Statement to parliament: Haulage update: 7 January 2019

The government has entered into 3 contracts with ferry operators to provide additional ferry capacity and services into the UK as part of no deal EU Exit contingency planning.

Whilst the ambition of government is to ensure an orderly exit from the EU, the Department for Transport has been undertaking a wide range of work to mitigate the impact on the transport system of a no-deal EU Exit.

Significant work has taken place to understand the effect that this would have on the UK border and the impact on flows of goods between the UK and EU. Whilst the government has made clear it is committed to ensuring frictionless movement across the UK border, the scale of the potential disruption to the Dover Straits, if additional customs checks were introduced in Calais, Coquelles and Dunkirk, where freight services disembark, could be very significant. Given the importance of these routes, contingency work is being undertaken to mitigate potential impacts and ensure that goods can continue to flow into and out of the UK as freely as possible.

A priority for government is to ensure that the Port of Dover and the Eurotunnel can continue to operate at the maximum possible capacity. The government is therefore working with both organisations and our French counterparts in Calais, Coquelles and Dunkirk so that any disruption or drop in throughput is managed effectively and mitigated.

There is a clear willingness to reach agreements which secure the continued operation of these vital trade routes in all scenarios and the government remains confident that there will not be major disruption to the flow of goods across the border. Nevertheless, the potential for a decline in throughput remains possible in a worst case scenario and the government is therefore planning for all eventualities.

As one of several contingency measures being undertaken, the Department for Transport has completed a procurement process to secure additional ferry capacity between the UK and the EU which can be used for critical goods such as medical supplies in the event of disruption to cross-Channel crossings. A negotiated procurement procedure without prior publication was concluded as allowed for by Regulation 32 of The Public Contracts Regulations 2015. An accelerated competitive process was carried out in order to ensure that capacity can be in place in time for a No Deal exit whilst at the same time securing value for money for the taxpayer. The Department approached a number of shipping providers capable of providing additional freight capacity in order to ensure fairness for the market and also engaged external expertise to ensure value for money for the taxpayer.

Bids were evaluated on the basis that they met our strategic aims of providing additional freight capacity for a No Deal Brexit scenario. Bids were reviewed against a number of criteria, including journey time, quality of delivery plans, and the pricing submitted by bidders.

The bids we received to provide capacity were subject to technical, financial and commercial assurance as part of standard due diligence procedures and consistent with that undertaken on all government contracts. This included a price benchmarking exercise to ensure that the taxpayer was getting good value for money, and assurance on the delivery plans of our bidders.

The department commissioned external advice from three respected professional advisers to support this work. Three contracts were agreed with operators totalling c£103 million.

Two contracts went to established operators, Brittany Ferries (£46.6 million) and DFDS (c£42.6 million). These contracts provide for additional capacity between the UK and EU on existing routes, via the provision of additional services and additional vessels. The contracts agreed with them include early termination provisions and other typical contractual provisions to ensure government has the right protections in place, such as in the event of an operator becoming insolvent.

The routes agreed with Brittany and DFDS are away from the Dover Straits, and will run from the Ports of Immingham and Felixstowe (DFDS) and Poole, Plymouth and Portsmouth (Brittany) to destinations in Germany (Cuxhaven), the Netherlands (Vlaardingen) and France (Caen, Cherbourg, Le Havre, and Roscoff).

The third contract was awarded to Seaborne Freight (£13.8 million), a new operator to provide a new service between Ramsgate and Ostend. Seaborne Freight has been preparing for some time to operate services on this route. The management team of Seaborne has extensive experience in the shipping and maritime sector, including the operation of ferry services on cross-channel routes, freight brokerage, port management and vessel chartering.

Whilst the broad contract structure is the same for all three contracts including the provision that payment will only be made in arrears and on the successful provision of services, the Seaborne contract is also subject to the achievement of a range of key milestones including in relation to finalising funding and vessel chartering agreements.

