

Inspection Report Published: An inspection of the EU Settlement Scheme (April 2019 to August 2019)

My second report on the EU Settlement Scheme was sent to the Home Secretary on 30 September 2019. While the data for applications, outcomes and the efficiency of the Home Office's processes are now historic, I believe that the bulk of my findings and recommendations remain current.

The Home Office has accepted or partially accepted eight of my nine recommendations. Most of the recommendations were aimed at improving the way the Scheme operates for vulnerable and hard-to-reach individuals, and applicants who are finding the process difficult. Given the Home Office's considerable efforts to date to make the EUSS a success, I imagined that I would be pushing at an open door. Some of the responses are less positive and constructive than I had hoped.

Ahead of the creation of a new Independent Monitoring Authority (IMA), in line with my statutory remit, I will continue to monitor and report on how the EUSS is working and make recommendations to the Home Secretary regarding what requires improvement.

While ICIBI's detailed inspection process and reporting arrangements cannot keep pace with the roll out of the Scheme, I hope that any future reports are published more quickly, since it is in everyone's interests that the EUSS is, and is seen to be, subject to effective independent appraisal.

Northern Powerhouse Rail and HS2

Good morning everyone.

It's a real pleasure to be able to join you today in Manchester for this conference, and to introduce myself as the new minister for the Northern Powerhouse Rail and HS2 projects in the Department for Transport.

While that is a new brief for me, being in Manchester is familiar territory for me.

Because this is the city I was born in.

I was in the city centre, shopping with my mother, back in 1996 when the IRA detonated the Manchester bomb – an experience that will always live with me.

And before entering Parliament, I worked as an insurance broker here.

And the past 10 years now I have represented Pendle, just up north in Lancashire.

Originally, my father's side of the family are the north-east of England, from Shildon in County Durham.

Which any historians in the room will know, was the birthplace of the railways.

It was there in Shildon in 1821 where my namesake, George Stephenson, helped build the world's first public railway serving the Durham coalfields.

And though sadly I can't claim to be a descendent of that great man.

I am proud that both my father and my grandfather worked for British Rail, worked in the Shildon wagon works.

Help forging the steel to build the goods wagons to carry coal round the north of England.

That's before the family moved to Manchester in the 1960s.

But that's not my only connection with the rail industry.

Between June 2017 and January 2018, I was the government's transport whip.

And I learnt a lot about modern railways and digital railways last year whilst I served briefly as a minister in the Department for Business, Energy and Industrial Strategy.

My portfolio covered the rail supply chain and the construction sector.

So I enjoyed a number of fascinating visits to manufacturers like Bombardier, also SMEs in places like Derby and Crewe.

Considering this background.

It was a huge honour last week to be given responsibility for HS2 and for Northern Powerhouse Rail in this new government.

The 2 biggest and most important rail projects for the north of England since the Victorian era.

This is an historic challenge.

But it is also an unprecedented opportunity.

To reverse decades of underinvestment in our northern railways.

To fire up the northern economy, just as the original railways did.

And to create the capacity and the connections that I believe will redefine

rail travel for northern passengers.

But before I speak about our plans for the railways, let me first place them in context.

As was alluded to in the introduction to my speech, in December's general election, millions of voters across the North placed their trust in this government.

Many of them, as we all know, voting Conservative for the first time.

They sent a resounding message.

That communities here feel left behind – disconnected from the growth and wealth they see elsewhere in the UK.

And as the Prime Minister so rightly promised, we must never take their support for granted.

And we have a mandate for change, and we need to get on and deliver for those people in the north of England.

But what are we aiming to achieve, and how will we succeed?

You'll have heard a lot of discussion since the general election about "levelling up" and rebalancing our country.

In government we often talk about our vision for the economy.

We've got a modern industrial strategy where we set out plans to create good jobs and prosperous communities across the United Kingdom.

But that doesn't happen in the abstract.

It happens in cities, in towns and in villages across the country.

And it happens by creating the conditions firms need to grow in each and every one of those places.

