled sector in ancillary support services roles. In this way Defence contributes to Scotland and the UK's overall prosperity.

## **Capability-related Investment**

34. **Modernising Defence and Mainstreaming Science & Technology**. The UK has a world-leading defence and security industrial base with a broad footprint across Scotland and the wider Union. The IR and DCP set out how we are modernising Defence for a competitive age, including the focus on persistent engagement, and placing greater priority on identifying, funding, developing and deploying new technologies and capabilities faster than our potential adversaries. This will stimulate the national science and technology base across both industry and academia, as we invest at least £6.6 billion over the next four years in R&D in areas including space, cyber, quantum technologies, engineering biology, directed energy weapons and advanced high-speed weapons.

35. **Industry.** The defence industry is a major contribution to Scotland's regional and national prosperity through highly skilled jobs and exports. In 2020 the defence sector in Scotland employed 10,000 people, with a turnover over approximately £1.9 billion, generating vital investment and indirect employment for Scotland. The added value of the industry is £0.8 billion a year.<sup>17</sup> Furthermore, the aerospace and space industries – integral parts of the overall defence industry – had turnovers of £1.1 billion and £2.9 billion respectively, with a combined value-add of £1.6 billion to Scotland. **Annex C** provides a visual representation of the defence industry across Scotland.

36. The Defence and Security Industrial Strategy (DSIS), which was published on 23 March 2021, built on the IR and DCP by setting out a more strategic approach to our core industrial base, replacing the previous policy of global competition by default with a more flexible approach to ensure that the UK continues to have competitive, innovative and world-class defence and security industries. These industries will underpin our national security, drive investment and prosperity with export opportunities, and contribute to the UK's strategic advantage through science and technology.

37. **Academia.** Scottish universities and companies operating in Scotland are well placed to take advantage of this new approach and increased investment. For instance, Scotland has significant industrial and academic pedigree in the space industry, including small satellite and component/sub-systems design, manufacture and testing, and the MOD continues to support the UK Space Agency Spaceflight programme which includes various grant-based activities in Scotland and across the UK.

38. **Shipbuilding.** The Secretary of State for Defence, in his role as Shipbuilding Tsar, is also acutely aware of the value of shipbuilding in Scotland, the industry there which currently benefits most from MOD expenditure. He is leading work across Government to deliver on his vision to support industry across the Union and enabling it to become more productive, innovative, and competitive. UK naval shipbuilding is currently centered around BAE System's Scotstoun and Govan shipyards and Babcock's Rosyth shipyard, which also have strong naval exports markets. These yards are producing the Type 26 and Type 31 frigates – two crucial naval procurements. A regular drumbeat of design and manufacturing work in UK yards is needed to maintain the industrial capabilities important for UK national security and to drive efficiencies which will reduce longer-term costs in the shipbuilding portfolio and help secure further export success. A stable pipeline of orders is clearly necessary to build and maintain a skilled workforce.

39. Three of the Type 26 ships – HMS GLASGOW, HMS CARDIFF and HMS BELFAST – are under construction on the Clyde. Manufacture of these new, highly capable ships is securing about 1,700 skilled shipbuilding jobs in Scotland and some 4,000 jobs throughout the supply chain across Britain until 2035. Export successes include the export of the Type 26 design to both Canada and Australia. BAE estimates that the 32-ship Type 26 endeavour will create or sustain 5,000 export-led jobs in the UK and will enable c.£6 billion of potential export contracts to flow to UK suppliers. All told, naval shipbuilding supported 7,000 jobs in Scotland in 2019-20.

40. On 23 September 2021, the Shipbuilding Tsar officially cut steel for HMS VENTURER, the first of the RN's Type 31 frigates, during a ceremony held at Rosyth dockyard. The event marks a significant milestone in the programme for the RN, Defence and shipbuilding in Scotland, with all five vessels to be built by Babcock on the Firth of Forth and an average production cost of £250 million per vessel. The Type-31 contract, awarded in November 2019 and to run until 2028, has led to a £71 million infrastructure investment for the dockyard and

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<sup>17</sup> ADS, Scotland facts and figures 2021.

sustains 130 apprenticeships and 20 graduate positions. In October 2021, the Minister of State (Baroness Goldie) had the opportunity to speak with some of Babcock's current apprentices to hear first-hand how their academic interests in STEM has led to a career in defence manufacturing. Since March 2020 to present, Babcock has supported approximately 300 apprentices, mostly from the local area of Dunfermline and West Fife.

41. Babcock has also signed a design license contract with PT Pal in Indonesia for two AH140 frigates at this year's DSEI and is one of the bidders down-selected to provide a design solution (and potential build) for the Polish Navy's Miecznik (Swordfish) frigate programme. It is programmes like these, which, under the umbrella UK Government's National Shipbuilding Strategy, provide economic stability to the defence manufacturing industry and the regional economies they are part of.

