

# Defence secures largest investment since the Cold War

Combined with the manifesto commitment of a 0.5% uplift, the total increase for Defence is a substantial £24.1 billion.

Today's announcement funds a generational modernisation of the Armed Forces so they can defend the UK against future threats, while cementing Britain's role as a leader in NATO and stimulating thousands of highly skilled jobs across the UK.

A radical program of innovation and modernisation will create up to British 10,000 jobs a year, and support thousands more livelihoods as the nation builds back better from the coronavirus pandemic.

The investment will underpin the revitalisation of shipbuilding, funding a significant expansion of Royal Navy vessels to create the biggest surface fleet of modern warships in Europe.

An additional £1.5 billion will be poured into military research – including for the Future Combat Air System – allowing the Armed Forces to tackle the threats of tomorrow and to make sure the UK can stand shoulder to shoulder with our allies across the globe.

For the hard-working men and women of the armed forces, the funding will go towards improving their day to day lives – whether through the wrap around childcare offer or improved living conditions, their health and wellbeing will be protected.

## **Defence Secretary Ben Wallace said:**

This is excellent news for Defence, and provides us with the financial certainty we need to modernise, plan for the future, and adapt to the threats we face. It demonstrates the Prime Minister's recognition of how important Defence is to our resilience, and to the reputation of the United Kingdom.

This settlement secures UK jobs and livelihoods, allows us to invest in our fantastic shipyards and aerospace industry, spreading prosperity to every corner of the UK.

Next year represents a huge opportunity for this country, and Defence will be at the forefront of creating the jobs and business opportunities that will help us build back from the pandemic.

Over the next few months, I will set out in more detail our ambitious agenda for Defence.

In recent years, our adversaries have developed and weaponised a myriad of emerging technologies which go beyond the traditional warfighting domains of air, land and sea.

That's why the Prime Minister has announced a new agency dedicated to developing Artificial Intelligence, the creation of a National Cyber Force and a new 'Space Command' that will protect the UK's interests in space and control the UK's first satellite launched from a UK rocket by 2022.

The National Cyber Force will disrupt terrorists, hostile state activity and criminals and transform the UK's cyber capabilities. This Ministry of Defence and GCHQ partnership will conduct responsible cyber operations ranging from countering terror plots to supporting military operations.

**Chief of the Defence Staff, General Sir Nick Carter, said:**

This multi-year settlement is very welcome for the Armed Forces. It funds a pathway to modernisation and the digital force we need for the 2030s, integrated across the domains of maritime, air, land, cyber and space.

It allows us to adapt in the near-term to deter the range of complex threats we face. It secures the defence of our country, gives meaning to the vision of Global Britain, and sends a powerful message to our allies and opponents.

Thanks to the cash injection, other technologies including autonomous vehicles, swarm drones, and cutting-edge battlefield awareness systems will be developed for military use.

These developments will be underpinned by a strong R&D pipeline, which will contribute to the already over 400,000 skilled jobs supported by Defence.

The £16.5 billion investment confirms our order of 8 Type 26 and 5 Type 31 frigates, commits us to the next generation Type 32, and supports the future solid support ships that will supply our Carrier Strike Group.

Whilst this is reassuring news for the defence industry, Defence will not overlook the challenges that are ahead, to continue addressing the savings still required and the efficiencies we need to make.

In the years ahead, Defence will continue to research, invest and adapt its equipment to become a greener and more sustainable industry. As the UK prepares to lead the COP26 summit in Glasgow next year, Defence will be working to reduce the emissions footprint of our armed forces around the globe.

With this significant financial settlement, the UK will stand proudly alongside our friends and allies as a top investor in Defence. The Integrated Review that we will publish in early 2021 will further signal our ambition for the armed forces.

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## The Economic Secretary's keynote speech to TheCityUK 2020 Conference

Good morning everyone

It's a real privilege to speak to you all today.

While I immensely value the way that technology has enabled us to communicate with one another over the past months...

I very much look forward to talking to you live and in person again – just as I have in the past.

The theme of today's event is revitalisation.

Or perhaps, to borrow the phrase the Chancellor used last week, a “new chapter”.

But before I turn to that subject – I'll start with a moment of reflection.

I've been Economic Secretary for almost three years now.

That might not sound very long – but believe me it is aeons in politics.

A lot has changed since I started in the job – both within the financial services sector and more widely...

but over the past eight months, Covid-19 has transformed our lives.

