



Published 16 March 2017 - Revised 17 August 2017

This publication presents MOD expenditure with UK industry and commerce in 2015/16 broken down by UK region and industry group. The number of jobs supported by this expenditure in the UK is also presented, broken down by region and industry group. The statistics include direct MOD expenditure with UK industry and commerce only, and exclude all other MOD spend types.

Key Points and Trends

In 2015/16:

- MOD expenditure with UK industry and commerce was **£18.7 billion**
- **£290** was spent for each person living in the UK
- The highest expenditure per person was seen in the South West at **£810**
- The lowest expenditure per person was in Yorkshire and The Humber at **£40**
- MOD expenditure with UK industry and commerce supported **121,150** jobs¹ in the UK
- MOD expenditure with UK industry and commerce supports **1 in every 200** jobs¹ in the UK
- The region with the highest proportion of jobs¹ supported by MOD expenditure with UK industry and commerce was the South West at **1 in every 70** jobs¹.
- The region with the lowest proportion of jobs¹ supported by MOD expenditure with UK industry and commerce was Yorkshire and The Humber at **1 in every 1,250** jobs¹

MOD regional expenditure with UK industry and commerce per capita, 2015/16



¹. FTE employment is referred to as 'jobs' for brevity.

Responsible statistician:

Defence Expenditure Analysis Head of Branch

Tel: 030 679 34531 Email: DefStrat-Econ-ESES-DEA-Hd@mod.uk

Further information/mailing list:

DefStrat-Econ-ESES-DEA-StatTL@mod.uk

Background quality report:

[[Click Here](#)]

Would you like to be added to our **contact list**, so that we can inform you about updates to these statistics and consult you if we are thinking of making changes? You can subscribe to updates by emailing DefStrat-Stat-Enquiries-Mailbox@mod.uk

Contents

Introduction.....	page 2
MOD expenditure with UK industry.....	page 3
MOD expenditure with UK industry: Breakdown by region.....	page 4
MOD expenditure with UK industry (per capita): Breakdown by region.....	page 5
MOD expenditure with UK industry: Breakdown by industry group.....	page 7
Jobs supported by MOD expenditure with UK industry.....	page 8
Jobs supported by MOD expenditure with UK industry: Breakdown by region.....	page 9
Jobs supported by MOD expenditure with UK industry per 100,000 FTE employment: Breakdown by region.....	page 10
Jobs supported by MOD expenditure with UK industry: Breakdown by industry group.....	page 12
Methodology.....	page 13
Glossary.....	page 14
Further Information.....	page 16

Introduction

This publication provides statistics on direct MOD expenditure with UK industry and commerce (referred to as MOD expenditure with UK industry from here onwards for brevity). Tables and figures present statistics for the most recent financial year and comparisons will be made in the narrative to previous financial years where appropriate. Statistics for all three financial years are available in the supplementary [Excel tables](#).

MOD direct expenditure with UK industry will be presented broken down in several ways to demonstrate where and with what industry the MOD spends its money. These statistics therefore do not provide information on indirect expenditure further down the supply chain. Expenditure will be presented:

- by [NUTS 1 regions](#) (for clarity these will be referred to as regions in text).
- per capita by UK region, to provide some context to the expenditure figures. By presenting expenditure per capita the population differences between regions are accounted for.
- by industry group.

This publication also presents estimates on the number of full-time equivalent (FTE) jobs supported by **direct** MOD expenditure with UK industry. These statistics therefore do not provide information on jobs supported through indirect expenditure further down the supply chain. The job statistics will be presented:

- by [NUTS 1 regions](#) (for clarity these will be referred to as regions in text).
- as the number of FTE jobs supported for every 100,000 people in FTE employment in each region. This measure is similar to the per capita expenditure figure as it takes into account the employment levels of each region, and will make these figures more directly comparable.
- by industry group.

Several assumptions have been made during analysis of this data. For further information on these, and for more detailed explanations of the applications and limitations of this data, please refer to Section 3 of the [Background Quality Report](#).

MOD Expenditure with UK Industry

Total MOD expenditure with UK Industry was **£18.7 billion** in 2015/16. This is a decrease of 2.2 per cent from 2014/15 where expenditure was **£19.2 billion**. Between 2013/14 and 2014/15 MOD expenditure with UK industry increased by 1.5 per cent from **£18.9 billion** to £19.2 billion.

Comparisons over time: overall

These statistics are based on MOD contract information and display natural variability. Because of this, we would expect total expenditure to fluctuate year-on-year due to large value contracts starting and ending across different financial years or large one-off payments occurring. MOD Direct Expenditure figures published up until 2009 in [UK Defence Statistics](#) showed a similar amount of variation between years to the figures presented above.

This publication includes statistics for only three financial years; therefore it is not possible to make comments on trends in the figures. Although we have seen a reduction in MOD expenditure with UK industry from 2014/15 to 2015/16 it can be seen that current expenditure with UK industry is now back to a similar level as it was in 2013/14. As more data is collected over the coming years it will be possible to create a longer time series and make judgments about whether we are seeing a *sustained* rise or fall in MOD expenditure with UK industry.

Comparisons over time: by region and industry group

Throughout the bulletin we will, however, compare data across different financial years when it is broken down by region or industry. Whilst the same year-on-year variation is present at a regional or industrial level, whether expenditure increased or decreased in different regions and industries is still informative. For example MOD expenditure with UK industry may have fallen overall but some regions may have seen a rise. With a short time series these conclusions could be due to the inherent variability of contract data and not indicative of a long-term trend. Therefore we compare regional and industrial *rankings* over time rather than looking at actual expenditure figures and percentage changes. These comparisons should still be used with caution.

Comparisons over time: accounting for inflation

In simple terms, inflation is an increase in prices due to a fall in the value of a currency. Inflation of 2 per cent would mean that something that you could purchase for £1 in 2014 would cost you £1.02 in 2015. Because of this, inflation can mask effects when comparing expenditure across different years. To account for inflation, expenditure is calculated in constant prices. This adjusts expenditure in one year so that it is in another year's prices.

Throughout the rest of the bulletin, constant 2015/16 prices are used when comparing across different financial years.

Comparisons over time: to previously published statistics

Please note that these statistics are broadly similar to the Direct Expenditure with UK industry statistics published until 2009 in [UK Defence Statistics](#), but should not be directly compared due to methodological differences.