42. The National Shipbuilding Strategy Refresh will be published later this year. This Strategy will set out how the Government intends to set the conditions for success in the UK's shipbuilding industry, both domestically and for exports, and how Government will work with industry to create lasting transformation. Scottish yards will likely also benefit from the new investment in Type 32, Multi-Role Ocean Surveillance and Multi-Role Support Ships, and Royal Fleet Auxiliary Landing Ship conversion. The Refresh will set out how UKG will provide further support to industry on export and how it will engage with overseas partners to secure export success for the enterprise.

43. **Military Aid to the Civilian Authorities (MACA)**. During times of crisis, HM Armed Forces are also able to support civil authorities within Scotland via the MACA process. Defence has carried out over 30 MACA deployments in Scotland at the request of the Scotland Office over the past two years. These include support to mass COVID-19 vaccination efforts, fuel tanker driving, and frontline medical support in NHS Scotland. Fulfilling such requests comes at a cost to wider Defence tasks and should only occur as a last resource, however as the ultimate underwriter of UK resilience, Defence stands ready to respond to requests for assistance from civil authorities in Scotland and across the UK when no civilian solutions can be found.

## **Estate-related Investment**

44. **Costs of the Defence Estate**. The scale of the Defence estate is very significant, covering about 1.8% of the UK land mass. It results in considerable expenditure at various levels within the MOD, with the major maintenance and investment programmes funded at Defence level (e.g. Major Programmes and Projects including the DEO Portfolio; Future Defence Infrastructure Services), and the individual single Services are also able to inject funding from their own delegated budgets for specific additional improvements (e.g. Capital Infrastructure Delivery Programme).

45. **Major Programmes and Projects**. DIO Major Programmes and Projects (MPP) is delivering a diverse portfolio of work within Scotland, ranging from smaller standalone projects through to larger programmes of work. There are currently 40 active projects in Scotland at various stages of the project lifecycle from concept, through to design and onto construction. The MOD currently has five external Technical Support Providers working with us through the various stages as well as five construction Contractors, working both on and off site. Key projects in Scotland include:

- Clyde Infrastructure Programme; £1.6 billion
- Lossiemouth Development Programme; £470 million
- Glenmallen (North Ammunition Jetty); c.£90 million
- DEO Leuchars; £252 million
- DEO Edinburgh (Dreghorn); £60 million

46. The number of contractor staff on site varies according to the design and delivery strategy of each individual project and the current stage of each project and programme and is driven by complexity and preferred methods of construction. For example, numbers would be expected to peak at various points during construction, managed by each individual contractor. The number of onsite contractor staff on a project in construction could potentially range from 25 for smaller projects up to over 200 for larger projects. Programmes of such considerable extent as the overall investment in HMNB Clyde will see notable impacts on employment in the region. There are also very large numbers of personnel in Angus, City of Edinburgh, Fife, Glasgow City, Highland, Midlothian and Moray.

47. **Future Defence Infrastructure Services.** The FDIS programme is a step change in the way DIO delivers for its customers and will build a broader and more diverse supply base, bringing together small and medium enterprises (SMEs) and larger suppliers to better meet the needs of the Armed Forces. Contracts for maintenance of the built estate and accommodation were awarded following a rigorous procurement process, based on fair and open competition.

48. Mitie has been announced as the winner of the contract for the Built Estate that will deliver hard facilities management at Defence locations across Scotland and Northern Ireland. The contract is worth a total of £160 million, with £110 million of that providing services to Scotland. The contract will support around 95 sites and is expected to sustain around 340 jobs across Scotland and NI, alongside ensuring that SMEs are supported through the supply chain. In addition to providing core maintenance, the contract will support the delivery of up to £486 million of additional works. The initial contract is for seven years with the option to extend up to a further three years, depending on performance.

49. Amey Community Ltd won two of the regional contracts for SFA maintenance, including the Northern Region which comprises Scotland, Northern Ireland and North Wales. The total contract for the region is worth £84 million, including £11 million for Northern Ireland and £36 million for Scotland. It is expected that the contract will create or sustain 190 jobs in the region. In addition to the core services, the Regional Accommodation Maintenance Services contracts will deliver improvement projects and refurbishment work to Service family homes, with an estimated value of £136 million in the region. Each regional contract is for seven year's duration with an option to extend for up to three years, depending on contractor performance.

