

Business Secretary co-chairs third UK Steel Council meeting of 2021: 21 July

As part of the UK government's ongoing engagement with the steel industry on how best to decarbonise, Business Secretary Kwasi Kwarteng co-chaired the latest UK Steel Council meeting today (21 July), along with the Chair of UK Steel, Luis Sanz. Representatives from the 6 major steel companies in the UK, trade unions and the devolved administrations also attended.

Opening the meeting, the Business Secretary reaffirmed the UK government's support for the steel sector and, in partnership with industry, commitment to helping it modernise, increase competitiveness and transition to a cleaner and profitable future. He reiterated the need for a sustainable industry and discussed the ongoing work to explore an overarching, longer-term approach for the sector.

Following on from the previous meeting, where industry body UK Steel presented its draft roadmap for achieving net zero steel production, the Council discussed progress on the report, including a new section on jobs and the skills needed in a decarbonised industry.

The Business Secretary emphasised that as a national strategic asset, steel will play a critical role in providing the materials necessary to drive the UK's green industrial revolution and that the government would continue to work closely with the sector on its transition to a low carbon future.

Other items raised included electricity prices, the quality and availability of scrap for steel making and what would be required to create a market for low carbon steel. The council also discussed what government support, and on what timescales, might be needed to enable a transition to a competitive low carbon future. The UK government has already announced a £250 million Clean Steel Fund that will help the industry transition to a low carbon future, and, since 2013, it has provided over £600 million in relief to the sector to help with the costs of electricity.

It was agreed the Council would meet again after Summer to discuss progress and that government and industry would continue to work together closely on these areas.

This is in addition to the ongoing meetings of the Steel Procurement Taskforce, chaired by Investment Minister Lord Grimstone, working to address difficulties reported by the sector in competing for and securing major public contractors. The government is also reviewing its public procurement rules to better able to meet the needs of this country now we've left the European Union.

Today's attendees included:

- Business Secretary, Kwasi Kwarteng

- Energy Minister, Anne-Marie Trevelyan
 - Minister for Investment, Lord Grimstone
 - Wales Secretary, Simon Hart
 - Luis Sanz, Chair of UK Steel and CEO, Celsa
 - Gareth Stace, Director General UK Steel
 - Sandip Biswas, Chairman Tata Steel UK, Executive Director and CFO Tata Steel Europe
 - Huiming Li, Chairman, British Steel
 - Peter Hogg, Liberty Steel
 - Gareth Barker, COO, Sheffield Forgemasters
 - David Scaife, Director, Outokumpu
 - Roy Rickhuss, Community Union
 - Harish Patel, Unite Union
 - Ross Murdoch, GMB Union
 - Vaughan Gething, Minister for Economy, Transport and North Wales, Welsh Government
 - Chris McDonald, CEO, Materials Processing Institute
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Secretary of State for Northern Ireland, Brandon Lewis MP, Oral Statement: Wednesday 21st July 2021

With permission Mr Speaker, I will now make a statement on the government's approach to the Northern Ireland Protocol, which is being simultaneously made in the other place by my Rt Hon Friend Lord Frost, Minister of State at the Cabinet office.

The Northern Ireland Protocol was designed to achieve a delicate balance between a number of different aims.

It reflected a truly extraordinary compromise by the Government in 2019 – driven by our steadfast commitment to the Belfast (Good Friday) Agreement in all of its dimensions.

Just over a year afterwards, we also agreed the Trade and Cooperation Agreement: the broadest and most far-reaching such agreement ever struck.

Together, these offered the building blocks of a strong, constructive partnership between the UK and EU, as sovereign equals.

And yet we have not been able to unlock the potential of that new partnership in full yet – and the impact of the current Protocol is at the heart of that.

There is no doubt that we have tried to operate the Protocol in good faith.

We worked throughout 2020 to finalise the areas left open by the Protocol text itself, without of course knowing what the real-world impacts on the ground would be, as is the case with negotiations.

We are planning to invest and are in the process of investing around £500m in delivering systems and support services.

