



Ministry
of Defence

Ministry of Defence
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Ref: FOI2020/03865

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20th April 2020

Dear [REDACTED]

Thank you for your email of 19th March 2020 requesting the following information:

- “1) Can you please kindly provide an explanation for the difference between the MoD ‘net cash requirement’ data and the information which the MoD reports to NATO?
2) Which budgetary line items – from MoD or other government departments- are added to the MoD net cash requirement to constitute the report to NATO?
2a) What is the amount for each of these budget line items;
2b) Where to find the information directly in MoD or HM Treasury publications?
3) Does the UK’s report to NATO include the Armed Forces Pensions Scheme?
3a) If so, would you be able to indicate at what point in time was this additional sum included in NATO reporting?
3b) Should the War Pensions Scheme and the preexisting Armed Forces Pension Scheme both be added to the MoD’s net cash requirement total, to account for the discrepancy with the NATO reporting?
4) Does the UK’s report to NATO include part or total of the Single Intelligence Accounts budget?
4a) If only part of the Single Intelligence Accounts, what is the proportion which is included?
4b) Would you be able to indicate at what point in time was this additional sum included in NATO reporting?”*

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the Ministry of Defence, and I can confirm that all the information in scope of your request is held.

The information you have requested can be found below, but some of the information falls entirely within the scope of the qualified exemptions provided for at Sections 24(1) (National Security) of the FOIA and has been withheld. Section 23(1) (Information relating to security bodies) of the FOIA, also applies to some of the information and therefore has been withheld. Section 23 is an absolute exemption and not subject to a public interest test.

Section 24(1) is a qualified exemption and is subject to public interest testing which means that the information requested can only be withheld if the public interest in doing so outweighs the public interest in disclosure.

Section 24(1) has been applied to some of the information because it contains details which are operationally sensitive and is required to be withheld for the purposes of safeguarding national

security. The balance of public interest was found to be in favour of withholding the information given that, overall, the public interest is best served in not releasing some details on the data MOD releases on Defence spending in that it would prejudice the security of UK and for these reasons I have set the level of prejudice against release of the exempted information at the higher level of “would” rather than “would be likely to”.

1) Can you please kindly provide an explanation for the difference between the MoD ‘net cash requirement’ data and the information which the MoD reports to NATO?

The net cash requirement is the actual money that MOD requests from the Government in order to fund its activities and takes account of movements in working capital levels (e.g. debtors, creditors, stock) whilst excluding all non-cash costs (e.g. depreciation).

The NATO Defence expenditure figure includes some spending from outside the core MOD budget but is within the NATO guidelines on Defence spending.

2) Which budgetary line items – from MoD or other government departments- are added to the MoD net cash requirement to constitute the report to NATO?

2a) What is the amount for each of these budget line items;

2b) Where to find the information directly in MoD or HM Treasury publications?

UK Government expenditure on Defence includes some spending from outside the core MOD budget but that is within the NATO guidelines on defence spending. For reasons of national security, the MOD is not able to release full details of these items. However, the MOD can confirm that it includes costs related to the following items in our NATO Defence return:

- The additional cost of military operations funded through the HMT special reserve;
- Elements of the Conflict Stability and Security Fund relating to peacekeeping activities undertaken by Defence;
- Expenditure on MOD Civil Service pensions and the Armed Forces Pensions Scheme;
- Income generated by the MOD;
- Joint Security Fund Spending by other Government departments, and;
- Elements of the Single Intelligence Account spending related to Defence.

3) Does the UK’s report to NATO include the Armed Forces Pensions Scheme?

3a) If so, would you be able to indicate at what point in time was this additional sum included in NATO reporting?

3b) Should the War Pensions Scheme and the pre-existing Armed Forces Pension Scheme both be added to the MoD’s net cash requirement total, to account for the discrepancy with the NATO reporting?

War Pension Benefits are included in the core MOD budget.

The Armed Forces Pension Scheme is included in the UK Defence expenditure reported to NATO, but, as explained above, we are unable to release full details for reasons of national security.

4) Does the UK’s report to NATO include part or total of the Single Intelligence Accounts budget?

4a) If only part of the Single Intelligence Accounts, what is the proportion which is included?

4b) Would you be able to indicate at what point in time was this additional sum included in NATO reporting?

In line with NATO guidelines, we include an element of the Single Intelligence Account budget that directly supports Defence. This does not total all of the Single Intelligence Account budget. We are unable to release full details due to this information relating to security bodies.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact us in the first instance at the address above. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

Yours sincerely,

Defence Resources Secretariat