

# UK withdrawal from Germany: the end of an era

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British forces have been permanently stationed in Germany since 1945. The Government announced in 2010 as part of its *Strategic Defence and Security Review* that all the forces will be withdrawn by 2020. The Government argued that "there is no longer any operational requirement for UK forces to be based there, and the current arrangements impose financial costs on the UK, disruption on personnel and their families and opportunity costs in terms of wider Army coherence." It means that the Army will be almost completely UK-based for the first time in decades.

Approximately 15,000 service personnel are currently based in Germany, down from 20,000 at the time of the SDSR. The vast majority will return to the UK by the end of 2016.

Under the NATO status of Forces Supplementary Agreement the UK is obliged to pay reinstatement costs to the German Federal government, although the exact nature of those residual costs has yet to be determined.

This note provides a short overview of the withdrawal plans.

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#### 1 Reasons for the withdrawal

The 2010 Strategic Defence and Security Review gave four reasons for the decision to end the military presence in Germany: "there is no longer any operational requirement for UK forces to be based there, and the current arrangements impose financial costs on the UK, disruption on personnel and their families and opportunity costs in terms of wider Army coherence." The Defence Secretary has said the withdrawal "represents the logical conclusion of the ending of the Cold War."

The Army announced a major restructure since the SDSR, known as *Army 2020*, in July 2012 and a rebasing plan in March 2013 to accommodate the returning units from Germany. One example the MOD has given of how the withdrawal will save money is in grouping the Armoured Infantry Brigades around Salisbury Plain, thus avoiding the cost and expense of having two separate centres (in the UK and Germany) for armoured vehicle training and maintenance.<sup>3</sup> The Opposition has welcomed a "steady, costed withdrawal of UK troops from Germany."<sup>4</sup>

The annual cost for the military bases in Germany in 2011-12 was just over £900 million.<sup>5</sup> The MOD has estimated the annual contribution of UK service personnel based in Germany to Germany's Gross Domestic Product as at least £650 million.<sup>6</sup> The MOD argues that money will now benefit the UK economy.<sup>7</sup>

The SDSR acknowledged the "important role in demonstrating Alliance solidarity" and the "symbol of steadfast UK-German friendship" the British military presence in Germany has had.<sup>8</sup> The UK owes Germany a "huge debt of gratitude" for the support shown to its Armed Forces, the Defence Secretary Philip Hammond has said.<sup>9</sup>

#### 2 Timescale

The SDSR pledged to withdraw all forces from Germany by 2020 with half returning by 2015. The process was sped up in the Army Basing Plan announced in March 2013,<sup>10</sup> which envisages all but 4,400 troops of 20 Armoured Brigade in the UK by Christmas 2016. Those remaining personnel are currently earmarked to return to the UK in 2018-19.<sup>11</sup>

#### 3 Personnel and bases

At the time of the SDSR announcement there were approximately 20,000 service personnel based in Germany, all but 1,000 on Army bases, or 43,000 individuals if civilian staff and dependents are included.

As of September 2013 there are now fewer than 15,000 personnel. Current plans are to reduce it further to 12,480 by December 2014 and 6,800 by December 2015. The last major

<sup>&</sup>lt;sup>1</sup> HM Government, *The Strategic Defence and Security Review*, Cm 7948, October 2010, p28

<sup>&</sup>lt;sup>2</sup> HC Deb 5 March 2013 c856

<sup>&</sup>lt;sup>3</sup> HC Deb 5 March 2013 c856

<sup>&</sup>lt;sup>4</sup> HC Deb 5 March 2013 c848

<sup>&</sup>lt;sup>5</sup> HC Deb 31 October 2012 c294W

<sup>6</sup> HC Deb 12 January 2012 c418W

<sup>7</sup> HC Deb 8 October 2012 c658W

<sup>8</sup> HM Government, The Strategic Defence and Security Review, Cm 7948, October 2010, p28

<sup>9</sup> HC Deb 3 March 2013 c845

<sup>&</sup>lt;sup>10</sup> HC Deb 5 March 2013 c845-848

<sup>&</sup>lt;sup>11</sup> HC Deb 5 March 2013, c845 and c850

formation, 20 Armoured Brigade, will begin its withdrawal towards the end of the decade. The estimated cost of providing accommodation in the UK for soldiers returning from Germany is £1 billion which will come from the MOD budget. 13

The 1st (UK) Armoured Division is now the only British division to be stationed in Germany, from a peak of 4 divisions during the height of the Cold War.

