

# 2007 Pre-Budget Report and Comprehensive Spending Review

## The Ministry of Defence

### **Increasing funding to defend the United Kingdom and its interests and strengthen international peace and stability.**

Over the last decade the Government has delivered the longest period of sustained real growth in defence spending since the 1980s. The 2007 Comprehensive Spending Review builds on this investment and grows planned defence expenditure by a further 1.5% a year over the CSR07 period, rising to a total budget of £36.9 billion by 2010-11- demonstrating the Government's strong commitment to defence at a time of acute operational intensity. The settlement allows the MOD to:

- proceed with two new aircraft carriers, which will be the largest ships ever sailed by the Royal Navy and a key part of modern expeditionary capability;
- make provision for the maintenance of the nuclear deterrent. As set out at the time of the Trident White Paper, provision for this will not be at the expense of the conventional capability our Armed Forces need. Investment in conventional capability will continue to grow over this period, as it has done since 2000; and
- provide for continued investment in accommodation for Service personnel, investing £550million over the CSR07 period, drawing on receipts from the anticipated sale of Chelsea barracks.

### **The Secretary of State for Defence, Des Browne, said:**

“The settlement continues the longest period of sustained real growth in planned defence spending since the 1980s; that is evidence of the Government's commitment to defence and to the men and women who serve with the utmost bravery in our armed forces.”

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## NOTES FOR EDITORS

1. As was announced in both Houses on 25 July 2007, the MoD 2007 CSR settlement consists of a total departmental expenditure limit for defence of £34.1 billion in 2008-09, £35.4 billion in 2009-10 and £36.9 billion in 2010-11.
2. The Department will also make net cash-releasing savings totalling at least £2.7bn by 2010-11. This will enable the MoD to deliver success in current military operations; force elements, manned, equipped and trained for future deployments; and future procurement and support of military equipment and non-equipment capability, through-life.
3. Alongside the two new aircraft carriers, this settlement also allows MOD to proceed with new protected vehicles for the Army, and additional Air Transport capability for the Royal Air Force.
4. MoD has disposed of over £1.5 billion of surplus assets since the 2002 Spending Review, and by the end of the CSR period this figure will have risen to £3 billion
5. The net additional cost of military operations will continue to be funded from the Reserves.

### Table

<b>Ministry of Defence baseline and additions</b>				
	<b>£ million</b>			
	<b>Baseline</b>	<b>Additions</b>		
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Resource DEL	32,618	984	2,547	4,084
<i>of which near-cash</i>	22,007	885	1,727	2,450
<i>of which administration</i>	2,317	-56	-111	-165
Capital DEL	7,404	467	783	1,467
<b>Total DEL<sup>1</sup></b>	<b>32,579</b>	<b>1,478</b>	<b>2,786</b>	<b>4,311</b>

<sup>1</sup> Full resource budgeting basis, net of depreciation.

For further details of MOD's settlement and Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* [www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see:

[www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

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