Speech: Secretary of State for Transport addresses the Aviation Club Lunch

Thank you.

It's an honour to continue the tradition of Transport Secretaries addressing the Aviation Club Lunch.

Following Patrick Mcloughlin in 2014.

And Philip Hammond in 2011.

There's a reason why, when a Secretary of State for Transport is invited to this occasion, the answer tends to be yes.

And it's not just because of the haute cuisine.

It's because if you want to speak to the broadest possible cross-section of the aviation community this is the occasion to do it.

Airlines and airports, yes.

But also aviation finance houses.

Aerospace manufacturers, air traffic controllers, air travel agents, freight shippers and aviation consultancies of all kinds.

And that in itself tells a story.

Very few countries could convene such a depth of aviation expertise and experience.

We remain one of the world's leading aviation nations.

And that is, in large part, because we are heirs to a great aviation legacy.

A legacy in which this industry has pioneered new technologies and new business models.

The UK was at the forefront of the expansion of international air services in the 1920s.

In the wake of the Second World War we shaped the international civil aviation framework, and developed the first commercial jets.

Later, UK aviation led the way to the liberalisation of the global air travel market and to low cost travel.

So this industry has made a colossal contribution to this country, and indeed

the world.

And that is something in which we should take pride.

But we must not take it for granted.

This industry will thrive into the future only if it continues to focus on its customers, to receive investment, to adapt, and to pioneer new technologies and new business models.

This afternoon I'd like to set out some of the things we are doing to support the industry, and your customers, as you do just that.

Heathrow

First, let me talk about Heathrow.

In recent weeks there's been speculation about why the third runway wasn't included in the <u>Queen's Speech</u>.

So let me clear that up.

The Queen's Speech sets out the government's proposed legislation for the session ahead.

And there's a basic reason why the third runway wasn't included.

Not because it's been dropped.

Not because Parliament doesn't support it.

But simply because getting it built doesn't require any new primary legislation.

Our commitment to the third runway is as strong as ever.

Right now, we are reviewing the many responses to the consultation on the draft Airports National Policy Statement.

Of course it needs to be done right.

We're not interested in expansion at any cost.

But the right scheme at the right price

We want a plan that keeps landing charges as close as possible to current levels.

And we would expect passengers' fares to come down, even after taking into account the cost of construction, thanks to the increased competition a new runway would allow.

Once the final National Policy Statement has been published, Heathrow will follow the set legal process for obtaining planning permission.

And there is wide support across Parliament.

Yes — because of the new domestic links the runway can provide.

But also because of what it means for the future of our country.

Consider that great aviation legacy I was talking about just now.

It would all too be easy to sit and watch our big airports slide down the international rankings as flights and investment head elsewhere.

Yet what starts as a slow trickle can quickly become a haemorrhage.

We haven't reached that stage yet.

But to ensure we never do we must progress with our programme to expand Heathrow — and so provide room for the industry to grow for decades to come.

Aviation strategy

Of course, we also need to make progress in other areas.

It's been 4 years since the government published its aviation policy framework.

Perhaps the most important legacy of that framework is that it set the principles the Davies' Commission took into account in working up its recommendations.

But things have moved on.

So we will shortly publish a new aviation strategy.

It's an opportunity to look at what the government can do for the sector and, above all, its customers.

It will set the long-term direction for aviation policy to 2050.

It will look at the challenges facing the industry.

And the opportunities.

But its overriding aim will be to put the customer at the centre of aviation policy.

That's because if this industry is getting customer service right, you're likely to be getting much else right too.

So it will be an aviation strategy that puts the customer first.

But we're also going to look at:

- safety and security
- growing our global connections

- encouraging competition
- embracing new technology
- building a skilled workforce
- and supporting growth while reducing aviation's negative effects, including on our airports' neighbours and the wider environment

We will shortly publish a green paper setting out our aviation strategy in draft.

The aim is to stimulate debate.

And we want to hear from airlines, airports, the aerospace sector, freight customers, passengers and the public about how we can support this industry, those it serves, and those who are affected by it.

In 2018 we will publish a final white paper setting out our plans.

Of course, that doesn't mean no decisions will be made until then.

Where something is clearly the right thing to do we will get on with it.

Airspace modernisation

A case in point is our drive to modernise the way we manage our airspace.

Earlier this year we held a <u>consultation on how we can make better use of this critical piece of national infrastructure</u>.

Like much of the rest of our infrastructure, it is increasingly congested.

Our aircraft are fitted with the latest satellite navigation technology, but our airspace arrangements are half a century old.

Without action, by 2030 total delays due to inefficient use of airspace capacity could be 70 times more than in 2015.

We'd be looking at 1 in 3 UK flights departing over 30 minutes late.