I don't underestimate for one moment, the test of leadership this pandemic has presented to you all – the people at the helm of this vitally important industry.

But you've risen to the challenge.

As the Chancellor said last week, the past months have shown your sector at its best.

It's your industry that has safeguarded the savings and pensions of millions of people through the choppiest waters imaginable.

It's your frontline workers, in banks and call centres, who have helped people access the vital financial services they need.

And it's your sector that has helped the Government swiftly and efficiently issue £60 billion of loan payments that have helped keep one million businesses afloat.

So, thank you for everything you've done and continue to do.

We're acutely aware of the disruption caused by the further restrictions, that we recently had to introduce to combat the virus.

We are grateful for your patience and we'll be setting out further detail on our next steps as soon as possible.

But now I want to look slightly further ahead.

## **New Vision for FS**

And I'm particularly glad to speak to you today because this event is very timely.

This moment, as we come to the end of the Transition Period, and begin our economic recovery from coronavirus...

marks the start of a new chapter for this country's financial services industry.

And last week the Chancellor, began that chapter, by setting out the Government's vision for the future of the sector.

It's a vision of an open industry, where British finance and expertise drives trade, commerce and prosperity with partners in Europe and around the world.

A technologically advanced industry, that uses all its ingenuity and talent to deliver better outcomes for consumers and businesses.

A greener industry, that harnesses innovation and finance to tackle climate change and protect our environment.

And above all, an industry that serves the people of this country, acting in the interests of communities and citizens...

creating jobs, supporting businesses, and driving growth as we direct all the strength of this country towards economic recovery.

Needless to say, this vision will be based on world-beating regulation that is agile and responsive, along with safe and stable markets.

Last week I laid the legislative foundations of that vision with the Financial Services Bill.

While the Chancellor announced new policy in three areas that underpin our vision: Openness, technology and green finance.

## **Openness to international markets**

I'll turn to the first point – openness.

Our approach is very simple. We want to become the most open and competitive financial services centre in the world.

And our most urgent task right now is to give certainty on our approach to regulation.

To achieve that, we need to decide on our approach to equivalence; one of the central mechanisms for managing our cross-border financial services activity within the EU and beyond.

We strongly believe it is in the UK and EU's mutual interest to reach a comprehensive set of decisions on mutual equivalence.

As I think you know, our ambition had been to manage these decisions cooperatively with the EU.

However, it has become clearer that there are many areas where the EU is not prepared to even assess the UK in the short to medium term – despite having a wealth of information at its disposal.

We've no wish to politicise this situation but we simply can't allow the uncertainty to rumble on interminably – that's no good for industry or the economy.

It's time for us to move forward and do what's right for the UK.

That's why last week we published a set of equivalence decisions for the EU and EEA member states, based on outcomes based proportionate assessments.

It's a step that should provide the certainty and stability you, as industry, need, and deliver our goal of open, well-regulated markets.

We've taken a principled approach, aiming to be open, predictable and transparent, as we've made those decisions.

In addition, we've published a detailed framework for our general approach to equivalence, taking a technical, outcomes-based approach which prioritises stability openness and transparency.

It's important too that our UK businesses benefit from a level playing field, as far as possible.

As I'm sure you're aware, UK financial services businesses cannot currently reclaim input VAT on exports to the EU.

So, to make sure UK financial services exports to the EU remain competitive, we will treat them the same as exports to other countries.

This means UK firms will be able to reclaim input VAT on financial services exports to the EU – support worth £800 million per year.

And just as we are focused on providing certainty to financial services after the Transition Period...

we also want to help your industry seize new opportunities outside the EU.

Earlier this year we took a major step forward with our partnership with

Switzerland.

While we recently had a productive economic and financial dialogue with India – and hope to hold a dialogue with Brazil before the end of the year.

We've also just signed a trade deal with Japan that goes further than the EU's financial services deal, and that will take effect in January.

And financial services are a key feature of talks with other partners, such as the US, Singapore, Australia and New Zealand.

In addition, last week we announced our intention to launch a call for evidence on our overseas regime...

This will allow us next year, to tailor our future approach to enable market access to investment funds from other countries.

And to build on the 113,000 jobs already supported by the asset management industry, we've also said we are going to publish a consultation on reforming the UK investment funds regime.

We've also heeded the investment industry's request that we make it easier to invest in longer term, illiquid assets, such as infrastructure.

I know this is also an area of interest for TheCityUK.

