Press release: Independent review to ensure energy is affordable for households and businesses

An independent review into the cost of energy led by Professor Dieter Helm CBE will recommend ways to keep energy prices as low as possible as part of the Industrial Strategy, Business and Energy Secretary Greg Clark announced today.

Professor Dieter Helm, one of Britain's leading energy experts, will look specifically at how the energy industry, government and regulators can keep the cost of electricity as low as possible, while ensuring the UK meets its domestic and international climate targets.

This ambitious review builds on the commitment made in the <u>Industrial</u> <u>Strategy green paper</u> and will consider the whole electricity supply chain – generation, transmission, distribution and supply. It will look for opportunities to reduce costs in each element and consider the implications of the changing demand for electricity, including the role of innovative technologies such as electric vehicles, storage, robotics and artificial intelligence.

The ambition is for the UK to have the lowest energy costs in Europe, for both households and businesses.

Business and Energy Secretary Greg Clark said:

All homes and businesses rely on an affordable and secure energy supply and the government is upgrading our energy system to make it fit for the future. We want to ensure we continue to find the opportunities to keep energy costs as low as possible, while meeting our climate change targets, as part of the Industrial Strategy.

The review will consider how we can take advantage of changes to our power system and new technologies to ensure clean, secure and affordable supplies over the coming decades. Professor Helm will bring invaluable expertise to the review, and I look forward to seeing his recommendations.

Professor Helm is one of Britain's leading energy experts, a Professor of Economic Policy at the University of Oxford and a Fellow in Economics at New College Oxford, and a former member of the Council of Science and Technology, advising the UK Prime Minister from 2004 to 2007.

Professor Dieter Helm CBE said:

I am delighted to take on this Review. The cost of energy always matters to households and companies, and especially now in these exceptional times, with huge investment requirements to meet the decarbonisation and security challenges ahead over the next decade and beyond. Digitalisation, electric transport and smart and decentralised systems offer great opportunities. It is imperative to do all this efficiently, to minimise the burdens. Making people and companies pay excessively for policy and market inefficiencies risks undermining the objectives themselves.

My review will be independent and sort out the facts from the myths about the cost of energy, and make recommendations about how to more effectively achieve the overall objectives.

The government is already taking action, and has <u>asked the regulator to come</u> <u>forward</u> with proposals to extend the price protection currently in place for some vulnerable energy consumers to more people on the poorest value tariffs. This builds on action taken to cap the price for 4 million pre-payment meter customers which came into force on 1 April 2017.

There are also a number of schemes in place to reduce energy bills by improving energy efficiency, such as the <u>Energy Company Obligation</u> which will upgrade 200,000 homes each year and help tackle fuel poverty. For business, the package of relief for <u>energy intensive industries</u> was worth £260 million last year and there are financial incentives to switch to cleaner fuels and processes.

This review will consider the electricity system as a whole and make recommendations on how to deliver affordable energy over the coming decades. It follows the plan set out in July by government and Ofgem for a smarter energy system and the commitment to ensure Britain's energy costs are as low as possible.

An advisory panel will support the reviewer by providing expert insights in a personal capacity:

- Terry Scuoler CBE, Chief Executive of EEF, the Manufacturers' Organisation
- Nick Winser CBE, Chairman of the Energy Systems Catapult
- Laura Sandys, Chief Executive of Challenging Ideas
- Isobel Sheldon, Engineering & Technology Director of Johnson Matthey Battery Systems
- Richard Nourse, Managing Partner of Greencoat Capital LLP

Notes to editors:

- 1. The commitment to review the cost of energy was set out on page 94 of the <u>Industrial Strategy Green Paper</u>
- 2. Ofgem figures show the main costs of supplying a typical domestic

customer are 4% lower than at January 2015.