We have worked with businesses to help their preparations for the new trading arrangements.

But as we have sought to operate the Protocol, it is clear that its burdens have been the source of considerable – and ongoing – disruption to lives and livelihoods.

We have seen reductions in supermarket product lines. We have seen more than 200 suppliers decide they would no longer sell to Northern Ireland. We have seen difficulties not just on the famous chilled meats but also on medicines, on pets, on movements of live animals, on seeds and plants.

Nowhere is this more visible than in the fact that the Northern Ireland Protocol means that Northern Ireland accounts for 20% of all the EU documentary checks on products of animal origin – despite a population of only 1.8 million people.

What is worse, these burdens will get worse, not improve over time, as grace periods expire – leaving businesses facing ever more unsustainable burdens.

These impacts risk being felt in the fabric of our Union too.

All dimensions of the Belfast (Good Friday) Agreement need to be respected – Northern Ireland's integral place in our United Kingdom, just as much as the North-South dimension.

Yet there is a growing sense in Northern Ireland that we have not found this balance – seen in an ongoing political climate – a difficult one – protests and regrettable instances of disorder, and strains within a power-sharing Executive already dealing with an unprecedented pandemic.

We have worked with the EU to try to address these challenges. Some avenues for progress have been identified in certain areas. But overall those discussions have not got to the heart of the problem.

Put simply, we cannot go on as we are.

We have therefore had to consider all our options. In particular, we have looked carefully at the safeguards provided by Article 16 of the Protocol.

They exist to deal with significant societal and economic difficulties, as well as trade diversion.

There has been significant disruption to East-West trade, a significant increase in trade on the island of Ireland as companies change supply chains, and considerable disruption to everyday lives.

There has also been societal instability, seen most regrettably with the disorder across Northern Ireland at Easter. Indeed, what can be seen as a false, but raw, perception in the unionist community of separation from the rest of the United Kingdom has had profound political consequences.

These are very serious effects which have put people, businesses and the institutions of the Belfast (Good Friday) Agreement under strain. It is plainly clear that the circumstances exist to justify the use of Article 16.

Nevertheless, we have concluded that it is not the right moment to do so. Instead, we see an opportunity to proceed differently, to find a new path.

To seek to agree with the EU through negotiations a new balance in our arrangements covering Northern Ireland, to the benefit of all.

It is in that spirit that today's Command Paper outlines the new balance we wish to find.

It is a balance which needs to ensure that goods can circulate much more freely within the UK customs territory, while ensuring that full processes are applied to goods destined for the EU.

It is a balance which needs to enable all in Northern Ireland to continue to have normal access to goods from the rest of the UK, by allowing goods meeting both UK and EU standards to circulate there.

And it is a balance which needs to normalise the basis of the Protocol's governance, so that the relationship between us and the EU is no longer policed by the EU institutions and the Court of Justice. We should return to a normal Treaty framework, similar to other international agreements, that is more conducive to the sense of genuine and equitable partnership we seek.

We also recognise our share of responsibility in helping the EU protect its single market. We are willing to explore exceptional arrangements around data-sharing and cooperation; and penalties in legislation to deter those looking to move non-compliant products from Northern Ireland to Ireland.

And I repeat – all of this is entirely consistent with maintaining an open border, without infrastructure or checks, between Ireland and Northern Ireland.

These proposals will require significant change to the Northern Ireland Protocol. We do not shy away from that. We believe such change is necessary to deal with the situation we now face.

We look to open a discussion on these proposals urgently. At the same time, we must provide certainty and stability for businesses as we do so.

So we believe we should also quickly agree a "standstill" period, including maintaining the operation of grace periods in force, and a freeze on existing legal actions and processes, to ensure there is room to negotiate and to provide a genuine signal of good intent to find ways forward.

Mr Speaker, the difficulties we have in operating the Northern Ireland Protocol are now the main obstacle to building a relationship with the EU that reflects our strong common interests and values. Instead of that, we are seeing a relationship which is punctuated with legal challenges and characterised by disagreement and mistrust.