So, I was delighted that last week we set out our ambition to have a Long Term Asset Fund and have it up and running within a year.

This won't just be good for savers and the industry.

It will also be good for the UK, boosting investment in the vital infrastructure that will support our economic recovery.

## **Technology**

While our investment industry is one of the jewels of our financial services sector, so is our thriving fintech industry...

a sector that has generated 76,000 jobs, right around the country.

So, now let me turn to the next part of our vision for financial services – technology.

We want to reach our full potential in this area.

That's why we're looking forward to studying the recommendations of Ron Kalifa's independent review, on how the UK can become the leading destination for starting up, growing and investing in FinTech firms.

In addition, we continue to take a leading role in the global conversation on Central Bank currencies...

with the Treasury and the Bank of England considering whether and how central

banks can issue their own digital currencies.

On that note, we're going to launch a consultation on our regulatory approach to StableCoins.

And this will help us seize the opportunities of this emerging form of payment but ensure it meets the same minimum standards as more traditional methods.

While we're on that subject, we've all seen how digital and contactless payments are helping to keep the economy moving throughout the pandemic.

And through our Payments Landscape Review, we've been considering the new challenges and risks that arise from this rapid switch to these new forms of payments.

We do have some work to do on this front.

So, I'm delighted that we received over 60 responses to the review to help inform our decisions. And we'll be setting out our next steps early in 2021.

## **Green Finance**

I'll move on now to the last area of policy I'd like to discuss today – harnessing the power of financial services to tackle climate change.

This is a real personal priority of mine.

In fact, last time I spoke to you, I talked about the need to turn this challenge into a spur for technological, economic and social progress.

Because we really do want to take a lead here.

That's why last year we launched the Green Finance Strategy – to mobilise investment in clean and resilient growth.

And now as we prepare to host the COP 26 UN climate conference next year and the G7 conference, we have a real chance to shape the future agenda in this area.

So, I'm delighted that last week we announced our intention to introduce mandatory Taskforce on Climate Related Financial Disclosures, requirements across the economy by 2025, with a significant portion of requirements in place by 2023.

This is a really significant moment. It makes this country the first to go beyond 'comply or explain' or 'as far as able' requirements...

while the UK's TCFD Taskforce Interim Report, also published last week, sets out how we will meet this important commitment.

We've also said that we'll issue our first ever green sovereign bond.

I know that it's something some of you have been calling for some time – so

I'm delighted to show you that we've made progress on this front.

## **Wider Programme of Regulatory Reform**

These policies begin a new chapter for financial services.

And they are part of an ambitious programme of regulatory reform being undertaken by the Government.

Because now we've left the EU, we have the opportunity to take back control of decisions governing the sector...

and to be guided by what is right for the UK – to regulate differently and regulate better.

As I mentioned earlier, last week, the Financial Services Bill had its second reading in Parliament, marking the next stage of our reform agenda.

The Bill will deliver several existing government commitments and will help ensure the UK maintains its world leading regulatory standards, as well as ensuring our openness with international markets.

And, we're also taking a fundamental review of our Financial Services Regulatory Framework.

This will allow us to consider how we may need to change the way we make and shape our future rules, now we have left the EU...

while building on the strengths of our existing framework and on the role played by our independent financial service regulators.

We're also carrying out a number of other reviews in areas that we know are a priority for industry...

including looking at the Solvency II Directive to make sure it properly reflects the unique features of the UK insurance sector.

So, as you can see, we are at the start of a new chapter.

And while all of this is going to keep me and my team busy.

It's not a job for us alone. It's going to take the collective efforts of us all.

And I really do mean all of us – from the biggest bank to the smallest fintech start-ups in every part of the country.

Indeed, as the Chancellor said last week financial services are not synonymous with the City of London.

That's why, over the coming weeks, I'll be making a point of meeting those of you based outside of the Capital, as I know that you are going to play a crucial part in realising our vision.



I'll wind up by saying that I really do mean that it is a privilege to talk to you today.

And I very much look forward to working with you all over the weeks and months ahead...

so we can together make this next chapter for your sector even better than the one before.

Thank you.

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## **Government announces £300 million Sport Winter Survival Package to help spectator sports in England**

- Emergency funding to protect the immediate future of major spectator sports in England
- Support will be provided to rugby union, horse racing, women's football and the lower tiers of the National League football
- Rugby league, motorsport, tennis, netball, basketball, ice hockey, badminton and greyhound racing also in line to benefit
- Unprecedented sport package by a national government in addition to hundreds of millions of pounds sports clubs have received through the covid business support schemes

Major spectator sports in England will receive a combined £300 million cash injection to protect their immediate futures over the winter period, the Government has announced.