As with many operators in the sector, it is not uncommon that they do not own their own vessels and will be chartering them through third parties. The department has reviewed their plans for sourcing vessels with the support of external advisers. A number of large institutional investors are backing this service and the government’s contract represents a small part of the overall investment required by Seaborne to open this route. These lenders undertake their own rigorous due diligence before making financial commitments, providing a further level of assurance to government. Seaborne and my department are also working closely with Thanet Council to ensure that Ramsgate Port is ready to take new services. A programme of work to prepare the infrastructure is underway.

In total the additional freight capacity delivered by these three contracts will be equivalent to around 8% of normal flows across the Dover Straights. Whilst this will not be sufficient to mitigate the full level of disruption possible in a worst case scenario, it will enable the government to provide essential capacity for the highest priority goods including medical supplies.

In terms of next steps, the Department for Transport will provide support to and oversight of all operators to ensure that these services are delivered to meet the terms of the contracts agreed.

I will provide further updates to Parliament at the appropriate points.

News story: NHS Long Term Plan launched

The NHS Long Term Plan is a new plan for the NHS to improve the quality of patient care and health outcomes. It sets out how the £20.5 billion budget settlement for the NHS, announced by the Prime Minister in summer 2018, will be spent over the next 5 years.

The plan focuses on building an NHS fit for the future by:

- enabling everyone to get the best start in life
- helping communities to live well
- helping people to age well

The plan has been developed in partnership with frontline health and care staff, patients and their families. It will improve outcomes for major diseases, including cancer, heart disease, stroke, respiratory disease and dementia.

The plan also includes measures to:

- improve out-of-hospital care, supporting primary medical and community health services
- ensure all children get the best start in life by continuing to improve maternity safety including halving the number of stillbirths, maternal and neonatal deaths and serious brain injury by 2025
- support older people through more personalised care and stronger community and primary care services
- make digital health services a mainstream part of the NHS, so that in 5 years, patients in England will be able to access a digital GP offer

Health and Social Care Secretary Matt Hancock said:

> The NHS long term plan, backed by a historic commitment of an extra

> £20.5 billion a year from taxpayers, marks an important moment not just for the health service but for the lives of millions of patients and hardworking NHS staff across the country.
>
> Whether it's treating ever more people in their communities, using the latest technology to tackle preventable diseases, or giving every baby the very best start in life, this government has given the NHS the multi-billion-pound investment needed to nurture and safeguard our nation's health service for generations to come.

To find out more see the NHS Long Term Plan website.

News story: Merger of cashback websites raises competition concerns

TopCashback and Quidco are the two largest cashback websites in the UK, and each other's main competitor. They allow shoppers to receive money back on certain types of online shopping and enable retailers to advertise and promote cashback discounts.

The Competition and Markets Authority (CMA) has been carrying out an initial Phase 1 investigation since November 2018 which has found competition concerns.

This is because the companies face only limited competition from other suppliers of cashback websites and similar services, including voucher websites and comparison sites. The CMA is therefore concerned that the merged company could decrease the amount of cashback paid to shoppers and increase advertising prices for businesses.

TopCashback and Quidco now have until 14 January to offer a solution to the CMA's concerns. Otherwise, the merger will be referred for an in-depth, Phase 2, investigation carried out by a group of independent CMA panel members.

News story: Collision between a car and tram, Sheffield

At approximately 16:25 hrs on Friday 30 November 2018, a tram operated by Stagecoach Supertram collided with a car at Staniforth Road, Sheffield. Minor injuries were caused to the car occupants and to a person on the tram. The car was badly damaged by the collision. The RAIB sent an inspector to the scene to determine the cause of the collision. The road vehicle involved was travelling towards the east along Staniforth Road. Despite issues with the operation of the tram, which Stagecoach Supertram are handling through internal investigations, the RAIB concluded from the evidence collected that the circumstances of the accident do not indicate the potential for safety learning for the tramway sufficient to justify further investigation.

