

Speech: Chancellor of the Duchy of Lancaster speech to the Ambrosetti Forum: 08 September 2018

I am very grateful to the European House Ambrosetti for extending this invitation to me.

It is an absolute pleasure to be able to be able to speak to you in these truly beautiful surroundings.

Italy has, for centuries, been an inspiration for the great figures of English literature. Shakespeare set thirteen – a third – of his plays in this country.

And being in Cernobbio demonstrates to me why so many great writers in the English tradition – Fleming, Beckett, Twain and Shelley to name but a few – chose to set their works on Lake Como.

Platforms like Ambrosetti for global dialogues is becoming ever more important as our geopolitical context changes.

As economic and military power shifts away from Atlantic dominance.

As we confront the threats of climate change.

Increasing migration puts strain on state services and social cohesion.

International norms are challenged, and a once seemingly-inevitable consensus about the advantage of democracy and globalisation now falters.

So I believe that this is a critical time for our international rules-based system.

It is a system that we, in Europe, played a leading role in building.

And a system that we, in Europe, must endeavour to protect.

So it is good to take part in this exchange of ideas with European friends.

And I know that, here in this room, we have business leaders who are driving economic growth and job creation – including in the UK.

The UK and Italy has a long history of confronting these challenges together.

Our defence and security relationship dates back to the early years of Italy's history. And I am not talking about Julius Caesar's invasions of Britain...

... but of the fact that Italian forces fought with British forces on both the Western and "Forgotten" Fronts during the First World War.

And since the Cold War, Italy has been with the UK on operations more than any other single nation.

Today, our Armed forces are facing challenges together, fianco a fianco, in Afghanistan, Iraq, Kosovo, Somalia and increasingly in other parts of Africa.

We work closely together, bilaterally and in multilateral, to address the political, social and economic challenges that we all share.

In a couple of weeks, I am looking forward to taking part in the 26th annual UK-Italy Pontignano Conference, entitled this year "Bridging the Gaps"...

... there where we will debate and analyse together the challenges and opportunities in the fields of Culture and Society, Business and Innovation, Defence and Security and Cities and Education.

And just talking about innovation, I was delighted to learn that yesterday, Samantha Payne, a young British entrepreneur, was awarded yesterday the Peres Heritage Institute Award, alongside Julian Melchiorri – a young Italian innovator who is based at the Innovation Hub in Imperial College London.

But there is a different kind of challenge that you have asked me to address today.

That is the UK's departure from the EU and the implications for Europe.

Shared values

Let me say up-front that we are, and will always remain, a European nation. One proudly committed to European security, European trade and European values.

But two years ago, the British people voted to take greater control of their national destiny by withdrawing from the political and economic institutions of the EU.

Now it is true that we do not see, and probably have never seen, those institutions as being synonymous with the idea of Europe itself.

And throughout the exit negotiations, my government has resolutely strived for a deal that keeps us as close as possible to our European partners, whilst at the same time respecting the result of the referendum.

The trade agreement and security cooperation we have proposed are ambitious. But also pragmatic.

For our relationship with the EU and that relationship of EU with the UK is not the same as that of any other third country.

Future relationship

The British Government has been clear that, in order to sustain our

partnership, we will need to find compromises and a new balance of rights and obligations.

But there are certain issues that are non-negotiable. Any solution must respect the result of a referendum, where people voted more than at any other UK election.

And any solution must respect the constitutional and economic integrity of the UK, while avoiding any hard border between Northern Ireland and Ireland.

There are problems with the two 'off the shelf' answers proposed by the Commission so far.

Membership of the EEA would entail continuing to accept freedom of movement and remaining in the customs union would undermine our ability to sign FTAs with other countries.

It is hard to reconcile those outcomes with the referendum result.

Indeed, the House of Commons rejected amendments to our recent EU Withdrawal Bill that were intended to keep us at within the customs union or the EEA.

And the problem with a Canada-style Free Trade Agreement is that it would not enable us to deliver in full on our commitments to the people of Northern Ireland, as set out in the December Joint Report.

So in July this year, the Cabinet agreed a new proposal for our future relationship.

It addresses the issues the EU has raised about the vision our Prime Minister has set out previously. It respects the legal autonomy of the EU as well as the sovereignty of the UK.

First, our proposed Facilitated Customs Arrangement respects the referendum result. It helps businesses to import and export goods without friction and also respects the integrity of the customs union of the EU.

It would also help to maintain the seamless border that has provided the basis for the deep economic and social cooperation that we see today on the island of Ireland.