The Sports Winter Survival Package will support sports – from national governing bodies through to clubs – impacted by coronavirus restrictions.

The funding, which will be largely composed of loans, is the most generous of any Government for its domestic sport sector in the world, and will focus on sports severely impacted over the winter.

Support will be provided to rugby union, horse racing, women's football and the lower tiers of the National League. Rugby League, motorsport, tennis, netball, basketball, ice hockey, badminton and greyhound racing are also in line to benefit.

Preliminary allocations have been made on a needs based assessment process and reflect the submissions made from the individual sports, and the funding process will be overseen by an independent decision-making board and supported by Sport England.

Today's announcement builds on support the government has already given the sport sector to help it stay afloat during this difficult time. Earlier this year the Government stepped in to [protect rugby league with £16 million in emergency loans](#), and in October [announced that £100 million would be provided to support council-run leisure centres](#) most in need. Sport England announced a £220 million emergency fund for grassroots clubs in April.

These interventions were on top of the multi-billion pound package of business support from the Treasury that have enabled many sports clubs and leisure businesses to survive, including the furlough scheme and business interruption loan scheme. Sports have accessed many hundreds of millions of pounds of support through this.

**Oliver Dowden, Secretary of State for Digital, Culture, Media and Sport, said:**

Sports clubs are the beating hearts of their communities, and this £300 million boost will help them survive this difficult winter period.

We promised to stand by sports when we had to postpone fans returning. We are doing just that by delivering another £300 million on top of existing business support schemes.

Britain is a sports powerhouse, and this Government will do everything we can to help our precious sports and clubs make it through covid.

**Nigel Huddleston, Sports Minister, said:**

Over the past few weeks we have worked tirelessly with sport governing bodies and clubs across the country to fully assess what support is needed, as a result of the decision to postpone the return of fans.

We know the vast majority of sports – many of which operate on tight financial margins – have been making serious cost reductions, such as locking down grounds, taking up the furlough scheme for many staff and halting excess payments.

Whilst the Government's overall economic package has provided a significant buffer, it is absolutely right that we now intervene to protect entire sports, and the communities they support, as we navigate this pandemic.

**Steve Barclay, Chief Secretary to the Treasury, said:**

Sport is a key part of our national life, an important contributor

to our economy and a key hub within many communities.

Protecting that sporting heritage and supporting as many jobs within the sports sector as possible is an important step in ensuring that our economy can bounce back from the impacts of the covid pandemic. Alongside this financial support, we now need to ensure that fans can return to sports events as soon as it is safe to do so.

**Tim Hollingsworth, Chief Executive of Sport England, said:**

These are unprecedented times for our sector, and those sports and leagues that rely so heavily on spectators for their income that have been especially impacted by the pandemic. The role they play in their local communities is vital and this package of support from Government will be hugely welcomed.

Alongside our wider support for grassroots and community sport, Sport England is working very closely with Government colleagues on the design of this fund and we look forward to playing a key role in its successful and swift delivery.

Full details on the Sports Winter Survival Package, including when it will open, eligibility and how to apply, will be announced by Sport England in due course. It is expected that the first tranche of funding will be distributed in the coming weeks.

ENDS

Notes to editor

Preliminary breakdown of funding by sport, based on needs assessment:

**Rugby Union: £135 million**

- Rugby Football Union: £44 million
- Premiership Rugby clubs: £59 million
- Championship Rugby clubs: £9 million
- Rugby clubs below Championship: £23 million

**Horseracing: £40 million**

- Racecourses: £40 million

**Rugby League: £12 million**

**Motorsport: £6 million**

- Owners/operators of major circuits (Silverstone, Goodwood, The British Automobile Racing Club, MotorSport Vision): £6 million

**Tennis: £5 million**

- Lawn Tennis Association: £5 million

**Netball: £4 million**

- England Netball: £2 million
- Super League Netball: £2 million

**Basketball: £4 million**

- Basketball England: £1 million
- British Basketball League clubs (including Women's British Basketball League clubs): £3 million

**Ice Hockey: £4 million**

- Elite League: £4 million

**Badminton: £2 million**

- Badminton England: £2 million

**Greyhound racing: £1 million**

- Greyhound Board of Great Britain: £1 million

Please note these are all indicative figures based upon provisional returns provided to DCMS to produce an initial assessment of need. Each sport will need to go through an application process to access the support they are eligible for under the final design of the scheme. The final amount received by each sport/organisation may differ from the amounts set out above when final decisions are made by an independent decision-making board, and supported by Sport England.