The RAIB has also recently attended a similar collision at the same location, which occurred on 25 October 2018. Noting that two similar accidents have occurred in a short timespan at the Staniforth Road junction, the RAIB has written to the Chief Executive of Sheffield City Council advising that a risk-based review of this junction and the road traffic signals is carried out, and that prompt action is taken based on the findings of this review. The RAIB also noted that the positioning of a pole supporting the tramways's overhead power supply wires had the potential to worsen the outcome of the accident of 30 November 2018. The RAIB has also written to UK Tram, which is the trade body representing the UK light rail industry, and responsible for providing guidance to constructors, operators and maintainers of such system. The RAIB has suggested that UK Tram consider whether guidance for the placement of such supply poles in close proximity to roads which cross tramways is required. The RAIB's letter refers to guidance on this subject which has been issued by a French government body, the Service Technique des Remontees Mecaniques et des Transports Guides

---

Press release: Northern Powerhouse Minister green lights £14 million investment to transform heart of Redcar steel site

- Northern Powerhouse Minister, Jake Berry MP, has approved a new £14 million investment to transform a site at the South Tees Development Corporation, also the home of the former Redcar steel works
- Government's multi-million pound funding is set to attract over half a billion pounds of private sector investment
- Over 500 new jobs are expected to be created on the site

A new chapter for manufacturing in the Tees Valley begins in 2019 thanks to £14 million of government investment into the South Tees Development Corporation, bringing the total to £137 million.

Today (7 January 2019), Northern Powerhouse Minister, Jake Berry MP, met Tees

Valley Mayor, Ben Houchen at the South Tees Development Corporation site in Redcar, which is also home to the former Sahaviriya Steel Industries (SSI) site.

The land is set to be transformed and made ready for development creating new jobs, growth and attracting over half a billion pounds of private sector investment.

Work to establish construction access and utilities, a new spine road and roundabout is set to begin in the first quarter of 2019 with new commercial tenants on the site expected from 2021.

Northern Powerhouse Minister, Jake Berry MP, said:

> Our investment of £14 million in the South Tees Development Corporation demonstrates this government's commitment to building a stronger more resilient economy in the Tees Valley and across the Northern Powerhouse.
>
> This government is firmly behind the Tees Valley, and I'm determined to ensure its people get the most out of the exciting growth opportunities available on their doorstep.
>
> Our investment of £14 million into this site will help transform this derelict piece of land into a burgeoning new industrial quarter, which is expected to create 500 new jobs and attract an extra half a billion pounds of private investment.
>
> It's a further demonstration of how we're helping to build a new golden era for the North East as part of our Industrial Strategy, and ensuring the Tees Valley is truly open for business as we are set to leave the European Union.

Tees Valley Mayor and Chairman of the South Tees Development Corporation, Ben Houchen, said:

> Government has committed £137 million to the Development Corporation over the last year, and this latest £14 million funding is vital to kick-start immediate work to redevelop land to help spearhead the transformation of the area.
>
> These huge schemes will deliver hundreds of quality jobs for local people, drive growth for the Tees Valley economy and continue our history of manufacturing excellence.

> This £14 million shows government is continuing to listen to us and this is another step closer to the Development Corporation becoming a massive success story for not just the North East but for the UK.

At the Autumn Budget 2018 the government brought its investment in the South Tees Mayoral Development Corporation to £137 million in the last year, with an announcement of up to £14 million to redevelop land on the site upon the submission of a successful business case.

Today, (7 January 2019), Northern Powerhouse Minister Jake Berry MP confirmed that a robust business case had been approved and the £14 million investment will be paid over a 5-year period.

Today’s announcement is part of a wider package of investment into Teesside provided by the government. This includes designating the South Tees Development Corporation as a Special Economic Area enabling further business rate retention and greater long-term investment in the region.

Through joint investments made by the Department for Business, Energy, and Industrial Strategy and the Ministry of Housing, Communities and Local Government, £137 million is being spent on the home of the former Redcar SSI site to continue supporting job creation and growth in this key Northern Powerhouse region.