We do not want that pattern to be set – not least because it does not support stability in Northern Ireland.

It is now the time to work to establish a new balance, which both the UK and EU can invest in – to provide a platform for peace and prosperity in Northern Ireland, and allow us to set out on a new path of partnership with the EU.

We have today set out an approach which we believe can do just that.

We urge the EU to look at it with fresh eyes, and work with us to seize this opportunity and put our relations on a better footing. We stand ready to deliver the brighter future that is within reach.

And I commend this statement to the House.

[OTS online webinar](#)

News story

The OTS is holding a webinar on 15 September 2021.



The Office of Tax Simplification (OTS) will be holding a webinar from 2.00 to 3.00pm on Wednesday 15 September 2020 to highlight key areas of its recent and current work.

Led by Kathryn Cearns (OTS Chair), Bill Dodwell (OTS Tax Director) and members of the OTS staff team the event will provide an opportunity

- to hear about the Office's recent Capital Gains Tax and Third Party Data

reviews

- to get the latest on the OTS's exploration of the potential for moving the end of the tax year

There will also be a facility for attendees to submit written questions during the event.

Register for this free event [here](#)

Notes for editors

The OTS is the independent adviser to government on simplifying the UK tax system, to make it easier for taxpayers; it does not implement changes – these are a matter for government and for Parliament.

The OTS works to improve the experience of all who interact with the tax system. It aims to reduce the administrative burden – which is what people encounter in practice – as well as looking to simplify rules, as simplification of the technical and administrative aspects of tax are each important, both to taxpayers and to HMRC.

The OTS is led by Chairman Kathryn Cearns OBE and Tax Director Bill Dodwell and has a small staff team drawn from HM Treasury, HMRC and the private sector.

The OTS published its [annual report](#) for the year to 31 March 2021 on 20 July 2021.

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[Flood Forecasting Centre: a decade of evolution](#)

In 2009, the Flood Forecasting Centre (FFC) brought together experts from the Environment Agency and the Met Office. The partnership soon gained an identity and expertise of its own, evolving throughout its first decade in operation.

Flooding is the top natural hazard risk for England and Wales. Yet up until the FFC was set up there was no coordinated national flood forecasting service. This meant that the emergency responders were often reacting to

events rather than preparing for them.

In 2008, one of the main recommendations of the [Pitt Review](#) was “A joint nerve centre run by the Met Office and the Environment Agency. This would hopefully produce more accurate flood warnings based on pooled information.” The Flood Forecasting Centre (FFC) was born.

The FFC hit the ground running, as the winter of 2009 saw particularly heavy rainfall.

“We had flood events that tested us quite quickly,” says Russell Turner, Hydrometeorology Services Manager at the FFC. The centre rose to the challenge and predicted the Cumbrian floods days in advance.

“You saw the penny drop,” says Russell, “The government had forward briefing of flooding, rather than being on the back foot. And when it was as severe as we said it was going to be, that cemented things for us right at the start.”

Following that initial success, the FFC became a permanent centre. Things then moved very quickly, as Russell explains. “We were recruiting staff at the same time as we were trying to create a new Flood Guidance Statement.”

The statement, known as FGS, was a new concept. The team had to consider what information emergency responders needed and what it might look like. Russell set the design of an FGS as part of the interview exercise for new recruits. “We were developing products right at the same time as we were recruiting,” he recalls.

From day one the FFC has operated 24 hours a day, 7 days a week. This was partly to address previous flood reviews where the action was too late and involved unfamiliar processes.

“By doing it routinely, even when there is little risk of flooding, our forecasters go through the same drill, so it becomes embedded,” explains Russell. “That sets the whole rhythm, as the national incident room and the Government now look at the FGS every day as a matter of course.”

Another key development was the move out of London in 2011. The FFC relocated to the Met Office’s headquarters in Exeter.

“We looked at many options but the number of centres across government which can provide the resilient 24/7 environment we need are very few,” says Russell.

