

Speech: Chancellor of the Duchy of Lancaster speech to CBI Scotland

Thank you Paul for that kind introduction – and thank you everyone for that very generous welcome.

Before I start, and on behalf of everyone here, can I pay tribute to Paul, your tenure with the CBI, and for everything you have done on behalf of the thousands of businesses across the UK.

Leading this organisation through two general elections and a referendum on our membership of the European Union would be a tall ask for anyone, but you have kept the CBI at the forefront of our national debate – and it is fair to say you have kept the UK Government permanently on our toes.

And so for that I thank you, and wish you all the success in the future.

It is a pleasure to be with you today, and to have the great privilege of addressing CBI Scotland. And it is also a pleasure to be back here in Edinburgh.

Whenever I visit this great city, I am constantly reminded of the weight of history that is all around us.

Edinburgh isn't simply a thriving, modern capital within our United Kingdom.

It is the cradle of so much that our country, and indeed Europe, can celebrate in terms of philosophy, literature, architecture, poetry and political thought.

It is the birthplace of the Scottish Enlightenment, a period in our history when pragmatism, reason and freedom of thought rose to the fore.

And so it is the proud home of many of our finest intellectual figures, such as Adam Smith, whose statue stands proudly just a few streets away from here, and whose legacy continues to remind us of that virtue of choice that is so integral to our economic way of life and wellbeing.

That is what I want to touch on very briefly with you this lunchtime: the importance of making choices – not just in the economic sense, but in the political sphere too.

The choice to leave the EU

Because politics is ultimately about having preferences and making choices.

Left or right; conservative or socialist; liberal or protectionist; Unionist or Nationalist; I guess Hearts or Hibs; even Celtic or Rangers – it is the virtue of having different choices which makes democracy something we must always cherish and respect.

I am sure there are many of you here who voted to Remain in the European Union nearly two years ago. As many of you will know, I also fought hard for such an outcome.

But on June 23rd 2016, the British people made a clear choice to leave the European Union and forge a new and different path for ourselves in the world.

Now it is incumbent all of us, both individuals and governments, not just to accept that choice as democrats – and not merely to understand why the British people made that choice – but to minimise the risks and seize the opportunities that this choice presents.

Now there will be those here in this room who, for perfectly understandable reasons, have concerns about the challenges we face – and want nothing more than certainty and clarity as negotiations proceed.

But you should be in no doubt of the resolve of the UK Government to respond to those concerns and deliver a Brexit that prioritises certainty and clarity for businesses and consumers in all four parts of our union.

Update on negotiations

And as negotiations proceed, that is precisely what we are doing.

We have already agreed a fair deal on citizens' rights, ensuring that EU citizens in the UK and UK nationals can get on with their lives broadly as they are now.

We've agreed a good financial settlement for British taxpayers, made in the spirit of our future partnership with the EU.

We've agreed a Joint Declaration with the EU that makes clear our mutual determination to preserve the Common Travel Area, avoid a hard border between Northern Ireland and the Republic of Ireland, and uphold the totality of relationships embodied in the Belfast Agreement, both East-West and North-South.

And we've reached agreement with the EU on an implementation period, providing that certainty and clarity for people and businesses so they will only see one change when we enter into a new relationship with the EU in the future.

So while these are real achievements we have made in the interests of businesses and individuals across our country, we must now look to build our future economic partnership with the European Union.

In her speech at Mansion House in March this year, the Prime Minister set out her aim for a deep and comprehensive partnership in which:

- trade between the UK and the EU would be as frictionless as possible

- UK regulatory standards remain at least as high as the EU's
- and in which there is no hard border on the island of Ireland

She also made clear that one important objective in building that partnership would be to seek a new customs arrangement with the European Union.

At Lancaster House in 2017, the Prime Minister said that we will be leaving the EU's customs union, its Common Commercial Policy, and the Common External Tariff.

But she also said that we do want to have a customs agreement with the EU. As she said, we have an open mind on how: it is not the means that matter, but the ends.

And that is why last year, we set out two potential options for what this new customs arrangement might be.

Option one was a customs partnership between the UK and the EU, in which the UK would mirror the EU's requirements for imports from the rest of the world, applying the same tariffs and the same rules of origin as the EU for those goods arriving in the UK and intended for the EU.

The other option was a highly streamlined customs arrangement, in which we would jointly agree to implement a range of measures to minimise frictions to trade.

This would include waivers for goods moving between the UK and the EU, "trusted trader" schemes, specific exemptions for small businesses, and online systems – such as for customs declarations to be made far from the border, as is already the case with VAT declarations when VAT regimes between the Republic of Ireland and Northern Ireland are different.

