

# Defence invests billions into UK prosperity

The MOD has released the official statistics for 2018/19 regional expenditure with UK industry, commerce and employment, putting the total MOD expenditure at £19.2 billion.

The report demonstrates the Government's commitment to doing more than ever to improve the defence enterprise while invigorating the economy, creating hundreds of thousands of jobs across the country and championing a Global Britain.

Defence Secretary Ben Wallace said:

Defence continues to provide security and prosperity for the UK as we see billions invested in every corner of the country and the subsequent hundreds of thousands of jobs.

As we continue to innovate and improve the defence enterprise, it is essential that we recruit and retain the best of British skills and talent to ensure we meet our goals.

The 2018/19 expenditure supported an additional 3000 jobs compared to the previous year, which means roughly 1 in every 220 people are working in full-time roles to support defence. Through both expenditure with UK industry and direct employment, the MOD supported over 322,000 jobs, with 306,000 based in the UK.

The South West continues to lead in employment, followed closely by the South East. The South West is a notable defence hub with helicopter manufacturing in Yeovil and Rolls Royce engine manufacturing in Bristol. The South East is home to several key suppliers including Babcock, BAE and Thales, amongst many others.

Defence Minister James Heappey said:

It is great to see how our investment is expanding employment opportunities and ensuring value for money for each taxpayer.

Defence is a prime example of how we can level-up our economy by investing in the talented people across our country.

An average of £290 is being spent on defence for each person living in the UK. This figure has stayed consistent over the past three years after adjusting for inflation. Wales saw an 11 per cent rise in overall expenditure, the highest of all areas.

Wales also saw the largest rise in jobs at 22 per cent. This boost can be attributed to a 79 per cent increase in training related jobs thanks to the increased payments to the UK Military Flying Training Service at RAF Valley. An additional 400 Welsh jobs were also supported by work on the AJAX vehicle.

In Scotland, MOD expenditure rose by 4.6 per cent, making Scotland the only region to see a year-on-year increase in total expenditure since 2013/14, with an average yearly increase of 4 per cent.

The report indicates that the Government's National Shipbuilding Strategy is coming into fruition. MOD expenditure on shipbuilding continued to increase, rising by a further 2 per cent since 2017/18. Shipbuilding in the North West now accounts for 60 per cent of the region's MOD investment, up from 53 per cent in 2017/18.

ADS Chief Executive Paul Everitt said:

The UK defence industry directly employs 135,000 people in every region and nation of the UK and is proud to supply our Armed Forces with the world-leading equipment and services it needs to protect our national security.

We look forward to continuing work with the MOD on current and future programmes such as the UK's future combat air capability and Type 31 frigates, supporting thousands of high-value, high-skilled jobs. It is important Government and industry work in close partnership to seize the opportunity for further levelling up of employment and income in the years ahead.

Overall, the MOD Regional Expenditure with UK Industry and Commerce and Supported Employment 2018/19 statistical bulletin presents the sum of MOD expenditure with industry and commerce, with the UK broken down by region and industry group. It then calculates the number of full-time equivalent jobs this expenditure supports.

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## **Progress for Oxford-Cambridge Arc as government announces preferred East West Rail central section**

- preferred central section route announced in a step forward for East West Rail
- new rail line, if approved, could present opportunities to boost 'innovation corridor' and improve passenger access

- announcement follows launch of separate £500 million fund established to bring back lines and stations lost under the Beeching cuts of the 1960s

The government has today (30 January 2020) announced the preferred route for the central section of East West Rail (EWR), which could see a significant boost delivered for local transport connectivity across the Oxford-Cambridge Arc ('the arc').

Following consultation last year, the preferred route could see the new rail line run from Bedford to Cambridge, serving new stations along the way. This will lead to the government making a final decision on whether to take this project forward, and to make an application for a developed consent order (DCO).

Paul Maynard, the minister responsible for East West Rail, and minister George Freeman, who is visiting Cambridge today following the announcement, both welcomed progress on the vital project as an important step towards improving connectivity in the region and supporting economic growth in the arc. The East West Rail Company will now take forward work to develop more detailed route alignment proposals, in consultation with the local communities.

Minister for Future of Transport George Freeman said:

East-West Rail has the potential to improve rail links to support opportunities for new housing, reduce congestion and pollution and unlock the economic potential across the region.

By boosting rail connectivity we can improve access to economic opportunities for people in this area, and boost the quality of life in this vital arc.

Minister for East West Rail Paul Maynard said:

East West Rail could help us revolutionise transport in the Oxford-Cambridge arc, increasing people's access to job opportunities while making travel quicker, cheaper and easier.

Today's announcement, following our £500 million fund to bring back lines and stations lost during closures in the 1960s, shows we're backing up our commitment to improving access to opportunities across the country.

On top of connectivity and travel benefits, EWR has the potential to support new homes and jobs in the arc, dubbed the UK's own Silicon Valley. The government is committed to ensuring that future development demonstrates high standards of design and environmental sustainability and with local infrastructure and affordable housing in place.

Housing Secretary Rt Hon Robert Jenrick MP said:

Today's announcement is great news for the region. These plans could see significant improvements to transport links across the Oxford-Cambridge Arc, one of the most exciting economic growth opportunities in Europe, while also potentially helping us to deliver the homes that people need.

I want to make sure that any of these new homes are built to a high standard and all future development in the area is well designed, beautiful, environmentally friendly and embrace the latest technologies. These communities will be world class and a blueprint for forward looking design across the country.