The FFC was able to lower overheads and reduce costs by:

- removing security
- accommodating doubled-up rosters
- moving out of central London

This saved over £1 million a year.

To introduce efficiencies and work in a more focused way, the centre has

streamlined its product list. The FFC used to work on a contractual basis, developing new products when they were asked for them by the parent organisations.

But this was leading to complexity, with nearly 40 different products. Russell Turner and colleagues focused on simplifying the FFC's offering to its customers.

"In effect, we offer one main product, the Flood Guidance Statement, which all the other products and services feed into," he explains. "Customers don't want to know the raw data behind the statement or the probabilities, they want one, easy-to-read message. We don't show people our workings out, they trust us" explains Russell.

One final innovation is the role of the operational hydrometeorologist. Initially, a hydrologist from the Environment Agency and a meteorologist from the Met Office would work alongside each other to create flood guidance. The FFC developed a training programme to integrate skills and understanding. In time this created a team of trained hydrometeorologists.

"Now, as a Service Manager, I can say that every forecast has the same rigorous high quality no matter who produced it," says Russell.

The centre has come a long way since those early days 10 years ago. "Senior staff are really supportive and have said that the FFC is the crown jewels of the relationship between the Environment Agency and the Met Office," says Russell. "That's a very flattering and encouraging thing to hear."

Flood Forecasting Centre: the first 10 years

In June and July 2007, the UK experienced devastating floods:

- approximately 55,000 homes affected
- 7,000 people had to be rescued
- 13 people lost their lives

Following the aftermath of this event, the government conducted an assessment termed the 'Pitt Review'. This helped to see how flood prediction and the response to flooding could be improved for the future.

The review highlighted the need for stronger collaboration between the Environment Agency and the Met Office. A joint body called the Flood Forecasting Centre (FFC) was born.

The Flood Guidance Statement – the FFC’s first product

One of the first services the FFC set up was regular Flood Guidance Statements. These provide advice and information to the responder community on the risk of flooding for 5 days ahead. The statements show the risk in a simple colour-coded system. This makes them easy for emergency responders to read.

The Flood Guidance Statement in action

During the first operational year for the FFC, there were 2 major flood events in the north of England, both forecast ahead of time. Cumbrian authorities were able to use the information provided in the forecast to take action and evacuate households 36 hours before the floodwaters hit.

The Chief Executive of the Environment Agency at that time commented, saying “A big thank you to the Flood Forecasting Centre who were able to indicate this well before it was obvious to the operational staff.”

By 2010, the FFC had become recognised as a permanent part of the emergency response framework. Members of the public could also view the forecasts on the Environment Agency website. In November 2012, 180,000 people visited the website to see the flooding forecast.

Part of the national response

Year after year, the FFC’s forecasts have made a big difference to flood preparation and to people’s lives. The Flood Guidance Statements are created with the input of information from:

- Environment Agency local forecasting teams
- Natural Resources Wales

Emergency services have used these since the FFC was set up in 2009. The service has become essential to flood preparation. The FFC is now invited to attend high level government meetings focused on flooding. At these meetings the FFC brief ministers and even the prime minister.

The Flood Guidance Statement and flood barriers

In 2016, 40 kilometres of temporary barriers were placed in locations across the UK to help reduce flood risk. This shows how much faith is placed in the accuracy and value of the guidance produced by the FFC. These barriers were used in Bridgwater, Somerset in 2016 and helped protect housing from flooding. An emergency responder commented on the work of the FFC “If you forecast it, it happened.”

The FFC – always improving its service

Since 2009 the Flood Guidance Statements have become more complex. They now include information on all 4 natural sources of flooding:

- coastal
- surface water
- groundwater
- river flooding

The FFC has also introduced new services:

- the coastal decider tool – forecasts the risk of coastal flooding up to 15 days ahead
- the monthly Flood Outlook product

The future of the FFC

Looking ahead, climate change is likely to increase the duration and intensity of flood risk. The services provided by the FFC will evolve to mitigate these challenges. For example, using improved supercomputing power to increase the accuracy of forecasts.