Now, I don't pretend that these issues are easy to reconcile.

I understand the Commission's concern to prevent things like fraud. It is in our mutual interest to maintain the integrity of our respective markets.

And we are eager to resolve these issues through the negotiations.

But I don't think there are other credible solutions on customs on the table, so we must strive to make this work.

Second, our proposals have at their heart the need to avoid a hard border in Ireland without compromising the EU's autonomy or the constitutional

integrity of the UK.

And we remain focused on negotiating that future relationship alongside fulfilling our obligation from December to negotiate a legally operable backstop text as part of the Withdrawal Agreement relating to the Irish border.

But it can't be the proposal brought forward by the Commission in March, which no British Prime Minister – or Parliament – could accept.

That's not only because it would impose a customs border within the United Kingdom – but because its approach does not respect that set out in December's Joint Report.

That much like the Good Friday Agreement itself is a delicate political balance.

We need to respect and preserve Northern Ireland's place in the internal market; recognising the hugely important trade links both North-South and East-West. And ensuring that any solution properly respects both communities and traditions in Northern Ireland.

Third, our free-trade area for goods commits us to a common rulebook covering those things necessary to provide for frictionless trade at the border, whether between Ireland and Northern Ireland or Calais and Dover.

Now I want to stress this point. This is not about cherrypicking. It is about finding a compromise to reconcile the fundamental interests of both sides. And it is not just in our UK interests.

The EU is a net exporter of goods to the UK, so it is in the EU's as well as the UK's interest to keep trade frictionless.

Fourth, our proposals would ensure a level playing-field – with UK binding commitments on things like state aid, environmental standards, social and employment protections and other regulatory standards.

And fifth, a robust dispute resolution mechanism to allow a means of redress if in the future the UK or the EU did not fulfil its obligations.

It's a new relationship requiring a new balance of rights and obligations.

Now I will be frank with you.

The Chequers package was a hard-fought compromise that not everyone in the government agreed with, and that is why we saw two top-level Cabinet resignations.

But the current Cabinet is fully signed-up to the proposals in the Chequers white paper. And it represents a compromise we are willing to make.

On services – where we enjoy a surplus – we have accepted that the regulatory flexibilities that we seek mean that UK and the EU will not maintain the

current levels of access to each other's markets.

But let me be clear.

When we leave the EU, we will leave the Single Market, not undermine it.

We won't have the same rights as a Member State.

We won't participate in the institutions. We will have no influence in shaping EU rules.

But we are committed to aligning with those EU rules, in so far as necessary, to ensure frictionless trade at the border.

And we have proposed the appropriate level playing-field commitments too.

These provide firm assurances that we have no intention of undercutting Member States or lowering our standards to gain an unfair competitive advantage.

Citizens rights

And this is not just about trading ties. We want to preserve the people-to-people ties that value.

There are about 700,000 Italian nationals currently living in the UK. I myself represent a parliamentary seat with a large Italian community. They make a huge contribution both locally and nationally.

And as my Prime Minister said during her speech in Florence last year, we want those people to stay in the UK, if that is what they wish.

And that is what we committed to in the December deal on Citizens' Rights.

EU citizens in the UK, and British citizens in the EU too, will be able to continue living their lives broadly, as they do now.

And looking forward, we want to see reciprocal mobility arrangements between the UK and the EU.

Our white paper contains proposals that would ensure that Italians can visit, work and study in the UK.

We have a long history of links between our respective universities.

And I suspect many of you here may have attended, or worked in, a British higher-education institution at some point in your careers.

Those exchanges are vital: they offer social, cultural and educational development. And we cannot refuse such opportunities to the next generation.

Security partnership

On our future security partnership, we are seeking the closest relationship possible.

As the Prime Minister has said many times...

...we are unconditionally committed to European security.

The security of Europe is the security of the United Kingdom.

The UK currently represents 27% of defence spending by EU Member States.

And Italy is an important partner for us.

With Germany and Spain, together we developed the Eurofighter Typhoon, a key piece of Europe's military equipment.

It sustains 100,000 highly-skilled jobs across Europe and has generated £15 billion in exports.

And in July this year, our two Defence Secretaries signed a Joint Statement of Intent, making a commitment to work more closely together to reinforce that strategic partnership.

We face common threats, both in the UK and the EU: terrorism, serious organised crime, trafficking of people, drugs and counterfeit goods.

Our cooperation is made easier by access to EU databases and agencies, as well as by practical collaboration.

And that information sharing would simply not be as effective through bilateral agreements.