But whatever option we are discussing, our objectives remain the same:

- for trade at the UK-EU border to be as frictionless as possible
- with no hard border between Northern Ireland and Ireland
- and for us to conduct our own trade policy and sign free trade agreements that will benefit businesses and consumers here in Scotland, as well as those in England, Wales, and Northern Ireland too

And I am pleased to say that, despite what you may have read, this work is now nearing completion.

So as negotiations continue, these are choices that will have the best interests of Scottish businesses and consumers at their heart, and the need

to provide clarity and certainty as soon as possible for you all.

Importance of the UK common market

Because this is a long road that has many different twists and turns, as we together journey out of the European Union.

But as negotiations continue on that future deep and special partnership we all want to see, we must not forget the need for certainty and clarity here at home as well.

It is why the UK has a responsibility, through our modern industrial strategy, to improve living standards, spread prosperity and promote growth around all parts of our country, and ensure we are match fit for the next wave of technological change that is fast approaching.

For example, our Industrial Strategy Challenge Fund is providing £795 million for potential innovators, and we are working to ensure as many Scottish bidders as possible are successful.

And we are investing in new City Deals – which have been committed to or agreed for all seven of Scotland’s cities – as well as a Borderlands Growth Deal to help secure prosperity in southern Scotland. We have also opened formal negotiations for the Ayrshire Growth Deal.

But it is also why the UK has a deep-seated responsibility to maintain the integrity of our union.

When I spoke in North Wales earlier this year about the value of our union, I emphasised the importance the UK Government places on preserving the common market of the United Kingdom – what many of you may refer to as the “internal market” or the “UK single market” that comprises Scotland, England, Wales and Northern Ireland.

I also emphasised why it is so crucial that our businesses and consumers face no new internal barriers to conducting their business on the day of our exit in March next year.

For it is only by maintaining the coherence of that common market – and keeping barriers to trade within it to an absolute minimum – that businesses and consumers in all parts of our union can continue to benefit.

Preserving that common market is exactly what the EU Withdrawal Bill, currently making its way through Parliament, will do.

It will make sure that, as we carry out the delicate process of transferring European Union law back onto the UK statute book, we do so as smoothly as possible...

The current regulatory and legal framework will remain in place, but on a UK rather than an EU legal footing.

If and when we wish to move away in future from the current rules, we can do

so in a considered and deliberate fashion, taking account of consultation with business.

So it will make sure that when we leave the European Union in March next year, we do so in a way that avoids a damaging cliff-edge for businesses, firms; factories, industries and consumers alike – so that businesses have certainty from day one of our exit.

And on devolution, the Bill will make sure that, as this process is carried out, we retain the ability to keep common and temporary UK frameworks where necessary, while we work on the long term solution – such as one set of package labelling and hygiene rules, instead of four different ones.

The Bill respects the devolution settlement – but stops short of giving any part of the UK a veto over that temporary mechanism.

This has always been a red line for us.

For if one part of the UK has a veto over the ability to establish a common framework across the rest of the UK, it could be used to undermine this common market we all, everyone in this room, prospers from.

And the message we have from business is that the UK common market is vital to their growth and prosperity.

For Scottish businesses trade four times as much with the rest of the UK as they do with the EU.

And as businessmen and women you want to be sure that your factories in Paisley and farms in Perthshire will be able to continue selling their goods freely to customers in Preston and Swansea and Londonderry.

And not only will the temporary preservation of common frameworks guarantee certainty for businesses trading within the United Kingdom – it will mean that, with a clear set of commonly-recognised standards, we can agree those new trade deals with the global growth markets of tomorrow as well.

Indeed, when I visited China just last month, I saw first-hand how hard our network of embassies around the world work to promote both UK and Scottish exports, such as the finest Scotch Whisky, of which 61 per cent of exports go to countries outside the EU.

I even had the pleasure of seeing the First Minister during my visit to China, who was also using the network of UK embassies to promote Scottish goods overseas.

And just this morning I was visiting Diageo here in Edinburgh hearing about the breadth of ambition the industry has to reach new and emerging markets and build on the strength of the internationally renowned quality of Scottish food and drink.

And during my last visit to Scotland in January, I also visited a Marine Harvest factory in Rosyth, specialising in salmon sales and learned that not

only do they sell to every part of the UK, but export the fish heads to China and the skins to Thailand, where they are made into crisps.