My job is to create those conditions for communities here in the north of England.

When transport provision is unreliable or overcrowded.

It acts like a drag on business and enterprise.

Yet when we provide our towns and cities with ample, reliable transport, we can turn them into fertile magnets for growth and investment.

Supporting a more diverse, more vibrant economy which makes the most of the incredible potential we have here in the north.

Yes, the north has an incredible back story to tell, of the industrial revolution that led the world in the 19th century.

But it's what's going on now and in the years ahead that really excited me.

Just down the road here in Manchester, often talked about we have the [Graphene Institute](#).

Graphene.

The industrial material of the future.

A superlight, super-strong, one atom thick.

Isolated for the first time by scientists in this city.

An achievement for which they were awarded the Nobel Prize for Physics.

I want to harness the skills and resources of the north for the next industrial revolution.

To support biosciences and creative industries in Yorkshire.

Software and app development across Merseyside.

Media City in Salford.

Digital and health technologies in the north-east.

Cutting edge enterprise hubs.

Clusters of excellence, building on a long history of northern innovation.

Each one unique.

Yet all dependent on the same infrastructure.

To connect them with suppliers, customers, and skilled staff.

To plug them into the wider economy.

To collaborate.

And to help them compete, regionally, nationally and globally.

That's the challenge we face.

Like so many other northerners, I've been frustrated over the years as all the decisions seem to be taken away by civil servants and ministers in London, and we've had so little say on the decisions that affect us directly.

But thankfully, that is now changing.

In fact, this government has already devolved decision-making powers to metro Mayors representing almost half of the north of England.

Devolution deals are delivering vital improvements already.

Like dualling the A6 in Greater Manchester.

Expanding Teesside International Airport.

And in Liverpool City Region, building the largest train modernisation facility in the UK.

We've also established [Transport for the North](#).

And through our [Transforming Cities Fund](#), we're delivering more than £1 billion to Metro Mayors over the next five years.

Supporting a range of pioneering projects.

From the regeneration of Darlington and Middlesbrough train stations, to the 'Bee Network' of cycling and walking schemes here in Manchester.

Look at how the metro link has helped transform Salford Quays.

And given small creative firms in the northern quarter easy access to what is now a major media hub.

Proof that local transport initiatives and infrastructure helps to create the conditions for businesses to thrive.

Our new devolution white paper – set for publication later this year – will clear the way for more communities across the north of England to agree their own devolution deals.

And we'll be going further to give devolved Mayors the money they need to upgrade local transport with a new £4.2 billion fund to deliver cleaner, greener buses, trains, cycleways and wider roads.

To further boost local and regional rail services.

And to tackle the disconnection that many communities feel.

We're rebuilding lines which were swept away during the Beeching cuts in the 1960s and '70s.

The programme includes reopening Northumberland's Ashington-Blyth-Tyne railway line and restoring the Fleetwood route in Lancashire.

We've pledged [£500 million so far](#), but as more proposals emerge, we expect to increase funding as we have many truly transformational schemes by the end of this parliament.

We've also stepped in to sort out northern rail services, to make reliability our top priority, and rebuild passenger trust in the network.

The rollout of new trains continues.

By May all the remaining Pacers will have been replaced with more modern, reliable, and comfortable services.

And we will soon complete our programme to extend platforms across the northern network – including on the Penistone Line and from Leeds towards the Calder Valley – so longer trains can run.

But to really address overcrowding on the network, and provide the connections required to stimulate renewal across the north, we need to build new capacity.

New rail links north to south, and east to west.

That's why we're going ahead with both HS2 and Northern Powerhouse Rail.

These are not 'either/or' projects.

They are both crucial to our future prosperity.

HS2 is not simply a project that the north and Midlands benefit from.

It is a project for these regions.

Transforming journeys.

Liberating new capacity on the existing railway.

Connecting communities.

And unleashing their potential.

The critics who say that HS2 will only benefit London are simply wrong.

They ignore the voices in towns and cities across the north.

They ignore the businesses and passengers who are crying out for investment and change.