The main bases and units in Germany are:

- Herford Station HQ 1st (United Kingdom) Armoured Division
- Bergen-Hohne Garrison 7th Armoured Brigade
- Paderborn Garrison 20th Armoured Brigade
- Gütersloh Garrison 102 Logistics Brigade
- Rhine Garrison HQ British Forces Germany

7<sup>th</sup> Armoured Brigade deployed to Afghanistan in October 2013 to lead Operation Herrick 19.

The Army Basing Plan provided a full list of units and future locations. Those related to Germany can be found in the appendix. A number of units have already been withdrawn from Germany and re-located to the UK (or Cyprus). 14 These are:

| Unit   | Location                     |
|--|------------------------------|
| 43 Close Support Squadron The Royal Logistic Corps   | Dalton Barracks, Abingdon    |
| 7 Theatre Logistic Regiment The Royal Logistic Corps | Kendrew Barracks, Cottesmore |
| Headquarters Allied Rapid Reaction Corps             | Imjin Barracks, Gloucester   |
| 2nd Battalion The Royal Regiment of Fusiliers        | Cyprus                       |
| 2nd Battalion The Yorkshire Regiment                 | Cyprus                       |

The MOD has said it is considering an invitation from Germany to use NATO training facilities in Germany.<sup>15</sup>

The withdrawal affects service families and locally engaged civilians. The following figures are taken from different time periods: There were approximately 6,379 spouses of personnel

<sup>&</sup>lt;sup>12</sup> HC Deb 6 September 2013 c543W

<sup>&</sup>lt;sup>13</sup> HC Deb 11 March 2013 c72W

<sup>&</sup>lt;sup>14</sup> HC Deb 16 October 2013 c740W

<sup>&</sup>lt;sup>15</sup> HC Deb 5 March 2013 c860

based in Germany in February 2013.<sup>16</sup> There are 5,270 civilians working in Germany for the MOD, of whom 4,280 are locally engaged civilians as of July 2013.<sup>17</sup>

There are currently around 5,000 children in school in Germany.<sup>18</sup> Mike Cooper, the Director of Children and Young People at the MOD, told British Forces News the relocation is a "massive challenge" to families and said the biggest challenge at the moment is knowing where the families will move to. Once the accommodation is known, the MOD can then work with local authorities to place children them in schools.<sup>19</sup> In 2011 the Government introduced a Service Premium to state primary and secondary schools in England to help children from Service families cope with issues surrounding service life. For 2013-14 it is £300 per pupil.<sup>20</sup>

### 4 Agreements and financial settlement

British forces In Germany are governed by a number of agreements including the *NATO* Status of Forces Agreement 1951 and the Supplementary Agreement of 1959 regarding foreign forces stationed specifically in what was then the Federal Republic of Germany (Cmnd 852, Session 1959-1960). Over the last 50 years the UK has also concluded several bilateral agreements on the local defence costs of British forces stationed in Germany and the offsetting of foreign exchange expenditure in this regard.

