News story: UK government committed to maximising economic opportunity in North Sea

New Energy Minister Richard Harrington has told oil and gas leaders they have the 'full support' of the UK government in maximising the economic opportunity in the North Sea during his first visit to the region in his new ministerial post.

The UK Energy Minister met and addressed oil and gas industry leaders at the Maximising Economic Recovery (MER) Forum and the Oil and Gas Joint Council as well as attending meetings on the Industrial Strategy's role for supporting the sector and the prospect of Remote Islands Wind.

The Minister also listened to proposals from industry for an ambitious and deliverable oil and gas sector deal under the Industrial Strategy.

UK Energy Minister Richard Harrington said:

These are challenging but exciting times with new opportunities in North Sea oil and gas.

We are working with the sector to build on the £2.3 billion worth of UK government support through our modern Industrial Strategy.

I want to make it clear that the industry has full support of the UK government, and that we are continuing to create the right environment though a stable and supportive package to allow business, enterprise and jobs to flourish.

Over the past 50 years the oil and gas industry has extracted more than 43 billion barrels and current production accounts for over 50% of UK gas demand and around 65% of UK oil demand.

With 10 to 20 billion barrels of oil yet to be recovered by 2035, an estimated £140 billion additional gross revenue from production, and an additional £150 billion turnover from exports could be achieved if the industry is able to make the most of maximising recovery and accessing the global market for oil and gas goods and services.

In June, the first delivery of oil was delivered from one of the largest new drilling operations in the North Sea, following a £2 billion investment in the Kraken oilfield by oil and gas development and production company EnQuest. This was made possible by the UK government's support for the sector.

Last month the Oil and Gas Authority (OGA) opened its 30th Offshore Licensing

Round, making awards to companies that promise to maximise economic recovery of the UK's oil and gas resources. The number of applications shows continued support and belief in the UK oil industry.

This morning Total announced that it has started-up production from the Edradour and Glenlivet fields off Shetland. Delivered ahead of schedule and under budget these projects will bring additional production capacity of up to 56,000 barrels of oil and is further evidence of confidence in the industry.

UK Government Minister, Lord Duncan said:

In my role as UK Government Minister for Scotland I will continue to fight to protect Scotland's world class oil and gas industry. We've supported Aberdeen through £125m investment in the City and Region Deal, which was key to setting up the innovative Oil & Gas Technology centre I saw today.

The oil and gas industry can rest assured that the UK government will continue to do everything we can to support this critical sector of the Scottish and British economy.

Andy Samuel, chief executive of the Oil and Gas Authority, said:

Today we held the MER UK Forum in Aberdeen and I very much value the continued close working with the oil and gas industry and strong support from the government. Together, this work is actively helping to maximise economic recovery and position the UK as an attractive basin to invest in, with significant remaining potential.

Deirdre Michie, Chief Executive of Oil & Gas UK, said:

I welcome the Minister's assurances that the industry has the full support of the UK government. The oil and gas industry has a critical role to play, helping meet the UK's energy needs, generating revenue for the economy and supporting hundreds of thousands of UK jobs and other significant UK industries.

We look forward to working with the new energy minister to ensure that government policy like the Industrial Strategy and the UK Budget supports our own industry efforts to make the basin a competitive investment proposition.

While in Aberdeen the energy minister also met oil and gas apprentices and ex industry training instructors at the ASET International Oil & Gas Training Academy, a wholly-owned subsidiary company of North East Scotland College,

and the Dynamic Advanced Response Training (DART) Simulator at Robert Gordon University.

Atholl Menzies, Chief Executive at ASET, said:

The ASET International Oil & Gas Training Academy plays a critical role in supporting the UK oil and gas sector through the skills development of personnel. We provide highly specialised oil and gas technical based vocational training, from new entrant to senior professional level and we train with market-leading technology and equipment including a live and integrated, replicated offshore production platform.

All of this will be brought together under the modern Industrial Strategy, and to ensure energy is as affordable as possible for consumers and businesses later this year the government will be publishing a road map to help businesses reduce their energy costs.