They ignore people in my own constituency of Pendle.

I am proud to be a northern MP, tasked with ensuring these historic projects are delivered and run for the benefit of the people here.

But that also means we have to have realistic, pragmatic and hard-nosed management of the costs, and a determination to unleash benefits that will revitalise the north.

I've been a long-term supporter of HS2.

But I've equally watched with deep concern as costs have risen and deadlines have been put back.

Very simply, that can't continue.

We need to have a much better, improved approach from HS2 Ltd this time.

The company has a new budget for Phase 1, and now must deliver it.

No ifs, no buts.

Community engagement must improve too.

Too many times I've heard stories of unacceptable treatment of those impacted by this line.

There will be disruption, we can't avoid that.

But we must manage this work professionally and efficiently, while always being sympathetic to those affected.

And finally, we need tangible, stringent measures to ensure accountability.

So everyone knows their responsibilities.

With forensic scrutiny from a dedicated minister invested in its success.

Now I know that HS2 is up to this challenge.

It has some fine minds and excellent people working on the project.

But it needs to regain the public's trust.

The entire energy of government must now be behind this project.

Together with the Secretary of State, I'll be hosting regular cross government meetings, as happened with the Olympics.

We must get this project right.

In terms of next steps, we will be bringing forward legislation for the high-speed line into Manchester as soon as practical.

But before those designs are finalised, we're going to be presenting one Integrated Rail Plan for the North and Midlands.

The plan will examine how HS2 and Northern Powerhouse Rail can best work together, alongside wider investment in Transport for the North and the Midlands.

To make sure people see the benefits of better services as quickly as possible.

I am personally committed to ensuring the north and Midlands are fully engaged and consulted throughout the Integrated Rail Plan process.

I will lead this programme, and will engage formally with leaders, TfN and Midlands Connect Boards.

Through a series of roundtables and visits, as I travel across the North and Midlands, and really get to grips with the priorities for these regions.

But let me be clear.

By keeping a firm grip on the cost.

By ensuring communities are treated with care and respect.

And by making sure the voices of local people are taken into account throughout.

We will succeed in doing something no government has done for well over a century.

By building a modern railway network for the north and Midlands that will finally level up our country.

So, to conclude.

I'm thrilled to have taken on this new challenge.

To be able to give something back to the place where I grew up is a huge honour.

Something that will shape the growth of the north, not just for decades, but for generations to come.

We've achieved a great deal over the past 10 years.

Here in the north, we've doubled foreign direct investment.

More people are in work than ever before.

And the region now boasts 200,000 more businesses than in 2010.

But we know this was only the start.

Now austerity has been consigned to history.

Now we've delivered Brexit.

It's time to repay the trust of northern voters.

To show communities here that they've not been left behind.

And use the railway to deliver a new Northern Powerhouse.

Thank you.

Letter from the Chancellor to the

Chair of the OBR

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Government to help businesses with off-payroll working rules

- new initiatives will support businesses and individuals as the changes come in
- HMRC will take a light touch approach towards penalties, except in cases of deliberate non-compliance

The government has today announced a package of measures designed to support the roll out of off-payroll working rules.

The rules, which already apply to the public sector and ensure two people sitting side by side doing the same work for the same employer are taxed in the same way, will come into effect on 6 April 2020. The government is confirming its intention to proceed with the reforms today.

After engaging with stakeholders including businesses, tax professionals and contractor representatives, the government has today published its review into the rules and announced a series of measures to address concerns and ensure the smooth implementation of off-payroll working rules. Under the measures:

- businesses will not have to pay penalties for inaccuracies in the first year, except in cases of deliberate non-compliance
- [detailed guidance](#) on the reforms has been published by HMRC
- HMRC will ramp up its communications efforts, including webinars and guides, to support contractors' understanding of the rules. This will complement the significant work already in train to support businesses to prepare
- the government reiterates that new information from the changes will not

be used to open investigations into Personal Service Companies (PSC) for past tax years, unless fraud or criminal behaviour is suspected

Financial Secretary to the Treasury Jesse Norman said:

It is only right that the off-payroll rules are applied consistently across all sectors. Two people sitting side by side doing the same work for the same employer should be taxed in the same way.