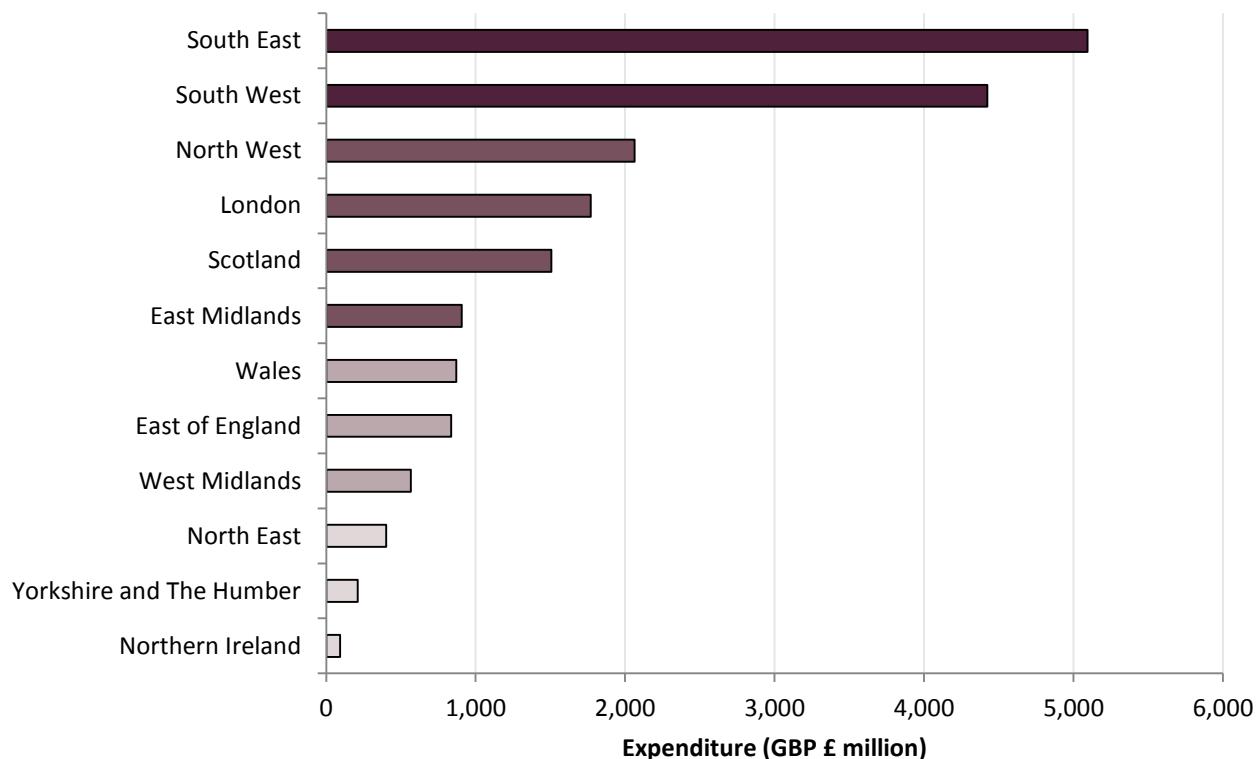
To access all of the data in both current and constant prices please see the supplementary [Excel tables](#). For further information on the effect of inflation please see Section 1.3 of the [Background Quality Report](#).

MOD Expenditure with UK Industry: Breakdown by Region

Overall MOD spent **£18.7 billion** with UK industry in 2015/16. MOD expenditure with UK industry was highest in the South East of England at **£5.1 billion**, followed by the South West of England at **£4.4 billion**. The South East and South West of England account for just over half of MOD expenditure with UK industry.

The lowest expenditure figures are seen in Yorkshire and The Humber and Northern Ireland at **£211 million** and **£92 million** respectively.

Figure 1: MOD expenditure with UK industry, broken down by region 2015/16



Source: Defence Economics (MOD)

MOD expenditure with UK industry was 2.2 per cent lower in 2015/16 than 2014/15. However, four out of the twelve regions saw an increase in MOD expenditure with UK industry during this period. These regions were the East Midlands, London, the North West of England and Scotland. Both Scotland and the North West of England also had increases in expenditure with UK industry between 2013/14 and 2014/15, showing that expenditure in these areas has continued to rise.

Despite overall expenditure levels rising between 2013/14 and 2014/15 the East of England, the North East of England, the West Midlands and Yorkshire and The Humber have all seen decreases in expenditure with UK industry year-on-year since 2013/14.

Four regions have higher levels of expenditure in 2015/16 than they did in 2013/14. These regions are London, the North West of England, Scotland and Wales.

See Tables 2 and 3 in the supplementary [Excel tables](#) for a full regional breakdown of expenditure from 2013/14 to 2015/16, in both current and constant 2015/16 prices.

MOD Expenditure per Capita with UK Industry: Breakdown by Region

To make comparisons of expenditure regionally we have calculated expenditure per capita (per person). Per capita figures take into account the population of an area.

MOD average expenditure per capita for the UK was £290 in 2015/16.

Figure 2 shows that MOD expenditure per capita is highest in the **South West of England at £810**, compared to the lowest figure in **Yorkshire and The Humber at £40**. Presented per capita MOD expenditure is dominated by the South of England, with the South West and South East having the two highest expenditure per capita figures. London has however fallen to 6th place in Figure 2, from 4th in Figure 1 which displays total expenditure, due to its high population density. Wales was 7th in Figure 1 and rises to 4th in Figure 2 where per capita figures are presented. Wales and Scotland have similar per capita figures, both rounding to £280, with Scotland 5th in the regional rankings.

Figure 2: MOD Expenditure per capita with UK industry, broken down by region 2015/16