<u>Press release: Lone parent employment</u> <u>rate highest on record</u>

The number of households where no one works continues to fall — down 954,000 since 2010 — and is at the lowest level on record, according to new independent figures released today (30 August 2017).

Over 17.6 million households now have at least one working adult, meaning that around 9 in every 10 children live with a working adult. Less than 15% of households are classed as workless, with the number having fallen by 89,000 since last year.

Also rising is the proportion of lone parents finding work - 68% of lone parents are in work this year, an increase of nearly 11 points since 2010.

Work and Pensions Secretary, David Gauke said:

With record levels of employment, more people across the country now have the ability to support themselves and their families. That means more children growing up with a working adult and more children who can see first-hand the benefits of being in employment.

What's particularly great news is that lone parents are more likely to be in work than ever before, and we're going further by making sure parents have access to the right support, including more free childcare from September.

The government is committed to helping reduce the number of workless households, and is taking action through steps such as raising the rate of free childcare to 30 hours from next month. Also, working parents can receive help towards their childcare costs under Universal Credit and, since April this year can get up to 85% of eligible childcare costs back, regardless of the number of hours worked or how old their youngest child is.

Children who grow up in workless families are almost twice as likely as children in working families to not reach the expected attainment level at all stages of their education — research has shown that three-quarters of children in workless families fail to reach 5 full GCSEs at grade C or above. Compared to children from working families, those from workless families are also more likely to be workless in adult life.

Recent employment figures show that there are <u>a record 32.07 million people</u> <u>in work</u>, and the unemployment rate (4.4%) is the lowest level since 1975.

Follow DWP on:

<u>Press release: Secretary of State</u> <u>appoints new members to Northern</u> <u>Ireland Human Rights Commission</u>

Helen Ferguson, Helena Macormac, Paul Mageean, Samuel John McCallister, Edmond Rooney and Graham Shields will replace Christine Collins, John Corey, Milton Kerr, Grainia Long, Alan McBride, Marion Reynolds and Paul Yam who are standing down after serving two terms.

Mr Brokenshire said:

The Northern Ireland Human Rights Commission under the leadership of Chief Commissioner, Les Allamby, plays a vital role in protecting and promoting human rights for everyone in Northern Ireland's diverse society.

I am delighted to make these appointments to the Northern Ireland Human Rights Commission and I am confident that the new Commissioners will continue to enhance the Commission's central role in protecting and promoting human rights in Northern Ireland.

The Secretary of State also thanked the outgoing Commissioners. He said:

The outgoing Commissioners have made a real and valued contribution to the promotion of the human rights agenda in Northern Ireland.

Their dedication to the work of the Commission has been invaluable and I am extremely grateful to them for their commitment over the last six years.

Northern Ireland Human Rights Commission

The Northern Ireland Human Rights Commission is a national human rights institution with an 'A' status accreditation from the United Nations (UN). The Commission is funded by the UK Government, but is an independent public body that operates in full accordance with the UN Paris Principles.

The Secretary of State for Northern Ireland is responsible under the Northern Ireland Act 1998 for making appointments to the Northern Ireland Human Rights Commission.

More information can be found on the Northern Ireland Human Rights Commission website http://www.nihrc.org/

Terms of appointment

The positions are part-time appointments for three years.

The positions attract a fixed remuneration of £7,500 per annum for a commitment of approximately three days a month.

These positions are not pensionable.

Biography of Appointees

Helen Ferguson was a Director, Carers Northern Ireland, from 1994-2015. She has over 30 years' experience of working in the community and voluntary sector. She is currently a member of the Equality Commission.

Helena Macormac is a lawyer currently employed as Policy Director for National Association of Head Teachers (NAHT).

Paul Mageean is currently the Director of Institute of Professional Legal Studies, Queens University and a Parole Commissioner. He is a former Head of Criminal Justice Inspectorate.

Samuel John McCallister is in the farming industry and formerly served as a UUP MLA from 2007 to 2013.

Edmond Rooney is a retired Senior Civil Servant who was Deputy Secretary in OFMDFM (now The Executive Office) and a former Chief Executive of the Public

Health Agency

Graham Shields is the former Chief Electoral Officer for Northern Ireland and a retired senior police officer.

