



Ministry of Defence

Defence Resources Secretariat
Ministry of Defence
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Reference: FOI2015/09832

[REDACTED]

E-mail: [REDACTED]

Date: 4 November 2015

Dear [REDACTED],

Your correspondence dated 5 November 2015 has been considered to be a request for information in accordance with the Freedom of Information Act 2000. You requested the following information:

Re.:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466167/20151006-KE-International_defence_2015_FINAL.pdf

How do you determine UK GDP? e.g. are these sources the basis for your figures:

http://www.ons.gov.uk/ons/dcp171776_382475.pdf

? - 2014 estimated growth c. 2.6% in 2014 i.e. c. £1.76 Trillion GDP for 2014?

How do you determine UK defence expenditure? e.g. how do you determine government income from expenditure - rates, corporation tax, PAYE, NI, & etc. and such matters as Financial Hedging costs and revaluations and the fact that the MoD accounts are repeatedly "qualified" i.e. the net cash expenditure is a more accurate figure than accounting for estimated valuation adjustments of assets.

So using the MoD's net cash expenditure (£35.8 bn) and ONS GDP figures there is a net expenditure of less than 2% of GDP by the UK on defence - and this nominal net cash expenditure is really a gross figure.

A search for the information you have requested has now been completed within the Ministry of Defence (MOD), and I can confirm that no information in scope of your questions concerning Government income and the calculation of UK Gross Domestic Product (GDP) is held.

Under Section 16 of the FOIA, public authorities are required to provide advice and assistance while processing FOI requests, and I have therefore included some additional information below that you may find useful.

It may be possible for you to obtain this information from HM Treasury (HMT) of the Office of National Statistics (ONS). Details on how to make a FOIA requests with CCS can be found at the link below:

[HMT](#)

<https://www.gov.uk/government/organisations/hm-treasury>

ONS

<http://www.ons.gov.uk/ons/about-ons/business-transparency/freedom-of-information/index.html>

You may also find relevant information from the Office for Budget Responsibility (OBR) whose website can be found at the link below:

OBR

<http://budgetresponsibility.org.uk/>

Please find below the information on UK Defence expenditure.

The UK's Defence budget is set by the UK Government's Spending Reviews led by HM Treasury, which sets firm and fixed spending budgets over several years for each department. The resulting Defence budget from the Spending Review is approved by Parliament and depends on legal limits also set by Parliament. Defence spending is monitored and controlled to make sure that it stays within the administrative controls set by HM Treasury and the legal limits.

In previous financial years, how NATO defined defence spending has differed to the way the MOD had defined it. There is Governmental defence spending that was not included in the MOD budget but that NATO defined as defence spending.

As with other NATO Allies, from time to time we update our approach to ensure we are categorising defence spending fully in accordance with NATO guidelines and agreed definitions of defence expenditure, seeking to capture all spending contributing to delivering the defence of the UK. All updates to the amount of GDP spent on Defence remain fully in accordance with these guidelines.

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 me in the first instance. 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, 1st 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 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>.

I hope you find this helpful.

Yours sincerely,

Defence Resources Secretariat