Along with Italy and Germany, the UK is one of the most active users of the European Criminal Records Information System.

Between 2016 and 2018 there were 644 occasions where the UK was able to use the SIS II system to alert European partners to the fact that their terrorist suspects had travelled to Britain.

Europol has allowed us to identify human-trafficking operations, where migrants have been smuggled through Italy.

And when Hussain Osman fled to Italy after the failed London bombings in 2005, we were able to issue a European arrest warrant. And he was extradited to face justice in the UK just 56 days later.

This kind of cooperation has saved many lives.

An unambitious deal that led to our loss of access to EU tools and measures would have serious implications for the safety of both UK and of EU citizens.

Our continued cooperation on foreign and security policy will also be pivotal. We will always be part of the same neighbourhood and face the same external challenges.

As well as the military cooperation with Italy, we remain close diplomatic partners.

Together, we stand determined to preserve the JCPOA with Iran, and find solutions to other challenges from the Western Balkans, to terrorist use of the Internet, to climate change.

It is why we are so supportive of Italy's 2018 OSCE Chairmanship.

And why we are hugely grateful for Italy's support following Russia's deplorable use of a nerve agent on British soil, to carry out an assassination that tragically resulted in the death of a British citizen in July.

The evidence released by our investigators this week vindicates the solidarity that Italy and other allies then showed.

I believe a firm and united stand is the best response to attempts to challenge the rules of our international system.

And that we cannot let our departure from the EU undermine that unity.

We have put forward a credible and ambitious proposal for the future relationship.

And there are now only six weeks until the October European Council – and the end of the Article 50 process is in March next year.

There are decisions to be made.

And we face the choice between the pragmatic proposals that we are discussing now with the European Commission, or the risk of leaving without a deal, with all that that implies.

As we enter this final phase, we ask our European partners to engage with ambition, pragmatism and urgency to our proposals.

Conclusions

These are uncertain times.

But I believe we can build future cooperation on terms with which both sides feel confident and comfortable.

And that will deliver us an agreement which enables us to stand still, side-by-side, those global challenges that face the peoples of the UK, of Italy and of all members of our European family.

Thank you.

Press release: Specialist financial crime unit to crack down on prison gangs

- unit staffed by members of Police and Prison Service will be able to freeze bank accounts and make arrests
- action will cut supply of drugs to prisoners and prevent money reaching criminal kingpins
- part of wider drive to tackle the supply and demand for drugs in prison

In the latest measure to tackle the criminal kingpins who fuel drug dealing and violence in our jails, specially-trained prison and police officers will use intelligence to monitor bank accounts for signs of illicit transactions.

Bank accounts on the outside world are being used by inmates to pay for drugs. These are usually identified through paper notes found in cells which contain account details, or on phones seized from prisoners with instructions to make transfers.

Such transactions, which amount to money laundering, are to be targeted by the unit, who will be able to freeze bank accounts and initiate criminal proceedings against those involved.

This effort to disrupt the flow of illicit money from prisoners to criminal networks adds to existing measures designed to hinder their activity. As announced in July, a new £1 million digital tool is helping to identify, disrupt and disable gangs, with leaders being moved to different prisons if necessary to stymie their influence.

This formed part of an additional £40 million investment in prisons, announced over the summer, that will improve safety and security in prisons, as well as improving the fabric of the estate. Meanwhile more than 3,500 extra officers have been recruited and will have a central role to play in efforts to tackle gangs and contraband behind bars.

Justice Secretary David Gauke said in his speech to the Conservative party conference earlier today:

My message to kingpins is this: we are already blocking your phones, putting you in isolation and now we will make sure you can't access your money.

Dealing drugs in prison will no longer be profitable because we will find your assets and we will seize them.

Money laundering in prisons is widespread, with much of the activity taking place through individual, low-value transactions between external bank accounts as offenders settle debts generated illicitly, such as through the supply of drugs.

The unit, which will become fully operational in October, will home in on this activity through the analysis of intelligence and work to quickly act against offenders suspected of involvement in criminal activity.

The unit has drawn on support from the police's Eastern Region Special Operations Unit to develop strategies which will enable it to quickly identify and act against money laundering from the outset.

Data analysis of prison intelligence will be used to identify common or significant bank accounts being used to launder money, allowing the unit to build a profile of the prisoners connected to them.

The unit will then be able to act against those involved, with sanctions ranging from the closure of accounts, to freezing assets or more significant criminal sanctions such as Confiscation Orders and arrest.