Political Activity

All appointments are made on merit and with regards to the statutory requirements. Political activity plays no part in the selection process. However, in accordance with the original Nolan recommendations, there is a requirement for appointees' political activity in defined categories to be made public.

As noted in the biographies Samuel John McCallister has declared political activity in the past ten years.

OCPA Code of Practice

The appointment process has been regulated by the Office of the Commissioner for Public Appointment (OCPA) and all stages of the process were overseen by an independent panel member.

News story: Manufacturing new medicines: apply for Industrial Strategy funds

UK businesses and research organisations can apply for a share of £15 million for innovative medicines manufacturing solutions. These should speed up access to new medicines and treatments, improve public health and build on the strengths of the UK's biopharmaceutical sector.

The funding was announced today by Greg Clark, Secretary of State for Business, Energy and Industrial Strategy, and Jeremy Hunt, Secretary of State for Health.

It is part of the leading-edge healthcare challenge in government's Industrial Strategy Challenge Fund. There is a £146 million commitment over 4 years to develop technologies and facilities that support the manufacture of medicines.

Developing new solutions

The competition for feasibility studies and industrial research and development projects is the first opportunity from the challenge.

Innovate UK will invest up to £15 million in UK businesses that address technical or commercial issues. The aim is to develop innovative methods or technologies that improve the manufacture of medicines for people.

We are looking for projects that focus on:

- in-process monitoring, control and release testing
- maintenance of product-critical quality parameters such as purity, potency and viability
- formulation processes
- packaging and storage processes
- product characterisation
- process challenges for increasing the scale of production
- process development and transfer for novel medicines
- transfer of technology from small-scale manufacturing to a good manufacturing practice (GMP) manufacturing facility
- lowering of the cost of goods
- increasing the yield of active ingredient
- increasing the speed of production cycle
- methods to increase the flexibility of established manufacturing facilities
- adaptation of processes from batch to continuous production

There will be other opportunities for businesses and research organisations within this challenge.

These include establishing a number of new centres that support medicines manufacturing innovation, vaccine development and advanced therapy treatments.

Market opportunity

The global medicines industry is in a period of significant change. Healthcare systems worldwide are demanding access to cost-effective, innovative medicines with improved patient outcomes.

At the same time, our improved understanding of disease is driving the move towards precision medicine. New, more complex types of medicines are being developed, which are presenting a manufacturing challenge in terms of scale and delivery to large numbers of patients.

Through the leading-edge healthcare challenge we will support the need for a fundamental shift in how medicines are developed and manufactured. It will help UK businesses and research organisations take advantage of the £64 billion lifesciences industry.

Competition information

- this competition opens on 4 September 2017 and the deadline for applications is 1 November 2017
- total project costs should:
 - o range in size from £50,000 to £100,000 and last up to one year for

- feasibility studies
- range up to £2 million and last up to 3 years for industrial research and experimental development
- you could get up to 70% of your project costs
- you must start your project by 1 February 2018
- there will be a briefing event on 13 September 2017

<u>Press release: Birmingham hospitals</u> <u>merger cleared by CMA</u>

The Competition and Markets Authority (CMA) found that, whilst the merger between Heart of England NHS Foundation Trust (HEFT) and University Hospitals Birmingham NHS Foundation Trust (UHB) could give rise to competition concerns across a number of elective specialties, these were outweighed by the substantial improvements to patient care that were expected to arise.

In reaching this view, the CMA has placed significant weight on the advice on probable benefits from NHS Improvement, the sector regulator, which strongly supports the merger.

NHS Improvement advised the CMA that HEFT had experienced sustained difficulties in governance, quality of care and finances since 2012, which successive management teams had been unable to address.

It also advised that the appointment of the UHB management to HEFT's executive team in October 2015 has already given rise to a number of benefits, such as reduced waiting times and improvements in the quality and safety of patient care for all HEFT patients. However, these improvements and a number of other longer-term benefits would disappear without the merger and the continued presence of the UHB management at HEFT.