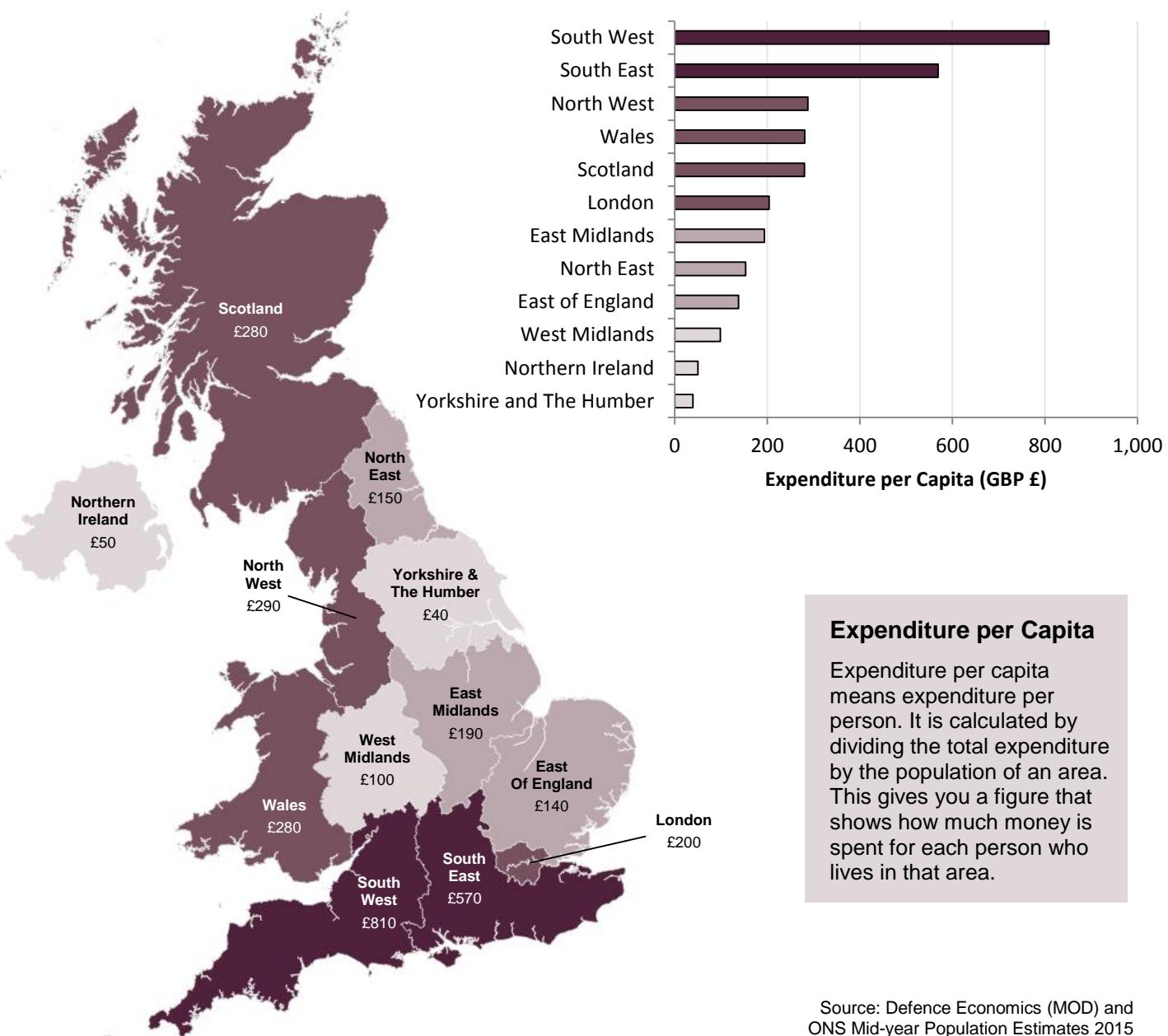


Figure 3 shows the 12 regions ranked by expenditure per capita in 2015/16 and shows how these rankings vary compared to those in 2013/14 and 2014/15.

Figure 3: MOD Expenditure with UK industry per capita, ranked from highest (1) to lowest (12) by region 2013/14 - 2015/16

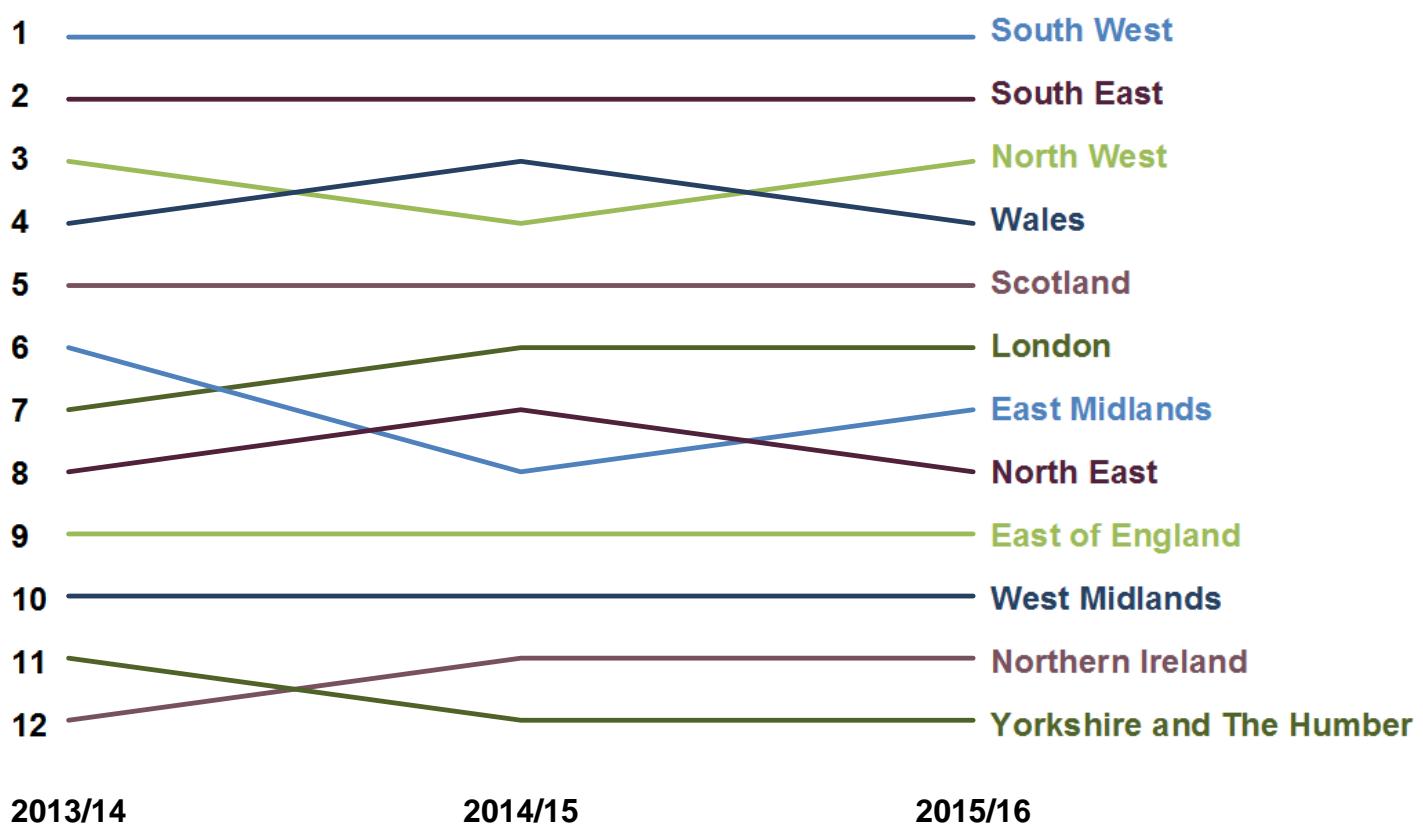


Figure 3 shows that there is not much variation in the regional rankings across the three financial years. When regions do change rankings they never change by more than two ranks. The top two regions were the South West and the South East in all three financial years. The bottom two regions were Northern Ireland and Yorkshire and the Humber in all three financial years, however these two regions swap positions between 2013/14 and 2014/15.