This wouldn't just be damaging for passengers.

But also for local residents — as noisy waiting planes will continue to be held needlessly in stacks above urban areas.

So I am glad that our proposals for the modernisation of the way we use our airspace have received a strong response.

We are currently reviewing those responses, and are on track to publish our final plans in the autumn.

Brexit

That's a broad overview of what this government is doing to support the industry and its customers.

Holding the course on Heathrow.

Shaping a new customer-focused aviation strategy.

And modernising our airspace.

But I couldn't finish today without touching on the political issue of the moment.

Our plans for exiting the European Union, and what they could mean for the future of this industry.

Now, I know that the aviation industry wants certainty, and quickly.

So does the government.

So does the rest of the EU.

It'll be some time yet before we can deliver that certainty.

The formal negotiations have only just begun.

But one of our priorities is to secure the best possible access to European aviation markets.

We are also working hard to deliver another priority — the quick replacement of the EU-based third country agreements, with countries such as the US and Canada.

And although — just as for the rest of the economy — we have to wait until these various negotiations are concluded, we ought to be confident.

Our aviation market is the biggest in Europe.

It serves millions of EU nationals and every year carries millions of UK holidaymakers to EU destinations.

It's in the interests of all countries, and all who travel between them, that we seek open, liberal arrangements for aviation.

Long-term prospects for aviation

Yet even if we have entered what we might call a pocket of turbulence the prospects for this industry remain strong.

Earlier this year, PWC published a detailed report, looking at how the global economic order will change by 2050.

They forecast that:

- over the period to 2050, the UK will be the fastest growing economy of the G7
- in that time, we should grow faster than the EU average
- and that we should do better than other big economies, such as France

and Germany.

Clearly, that growth is going to create new demand for international travel.

But it is also predicated on more international travel.

As PWC's report makes clear this future growth requires deeper links with the world's other fast-growing economies, many of which are not on our doorstep.

That's why in the years ahead the aviation industry will be so important.

And why it will remain central to the government's plans for our country.

Conclusion

So in conclusion, the government has sought to end the decades of dithering and delay in aviation policy.

We have addressed the capacity question.

We are changing how we manage our airspace.

There may be challenges ahead, and obstacles to overcome.

But we will join you in meeting those challenges.

Just as we have met the challenges of the past — and come out stronger as a result.

Thank you.

News story: Lakeview Developments Limited

Lakeview Developments Limited (company number 05263760) is pleased to announce that it has agreed terms with the Secretary of State for Business, Energy and Industrial Strategy (formerly Business, Innovation and Skills) (the Secretary of State) to compromise the petition presented by the Secretary of State for the compulsory winding up of the company on public interest grounds pursuant to Section 124a of the Insolvency Act 1986 (the Petition). The petition has been dismissed as part of Comprehensive Terms of Settlement (terms of settlement) which include that the company was to be placed in to Creditors' Voluntary Liquidation and undertakings to the Court and conditions have been agreed between the company and the Secretary of State which are considered, on balance to be in the public interest.

The Secretary of State had contended in the petition that the Company had:

- carried on business in an objectionable manner and alleged that the company had made misleading statements concerning the prospects of obtaining planning permission inducing the purchase of plots of land that had no prospect of gaining planning permission. The Secretary of State had also contended that the subdivision of the original site into numerous plots which were subsequently sold as plots, primarily to members of the public, has negatively impacted on a) the likelihood that there could be a development of the site or of individual plots and b) planning permission being granted which has, in the Secretary of State's opinion, resulted in the plots being near valueless
- carried on business without a Consumer Credit Act (CCA) licence when one was required

The company strenuously denied (and continues to deny) the alleged wrongdoing. Specifically:

- the company denied having made misleading statements which allegation the company said was unsupported by any documentary evidence and were contrary to the contracts signed by purchasers of the plots of land and the sub-division was both obvious and may have enhanced the prospects for planning permission for particular plots
- that it did not provide credit which required a CCA licence

The company regrets if any purchaser of a plot considers they were misled into purchasing a plot.

Terms of settlement have been agreed to compromise the petition and has been agreed by the company and the Secretary of State which included that the company was placed into Creditors' Voluntary Liquidation with undertakings being given by the company, its director, Mr Baron Alexander Deschauer, and other associated companies to prevent the future sales being conducted in the manner which the Secretary of State has complained of. The terms of settlement also sets out how plot purchasers will be treated in the liquidation and includes an undertaking from the director of the company who will make a voluntary contribution to the company.

Plot purchasers can contact the Joint Liquidators, Mark Newman and Vincent John Green, for further information at CCW Recovery Solutions, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE. The Secretary of State has no reason to consider that Mr Newman and Mr Green are other than proper and appropriate persons to act as liquidators.