That is why having a successful domestic market and competitive global markets are complementary to one another, and why the UK Government is committed to delivering directly for Scottish businesses and consumers.

Put simply, respecting and preserving the United Kingdom common market is to uphold one of the fundamental expressions of the constitutional integrity that underpins our existence as a union.

But put even more simply, any attempt to undermine that common market would represent a self-inflicted blow to the thousands of firms who owe their prosperity to its success.

Clause 11 negotiations

Now I am well aware from the conversations I have had with Scottish and Welsh businesses that what they care about is what all this means for business – and whether it provides the certainty they need.

That is why all of us – Westminster, Cardiff and Holyrood – have worked hard to identify only those absolutely essential areas where we agree that UK-wide frameworks are needed.

And of course it is worth underlining that we already have UK-wide frameworks in all these areas right now.

Our approach as we leave the EU however, is to see the vast majority of powers returning from Brussels bypass Westminster entirely.

Indeed, we have moved a considerable distance in the spirit of compromise and collaboration so as to ensure we reach a deal with the Scottish and Welsh Governments that not merely respects the devolution settlements and improves upon them, but also upholds the Sewel Convention and provides the certainty that businesses require.

That is why I was pleased that the Welsh Government, in this spirit of pragmatism, recently agreed to our approach, and to recommend the Welsh Assembly give legislative consent to the Withdrawal Bill.

As the Welsh CBI, the Federation of Small Business in Wales, and the Farmers Union of Wales have all made clear, this deal is very good not only for the Welsh economy and its people, but for the whole of the UK too.

And as the First Minister for Wales himself said this week: “the nature of an agreement is that you come to ground that you believe to be common ground”.

I am glad that thanks to the joint work of the three governments there is now far more common ground between all.

The door is still open

But it is also why it is disappointing that the Scottish Government still does not feel able to sign up to our proposals and deliver that certainty for businesses.

Of course, it is now for the Scottish Parliament to decide what view it wants to take on the compromise we have reached, and that we have now agreed with the Welsh Government.

So that is why I say to the Scottish Government – and to the Scottish Parliament – the door is still open.

At a stroke, they can join the Welsh Government – who have also put so much into getting us to this stage – and recommend to the Parliament here in Holyrood that we should end any lingering question of legal uncertainty for businesses in all parts of the UK.

Indeed, just a couple of weeks ago, the Food and Drink Federation Scotland, Scottish Bakers, and the Scottish Retail Consortium all emphasised the importance of the UK common market.

How it benefits Scotland's businesses enormously by lowering costs and increasing efficiency and how it also benefits Scotland's consumers by providing more choice and keeping prices down.

And as the Scottish Government themselves have agreed, it makes sense for there to be frameworks applying across the UK in some areas.

But no matter what the Scottish Government decides, I want to reiterate that the UK Government is committed to acting in accordance with the Intergovernmental Agreement that – even now at this late stage – is open to the Scottish Government to sign up to.

Scottish businesses can see this in black and white: our Intergovernmental Agreement is public for all to see.

You can have that certainty and clarity that we will work to agree the approach needed to protect our vital common market, and that we will respect – in full – the devolution settlements as we do so.

Conclusion

So as we all face choices, the Scottish Government also faces a choice.

But I am confident that, if we work together, we can and will forge a path that fully respects the democratic choice the United Kingdom made two years ago while maximising clarity and certainty wherever we can for our families and businesses not just here in Scotland, but across our whole country.

For our union is strongest when each of its constituent parts is strong and working together.

As I have said before, the unity that exists between our four nations gives us a scale of ambition that none of us could possess alone.

But this ambition can only be realised if we do work together, and make those choices that are truly in the national interest.

For together, we are a union that is greater than the sum of its parts.

A country that can remain a strong, global leader.

A United Kingdom at home.

And an active, force for good in the world.

Thank you very much.

Press release: Sentence increase for man who subjected child victim to years of sexual abuse

A man who repeatedly sexually assaulted a young girl over a period of years has had his sentence increased after the Solicitor General, Robert Buckland QC MP, referred it for being too low.

Usmaan Ahmad, now 35, repeatedly sexually assaulted his victim over a period of 8 years, while she was between the ages of 3 and 11. Ahmad was between the ages of 14 and 21 at the time. The effect of these crimes has been lasting and severe, causing ongoing psychological struggles.

Ahmad was originally sentenced to 4 years and 6 months imprisonment at Sheffield Crown Court. Today, after the Solicitor General's reference, the Court of Appeal increased his sentence to 8 years and 6 months in prison.