Combined with other measures, this will disrupt the movement of illegal goods in prison and reduce the drivers of self-harm and violence. This will allow prisons to focus on becoming places of rehabilitation and reform where prisoners are given a genuine chance to turn their backs on crime for good.

During today's speech, the Justice Secretary also announced the allocation of £5 million to create the first secure school in Medway, Kent. This new provision will place education and healthcare at the heart of youth custody and will be run by not-for-profit academy trusts with expertise in the youth custody sector.

The application and selection process for the provider of the first establishment will be launched later this month, with more purpose-built secure schools to be constructed in the coming years.

Also, over the next 2 years, the MoJ will provide up to £2.6 million for governors in the Youth Custody Service to purchase additional educational and vocational programmes. The highly successful Unlocked graduate scheme will also be expanded into the youth estate, bringing even more talented and motivated staff to our frontline.

The Justice Secretary added:

Together this package of reforms and investment will crack down on the drugs and violence in prisons, further support offenders in turning their backs on crime and, crucially, help young offenders find a path out of criminality into education and responsibility.

Notes to editors

- The unit will be based in Peterborough and will be operational from October.
- The team will investigate evidence of prisoners using external bank accounts to pay for drugs, something which we believe is common in prisons but has yet to be fully addressed given our focus up to now on more high-level organised crime in prisons.
- In summer we announced a £40 million prisons improvement package targeting crime in prisons. This included a £7 million investment in safety to fund a range of new security measures, including airport-security style scanners, improved searching techniques and phone-blocking technology.
- A £1 million digital tool is also enabling prisons to build a more detailed picture of the kind of risk an offender is likely to present, including the likelihood of involvement in organised crime. This intelligence is allowing police and prison staff to better target their activity to prevent, disrupt and disable criminal networks, including moving prisoners when necessary.
- The Ministry of Justice outlined its [vision for secure schools](#) in June 2018

[Press release: Severn Crossings to go toll-free on 17 December 2018](#)

Tolls on the Severn Crossings will be abolished on Monday 17th December, just in time for the festive getaway, the UK Government has announced today (Tuesday 2nd October).

The move will mean those travelling between South Wales and the South West of England will save on journeys home and cross-border shopping trips throughout the holiday period.

This will generate annual savings for regular motorists of more than £1,000 per year and have an economic boost to the Welsh economy of an estimated £100m each year. Businesses will also benefit from the strengthened links between cities stretching from Swansea to Swindon, no longer burdened by the financial barrier between the communities.

Secretary of State for Wales Alun Cairns said:

It has long been my ambition to see the tolls abolished, doing away with a barrier that has hindered Wales' economic prosperity for more than half a century.

Today marks an important leap forward in Wales' economic potential,

increasing our appeal to external investors but also ensuring businesses, commuters and tourists on both sides of the border are no longer hampered by a fee restricting them from carrying out their everyday lives.

Removing the tolls will cement the already strong ties between the economies and communities of South Wales and the South West of England, creating a growth corridor for prosperity to flourish from Cardiff, through Newport to Bristol and beyond.

Secretary of State for Transport Chris Grayling said:

Removing the tolls from the Severn bridges will help transform the economy in South Wales and the South West, putting over £1,000 a year back in the pockets of hard-working families.

Abolishing these tolls will also cut costs for businesses on both sides of the river, giving them a huge boost to help create new opportunities and new potential for growth.

The decision comes after the move in January to reduce tolls on the two bridges that cross the Severn, meaning that commuters, drivers and businesses from both sides of the river started making savings earlier this year.

ENDS

[News story: Insolvency Service celebrates customer services excellence](#)

Organised by the Institute of Customer Service, [National Customer Service Week \(NCSW\)](#) is running between 1 and 5 October 2018, aiming to raise awareness of customer services and the vital role it plays in successful business practice and the growth of the UK economy.

The Insolvency Service is using NCSW as an opportunity to highlight the importance of customer services excellence, how our services have evolved and how we assist different customers – from people considering Debt Relief Orders to workers applying to the Redundancy Payment Service for financial help.

With teams based in Leeds and Edinburgh, customer services handle more than

150,000 calls a year and are assessed annually.

For the past 19 years, we have been [awarded the Customer Service Excellence standard](#), recognising our continued focus on meeting the needs of our customers and in 2016/17, the Insolvency Service was awarded 5 new compliance plus ratings. In total we now hold 17 compliance plus and 40 compliant ratings.

Comments received from assessors during our last assessment included:

There is full corporate commitment throughout the organisation to putting the customer at the heart of service delivery.