Housing Minister Rt Hon Esther McVey MP said:

Today's announcement could further boost jobs, growth and opportunities across the Oxford-Cambridge Arc, where so many of the greatest innovations in the world come from.

We know we need to build more houses so this generation has somewhere to call their own – that's why we will continue to support projects nationwide as we make strides towards our target of delivering at least one million much-needed new homes over the next five years.

Today's announcement follows the opening of a [£500 million Beeching reversal fund](#) on Tuesday 28 January, ensuring isolated communities who lost vital rail links have the connectivity they need. Communities have been invited to pitch for investment that could see local lines reopened, helping to level up regional economies and boosting access to jobs and education.

East West Rail is a major ambition to revitalise 21st century connectivity on the old route of the Varsity line, one of many lines across the country closed during the Beeching cuts.

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**[Local line update: 30 January 2019](#)**



Today I am announcing the preferred route for the Bedford to Cambridge section of the East West Rail line between Oxford and Cambridge. This follows a public consultation last year on 5 route options.

The preferred route, route E from the consultation would link Bedford Midland, a new station between Sandy and St Neots, a new station at Cambourne and Cambridge station. The route would provide improved connectivity between towns and cities across the Oxford-Cambridge Arc, improving passenger journey times and supporting the Oxford-Cambridge Arc to fulfil its economic potential as a world-class strategic innovation Arc.

The Bedford to Cambridge section of East West Rail has been designated a [Nationally Significant Infrastructure Project](#).

The preferred route will now be the focus for further development. This further development work will include environmental and engineering studies to identify potential route alignments on which the railway could run, within the preferred route option and will lead to the government making a final decision on whether to take this project forward, and to make an application for a developed consent order. In advance of submitting the application for development consent order, we will confirm that there are no material changes that might have affected our preferred route choice.

Published 30 January 2020

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## 31 million taxpayers to get April tax cut

- 31 million people to benefit from a tax cut, as National Insurance contributions thresholds to rise to £9,500 per year.
- A typical employee will pay around £104 less in 2020-21.
- Changes underline government's commitments to ensure that work pays and put more money into the pockets of hard-working people.

A typical employee will save around £104 in 2020-21, while self-employed people, who pay a lower rate, will have £78 cut from their bill.

The government is today setting out the National Insurance thresholds for 2020-21, with the level at which taxpayers start to pay NICs rising by more than 10 per cent to £9,500 per year for both employed and self-employed people.

Chancellor of the Exchequer Sajid Javid said:

We're determined to do what we promised and put more money into the pockets of ordinary hard-working people. That's why we're starting this government as we mean to go on, by cutting their bills.

We want everyone to feel that they can contribute to the new chapter we are opening for the economy and our country, because under this Government work will always pay.

The government is committed to keeping tax low to ensure people keep more of what they earn. Ministers have pledged that the rates of income tax, National Insurance and VAT will not rise, and the government has set out an ambition to raise the National Insurance thresholds to £12,500, putting almost £500 a year into people's pockets.

All the other thresholds for 2020-21 will rise with inflation, except for the upper NICs thresholds which will remain frozen at £50,000, as announced at Budget 2018.

The government is setting out all of the National Insurance contributions thresholds now to ensure individuals can, as promised, benefit from April 2020.

The threshold changes will not affect low earners' entitlement to contributory benefits such as the State Pension, with the Lower Earnings Limit and Small Profits Threshold, above which individuals start building entitlement to contributory benefits, rising with the CPI measure of inflation.

Since 2010 the personal allowance, the level at which people start paying income tax, has risen from £6,475 to £12,500, an increase of over 90% in less than a decade.

The typical basic rate taxpayer now pays over £1,200 less income tax compared to 2010-11.

In addition to increasing the NICs threshold the Government will also end the freeze to working age benefits, which has been in place since 2016. From April 2020 the majority of working-age benefits will be uprated in line with inflation.

#### **Further information**

- The changes will be made through three separate SIs laid today: “The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2020” ; “The Social Security Benefits Up-rating Order 2020” ; and “The Tax Credits, Child Benefit and Guardian’s Allowance Up-rating Regulations 2020”.

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## **UK’s largest UN mission draws to a close after four successful years**

Over the last four years the UK has had 300 personnel deployed to the UN mission in South Sudan. This highly successful deployment has built two hospitals and upgraded local infrastructure including schools, prisons and bridges.

To help prevent sexual violence UK personnel have upgraded 16km of roads so local women can safely travel to collect food and water. This activity has contributed to preventing instances of sexual violence along the route. Complementing this, the UK troops have provided self-defence classes to over 300 women in the Protection of Civilian camp, along with training on women’s rights.

Minister for the Armed Forces Anne-Marie Trevelyan said:

Our contribution to South Sudan has seen the largest deployment of UK military peacekeepers in two decades and while our contribution to the UN mission draws to a close our commitment to a peaceful future for the people of South Sudan remain as strong as ever.

The professionalism and skill of our troops has shone through over the last four years, not only in the huge contribution to essential

infrastructure, but also the dedication to improving the lives of local people.

Everyone I've met here, from politicians to UN officials have only the highest praise for the work of our Armed Forces in South Sudan.

The Minister presented medals to the last rotation of personnel

UK service personnel have also undertaken a wide-range of educational and employment workshops. Tutoring local civilians on the English language and computer lessons as well as practical skills such as carpentry and mechanics.

As our peacekeepers return from South Sudan, a new task force is preparing to deploy to the UN mission in Mali, maintaining the UK's peacekeeping contribution.

The UK will continue to work closely with the South Sudanese Government, the UN and international partners to support the country as it addresses its security and development challenges.

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