Commenting on the sentence increase, the Solicitor General said:

I am pleased that the Court of Appeal has agreed that Ahmad's sentence should have been higher. He subjected a vulnerable child to consistent and repeated sexual abuse which has had a lasting impact. I hope this decision can bring some comfort to the victim.

Press release: Coal Authority calls for full consideration of legacy issues

The Coal Authority has today called for local authority planners, surveyors, developers and geotechnical and engineering consultants to ensure coal mining legacy issues are considered in light of their findings from a recent subsidence event in north-east England.

The government body, which manages the effects of past coal mining across Britain, said it had issued the information to share its early recommendations.

Initial ground investigations were undertaken at a housing development in North Tyneside by the Coal Authority in July 2016, after it was contacted by the National House Building Council in relation to an extensive area of subsidence. It has since carried out further extensive ground investigations, including underground camera and laser void surveys, to identify the root cause of the subsidence, and installed 300 survey points above and below the ground to monitor for ground and property movement.

The Coal Authority's ground investigations revealed coal mine workings at a depth in excess of 30 metres. These dated back around 120 years and had not been recorded on the historical mining plans held for the former colliery for this specific area.

The ground investigations proved this specific area had been extensively worked with extraction rates at over 70%, however the plans had showed an area of solid coal. Recorded workings adjacent to this area had typical extraction rates of between 45% and 50%.

This high level of extraction resulted in narrow residual supporting coal pillars and wide extraction rooms in the High Main coal seam, leading to compression on the remaining coal pillars and roof instability. This, together with a fractured sandstone layer above the coal seam, resulted in an underground collapse and subsequent movement at the surface that affected 35 properties on an estate and had an elliptical subsidence zone footprint of around 150 metres x 70 metres.

Coal Authority engineers designed a solution to stabilise the ground, and work to drill and grout the voids has been completed. Ground monitoring will continue to ensure the ground is stable for redevelopment.



Simon Reed, Chief Operating Officer, Coal Authority, said:

“We have released our initial recommendations to ensure there is awareness of the risks posed by historical coal mining legacy, in light of our findings from this recent subsidence event.

“In this instance, given the depth and age of the workings, and knowledge about risks of subsidence at the time, we cannot criticise the developer’s approach taken with respect to these mining circumstances, but we must now build on this new knowledge to address these risks better moving forward.

“This was an area of unrecorded mine workings and caution must be adopted in assuming that the absence of a record means the absence of mining. Although our historic plans did not, in this case, reveal the coal workings they are a vital part of any site assessment prior to development, therefore in future we may ask for more information, or for more works to take place, to reduce the likelihood of a similar subsidence event happening again.”

The Coal Authority expects to release further information in the form of a Technical Guidance Note later this year, after works are completed and following a period of monitoring.

Information issued by the Coal Authority

Historic mining plans are invaluable but don’t always give a true

representation of the coal workings underground, meaning:

- areas mined may vary from those shown on historical plans
- extraction rates may vary from those shown on historical plans
- plans held in historical records may not be the final abandonment plan for the seams and the mine
- not all historical coal workings are recorded

Both desk-based research and ground investigations should be undertaken to confirm the:

- potential for unrecorded shallow workings
- accuracy of the shallow coal old working plans
- competence of the strata overlying the coal
- potential effects of groundwater, including assessment of recovering levels post mining which are still taking place today

The 10 times rock cover guidance outlined in CIRIA SP32* is only 'a rule of thumb':

- in this case, the coal was at a depth that exceeded the 10 times rock cover
- appropriate ground investigations should always be undertaken to confirm site specific conditions and local geology also needs to be considered

*Special Publication 32

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[News story: UK space industry sets out](#)

vision for growth

Published by the Space Growth Partnership on Friday 11 May 2018, the strategy focuses on four sector priorities:

- Earth information services including navigation, analytics and security
- Connectivity services – global connectivity anywhere from any device
- In-space robotics – for science enterprise, consumers
- Low-cost access to space

The strategy aims to double the value of space to wider industrial activities from £250 billion to £500 billion, generate an extra £5 billion in exports and attract £3 billion of inward investment. The space sector will actively encourage diversity and inclusion in its workforce and interact with 1 million young people per year in a bid to increase interest in careers in Science, Technology, Engineering and Mathematics (STEM).

Science Minister, Sam Gyimah, said:

“We want the UK to thrive in the commercial space age and have committed £150 million in our Industrial Strategy to help develop advanced rocket engines, test satellites and establish spaceports in the UK for the first time. The Government will continue to work closely with the space sector to build on our significant capability and maximise the benefits of space to life on Earth, creating jobs and opportunities across the country.”