During discussions, staff were very enthusiastic about their participation in what is clearly a very well established customer-focused culture within the organisation.

And it's not just the assessors who think our customer services are of a high standard as Insolvency Service staff have provided first-hand accounts of how they have turned difficult situations into favourable results.

In one case, someone going through bankruptcy called up the Insolvency Service on a Friday concerned that their bank account had been frozen. This meant they could not access their benefits and had bills to pay.

Usually, staff would just confirm if the bank was happy for the personal bank account to be used. But the customer representative was conscious that it could be a whole weekend before the person could access their account again. Thinking quickly, the Insolvency Service called the bank to release the funds, before reassuring the customer that the money would be there, which was gratefully received.

Jackie Stevenson-Coe, Head of Customer Service & Insight, said:

We make every effort to improve our customer services to benefit everyone who deals with the Insolvency Service and being awarded the Customer Service Excellence standard is a tremendous achievement both for our customers and staff who work extremely hard to make it happen.

Providing excellent customer services is absolutely crucial and we will continue to improve our offering in order to assist our customers and achieve our mission in delivering economic confidence.

[Press release: New measures to support workers, businesses, and entrepreneurs](#)

Updated: Updated to reflect additional announcements.

The Business Secretary Greg Clark has announced a series of new measures to back businesses and entrepreneurs, support workers and ensure every part of the country benefits from the Government's modern Industrial Strategy.

The announcements build on the Government's record of delivering right across the Industrial Strategy – from record levels of investment in research and development, the biggest transformation of technical education and retraining in a decade to the fastest growth in infrastructure in the G7.

The new measures include:

Tipping

The government has announced plans to ensure that tips left for workers will go to them in full.

While most employers act in good faith, in some sectors evidence points towards poor tipping practices, including excessive deductions being made from tips left by customers.

New legislation, to be introduced at the earliest opportunity, will set out that tips must go to the workers providing the service.

Unemployment is at its lowest since the 1970s and wages are rising. This legislation will ensure workers get the tips they deserve and give consumers reassurance that the money they leave in good faith to reward good service is going to the staff, as they intended – ensuring that hard work is rewarded.

More protection for small businesses

A commitment to end the unfair treatment of small businesses by companies who abuse their position by paying late for products and services.

The Government will strengthen the Prompt Payment Code with a new tough and transparent compliance regime. A call for evidence will be published later this week. The call for evidence It will consider the best way to ensure company boards put in place responsible payment practices throughout their supply chain, including whether all company boards should give one of their non-executive directors specific responsibilities for the company's prompt payment performance.

The Small Business Commissioner will join the Prompt Payment Code's Compliance Board to support his role in tackling late payment.

Proposals to help parents and carers in the workforce

Working flexibly helps people to balance their work and home lives and is vital in creating an inclusive economy where those with caring responsibilities can continue working. It also gives employers access to a wider pool of talent and enables better matching of applicants and jobs.

While many companies are increasingly embracing flexible working and the benefits it brings, some employees face barriers in raising this issue with their employers.

The Government will consider creating a duty for employers to consider whether a job can be done flexibly, and make that clear when advertising.

Greater transparency on parental pay

The Government will consult on requiring employers with more than 250 staff to publish their parental leave and pay policies, so job applicants can make informed decisions about whether they can combine the role with caring for their family.

Statutory entitlements to leave and pay for new parents are key to this vision for 'good work' and to the participation and progression of parents, especially mothers, in the labour market.

While many employers go further than the legal minimum for parental leave and pay, very few publish their policies openly. Applicants must ask prospective employers what the position is which many are reluctant to do for fear of discrimination.

Progress towards a local Industrial Strategy for the West Midlands

The Industrial Strategy sets out a long-term plan to boost the productivity. Supported by our 'policy prospectus', all parts of the country are working towards developing local Industrial Strategies by early 2020.

In consultation with regional partners, the local Industrial Strategy for the West Midlands will harness its distinctive strengths to unlock greater growth and earning power across the region's cities and places. With the West Midlands Local Industrial Strategy set for release by March 2019, we are publishing a progress statement showing how local leaders are working with business to maximise the potential of the region and meet national challenges.

The West Midlands Local Industrial Strategy will provide a long-term plan for

alignment of local and national decision making to increase productivity and deliver an economy that works for all. This will include how the automotive and wider transport cluster, the life science cluster, and their associated supply chains and infrastructure, will drive the UK's response to the Future of Mobility Grand Challenge and the AI and Data Grand Challenge.