Under these agreements, and what is commonly referred to as peacetime host nation support, land for military purposes, buildings, some accommodation and a number of related public services are provided by the German government to British forces without payment; while those assets remain under the ownership of the Federal government. Initially the number of accommodation quarters provided without charge was estimated to be in the region of 13,000 properties. The costs of new construction for additional quarters and the maintenance and repair of existing properties and facilities are met by the Ministry of Defence. In September 2010 the value of the buildings owned by the MOD in Germany was estimated to be £380m.<sup>21</sup>

Prior to 1980 the German government contributed towards those costs, first by paying occupation costs and later by way of offset payment agreements intended to reconcile the impact of substantial differences in currency exchange rates between the UK and Germany. Those payments officially ceased however in 1980.<sup>22</sup>

Under these agreements (article 51 of the *Supplementary Agreement*), infrastructure that is no longer needed by the Sending state (in this case the UK) is required to be released, with prior notification, back to the appropriate German authorities for re-designation or disposal. The estate used by departing British forces over the next few years will therefore be handed back to the Federal government. Under article 52 of the Supplementary Agreement any costs for improvements to accommodation or other property legally owned by the Federal

<sup>&</sup>lt;sup>16</sup> HC Deb 12 March 2013 c161W

<sup>&</sup>lt;sup>17</sup> Ministry of Defence, *Quarterly location statistics*, 1 July 2013

<sup>&</sup>lt;sup>18</sup> British Forces News, *Drawdown: the impact on education,* 1 October 2013

<sup>&</sup>lt;sup>19</sup> British Forces News, *Drawdown: the impact on education,* 1 October 2013

For more on the Service Premium see School funding: Pupil Premium, House of Commons Library Standard Note SN06700, 15 August 2013

<sup>&</sup>lt;sup>21</sup> HC Deb 13 September 2010, c735W

These payments were determined under the Exchange of Notes concerning Local Defence Costs of United Kingdom Forces in the Federal Republic and related Measures of Mutual Aid in Accordance with Article 3 of the north Atlantic Treaty, Cm 256 (1957) and subsequent amendments (Cm 588, 1958 and Cm1313, 1961) and the Agreement for Offsetting the Foreign Exchange Expenditure on British Forces in the Federal Republic of Germany, various years.

Government but paid for by the UK out of its own funds, shall be reimbursed by the Federal Government. The same is also true of equipment and supplies procured by the UK which, by mutual agreement, are to remain. Those residual costs are to be agreed between the two governments.

However, there may also be compensatory costs to be met by the UK for any damage caused to accommodation or property under article 41 of the *Supplementary Agreement*. Again, those costs will have to be agreed or waived by the respective governments. When asked how much the MOD had paid to the German Government on each occasion since 1981 that British forces stationed in Germany were returned to the UK, then Defence Minister said since 1989 (when information is available) "the total sum paid out to Federal Republic of Germany in this regard has been €332,126."<sup>23</sup>

The MOD says negotiations are underway with the German authorities for a "final, one-time settlement of all financial claims." Then Defence Minister Andrew Robathan, when asked about costs. said:

The requirement for resolution of any environmental issues relating to the estate vacated by the British Forces in Germany (BFG) is detailed in the Supplementary Agreement to the NATO Status of Forces Agreement and the Ministry of Defence is committed to adhering to this in consultation with the German authorities.

Negotiations are well under way with the German authorities for the final, one-time settlement of all financial claims arising from the release of accommodation, including those relating to pollution, the treatment of property procured from funds made available to the UK by Germany in the 40s and 50s, and the residual value of sterling-funded investments in the estate.

The final settlement will also take into account any improvements and betterment carried out to the estate since the UK took over control of the estate.<sup>25</sup>

None of the £1.8 billion allocated to the Army Basing Plan will be used for any payments to the German authorities.<sup>26</sup>

Under these agreements a Party is also required to provide two years written notice of their intention to withdraw from its obligations. The MOD gave formal notice in October 2010 at the time of the SDSR.

#### 5 Members concerns

Members have tabled a number of questions about the withdrawal plans. These include questions about the timetable; the amount the UK Government might have to pay the German Government; the assistance given to local authorities in the UK who will receive an influx of service personnel and families; and the impact on local communities in Germany affected by the base closures.

British Forces News has several films examining the impact of the withdrawal on service families and local communities, which are available on their website.