Minister for Investment, Graham Stuart, said:

“Too few people are aware of the success and significance of the UK space sector or its vast potential for future growth. The Government welcomes this contribution from the UK space industry and is determined to support our emergence as a commercial space service hub with an increasing global market share backed by new partnerships in science and trade.”

Andy Green, Chair of the Space Sector Council and President of UKspace, added:

“This sector-led strategy sets out the ambition of the companies, institutions, academics and entrepreneurs of the UK’s space sector. Space delivers tangible benefits to everyone in the UK, improving communications, travel and security amongst much else. We will build on our successful partnership with Government to create high value jobs and growth across the UK for the benefit of all. I thoroughly commend this strategy to the Government.”

Facts and figures

- Space sector productivity is nearly three times the national average, with a skilled workforce creating £140,000 of value per person
- Year-on-year growth is five times greater than the wider economy since 1999

- £415m has been invested by industry in research and development in 2014-15 alone
 - 36.4% of turnover is generated by exports
 - The space sector has tripled in value since 2000
-

[Press release: £20 million boost for business innovators powering the UK's hydrogen economy](#)

- Energy and Clean Growth Minister to visit start-up in Swindon to set out vision for future UK hydrogen economy
- clean and green innovation is at the heart of the modern [Industrial Strategy](#), with over £2.5 billion of government investment from 2015 to 2021

Today (11 May) Energy and Clean Growth Minister Claire Perry delivered a £20 million boost to businesses embracing the potential for a future UK hydrogen economy. The announcement was made during a visit to Swindon's innovative Hydrogen Hub and Recycling Technologies.

Hydrogen fuel is a safe and low-carbon alternative for energy in buildings, industry, and transport – but is currently very costly to produce and transport. Today's funding aims to change this.

It is the latest clean technology to receive a government boost – all part of the [Clean Growth Strategy](#) – which is already powering wind turbines up and down the country – and has the potential to revolutionise the automotive industry through clean green fuel.

Speaking at the Swindon Hydrogen Hub, Energy and Clean Growth Minister, Claire Perry, will say:

Clean, green and safe, hydrogen has an exciting role to play powering the UK but needs to be cheaper and more widely available to live up to its potential. Today's £20 million funding boost, part of our modern Industrial Strategy, will help to address these challenges so that we can sustain the exciting momentum building in our low carbon hydrogen economy, creating high-value jobs up and down the country.

Clean Growth is at the heart of our modern Industrial Strategy and creates huge opportunities for the UK, securing our place as global leaders in this field.

The minister will meet with Hydrogen Hub members to discuss the UK's strength in hydrogen and fuel cell technology development, and the potential for the UK to be at the forefront of a new hydrogen economy, helping us to meet our climate change targets.

The £20 million Hydrogen Supply programme will look to significantly reduce the high cost of producing large volumes of low carbon hydrogen, so that the technology can become a competitive, clean energy supply of the future.

During her visit to Swindon, the minister will also meet CEO of Recycling Technologies, Adrian Griffiths, to see how government support through the Energy Entrepreneurs Fund has enabled this dynamic start-up to develop a system to recycle mixed plastics waste back into a valuable hydrocarbon.

Recycling Technologies are helping in the fight against marine plastic by providing a chemical recycling solution that allows a wide range of plastics to be recycled, which are not practicably recyclable with existing processes. The Minister will also host an energy roundtable with key stakeholders from the region to find out more about the role of low carbon energy technologies in Swindon and Wiltshire's local economy.

Notes to Editors

1. The programme aims to accelerate the development of a lower cost low carbon bulk hydrogen supply (with a focus on UK production). This will be achieved through 2 phases:
 - (a) developing several hydrogen process engineering designs, alongside a supply / production plan, which details the development steps needed for each process
 - (b) a development phase which will demonstrate key components or further develop the design of the new hydrogen production process.
2. [More information about this and other energy innovation programmes.](#)
3. The [Industrial Strategy](#) sets out a long-term plan to boost the productivity and earning power of people throughout the UK. It sets out how we are building a Britain fit for the future – how we will help businesses create better higher-paying jobs in every part of the UK with investment in skills, industries and infrastructure.
4. The support of BEIS has enabled Recycling Technologies to transform its novel technology, from original concept developed in Warwick University to a system that is commercially viable. BEIS has supported the company from its laboratory test rig to near-full scale demonstrator beta plant and has enabled the company to resource investigations into the suitability of Plaxx® for application in different markets and to refine the beta plant for commercial operations.