- 3. The Terms of Reference of the Review are set out below:
 - The government has the ambition for the UK to have the lowest energy costs in Europe, for both households and businesses.
 - The UK was the first country in the world to set a long-term, legally binding target for emission reduction. The Climate Change Act commits the UK to reduce emissions by at least 80% by 2050, and sets a framework for the setting of rolling five-year carbon budgets. Parliament has recently approved the 5th carbon budget, for the period 2028-2032, at a 57% reduction on 1990 levels.
 - The carbon targets need to be met, whilst concurrently ensuring security of supplies of energy, in the most cost-effective way. The rapid closure of coal, the aging of the existing nuclear fleet, the intermittency of some renewables, the scope for demand management and new storage, the coming of electric vehicles and the timing of future nuclear capacity coming on stream will be taken into account in considering how best to meet the overall objective of system security of supply.
 - The specific aim of this review is to report and make recommendations on how these objectives can be met in the power sector at minimum cost and without imposing further costs on the exchequer. In that context the review will consider the implications of the changing demand for power, including from industry, heat and transport.
 - The review will report on the full supply chain of electricity generation, transmission, distribution and supply, and consider the opportunities to reduce costs in each part, taking into account the roll-out of smart meters and the work already underway to underpin the transition to a smarter energy system.
 - The review will set out options for a long term road map for the power sector, and consider how technological change in the wider economy, as well as in the energy sector, may transform the power sector, and how energy policy can best facilitate and encourage such developments, consistent with the overall objectives of decarbonisation and security of supply, and with its industrial strategy.
 - The review will consider the options for enhancing and extending

the scope for auctions and other competitive mechanisms, and for reducing the complexity across the full supply chain of electricity generation.

- The review will consider the key factors affecting energy bills, including but not limited to energy and carbon pricing, energy efficiency, distributed generation, regulation of the networks, and innovation and R&D. The review will not propose detailed tax changes.
- The review will focus on system issues and will not comment on the status of individual projects.
- The review will provide recommendations as to how best minimise the costs of energy consistent with the overarching objectives, taking account of the costs and benefits of the recommendations. It will set out options for developing and enhancing energy policy. Where the issues the review covers fall to other players, for example Ofgem, it will make recommendations about how government can best work with them to reduce costs.
- ∘ The review will report at the end of October 2017.
- 4. Professor Dieter Helm declaration of interest (PDF, 10KB, 1 page) .

<u>Speech: In a world where North Korean</u> <u>missile tests seem routine, let me be</u> clear: this is not business as usual.

Thank you Mr President.

North Korea is no longer a threat faced by a single country or a single region. It is instead a threat that confronts us all. These two tests in the last month were of an intercontinental missile, extending the threat much further than before, to many more countries. In a world where North Korean missile tests seem routine, let me be clear: this is not business as usual.

Make no mistake, as North Korea's missile capabilities advance, so too does their contempt and disregard for this Security Council. We must meet this belligerence with clear, unequivocal condemnation and with clear, unequivocal

consequences.

Today Mr. President, we have banned North Korean exports of coal, iron ore, lead and seafood. These are the lifeline exports that sustain Kim Jong-Un's deadly aspirations. In simple terms, should the North Korean regime continue its reckless pursuit of an illegal missile programme and a deadly nuclear programme, they will have vastly less resources to do so.

We have also capped the number of foreign workers from North Korea. Every year DPRK sends thousands of ordinary workers overseas. They often endure poor conditions and long hours, and their toil serves to provide critical foreign currency for North Korean government coffers. This is undoubtedly a form of modern slavery and today we have taken the first step to ending it. The world will now monitor and curtail work authorisations for these desperate expatriates.

And for those who are already a victim of this abusive system, trust that the United Kingdom will continue to work toward a complete end to North Korea's institutionalized modern slavery.

Mr. President,

North Korea bears full responsibility for the measures we have enacted today. By acting in flagrant violation of its legal obligations, by going against the will of the Security Council expressed in countless Resolutions, North Korea has chosen the path it now finds itself on. It is a path that, at a minimum, will lead to the further suffering for its own people, and at most could prove to be catastrophic for the whole world.

It does not have to be this way. North Korea should forgo the path of provocation; forgo the path of further escalation. There is no reason why the people of North Korea cannot share the normal, prosperous life of their neighbours. The world would welcome them, not threaten them.

So in this Chamber let us once again call on North Korea to halt and reverse its nuclear and missile development programmes. Let us once again call on them to prioritise the well being of their people over their illegal and destabilising military programmes.

North Korea's security and wellbeing do not depend on nuclear weapons. They do not depend on far reaching missiles. They do not depend on a myth of self-sufficient defiance of the wider world. To live in constant tension with the world cannot be in the interests of North Korea's regime, let alone its people.

Mr. President,

We have taken a step forward. We have spoken with a unified voice that we are ready to act in an unprecedented way in response to North Korea's reckless nuclear pursuit. Every country must ensure that these measures are adhered to. Every country must live up to our word. This time there is too much at stake. We simply cannot afford to fail.