<sup>&</sup>lt;sup>23</sup> HC Deb 27 April 2011 c416W

 $<sup>^{24}~</sup>$  HC Deb 10 September 2013 c670W

<sup>&</sup>lt;sup>25</sup> HC Deb 10 September 2013 c670W

<sup>&</sup>lt;sup>26</sup> HC Deb 14 March 2013 c352W

## 6 Previous reductions and a short history of the British Army of the Rhine

British forces stayed on in Germany after 1945 initially as an army of occupation. With the formation of the North Atlantic Alliance in 1949, they then assumed a role of one of a series of national forces along the inter-German frontier, seeking to resist any potential Warsaw Pact invasion. Under the 1954 Paris Agreement, Britain committed itself to maintaining an Army of four divisions and a tactical air force in Germany.<sup>27</sup>

The structure of British forces in Germany has changed considerably since the end of the Cold War. Prior to the Options for Change defence review of 1990-91, there were nearly 70,000 service personnel based in continental Europe, the vast bulk of them in western Germany. The British Army of the Rhine deployed over 50,000 soldiers, over a third of the UK Army total.

The 1991 *Options for Change* defence review halved the level of British forces in Germany and the RAF was withdrawn. This was in response to the changing dynamics of the post-Cold War environment and attempts by the Government to seek cost savings.<sup>28</sup> The British Army of the Rhine was reduced to a strength of 1 Armoured Division (now 1<sup>st</sup> (UK) Armoured Division) with supporting troops. The latter has been stationed in Germany since 1960. The British Army of the Rhine ceased to exist as a formation from 1 April 1994.<sup>29</sup>

The Strategic Defence Review in 1998 made further recommendations on the reduction of troops in the country. Further changes were announced by the Labour Government as part of a review of British Forces in Germany (BFG) with a number of units withdrawn from Germany from 2006 onwards. At the time, then Armed Forces Minister Adam Ingram pledged to keep 1 Armoured Division in Germany "for many years to come." <sup>30</sup>

#### 7 US drawdown from Germany

The US is also reducing its footprint in Germany. In early 2012 the Department of Defense announced a new defence strategy that involves a number of deactivating a number of units based in Germany, including two armoured brigade combat teams.<sup>31</sup>

The specific recommendation of Options for Change in relation to Germany are briefly outlined in Library Research Paper 04/71, *The Defence White Paper*, 17 September 2004

David French, Army, Empire and the Cold War: The British Army and military policy 1945-1971, 2012 p30

28
The appelies recommendation of Options for Change in relation to Comment are briefly sufficed in Library.

A history of the British Army of the Rhine and units within it can be found on the *British Army of the Rhine website;* BBC Four produced a film on the history of the *British Army of the Rhine* that was broadcast in January 2013.

<sup>&</sup>lt;sup>30</sup> HC Deb 24 July 2006, c71-2WS

A Fieckert, "Army drawdown and restructuring: Background and issues for Congress", Congressional Research Service R42493, 5 March 2013, p15

## Main Locations for troops returning from Germany<sup>32</sup>

#### Cottesmore

• 7 Force Logistic Regiment, Royal Logistics Corp – 2013

#### North Luffenham

- 2 Medical Regiment 2015
- 1 Military Working Dogs Regiment 2015

#### Grantham

• HQ 102 Logistic Brigade - not before 2015

#### Leuchars

- Royal Scots Dragoon Guards 2015
- 2 Close Support Battalion, Royal Electrical and Mechanical Engineers not before 2015

#### Catterick

- 1 Military Intelligence Battalion 2015
- 4th Battalion, Royal Regiment of Scotland 2015
- 1 Regiment, Royal Military Police not before 2015
- Royal Lancers<sub>12</sub> 2015
- 32 Engineer Regiment 2015

#### Dishforth

• 6 Force Logistic Regiment, Royal Logistics Corp – not before 2016

#### York

• HQ 1st (UK) Division - 2015

#### Albemarle

3rd Regiment, Royal Horse Artillery - 2015

#### Stafford

• 16 Signal Regiment – 2015

<sup>&</sup>lt;sup>32</sup> C Mills, *Army Basing Review 2013*, House of Commons Library Standard Note SN06598, 3 April 2013