News story: Broomfield Developments Limited

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Press release: Motorway litter droppers warned not to put lives at risk

Highways England is launching a new initiative in the North West after over 40,000 sacks of litter had to be collected from motorways in the region last year — an average of 108 sacks for every mile of motorway.

New signs are being trialled with the message 'Workers lives are put at risk picking your litter' and extra litter picking patrols are being carried out to help tackle the issue.

Newly-released CCTV footage shows a lorry driver discarding an oil container at the side of the M62 near Rochdale after pulling over to the hard shoulder to add oil to his vehicle's engine.

Drivers are being urged to keep their rubbish with them rather than leaving it at the roadside, risking the lives of the workers who have to collect it.

The footage is available to watch here:

Paul Cooper, 46 from Bolton, has been collecting litter from motorways for 19 years as part of his job as a maintenance team supervisor for Balfour Beatty Mott MacDonald. Paul's other duties include filling potholes, repairing safety barriers and clearing drains. He said:

I think most drivers who sling litter out their windows don't really think about what they're doing, and that someone like me has to come along and clear up after them.

It tends to be worst on slip roads or where there's standing traffic, as that's when drivers seem to decide to have a clear out of their cars.

There's always an element of risk when you're working on the network as you're near traffic so my message to drivers is please

stop dropping litter and take it home with you instead.

It costs taxpayers an estimated £40 for each sack of litter collected from motorways — roughly the same cost as fixing a pothole.

Litter poses a risk to other drivers if it lands on windscreens, causes a threat to wildlife and leads to flooding if drains become blocked so litter picking is regularly carried out across the network.

Paul Elliott, Service Delivery Team Leader at Highways England, said:

Our teams of workers do a fantastic job removing litter from motorways every year but we'd much rather they were able to spend more of their time carrying out maintenance work.

Litter has to be collected close to fast-moving traffic — putting our workers at risk — and lane closures are often needed, causing needless disruption to drivers.

We'll have extra patrols out on the network over next few weeks to target areas where litter regularly builds up, and we're encouraging drivers to help do their bit by saving their litter for the bin.

Earlier this year, the government launched a consultation on proposals to almost double fines for dropping litter to £150. Under the proposed new measures, vehicle owners could also receive penalty notices when it can be proved litter was thrown from their car — even if it was discarded by somebody else.

General enquiries

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

Media enquiries

Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.

Press release: Civil service 'hub' to bring growth to Edinburgh

The UK government has today announced the location of a new hub at New

Waverley, Edinburgh, which will deliver significant growth to the city by moving 2,900 civil servants into the city centre premises in 2020.

The new hub will:

- contribute to the creation of a modern Civil Service with fit-forpurpose workspaces, cross-departmental collaboration, smarter technology, and enhanced career opportunities;
- demonstrate the government's commitment to engaging with and supporting the local Edinburgh community;
- contribute to growth in Edinburgh, as the largest office prelet in the city for over 20 years;
- create a centre of excellence for the delivery of public services in Scotland and facilitate more effective working between government departments within a devolved administration;

The UK government will take approximately 190,000 square feet at New Waverley Edinburgh, with a lease commitment of at least 20 years. This hub will continue to strengthen the government's commitment to building a strong Civil Service outside London.

The new development, adjacent to Waverley Station, will deliver grade A offices to be occupied by civil servants from several UK Government departments. This includes HMRC who will operate one of its 13 regional centres from New Waverley.

The hub will provide high quality, skilled jobs to the city centre, as well as contributing to the local economy. The UK government intends to develop strong links with those living and working locally and for the Hub to become a valuable asset to the local area.

Relocating civil servants from existing, often fragmented office locations, to modern, cross-departmental workplaces maximises efficiency by using space more effectively and encourages collaboration across departments.

The location of the Edinburgh hub has been chosen due to its exceptional public transport connections to the rest of Scotland and the UK.

Minister Caroline Nokes said:

This new flagship building is part of our radical upgrade of the Civil Service and will support our diverse and creative workforce as they make a real difference to the lives of people in Scotland. This landmark development will deliver significant benefits to Edinburgh and the communities within it.

Alongside significant savings for the taxpayer, the roll out of government hubs will provide modern working environments across the whole of the UK that will enable us to provide the best public services we can.

HMRC Chief Executive, Jon Thompson, said:

Locating HMRC's new regional centre for Edinburgh in the New Waverley development is another step in HMRC's transformation, into a modern, digitally-advanced tax authority. HMRC will bring its teams together to promote closer working relationships, and increasing our effectiveness in collecting taxes.

The UK Government Property Unit, as part of its remit to drive savings across the UK government estate, is overseeing the deal for the new Hub.