<u>Press release: Foreign Office Minister</u> <u>welcomes tougher sanctions on North</u> Korea

The UN resolution strengthens sanctions against North Korea following their recent ballistic missile tests.

On 5 August all UN Security Council members agreed the new UN resolution (UNSCR 2371). This will bring in new measures against North Korea, including restricting its access to the international financial system, capping the number of its overseas workers, and banning its exports of coal, iron, iron ore, seafood and lead.

The Foreign Office Minister of State for the Commonwealth and the United Nations, Lord Ahmad of Wimbledon, said:

The UK and our international partners are united in opposing and standing firm against the threat posed by North Korea. This resolution will cut the resources that North Korea is abusing to fund its reckless and illegal pursuit of nuclear and ballistic missile programmes.

North Korea has chosen this extremely dangerous and destabilising path. The regime is prioritising the pursuit of these weapons over and above its people, peace and stability in the region. The North Korean regime needs to change its course immediately and the UK calls on all countries to implement these new measures fully and robustly.

Further information

News story: 'Outdated' landing cards

to be withdrawn as part of digital border transformation

Non-European travellers have been required to fill out a landing card with basic information about themselves and their travel since 1971.

But under proposals published today, the outdated paper-based system, which costs the public around £3.6 million each year, will be replaced as part of Border Force's ongoing digital transformation of border controls. The withdrawal of landing cards will not result in the loss of any data that is used for security checks.

All passengers arriving from outside the EU will continue to be checked against the variety of police, security and immigration watch lists which are used to verify the identity and confirm the status of every passenger arriving at UK airports.

Immigration Minister Brandon Lewis said:

We are modernising border technology to ensure Border Force staff stop dealing with outdated paperwork and can continue to focus on security and protecting the public.

In addition, this change will improve the experience for arriving passengers so they get an even better welcome when they land in the UK.

The changes will also free up staff and enable Border Force to better deploy their resources.

At the same time, the changes will improve the experience for travellers as passengers will no longer need to fill out the paper cards while on board the flight or in queues at airports and ports.

As a result it is expected that queue lengths will be shortened and passenger flows improved, which has been welcomed by Heathrow airport. Last year, 16.2 million non-EU passengers arrived in the UK.

The proposals are part of the Home Office's ongoing transformation at the border which is enhancing Border Force's ability both to facilitate legitimate travel and ensure the security of the border.

This programme of work has already seen the introduction of 232 e-gates at 21 ports and since June has seen more than a million passengers use them each week.

This has enabled Border Force officers to work on other security and intelligence matters.

The changes are in addition to the ongoing Digital Services at the Border (DSAB) programme, which is modernising technology at the border to improve intelligence gathering on goods and passengers and increase security.

Border Force has also increased the use of Advance Passenger Information, with systems in place to receive data on 100% of scheduled flights for all international journeys to and from the UK.

Today's proposals have been welcomed by industry, who will no longer be required to purchase and distribute landing cards to passengers.

Heathrow CEO John Holland-Kaye said:

We warmly welcome this proposed change which would give visitors to Britain an improved experience, whilst maintaining a secure border into the UK.

In post-Brexit Britain, it will be even more important to show we are open for business and make sure that we give investors, tourists and students a great welcome to our country.

We look forward to continuing to work closely with the new Immigration Minister and Border Force over the coming years to keep improving the passenger experience at the UK's border.

Before implementing the proposed changes, the Home Office is today (Saturday 5 August) opening a 4-week consultation with carriers, ports and those that use statistics gathered from landing card data.

It is expected the changes will come into effect in the autumn.

Press release: Official statement

Clarification on UK travel advice.

The British government provides advice to British citizens travelling to countries across the world. Our aim is to provide practical, accurate and up to date information and advice to help British nationals make informed decisions about their safety and travel abroad.

Recent media stories in Ghana have wrongly suggested that the Foreign and Commonwealth Office have issued a new warning with regard to terrorism in Ghana. We have not issued new advice.

Our travel advice for Ghana was last updated on 24 April and can be found at

www.gov.uk/foreign-travel-advice/ghana. This contains a section on terrorism
- something that is standard practice for all travel advice. This advice is
similar to that of other countries in the region and around the world.