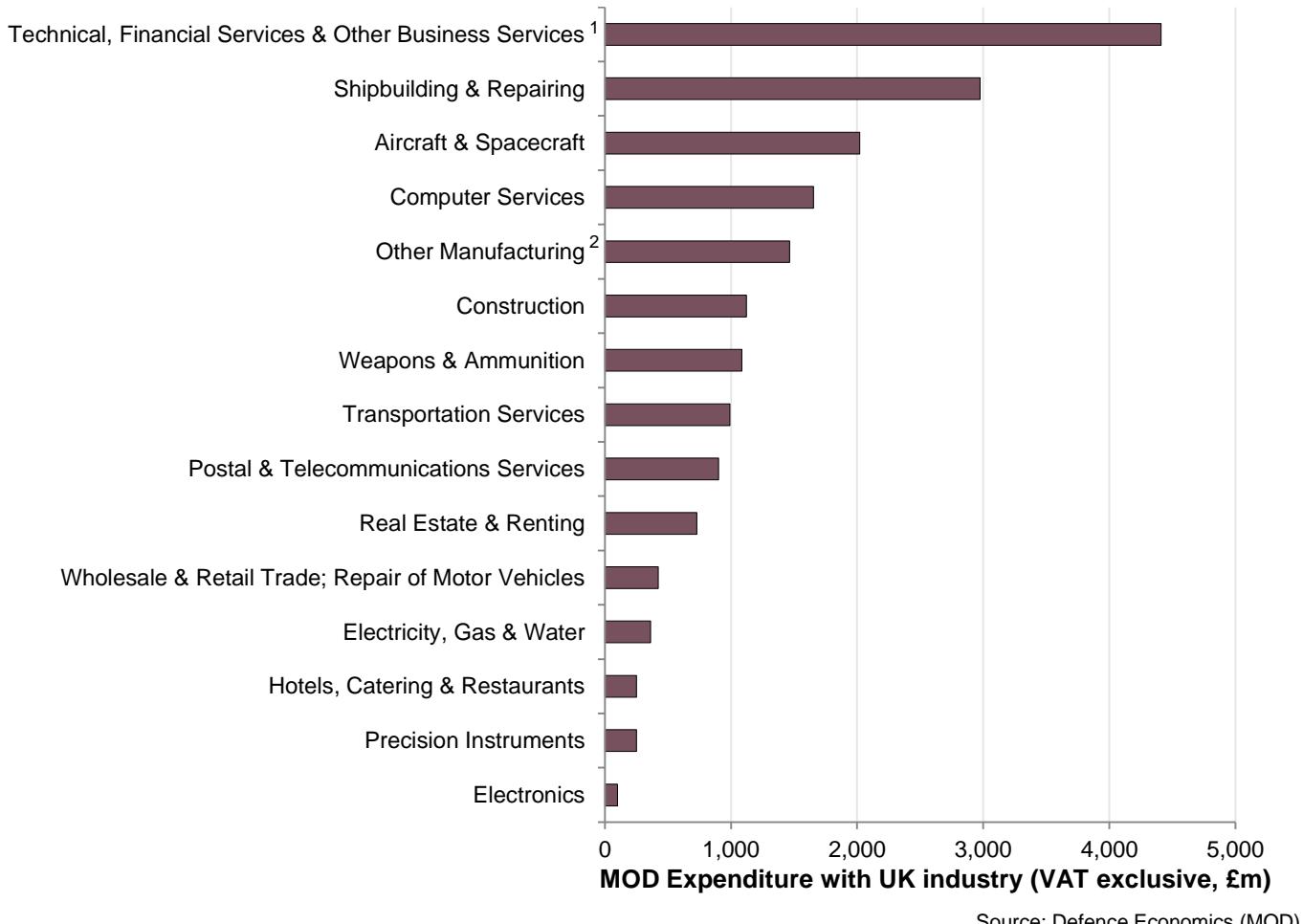
See Tables 4 and 5 in the supplementary [Excel tables](#) for a full regional breakdown of per capita expenditure from 2013/14 to 2015/16, in both current and constant 2015/16 prices.

MOD Expenditure with UK Industry: Breakdown by Industry Group

Standard Industrial Classification (SIC) codes are collected on the MOD contract system and classify which specific industry a contract relates to. These SIC codes are grouped together into industry groups.

Please note that only one SIC code is assigned to each contract, despite the fact that many contracts will involve multiple different industries. On some of the higher value contracts we have sought more detailed industry information, however for the majority of contracts only a single code is available.

Figure 4: MOD Expenditure with UK industry, broken down by industry group 2015/16



The industry group that had the highest level of MOD expenditure in 2015/16 was *Technical, Financial Services*.... This category contains a wide range of activities including legal services, accounting, management consultancy, technical testing and analysis, and research and development. It is not possible to identify these services separately due to data quality issues. *Shipbuilding and Repairing* received almost £3 billion of expenditure and *Aircraft and Spacecraft* over £2 billion, making them the 2nd and 3rd highest industry groups respectively.

Technical, Financial Services... also had the highest level of expenditure in 2013/14 and 2014/15. In 2014/15 *Shipbuilding and Repairing* and *Aircraft and Spacecraft* remained in 2nd and 3rd place respectively.

This information has already been published in the [Trade, Industry and Contracts bulletin](#) 2016, which was recently revised. For more information about expenditure by industry groups, in both current and constant 2015/16 prices see Tables 6 and 7 in the supplementary [Excel tables](#).

1. Includes 'Financial Services, Business Activities, Education, Health, & Other Service Activities'.

2. Excludes 'Weapons & Ammunition', 'Electronics', 'Precision Instruments', 'Shipbuilding & Repairing' and 'Aircraft & Spacecraft'.

Jobs supported by MOD Expenditure with UK Industry

It is estimated that MOD expenditure with UK industry supported **121,150** full-time equivalent jobs in 2015/16 (this is equivalent to **1 in every 200** jobs in the UK). This figure is derived from direct MOD expenditure with UK industry and therefore does not reflect employment supported by indirect expenditure further down the supply chain. This figure is 6.3 per cent lower than in 2014/15 when **129,350** jobs were supported and 2.5 per cent lower than in 2013/14 when **124,200** jobs were supported. As shown on page 3, overall expenditure with UK industry was £0.5 billion lower in 2015/16 than it was in 2014/15. Therefore it would be expected that fewer jobs would be supported by MOD expenditure as less money was spent with UK industry.

The figure of 121,150 jobs only includes jobs supported through MOD expenditure with UK industry and does not include civilian personnel employed by the MOD or those serving in the armed forces. [Figures published by Defence Statistics](#) show that in [October 2015](#) the MOD employed 52,860 civilian personnel and 152,150 UK regular forces. This shows that through both expenditure with UK industry and direct employment the MOD supported just over **330 thousand** jobs in 2015/16, just over **300 thousand** of which were based in the UK.

Full-Time Equivalent employment versus jobs

Full-time equivalent (FTE) employment is a figure that allows part-time workers' hours to be put into the same units as full-time workers. For example if an individual worked part-time at 20 hours a week, this would mean their FTE was 0.5, if a full-time worker was assumed to work 40 hours per week.

This publication often uses the term 'jobs' rather than 'full-time equivalent employment' for brevity.

Comparisons over time

As the number of jobs supported is calculated from the expenditure figures presented on page 3, they exhibit the same inherent variability. Because of this it is not possible to make comments on trends in the data. Therefore, although there has been a reduction in the number of jobs supported by MOD expenditure with UK industry from 2014/15 to 2015/16, this could be due to the variability of contract data and not indicative of a longer trend.

As more data is collected over the coming financial years it will be possible to create a longer time series and make judgments about whether we are seeing a *sustained* rise or fall in the number of jobs supported by MOD expenditure with UK industry. However the current statistics should not be used to draw such conclusions.

As with the expenditure figures, the report will compare regional and industry group breakdowns across different financial years. Whilst the same year-on-year variation is present at a regional or industrial level, whether the number of jobs supported increased or decreased in different regions and industries is still informative. Therefore we compare regional and industrial *rankings* over time rather than looking at actual jobs figures and percentage changes. These comparisons should still be used with caution as any changes could be due to the inherent variability of contract data.