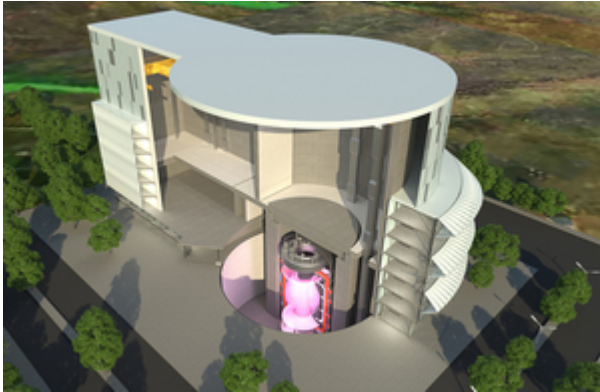
The devolved administrations have been provided with an upfront guarantee this year of £16 billion above their Spring Budget 2020 funding to support their response to Covid-19. It is for the devolved administrations to decide how to use this funding irrespective of how UK government provides support in England.

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## **[UK fusion energy ambitions underlined in Government's 10-point green plan](#)**

News story

UKAEA has welcomed the Government's endorsement for fusion energy in its new plan for combatting climate change.



Conceptual illustration of the STEP fusion power plant

The [Ten Point Plan for a Green Industrial Revolution](#) includes fusion on the UK's pathway for transforming the country's energy provision by 2050, alongside renewables, nuclear fission, hydrogen, carbon capture and electric transport and other clean technologies.

In particular, the Government reaffirms its commitment to UKAEA's STEP (Spherical Tokamak for Energy Production) programme, which aims to build a prototype fusion power plant in the UK by the early 2040s.

The Government plan states: "We are doubling down on our ambition to be the first country in the world to commercialise fusion energy technology, enabling low carbon and continuous power generation.

"We are already providing £222 million for the visionary STEP programme, which aims to build the world's first commercially viable fusion power plant in the UK by 2040, and £184 million for new fusion facilities, infrastructure and apprenticeships to lay the foundations of a global hub for fusion innovation in the UK."

Design work for STEP is well underway and the search for a site to host the plant will soon be launched.

UKAEA CEO Professor Ian Chapman said:

"The Government's ten-point plan lays a path for how the UK can combat climate change. UKAEA is delighted to see fusion included in the plan and the Government's continued support for realising its huge potential.

"The UK's Spherical Tokamak for Energy Production power plant aims to be one of the first in the world producing electricity from fusion power. This will open the way for fusion to provide clean energy around the world."

Published 19 November 2020

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## Bankruptcy restrictions extended for former Chief Executive

Christopher Michael Hutcheson (72) of Wrotham Heath, Kent, received a four-year Bankruptcy Restrictions Order (BRO) from the High Court.

He is now banned from running limited companies and must disclose his status when he attempts to secure £500 or more in credit.

The Official Receiver found that Christopher Hutcheson had transferred his share of the sale proceeds of his family home in September 2017 amounting to more than £328,000.

Christopher Hutcheson transferred the money five months before applying for his own bankruptcy in February 2018 despite having promised the proceeds of the sale to the tax authorities, the court heard.

The Judge found that some of the evidence put forward by Christopher Hutcheson to explain these transactions were disingenuous.

A Bankruptcy Restrictions Order was made at the High Court by Chief Insolvency and Companies Judge Briggs on 5 November.

Fiona Cushley, Deputy Official Receiver at the Insolvency Service, said:

Christopher Hutcheson disposed of his only tangible asset to his wife knowing that this money should be shared amongst all of his creditors.

Christopher Hutcheson was in business for many years and knew how the tax regime works. This transfer only happened after the tax authorities started asking for payment.

The result of this case shows that further restrictions can be made if people do not follow the rules of bankruptcy and the Insolvency Service will not hesitate to take action where appropriate.

Christopher Michael Hutcheson is of Wrotham Heath in Kent and his date of birth is 14/05/1948.

He was the former Chief Executive of Gordon Ramsay Holdings Limited.

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct.](#)

You can also follow the Insolvency Service on: