

Could an independent Scotland defend itself scot-free?

Stuart Crawford and Richard Marsh



September 2020

Could an independent Scotland defend itself scot-free?

Background

In October 2012 the Royal United Services Institute (RUSI) published our paper *A' The Blue Bonnets: Defending an Independent Scotland*¹ in which we set out our thoughts on how an independent Scottish state might organise its armed forces and what budget might be needed. This remains, to our knowledge, the only credible costed model on the topic, although clearly it is neither the only one nor indeed necessarily the best one. It represented our view at the time.

Much has changed in the intervening years, with Brexit and the seemingly increasing support from the Scottish electorate in favour of Scottish independence. Accordingly, in 2018 we provided a short update to our RUSI report which was published by The Scottish Centre on European Relations² (SCER) in which we explained how our costed model had developed in the intervening years.

In essence, we confirmed our initial thoughts that an independent Scotland would neither want nor be able to afford a full-spectrum military capability (the mini-UK paradigm). We moved away from our “army heavy” model towards what we thought was a more balanced requirement.

Scottish Defence Force

To précis where that left us, our 2012 RUSI report had suggested that a possible model for an independent Scottish Defence Force (SDF) might comprise: a navy of up to twenty-five vessels and 1,500 - 2,000 personnel; an army with 10,000 – 12,500 personnel; and an air force of around sixty airframes and 1,750 – 2,250 personnel. The cost was estimated to be between £1.5 and £1.8 billion per annum.

¹ <https://rusi.org/publication/whitehall-reports/blue-bonnets-defending-independent-scotland>

² <https://www.scer.scot/database/ident-8548>

Could an independent Scotland defend itself scot-free?

By 2018 we had revised this to a navy of some 20 hulls and approximately 2,500 personnel; an air force of roughly 50 aircraft and UAVs and 2,000 personnel; and an army of approximately 6,000 personnel, totalling with an allowance for headquarters to around 11,000. This represented roughly a 30% reduction on our 2012 figures. Significantly, we thought the budget would drop to between £1.1 and £1.3 billion per annum.

Defraying defence costs

One aspect only touched upon in the SCER paper but worthy of further development is the idea of an iScotland being able to defray some, if not all, of the costs relating to its defence budget by leasing some military sites to friendly nations (or organisations), principally the rUK. Of particular interest in this regard are Her Majesty's Naval Base (HMNB) Clyde at Faslane/Coulport and the RAF air bases at Lossiemouth/Kinloss.

HMNB Clyde is often claimed to be the second largest single-site employer in Scotland, with only the NHS QEUH in Glasgow having more employees in one location. How many are actually employed directly and indirectly at the Faslane/Coulport complex is a matter of some debate, but a reasonable estimate would appear to be in the region of 11,000³ jobs.

The base is important because it houses the four nuclear powered, ballistic missile armed submarines (SSBNs) of the UK's independent nuclear deterrent. It will also shortly be home to the entire UK submarine fleet, plus the seven Mine Countermeasures Vessels (MCMVs) of the Sandown Class plus a couple of Offshore Patrol Vessels (OPVs).

³ <https://ukdefencejournal.org.uk/fact-check-many-jobs-depend-faslane/>

Could an independent Scotland defend itself scot-free?

It is the SSBNs which are of most interest to our purpose here. We are clear that, militarily and politically, an iScotland would not wish to maintain its own nuclear deterrent, nor would it be able to afford its own submarine fleet in the early years of the new nation at the very least, and possibly not at all.

It is also a popular concept that as soon as Scotland becomes independent the Scottish government would demand the removal of nuclear weapons from HMNB Clyde. This is highly unlikely to happen immediately on independence, if only because in the short to medium term the Trident boats have nowhere else suitable in the UK to go.

Demanding their removal in short order would arguably be calling for the UK to unilaterally disarm, and the chance of that happening is close to zero. The USA, for one, would not countenance it and would block iScotland's accession to NATO – should iScotland still wish to become part of that Alliance. It is likely, therefore, that the rUK SSBNs will have to remain at Faslane/Coulport for perhaps up to 20 years whilst an alternative basing solution is sought and built.⁴

This being the case, then, it seems perfectly reasonable to suggest that iScotland could lease HMNB Clyde to the rUK for the period. The question therefore is how much could the Scottish Government charge the rUK for use of the Faslane/Coulport complex?

⁴ <https://ukdefencejournal.org.uk/trident-would-stay-at-faslane-for-20-years-after-yes-vote-says-expert/>

Could an independent Scotland defend itself scot-free?

A recent House of Commons Research Briefing paper⁵ indicates that the Clyde Base development cost was in the region of £1.8 Billion. This does not include recent investment in the base, including £500 million of investment announced in 2015 to establish a “submarine centre of excellence” nor the further £1.3 Billion announced in 2017 for upgrades. If the Westminster government wanted to move it elsewhere, say to Wales, or Portsmouth, or another territory even, we can probably assume that the cost of establishing a replacement base would be in the order of at least £2 Billion if not considerably more.

The question then becomes one of how much would the rUK government be prepared to pay annually to avoid and/or delay this capital outlay. If the SSBN fleet were to leave HMNB Clyde the day after Scottish independence was declared then the costs would be £2 Billion to build a new base plus the additional costs of temporary accommodation and storage whilst it was in construction, which could take possibly up to 10 years.

On this basis it would be reasonable for the rUK government to avoid the costs involved in replicating the recent investment on the Clyde elsewhere. The contingency fund set out for the programme suggests that £500 million would be an upper-end estimate of the likely additional costs that could be absorbed within the current programme (with some considerable pain). A rental figure closer to £200 million per annum seems more likely over the short to medium term. Other commentators have suggested a much greater figure⁶ but we think this overly ambitious and not credible.

We believe it therefore to be a more pragmatic course of action for the rUK government to be prepared to pay up to £200 million per annum to retain Trident on the Clyde in an iScotland until other facilities are made ready.

⁵ <https://commonslibrary.parliament.uk/research-briefings/cbp-8166/>

⁶ <https://ukdefencejournal.org.uk/leasing-faslane-could-generate-1bn-a-year-for-an-independent-scotland/>

Could an independent Scotland defend itself scot-free?

A similar exercise might be undertaken with regard to RAF Lossiemouth/Kinloss. Since the closure of RAF Leuchars in 2015, Lossie is now one of the two UK main operating bases for the [Eurofighter Typhoon FGR4](#) in the United Kingdom and the only operational flying RAF station in Scotland. It is currently home to four squadrons operating the Typhoon and which contribute to the [Quick Reaction Alert \(Interceptor\) North](#) capability ensuring continuous protection of UK airspace.

More recently, not only has it become home to the UK's nascent Poseidon maritime reconnaissance (MRA) capability, with the first UK planes becoming operational this year (2020), but it is also used by the Norwegian and US Poseidon aircraft, with the US contributing \$80 million recently to contribute to runway and accommodation works there. It is also frequently used by aircraft from other friendly nations.

Both our RUSI and SCER reports were predicated on the likelihood that an iScotland would not want or be able to afford fast jet fighters, only some training aircraft of the BAE Hawk type. Which begs two questions; how would it secure its air defence and what would happen to RAF Lossiemouth/Kinloss if it were no longer required for the RAF's four Typhoon squadrons currently in residence there? At the same time, the rUK would presumably still want to secure its airspace to the north and also retain a facility for its MRAs.

An answer might be, accordingly, that iScotland might lease out all or some of the facilities at Lossiemouth to the RAF and/or NATO so they can continue to pursue their interests from there. Arguably Lossiemouth is already halfway towards becoming a *de facto* NATO airbase so why not go the whole hog and formalise the arrangement between the Scottish Government, the rUK government, and NATO?

This is not quite as straightforward as the Faslane conundrum, for in this instance there is an element of *quid pro quo* in protecting iScotland's airspace (and the arrangement already has a precedent in the protection of Irish airspace by the RAF from unwelcome intrusions), but nonetheless a leasing option should return some revenue to iScotland.

Could an independent Scotland defend itself scot-free?

Economic benefits of bases

The Ministry of Defence (MOD) expects recent investments in Lossiemouth⁷ will increase the number of jobs based there to 2,200 by the end of 2020. Based on the operational data published by the MOD and using the latest version of the Scottish Government's macroeconomic impact model⁸, an estimate has been made of the likely economic impact of the coastal base on Scotland's economy as a whole. We calculate that the base will sustain nearly 4,500 jobs across Scotland and generate some £300 million in Gross Value Added (GVA) each year.

There are many other military sites in addition to Faslane and Lossiemouth which might find themselves underused and/or redundant in an independent Scotland. Examples might include the gunnery and bombing range at Cape Wrath, the ship replenishment facility at Invergordon, the tank gunnery ranges at Kirkcudbright, the missile testing range at Benbecula (already well-used by NATO allies⁹) amongst others. A site-by-site financial assessment of potential economic benefit of these to an iScotland is beyond the scope of this short paper, but perhaps others will wish to explore this aspect further.

We are well aware that the idea of leasing Scottish bases to other countries and agencies will not meet with universal approval, far from it. The recent SNP CND paper *Guantanamo on the Clyde*¹⁰, for example, published in July this year, argues that no such arrangement at Faslane should be contemplated. We understand such sentiment but would argue that it confuses purpose with process and that the lease arrangement we have suggested would only delay their ultimate goal by a few years.

⁷ <https://www.gov.uk/government/news/scottish-home-for-poseidon-fleet-reaches-major-milestone>

⁸ <https://www.gov.scot/publications/about-supply-use-input-output-tables/>

⁹ <https://www.pressandjournal.co.uk/fp/news/1634218/natos-growing-use-of-island-missile-testing-range-revealed/>

¹⁰ <https://snpcnd.files.wordpress.com/2020/08/nuclear-guantanamo-on-the-clyde-v9.pdf>

Could an independent Scotland defend itself scot-free?

We suggest that the defence assets sustained by an independent Scotland plus those hosted within Scotland for use by the rUK, NATO and others may, taken together, generate upwards of £1 Billion in value (GVA) annually. Around £300 million of the economic impact may be sustained by maintaining activities in and around Lossiemouth. A conservative estimate suggests an additional economic impact of some £700 million per annum from the other activities set out above. Adding an estimated lease value of Faslane/Coulport might take this figure up to £1.2 Billion.

However, this would clearly require iScotland to secure the investment and political will to host “international” bases as described. In addition, as with any economic case, the Scottish government of the day would need to consider how best to capture at least part of this value in order to generate much needed tax revenues, or other contributions to public services, to fund further defence expenditure to meet its specific needs.

It is possible that additional lease values could be realised but friendly nations (and organisations) will be aware of the significant economic impact that would accrue from their use of bases in Scotland. Including a lease value for Faslane/Coulport in our calculations is predicated on its operations not being required or even desired in an iScotland and therefore compensation is appropriate. The case for a lease for Lossiemouth/Kinloss is not so clear, as iScotland stands to benefit from the presence of other nations and organisations and their capabilities there.

Could an independent Scotland defend itself scot-free?

Conclusions

Based on the arguments leading up to the current iteration of our iScotland defence forces model as previously described, it would appear that iScotland might be able to have its defence policies and armed forces, in the initial years of independence at least, at net zero cost.

Given that we suggest that the defence forces of an iScotland as per the latest iteration of our model might require a budget of between £1.1 - £1.3 billion per annum, and that at the same time the economic value of Scottish bases remaining open for friendly countries and other organisations might accrue an economic benefit of up to £1.2 billion, then iScotland might get its defence forces scot-free.



Stuart Crawford

Stuart Crawford is a former army officer and current defence analyst and commentator. He is co-author with Richard Marsh of [*A' The Blue Bonnets: Defending an independent Scotland*](#) (Royal United Services Institute, 2012).



Richard Marsh

Richard Marsh is an economist and Director of 4-consulting based in Scotland. He is a fellow of the Royal Statistical Society, elected fellow of the RSA and member of the Scottish Government's expert group advising on economic accounting, impact modelling and economic statistics.