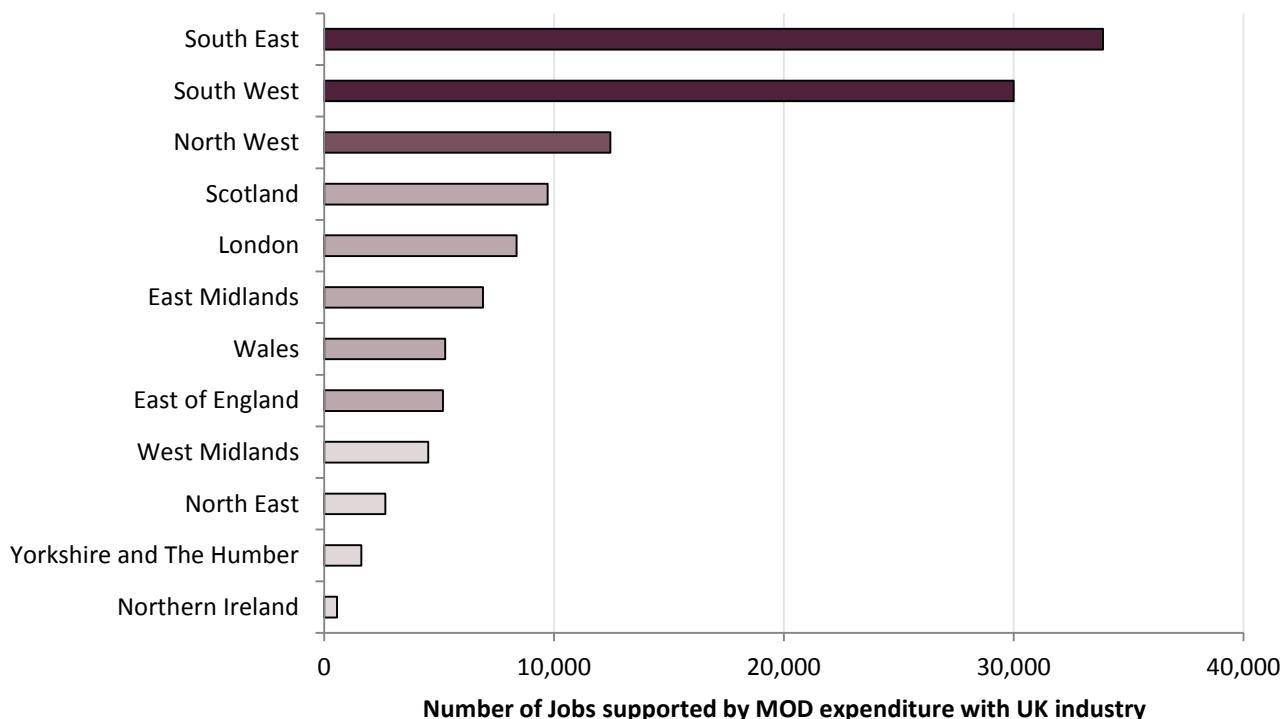
Please note that these statistics are broadly similar to the Estimated UK Employment Dependent on MOD Direct Expenditure published until 2009 in [UK Defence Statistics](#), but should not be directly compared due to methodological differences.

Jobs supported by MOD Expenditure with UK Industry: Breakdown by Region

MOD expenditure with UK industry supported **33,900** jobs in the South East of England in 2015/16; this is more than any other region (this is equivalent to **1 in every 100** jobs). The next highest number of jobs was in the South West of England, where **30,000** jobs were supported (this is equivalent to **1 in every 70** jobs). Overall MOD expenditure supported 121,150 jobs and therefore just over half of these were in the South East and South West of England. In comparison the lowest ranked region was Northern Ireland, where it was estimated **550** jobs were supported by MOD expenditure with UK industry.

Three regions saw an increase in the number of jobs supported through MOD expenditure with UK industry between 2014/15 and 2015/16; the East Midlands, the North West of England and Scotland. The North West of England and Scotland also saw an increase in supported jobs between 2013/14 and 2014/15. Four regions have more jobs supported in 2015/16 than in 2013/14; the East Midlands, the North West of England, Scotland and Wales. The other eight regions all saw a decrease in jobs supported by MOD expenditure with UK industry across this period.

Figure 5: Jobs supported through MOD Expenditure with UK industry, broken down by region 2015/16



Source: Defence Economics (MOD),
ABS turnover figures and BRES employment figures

See Table 8 in the supplementary [Excel tables](#) for a full regional breakdown of the number of jobs supported from 2013/14 to 2015/16.

Jobs supported by MOD Expenditure with UK Industry per 100,000 FTE employment: Breakdown by Region

To compare the number of jobs supported by MOD expenditure with UK industry across regions we have calculated jobs supported per 100,000 people in full-time equivalent (FTE) employment in each region. This adjusts the figures for the population and employment levels of the regions.

Figure 6 shows that after adjusting for the employment levels of each region, **1,500** jobs were supported by MOD expenditure in the South West for every 100,000 people in FTE employment, and in the South East that figure was **990**. Comparing this to the next highest region, Wales had **500** jobs supported by MOD expenditure per 100,000 and the lowest figure was in Yorkshire and The Humber, with **80** jobs per 100,000.

Using the unadjusted figures in Figure 5 the South East was the highest region closely followed by the South West. However once the figures have been adjusted for population and employment levels in Figure 6 it can be seen that the South West rises to the highest position and a much larger difference is apparent between it and the South East.

Figure 6: The number of jobs supported through MOD Expenditure with UK industry for every 100,000 people in FTE employment, broken down by region 2015/16

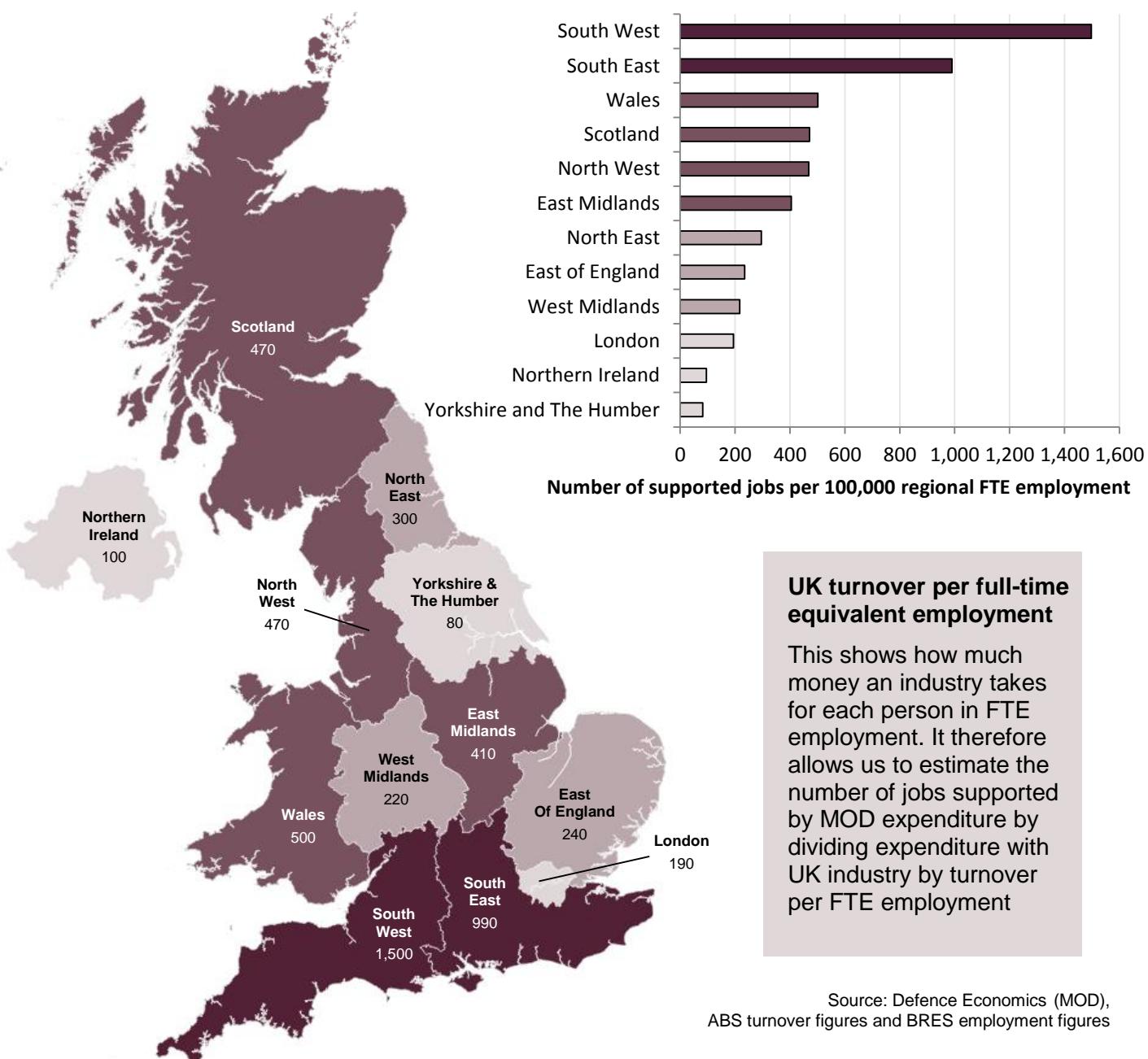


Figure 7 shows the 12 regions ranked by the number of jobs supported through MOD expenditure with UK industry for every 100,000 people in FTE employment in 2015/16 and shows how these rankings vary compared to those in 2013/14 and 2014/15.

Figure 7: The number of jobs supported through MOD Expenditure with UK industry for every 100,000 people in FTE employment, ranked from highest (1) to lowest (12) by region 2013/14 - 2015/16

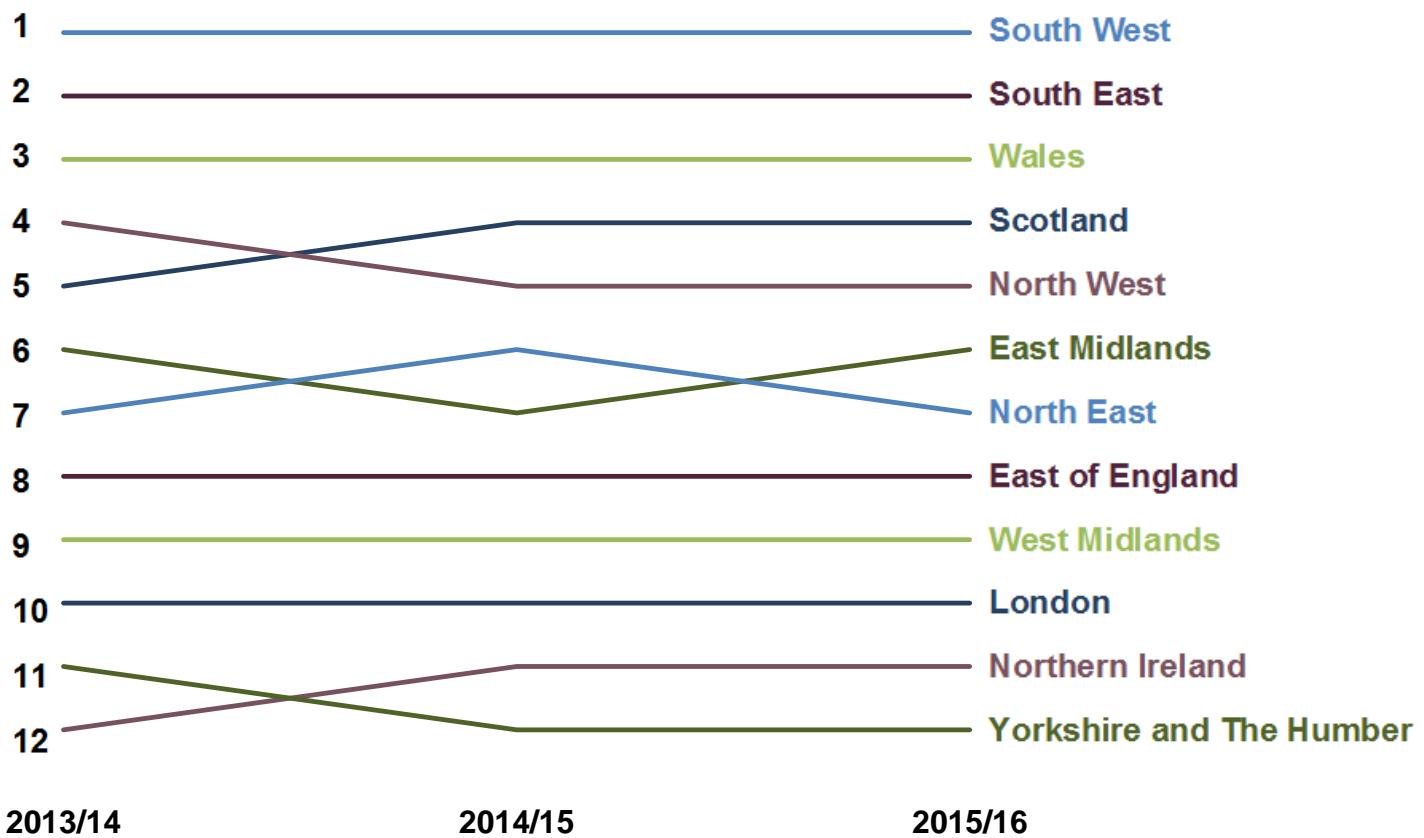


Figure 7 shows that there is not much variation in the regional rankings across the three financial years with six of the twelve regions remaining in the same position throughout. When the regions do change rankings, they never change by more than one rank. The top three regions were the South West, South East and Wales in all three financial years. The bottom two regions were Northern Ireland and Yorkshire and the Humber in all three financial years, however these two regions swap positions between 2013/14 and 2014/15.

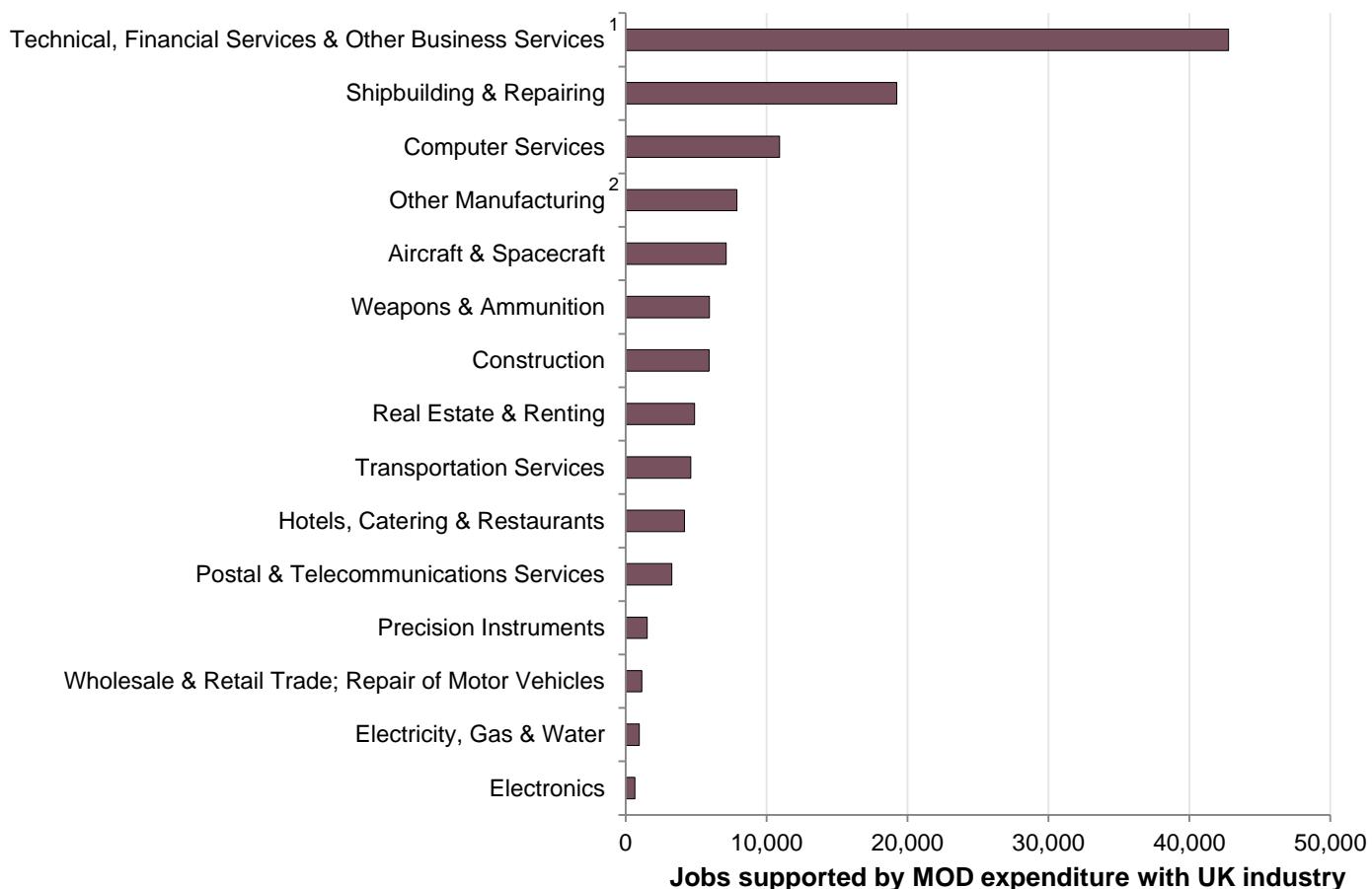
See Table 9 in the supplementary [Excel tables](#) for a full regional breakdown of the number of jobs supported for every 100,000 people in FTE employment from 2013/14 to 2015/16.

Jobs supported by MOD Expenditure with UK Industry: Breakdown by Industry Group

Standard Industrial Classification (SIC) codes are collected on the MOD contract system and classify which specific industry a contract relates to. These SIC codes are grouped together into industry groups. From this we can estimate how many jobs are supported in each industry group by dividing MOD expenditure with UK industry in each group by turnover per FTE employment.

Please note that only one SIC code is assigned to each contract, despite the fact that many contracts will involve multiple different industries. On some of the higher value contracts we have sought more detailed industry information, however for the majority of contracts only a single code is available.

Figure 8: The number of jobs supported through MOD Expenditure with UK industry, broken down by industry group 2015/16



Source: Defence Economics (MOD), ABS turnover figures and BRES employment figures

The highest number of jobs supported through MOD expenditure with UK industry are in the *Technical and Financial Services...* industry. This category contains a wide range of activities and is made up of many SIC codes that cannot be identified separately due to data quality issues (including legal services, accounting, management consultancy, technical testing and analysis, and research and development). In 2015/16 MOD expenditure supported **42,800** jobs in this industry.

The second highest category is *Shipbuilding and Repairing*. *Aircraft and Spacecraft* is in 5th place in this figure, with *Computer Services* and *Other Manufacturing* in 3rd and 4th place respectively.

For more information about the number of jobs supported, by industry group from 2013/14 to 2015/16, see Table 10 in the supplementary [Excel tables](#).

1. Includes 'Financial Services, Business Activities, Education, Health, & Other Service Activities'.

2. Excludes 'Weapons & Ammunition', 'Electronics', 'Precision Instruments', 'Shipbuilding & Repairing' and 'Aircraft & Spacecraft'.

Methodology

This short section on methodology sets out the processes and methods used to create the tables and charts in this bulletin. More detailed explanations of data sources and methodologies used in this publication can be found in the supplementary [Excel tables](#) and [Background Quality Report](#). Any specialist terminology or acronyms used below (and throughout the publication) are defined in the Glossary on page 14.

Regional Expenditure Figures

Location of Work (LOW) codes associated with HQ contracts were used to allocate expenditure to specific regions and calculate expenditure with UK industry. This expenditure was added to the Miscellaneous contracts that had a UK postcode as the billing address. Expenditure with Other Government Departments (OGDs) and Trading Funds (TFs) was removed from the HQ and Miscellaneous contracts and added back in with improved location and SIC information. This included expenditure with AWE, DIO, NETMA, OCCAR, DSTL, DSG/DECA, HRMS and JPA. Once all of this expenditure was combined we had a total figure for MOD expenditure with UK industry, broken down by region. This information is also presented as expenditure per capita which was calculated using ONS mid-year population data. This is presented on choropleth maps to show expenditure in each region of the UK.

Industry Group Expenditure Figures

HQ contracts have SIC code information associated with them so this was used to calculate expenditure by industry group for these contracts. Miscellaneous contracts have no SIC code assigned to them so the distribution of SIC codes from the HQ contracts was applied here. Expenditure against OGD or TF contracts that did not have a SIC code was distributed following discussion with project teams. Once this expenditure was combined we had a total figure for MOD expenditure with UK industry, broken down by SIC group. These SIC groups were aggregated into industry groups.

Calculating Jobs Supported by MOD Expenditure with UK Industry

Turnover per full-time equivalent (FTE) employment for the UK was calculated by dividing turnover figures obtained from the ABS, by employment figures obtained from the BRES. We were then able to divide MOD expenditure with UK industry, for each region and industry group, by the turnover per FTE employment figure. This gave us an estimate of how many jobs are supported by MOD expenditure with UK industry in each region and each industry group. This information is also presented as the number of jobs supported for every 100,000 people in FTE employment in the area, which was calculated using employment figures from the BRES.

Assumptions Made During Analyses

Various assumptions have had to be made throughout the process when concrete or reliable information was not available. These assumptions are listed in the [Background Quality Report](#).

Glossary

Annual Business Survey (ABS) is the main business survey carried out by the ONS. It is used to collect financial information on a large proportion of the UK economy and includes figures such as turnover, employment costs and capital expenditure.

Atomic Weapons Establishment (AWE) works under contract to the MOD and is responsible for national nuclear security and supporting the Continuous At Sea Deterrence (CASD) programme.

Business Register and Employment Survey (BRES) is a survey carried out by the ONS that provides information on employee and employment estimates broken down by location and industry.

Constant Prices indicate a value from which the effects of inflation have been removed. A constant price refers to a year as the basis for the calculation, e.g. “constant 2015/16 prices”. This would mean that historic expenditure figures have been adjusted so that they are in 2015/16 prices, and take account of the effects of inflation.

Current Prices are when expenditure is presented without removing the effects of inflation. This can cause difficulties when comparing expenditure across different years as inflation affects the value of a currency.

Defence Electronics and Components Agency (DECA) is a government organisation dedicated to maintenance, repair, overhaul, upgrade and procurement in defence avionics, electronics and components.

Defence Infrastructure Organisation (DIO) is responsible for the day-to-day estates activity at the MOD including maintenance, construction and sustainability of rural and built MOD estates.

Defence Science and Technology Laboratory (DSTL) is a Trading Fund of the MOD created in July 2001. It supplies impartial scientific and technical research and advice to the MOD and other government departments.

Defence Support Group (DSG) was a former Trading Fund of the MOD created following the merger of Army Base Repair Organisation (ABRO) and Defence Aviation Repair Agency (DARA) on 1 April 2008. On 1 April 2015 the land repair and maintenance business was sold to Babcock. The remaining part of the business, the Air division and Electronics and Components division, stayed under MOD ownership as DECA.

DEFFORM 57 is a mandatory form for all contracts where the Defence Business Services (DBS) is the payment authority. It is used to set up a contract with DBS for payment purposes and is an important source of capturing data on contract activity within the Ministry of Defence.

HQ Contracts are formal contracts set up by MOD Core Department which require a DEFFORM 57 to be raised.

Human Resources Management System (HRMS) is a personnel administration system for civilians working at the MOD.

Industry Groups are 22 groups based on the Standard Industrial Classification (SIC) 2007 guidelines maintained by the Office for National Statistics (ONS). Industry groups combine SIC codes that are related to similar types of activity. A breakdown of which SIC codes belong in each industry group can be found in the accompanying [Excel tables](#) to this publication

Joint Personnel Administration (JPA) is a personnel administration system used by the British Armed Forces.

Location of Work (LOW) Codes are entered into the DEFFORM 57 and indicate where work for a contract is being carried out. There are many codes for different areas of the UK and these have been amalgamated to identify the regions being reported on.

Ministry of Defence (MOD) is the United Kingdom Government Department responsible for implementation of Government defence policy. It is the headquarters of the British Armed Forces. The principal objective of the MOD is to defend the United Kingdom and its interests. The MOD manages day to day running of the armed forces, contingency planning and defence procurement.

Miscellaneous Contracts are the payment method employed by DBS Finance (the MOD's primary bill paying authority) for running service items such as the provision of utilities. These items are covered by "miscellaneous" transactions, where no MOD HQ Contract exists. These agreements for goods or services will have been set up locally between the MOD Branch and the supplier, and are legally binding.

NATO Eurofighter and Tornado Management Agency (NETMA) is the prime contractor for the Eurofighter Weapon System. The arrangements for the management of the Eurofighter programme were set out in the NATO Charter dated 18 December 1995, in which the international management agencies of the Tornado and Eurofighter programmes were integrated into a single agency, NETMA. This NATO agency is essentially a multi-nation HQ project office for these two collaborative projects, involving the UK, Germany, Italy and Spain. In the UK, Eurofighter is now called 'Typhoon'.

Nomenclature of Territorial Units for Statistics (NUTS) Level 1 Regions are 12 UK regions used in the production of statistics.

Office for National Statistics (ONS) is responsible for the production of a wide range of independent economic and social statistics. The statistics are there to improve understanding of the United Kingdom's economy and society, and for planning the proper allocation of resources, policy-making and decision-making. It is the executive office of the UK Statistics Authority, a non-ministerial department which reports directly to Parliament. ONS is the UK Government's single largest statistical producer.

Organisation Conjointe de Cooperation en Matiere d'Armement – the Organisation for Joint Armaments Co-operation (OCCAR) was originally set up in November 1996 by France, Italy, Germany and the UK with the aim of improving the efficiency and lowering the cost of managing co-operative defence equipment programmes involving European nations (e.g. A400M). Belgium and Spain are now also members.

Other Government Departments (OGDs) refers to government departments outside the MOD that the MOD spends money with.

Standard Industrial Classification (SIC) codes classify business establishments and other statistical units by the type of economic activity in which they are engaged. The classification is maintained by the ONS.

Trading Funds (TFs) were introduced by the Government under the Trading Funds Act 1973 as a "means of financing trading operations of a government department which, hitherto, have been carried out on Vote". They are self-accounting units that have greater freedom, than other government departments, in managing their own financial and management activities. They are free to negotiate their own terms and conditions with their staff. For this reason their grading structures do not always match that of the rest of the Ministry.

The MOD Trading Funds are currently **DSTL** and **UKHO**.

UK Hydrographic Office (UKHO) was formed as a Trading Fund of the MOD in 1996 and is responsible for surveying the seas around the UK and other areas, to aid navigation. It collects and supplies hydrographic and geospatial data for the Royal Navy as well as merchant shipping, with an aim to protect lives at sea.

Further Information

Symbols

Italic figures are used for percentages and other rates.

Rounding

Where rounding has been used, totals and sub-totals have been rounded separately and so may not equal the sums of their rounded parts. Total expenditure figures have been rounded to the nearest £million, per capita expenditure figures have been rounded to the nearest £10. The number of jobs supported by MOD expenditure has been rounded to the nearest 50 and the number of jobs supported per 100,000 in FTE employment has been rounded to the nearest 10.

Revisions

Corrections to the published statistics will be made if errors are found, or if figures change as a result of improvements to methodology or changes to definitions. When making corrections, we will follow the Ministry of Defence [Statistics Revisions and Corrections Policy](#). All corrected figures will be identified by the symbol “r”, and an explanation will be given of the reason for and size of the revision. Corrections which would have a significant impact on the utility of the statistics will be corrected as soon as possible, by reissuing the publication. Minor errors will also be corrected, but for convenience these corrections may be timed to coincide with the next annual release of the publication.

This bulletin was revised on 17 August 2017 to amend the second and third paragraphs of the introduction on page 2 and the first paragraph on page 8 to include an additional sentence explaining that the expenditure and jobs supported figures are derived from direct MOD expenditure with UK industry and therefore do not reflect indirect expenditure or supported employment further down the supply chain. In addition the overall expenditure figures in Table 1 of the supplementary Excel tables have been revised to reflect the identification of additional expenditure outside the UK.

Further Information (cont.)

Contact Us

Defence Economics welcome feedback on our statistical products. If you have any comments or questions about this publication or about our statistics in general, you can contact us as follows:

Defence Economics (Defence Expenditure Analysis)

Telephone: 030 679 34531

Email: DefStrat-Stat-Enquiries-Mailbox@mod.uk

If you require information which is not available within this or other available publications, you may wish to submit a Request for Information under the Freedom of Information Act 2000 to the Ministry of Defence. For more information, see:

<https://www.gov.uk/make-a-freedom-of-information-request/the-freedom-of-information-act>

Other contact points within Defence Economics and Defence Statistics are:

Defence Expenditure Analysis	030 6793 4531	DefStrat-Econ-ESES-DEA-Hd@mod.uk
Price Indices	030 6793 2100	DefStrat-Econ-ESES-PI-Hd@mod.uk
Naval Service Manpower	023 9262 5956	DefStrat-Stat-Navy@mod.uk
Army Manpower	01264 886178	DefStrat-Stat-Army-Enquiries@mod.uk
RAF Manpower	01494 496822	DefStrat-Stat-Air@mod.uk
Tri-Service Manpower	020 7807 8896	DefStrat-Stat-Tri-Enquiries@mod.uk
Civilian Manpower	020 7218 1359	DefStrat-Stat-CivEnquiries@mod.uk
Health Information	030 6798 4423	DefStrat-Stat-Health-PQ-FOI@mod.uk
Surveys	020 7218 0117	DefStrat-Stat-WDS-Surveys@mod.uk

If you wish to correspond by mail, our postal address is:

Defence Economics (Defence Expenditure Analysis)
Ministry of Defence
Oak 0W #6028
MOD Abbey Wood North
Bristol
BS34 8QW

For general MOD enquiries, please call: 020 7218 5888