Following a review the government is announcing a package of measures to help individuals and businesses implement these changes smoothly.

The government will also introduce a legal obligation on organisations to respond to requested information about their size from the agency or worker, to make it clearer who is responsible for determining the worker's tax status.

The government values the vital role that the self-employed have in the UK labour market. The rules only apply to individuals who are working like employees under the current employment status tests, and do not apply to the self-employed. The government is also committed to ensuring that businesses can still design their workforces that makes most sense to them.

Off-payroll working rules, known as IR35, were introduced in 2000 to ensure that someone working like an employee, but through a company, pays similar taxes to other employees. The cost to the Exchequer of non-compliance with off-payroll working rules is estimated to reach £1.3 billion a year by 2023-24, depriving public services of vital funds.

The reforms, announced in the 2018 Budget, are designed to tackle non-compliance with the off-payroll working rules by making medium and large organisations in the private and third sectors responsible for determining the tax status of contractors and ensuring that the right employment taxes are paid. The reforms have previously been implemented in the public sector.

Further notes

- as part of the review, the government held a series of roundtables with stakeholders representative of those affected by the reform, including contractor groups and medium and large-sized businesses, to understand how the government can ensure smooth implementation of the reforms
- the government announced in the 2018 Budget that small businesses are exempt from the reforms
- the government carried out further internal analysis, including evaluation of the enhanced Check employment status for tax (CEST) tool and public sector bodies' experience of implementing the reform to the off-payroll working rules in 2017

Key stage 1 SATs replacement to be rolled out from September

From September all new primary school pupils will take the new reception baseline assessment (RBA) that will replace SATs in year 2.

Following successful pilots all over the country, the RBA, a one-to-one exercise done in 20 minutes with a teacher in an informal setting, will be taken by all children in their first six weeks of primary school.

The move paves the way for the removal of the national curriculum assessments at the end of key stage 1 from 2022/23 – commonly known as SATs – when pupils are aged six- or seven-years-old.

It comes after a validity report based on a national pilot confirmed that the new assessments provide an accurate assessment of a pupils' starting point from which to measure the progress they make in primary school.

School Standards Minister Nick Gibb said:

It's hugely important that we understand how much progress primary schools help their pupils make.

This new teacher-led check will replace the SATs taken at the end of year 2 to give a better understanding of a child's starting point when they arrive at school and reduce the number of assessments in primary schools overall.

A new report analysing the effectiveness of the RBA found:

- the assessment is representative of a range of literacy, communication, language and mathematics skills and knowledge appropriate to the age and development of children at the start of reception.
- assessment results provide a fair and accurate measure of pupil performance – including for those with special educational needs and disabilities; and
- pupil performance is comparable within and across schools.
- evidence from the pilot shows we expect over 90% of assessments to be completed within 20 minutes

NAHT General Secretary, Paul Whiteman said:

The NAHT welcomes the transparency and openness shown by Standards and Testing Agency through the publication of this report and we are pleased to see that the government has reiterated its intention

to remove SATs at the end of year 2.

NAHT has long argued that it makes little sense to take a baseline measure for progress midway through the primary years, as is the case now, effectively ignoring the incredible work and progress made in those critical first few years of school.

The introduction of a reliable and workable baseline assessment to replace year 2 SATs has the potential to be a fairer way of measuring progress and means we should finally start to see the reduction in the volume of high stakes testing in primary that NAHT has long called for.

The reception baseline assessment has been designed to reflect the types of assessment that most schools already carry out in reception. It will take roughly 20 minutes, be carried out one-to-one with pupils, and does not have a pass mark.

Children will be assessed orally through simple, practical tasks which could include counting or describing pictures, reflecting the types of activities which many parents already do with their children at home. There is no need for teachers or parents to prepare pupils for the assessment.