50. **Army Infrastructure.** With significant investment programmes at the major RN and RAF sites in Scotland on the Clyde and at Lossiemouth, as well as the DEO Portfolio, the Army as a service occupies a more widely dispersed estate across Scotland which further falls beyond even these larger projects. In addition to investment under DEO and other planned infrastructure upgrades, c.£10 million will be invested during FY21/22 across Scottish sites through the Capital Infrastructure Delivery Plan/Programme, which is designed to provide continuous general improvement to the estate. Over the next four years Scotland will also see a further £60 million invested through estate infrastructure funding. This will provide an extensive range of improvements for our service personnel with new living accommodation and training facilities, improved Army Reserve Centres, new cadet huts, and our Service children with new teaching facilities at Queen Victoria School<sup>18</sup>.

51. **Net Zero.** A significant part of the drive towards Net Zero will be modernising and rationalising the estate through major basing programmes. An example of Defence investment includes the installation of solar farms at a number of sites across Scotland under Project PROMETHEUS. The solar farms showcase MOD's renewable energy generation, reducing Defence estate running costs and contributing to the Government's Net Zero carbon emissions target by 2050.

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<sup>18</sup> Queen Victoria School is a non-selective, co-educational, boarding school predominantly for children of Scottish Servicemen/women aged 10/11-18.

52. **Regeneration.** Releasing under-used sites for which there is no longer an enduring military requirement enables greater investment in retained Defence sites that are better supporting military capability. Site closures are often considered to impact poorly on the local community or region that is affected. These concerns are understandable, but they also provide opportunities for redevelopment of brown field sites for housing and commercial purposes offering regeneration, business growth, job creation, green energy production and the preservation of historic buildings and other heritage assets.

53. Engagement with Scottish local authorities on disposal sites is generally undertaken, as elsewhere in the UK, through meetings between respective officials especially in relation to planning and development proposals, including to determine the impact of any MOD decisions on local communities. The MOD does not normally conduct any clean-up of sites except where there are defence specific contaminants which the Department is best placed to deal with. The DEO Portfolio comprises very long-term plans and allows for a long process of MOD engagement with the Scottish Government, Scotland Office, Trades Unions, Local Authorities, and other stakeholders on the detailed planning. More generally, the MOD will ordinarily submit formal representations as part of Local Development Plan consultations, in accordance with Local Authority timescales. The MOD does not engage with Scottish Government directly, but the latter is consulted on some sites and representatives from their Defence Policy Unit may attend certain meetings where they have expressed an interest. The MOD also engage through respective Devolution teams and through the Scotland Office directly as required.

## **CONCLUSION**

54. Scotland's defence contribution is critical to the Prime Minister's vision for a stronger, more secure, prosperous and resilient Union, better equipped for a more competitive age. There can be no doubt that Defence and security is one of the binding elements of our successful Union, providing national security, whilst our world-class Defence Industry builds everything from submarines to typhoons right across the country. From frigates in Scotland, to satellites in Belfast, armoured vehicles in Wales and aircraft in the north of England.

55. Much like the Union itself, the UK's defence industry is a well evolved ecosystem providing huge social value across the UK whilst developing world-class capabilities critical for our national defence, as well as economic prosperity. No corner of the UK should take for granted these industries, the skills they develop or the contribution they make to UK resilience, operational capability, and prosperity. As set out by this evidence, these benefits reach the very fingertips of Scotland.

56. The Prime Minister's record investment in Defence provides for a net increase in defence spending for Scotland which at a time of increasing and destabilising change in the world, is perhaps more important to global stability than ever before.

57. This record investment, coupled with the MOD's bold vision for the recalibration of the UK's security and defence agenda in the new modern age, brings great opportunities for Scotland. As the IR is implemented, the military footprint in Scotland will be better consolidated, but more agile and better equipped to deal with the challenges we face in the present and the future. Scotland should be proud of the role it will play in this ambitious programme of Defence modernisation.

## Defence Community in Scotland

Service/Family	Area	Total
British Army	Regulars	3790
	Reserves	4490
	<b>Total</b>	<b>8280</b>
Royal Navy/Royal Marines	Regulars	4270
	Reserves	410
	<b>Total</b>	<b>4680</b>
Royal Air Force	Regulars	2300
	Reserves	400
	<b>Total</b>	<b>2700</b>
Cadets	All Services	8300
	Adult Cadet Volunteers	2100
	<b>Total</b>	<b>10400</b>
Civilian & Industry	Civil Servants	4000
	Employees	10000
	Apprenticeships	380
	<b>Total</b>	<b>14380</b>
<b>Total Military Personnel (Regulars)</b>		<b>10360</b>
<b>Total Military Personnel (Reserves)</b>		<b>5300</b>
<b>Defence Community in Scotland</b>		<b>40440</b>

## **ANNEX B**

### **Defence Footprint in Scotland**

Source: Ministry of Defence 2021: Link [here](#) to a separate PDF for optimal viewing.

## **ANNEX C**

Scotland – Facts & Figures 2021 published on the [ADS group website](#)

*October 2021*