The CMA found that HEFT would be a relatively weak competitor to UHB without the merger and that both parties were experiencing capacity constraints.

The CMA compared this to the wide-ranging nature of the benefits identified by the hospitals and NHS Improvement, which would benefit most patients at HEFT. It also examined UHB's track record and the results already delivered at HEFT since October 2015.

On the basis of the available evidence in this case, the CMA found that the benefits put forward by the hospital trusts outweighed the CMA's potential competition concerns.

The merger will therefore not be referred for an in-depth investigation.

Kate Collyer, Deputy Chief Economic Adviser and the decision maker in this

case, said:

We have found this merger will have substantial benefits to the healthcare of patients in the Birmingham and Solihull local area.

This is the first time the CMA has cleared an NHS hospital merger on the basis of patient benefits at phase 1 and reflects the quality of the benefits case put forward in this instance and the consistent and detailed advice of NHS Improvement.

The hospitals involved presented clear evidence and a well reasoned case.

Competition currently plays a limited role in the NHS, as health commissioners and regulators have instead emphasised co-operative working to handle growing demand for NHS services.

However, given the scale of the potential impact on patients in Birmingham and Solihull, it was appropriate for the CMA to examine this transaction to determine whether any loss of choice or competition would be outweighed by improvements undertaken by the Parties and overseen by NHS Improvement.

All other information relating to this investigation can be found on the <u>case</u> page.

Notes for editors

- The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For more information on the CMA see our homepage or follow us on Twitter @CMAgovuk, Flickr and LinkedIn. Sign up to our <a href="mailto:emailto:
- 2. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a merger reference, resulting in an in-depth phase 2 merger investigation, if the CMA believes that it is or may be the case that a 'relevant merger situation' has been created, or arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and that the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (SLC) within any market or markets in the United Kingdom for goods or services.
- 3. Under the Act a relevant merger situation is or will be created if 2 or more enterprises have ceased or will cease to be distinct enterprises;

and the value of the turnover in the United Kingdom of the enterprise being taken over exceeds £70 million; or as a result of the transaction, in relation to the supply of goods or services of any description, a 25% share of supply in the United Kingdom (or a substantial part of it) is created or enhanced.

- 4. At phase 1, if the CMA is of the view a merger raises a realistic prospect of an SLC it must refer the merger for a phase 2 investigation, unless an exception to the duty to refer applies. Section 33(2)(c) of the Act allows the CMA to exercise its discretion not to refer a merger giving rise to a realistic prospect of an SLC for a phase 2 investigation if it believes that relevant customer benefits in relation to the creation of the relevant merger situation would outweigh the SLC concerned and any adverse effects resulting from it.
- 5. The CMA notified NHS Improvement when it decided to carry out an investigation under the UK merger control rules, pursuant to section 79 of the Health and Social Care Act 2012, which applies to mergers involving NHS foundation trusts. NHS Improvement provided advice on the effect of the merger under investigation and this will be published on the case page as soon as is reasonably practicable.
- 6. UHB operates the Queen Elizabeth Hospital, and HEFT operates from 3 main hospitals and a smaller site (Birmingham Heartlands Hospital, Good Hope Hospital, Solihull Hospital and the Birmingham Chest Clinic).
- 7. The CMA's role is to examine the impact that the merger could have on patient choice and the quality of healthcare services provided by the merging trusts. The CMA undertakes an evidence-based assessment of the effects of NHS mergers on competition and aims to ensure that such mergers do not result in lower levels of quality of healthcare services for patients.
- 8. The CMA has found that in 25 elective specialty services the merger could reduce quality for patients by removing the incentives that currently exist for the trusts to attract patient referrals from each other. In Birmingham, there is limited choice for patients to go to other local hospitals, with the merger reducing the number of competing hospitals trusts from 3 to 2. The 25 services represent less than 15% of the revenue of all services provided by the Parties.
- 9. This is the first phase 1 hospital merger case that has been cleared on the grounds that relevant customer benefits will outweigh any adverse competitive effects arising from the merger.
- 10. The text of this decision will be placed on the <u>case page</u> in due course.

